Rationale for the adjustments of the SDG indicator 2.4.1 metadata proposed by FAO

To the attention of the IAEG-SDG

Proposed changes:

- **Use of biodiversity supportive practices (one of 11 sub-indicators):**
    - Name of the sub-indicator changed to "use of agro-biodiversity supportive practices"
    - Criteria 1: Remained the same
    - Criteria 2: Removed "do not use synthetic pesticides, does not purchase more than 50% of the feed for livestock" and added "medically important". The revised criterion reads as "farms does not use medically important antimicrobials as growth promoter".
    - Criteria 3: Removed the 10% threshold and revised the criterion as "at least two of the following contribute to farm production: 1) temporary crops, 2) pasture, 3) permanent crops, 4) trees on farm, 5) livestock or animal products, and 6) aquaculture".
    - Criteria 4: **Revised** as "practices crop or crop/pasture rotation involving at least 2 crops or crops and pastures on at least 80% of the farm agricultural area (excluding permanent crops and permanent pastures) over a period of 3 years. In case of a 2-crop rotation, the 2 crops have to be from different plant **genus**, e.g. a grass plus a legume, or a grass plus a tuber etc."
    - Criteria 5: **Removed** entirely "the area under a single continuous commodity is not larger than 2 hectares (excluding pasture), and areas larger than 2 hectares under a single commodity use at least two different varieties".
    - Criteria 6: **Removed the 50% threshold** and **the breeds at the risk of extinction** from the criterion and the **revised** criterion read as "Livestock includes locally adapted breeds.
    - New criterion on **organic** farming is **added**: Depending on whether organic certification system exists, countries will select one of the two proposed set of criteria and in turn will be evaluated/scored differently in terms of their sustainability status.
    - According to this formulation, to secure green status, farms in countries with organic certification in place, will have to check 3 out of 6 criteria.
    - On the contrary, farms operating in countries with no organic certification in place, will have to check 2 out of 5 criteria for obtaining the green status.
- **Farm Output Value per Hectare:** Removed the condition "farms purchasing more than 50% of livestock feed".
- **Management of pesticides:** Better worded the description of Green (desirable) status "The farm uses only moderately or slightly hazardous pesticides (WHO Class II or III). In this case, it adheres to all three health-related measures and at least four of the environment-related measures. Default result for farms not using pesticides**".**
    - Revised "Adherence to label recommendation" to "label directions"

  - Removed the criteria on "Use of pest resistant/tolerant cultivars, disease resistant/tolerant livestock breed and standard/certified seed and planting material"

- **Wage rate in agriculture: Removed** the condition "the holding has fair labour certification". Better worded the description of Green (desirable) status which reads "If the wage rate paid to unskilled labour is above the minimum national wage rate or minimum agricultural sector wage rate (if available). Default result for farms not hiring labour".

- **Editorial changes and explanations:** Minor editorial changes made with having no implications for the methodology.

  - **Net farm income:** Definitions added to better explain estimation of profit in case countries decide on using the sophisticated approach.

  - **Variation in water availability:** Better worded the description of Green (desirable) status as "water availability remains stable over the years, for farms irrigating crops on more than 10% of the agriculture area of the farm. It is automatically green for farms irrigating less than 10% of their agricultural area".

  - **Management of fertilizers:** Better worded the description of Green (desirable) status as "The farm takes specific measures to mitigate environmental risks (at least four from the list above). Default result for farms not using fertilizers".

The set of proposed changes, primarily in the bio-diversity sub-indicator, is a compromise proposal by FAO in response to several electronic discussions and email exchanges that have taken place over the past several months with a number of countries, and to some extent the private sector.

Since the indicator's reclassification as Tier II in November 2018, FAO was approached by several countries suggesting that the bio-diversity indicator in its current formulation may not be applicable or relevant to certain country contexts. During the process, in first half of 2019, FAO constituted an informal group convening the countries that had expressed concerns and provided specific comments (i.e. Argentina, Brazil, Canada, Chile, France, Russia and USA). The group was co-led by Canada and USA, with a clear mandate to provide specific inputs for the refinement of the biodiversity sub-indicator, with a view to maximizing its relevance to different countries and situations. In the process, FAO assumed the role of an observer, facilitator and technical knowledge contributor. The adjustments/refinements proposed in the methodology are a result of these iterative consultations and several rounds of discussions. The proposed changes will make the methodology even more robust and universally relevant and applicable.

For these reasons and in order to ensure an accurate monitoring and reporting on indicator 2.4.1, FAO submits the attached revised metadata document for the IAEG-SDG's approval. FAO would also like to recall that it has previously submitted a data collection plan for this indicator in the context of the 2020 Comprehensive Review, and that an expeditious ratification by the IAEG-SDG of the proposed changes is essential in order to keep to the schedule envisioned in that plan.