Integrated Impacts Framework for Cities

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Integrated Impacts Framework for Cities
Understanding and empowering cities
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Current structures, decision-making processes and procedures in cities struggle with the magnitude of the challenges they face. Individual city entities have insufficient understanding of the wider problem and the incentives to follow a concerted adaptive strategy. The consequences are suboptimal long-term outcomes for the entire system and increasing "decision-paralysis." The table below lays out the reasons why cities will struggle to deal with these problems:

Issue:
Single entities in cities, such as the municipal authorities, the transport company or corporate entities, usually optimize themselves from their own perspective, rather than that of the city as a whole.

Performance and resiliency drivers	Challenge	Inherent city characteristics
Build up and maintain **effective infrastructure**	Stretched finances and **funding problems**	Urgent need to create **new business and economic models** to fund the multi-impact infrastructural investments needed
Leverage technology for economic growth (Smart Cities technologies with high expectations)	IT investments are often **not needs-based,** failing to address the human aspects of technology change	No history and skills in cities in getting **complex technologies** to work
Align decision-making with **the common good**	**Silo**-ed and non-hierarchical organisational **structures and interests**	Need to widen city **instruments and processes** to drive wise decision-making across multiple stakeholders
Engage citizens in decision-making	**Lack of incentives** and vision to bring citizens into a wider engagement	**Lack of experience and structures** to engage citizens
Understand the **impacts** of a city through an integrated lens	No **integrated impacts framework** exists to bring together city stakeholders	Big challenges require improved partnerships across multiple city entities and stakeholders

Source: Fronesys

These constraints need to be overcome in an ever-faster changing and complex environment, so that the city system as a whole can be sufficiently adaptive and resilient. While cities have wide-ranging assets and impacts, suitable mechanisms do not exist currently for these to be assessed, understood, shared, managed and measured in a holistic way that is easily understood by its different stakeholders.

The need for an integrated framework

The International <IR> Framework (see diagram below) was created to help companies think, manage and report in a holistic way. It is the world's first reporting approach based on an understanding of how organisations create value, with value being defined through the use of six different capitals: financial, manufactured, natural, human, social and relationship, and intellectual capitals.

Based on its experience and understanding of the International <IR> Framework, Fronesys (a UK-based sustainability advisory service) believes that using a value-based approach will help cities and their entities deliver the integrated thinking required to address their complex, inter-related problems.

The Fronesys *Integrated Impacts Framework for Cities* is grounded in a holistic view that enables a city to optimize not only its economic value, but also its social, human and natural values. It considers both **efficiency** in terms of sustainable value generation as well as **resilience** in considering how a city can meet the internal and external challenges it faces. The framework can also make use of new Smart Cities technologies, such as open data, that offer new ways of understanding and visualising complex systems. Ultimately, a value-based approach will equip cities to achieve improved **transparency** and accountability.
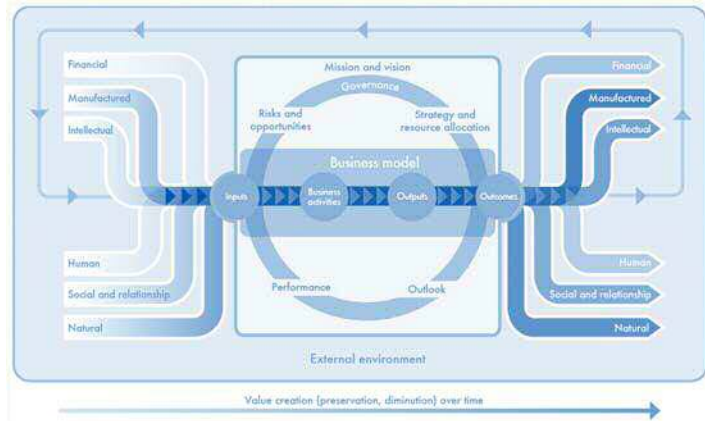

Figure 1: © International Integrated Reporting Council, used by kind permission

While <IR> is designed for use by single entities, the *Integrated Impacts Framework for Cities* currently under development by Fronesys extends the value-based approach of <IR> into the multi-entity approach needed for cities.

To find out more about Integrated Reporting, please see www.integratedreporting.org.
To learn more about the Fronesys approach, please see http://www.fronesys.com/blog/2014/11/fronesys-promotes-smart-cities-impact-analysis-at-the-world-bank.html