

**Business Sector comments on the Indicators
March 2016**

The Business sector welcomes the final draft of indicators submitted by the Open Working Group as its report to the Statistical Commission. The task handed to the Open Ended Working Group was tremendous in scope and complexity. The proposed list is the result of extensive discussions over the past year to achieve a practical, yet encompassing, set of measures to benchmark progress on the Sustainable Development Goals.

As noted by in the conclusions of the Statistical Commission in March 2016, work still remains to be able to finalise some of the indicators, notably because in some areas methodologies and data sets need to be defined and identified. Others need further refinement and additional synergies could be found to make reporting easier.

The business sector particularly welcomes:

- The addition of the rural/urban disaggregation in 1.1.1¹
- The strengthening of the dimension of access to land aspect with the addition of a new indicator under 1.4².
- The additional indicator under 2.a³ on total flow of ODA to agriculture which will help track levels of support to agriculture globally
- The addition of the income dimension under 2.3. is positive. If data is not immediately available, it could be covered by using the data provided for indicator 1.1 as a proxy, while a methodology and data sets are set up to more fully account for the dimension of farm incomes. We would recommend that the indicator covers all farm incomes, rather than just smallholders, and is disaggregated by family farms in the long term if possible.
- The more positive and encompassing proposed indicator under 2.4⁴ under the concept of 'sustainable agriculture'. Recognising the multiple dimensions of sustainability requires including productivity as part of sustainability, IAFN recommends that as the definition of sustainable agriculture is developed, it includes productivity and farmer income along with environmental practices. Measurements should reflect the interlinkages between productivity and sustainability. The concept of sustainable intensification can provide a basis for considering how 'sustainable agriculture' is defined.
- The more appropriate and more encompassing indicator proposed under 14.1⁵. The inclusion of an "Index of Coastal Eutrophication (ICEP) and Floating Plastic Debris Density" offers the opportunity to measure more accurately the dimensions of ocean pollution than what was previously proposed.
- The broader understanding of innovation as now reflected under 12.a.1⁶ with the indicator on support to developing countries for R&D on SCP and technologies, rather than the

¹ 1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)

² 1.4.2 Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure

³ 2.a.2 Total official flows (official development assistance plus other official flows) to the agriculture sector

⁴ 2.4.1 Proportion of agricultural area under productive and sustainable agriculture

⁵ 14.1.1 Index of Coastal Eutrophication (ICEP) and Floating Plastic Debris Density

⁶ 12.a.1 Amount of support to developing countries on R&D for sustainable consumption and production (SCP) and environmental sound technologies

previously very narrowly defined indicator on green patents. However how 'environmentally sound' technologies is defined needs to be carefully considered.

These positive additions or edits make the proposed list of indicators a more complete and accurate measure of the SDGs. IAFN would nonetheless note with concern that some indicators have been reframed in a more restrictive fashion:

- on 2.3.2⁷, we welcome the addition of a dimension of income to measure the resilience of rural populations. However, the indicator is now restricted to "small-scale food producers by sex and indigenous status". While the income dimension is positive, focusing small scale food producers is limiting as it is important to understand how this dimensions affects different farmers, including fishermen and livestock or dairy farmers, which are not necessarily included in 'smallholders'. It is also unhelpful in the context of the SDGs which are meant to be universal, as many countries may not have 'small scale' farmers to report on. We would suggest the indicator focus simply on the income of farmers or family farms, disaggregated by sex and age.
- with regards to 5.1. on women's access to resources⁸, the indicator is now unfortunately more restrictive because the calculation will be limited to agricultural populations. Access to economic resources is not an issue only in rural areas or in the context of farming so it should not be restricted to agricultural land. The use of the word 'agricultural' instead of 'rural' is also questionable. In many settings, many families will have diversified livelihoods strategies that involve farming and other work so differentiating between 'rural' and agricultural' is impractical and risks leading to inaccuracies.
- 8.3.1 continues to restrict the measurement of informal employment to non-agricultural employment. This restraint on scope should be removed as it is not necessary to support the target and implies that employment in agriculture is unattractive or unimportant or that farms are not businesses⁹
- For indicator 10.5.1 since any global agreements would require domestic implementations, Proposed revised indicator could read "number of countries which adopt and enact serious financial reforms" A useful proxy indicator for financial soundness could be the implementation by countries of the Basel III Regulatory framework to strengthen the regulation, supervision and risk management of the banking sector. The Basel Committee produces regular implementation reports. A reference to the ECOSOC Committee of Experts on International Cooperation in Tax Matters would be useful, since the work done by this body reflect relevant indicators.

In line with the comments made by member states during the meeting of Statistical Commission in February 2016, IAFN wishes to outline possible areas where synergies could be found between proposed indicators to help further streamline the current list.

Potential areas for synergies and streamlining

⁷ 2.3.2 Average income of small-scale food producers, by sex and indigenous status

⁸ 5.1.1 "Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure"

⁹ 8.3.1 Proportion of informal employment in non-agriculture employment, by sex

- 1.4.2 and 5.a.1 could be supported by the same indicator as both are about access to land. Proposed revised indicator could read: “a) Proportion of total adult population with ownership or secure tenure rights to land, disaggregated by sex and age, and rural/urban”.¹⁰
- Under 2.3.2 - For farm incomes, indicator 1.1.1 could be used as proxy to estimate the level of agricultural incomes by cross referencing data under 1.1.1. with existing data on the share of population engaged in agriculture in each country. The rural/urban disaggregation provided in 1.1.1 is not an equivalent to measuring incomes of farm families because it is focused on poverty levels, but it does provide a useful sense for resilience of incomes over time. As most countries already gather data on how the active population is shared between economic sectors, using both data sets would be a good way to infer whether agricultural incomes are sufficient to bring rural families above the poverty line without creating the need for additional data collection, at least while progress are made on data availability in this area.
- For 2.4 the same calculation used in 2.3.2 could be one of the component of the ‘sustainable agriculture’ indicator to help measure farmers’ resilience.
- For innovation, could use 9.5.1 to also support 12.a.1. Innovation in general supports greater efficiency and improved production processes so it could be sufficient for 12.a.1 and help resolve the issue that ‘SCP’ cuts across many sectors and types of technologies while ‘environmentally sound technologies’ are not an agreed and defined sets of technologies, whereas measuring R&D investment is easier and already done. It could be further disaggregated by sectors¹¹. In a similar way, 17.7.1 could also use 9.5.1 with a sectoral disaggregation as it is also focused on environmentally sound technologies in the context of climate change¹².

IAFN looks forward to further engagement with Members States and other stakeholders on the proposed list of indicators in the months to come, with the objectives of an agreed set of tier 1, tier 2 and tier 3 indicators agreed by September 2016.

¹⁰ 1.4.2 Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure

5.a.1 (a) Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure

¹¹ 9.5.1 Research and development (R&D) expenditure as a proportion of GDP

12.a.1 Amount of support to developing countries on R&D for sustainable consumption and production (SCP) and environmental sound technologies

¹² 17.7.1 Total amount of approved funding for developing countries to promote the development, transfer, dissemination and diffusion of environmentally sound technologies