Background

In accordance with <u>GA Resolution 71/313</u>, the Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs) will conduct a Comprehensive Review of the global indicator framework in 2024 with the aim to submit its proposed revisions, replacements, additions and deletions to the 56^{th} session of the United Nations Statistical Commission in March 2025 for its consideration.

Types of proposal

Proposals will fall into one of these four groups:

- A. **Replacements**: a proposal to replace an existing indicator for an SDG target with a different indicator; will be considered if the existing indicator does not map well to the target or does not track the target well.
- B. **Revisions/adjustments**: a proposal to revise or adjust an existing indicator for an SDG target; will be considered if the current indicator does not map well to the target or does not track the target well.
- C. Additions: a proposal to add an additional indicator for an SDG target; may be considered only in exceptional cases when a crucial aspect of a target is not being monitored by the current indicator(s) or to address a critical or emerging new issue that is not monitored by the existing indicators.
- D. **Deletions**: a proposal to delete an existing indicator for an SDG target; may be considered when a tier II indicator has not been able to submit any data to the global SDG monitoring or is proven to be challenging for countries to implement. A proposal to delete an indicator will not be considered if it is the only indicator monitoring the corresponding target.

Guideline/checklist

To help prepare the proposal, below are some guiding principles and helpful and/or required information. The IAEG-SDGs will <u>not</u> be able to properly review and consider submissions without the required information.

- The review aims to maintain the same number of indicators currently in the framework to not alter significantly the original framework, which is already being implemented in most countries and to not increase the reporting burden on national statistical systems.
- A proposed indicator must have an agreed methodology (tier III indicator proposals will not be considered) and
 data available for at least 40% of countries and of the population across the different regions where the indicator is
 relevant and be suitable for global monitoring.
- The addition of a sub-indicator within an existing indicator is discouraged as it adds to the reporting burden.
- Each submission proposal must include:
 - o Background and rationale for the indicator proposal
 - o Information on how and when the methodology has become an international standard and who is the governing body that approves it (except for proposals to only delete an indicator)
 - o Link to available data and/or link to where data can be located (except for proposals to delete an indicator)
 - o Completed metadata template (except for proposals to only delete an indicator). The metadata of proposed revisions/adjustments must be submitted with the track changes.
- Except for proposals to delete an indicator, it is highly recommended to consult the appropriate custodian agency(ies) prior to submitting the proposal to use their indicator.

For more information on the 2025 Comprehensive Review process, please refer to the following webpage.

ALL PROPOSALS MUST BE SUBMITTED ONLINE. PLEASE SUBMIT THE COMPLETED FORMS AT:

bit.ly/2025 review BY 30 APRIL 2024

If you encounter issues with the online form, please contact the IAEG-SDGs Secretariat (statistics@un.org).

To be completed by and submitted to the Secretariat for the IAEG-SDGs review during the 2025 Comprehensive Review. All fields are required unless otherwise indicated; incomplete forms will not be considered. *Please use one submission form per proposal. If you have more than one proposal, please submit one form for each proposal.*

	_	Submitter information		
Please enter information about	t the focal			
Full Name:	Click or tap here to enter text.			
Agency/organization name: Email address:	UNIDO			
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		Type of proposal		
1. This is a proposal for a(n): (p	olease seled			
☐ REPLACEMENT : to r	eplace an	existing indicator for an SDG target w	vith a different indicator.	
☑ REVISION/ADJUSTM	1ENT : to re	vise or adjust an existing indicator fo	r an SDG target.	
\square ADDITION : to add a	n addition	al indicator for an SDG target.		
☐ DELETION : to delete	e an existir	ng indicator for an SDG target.		
2. Please enter the SDG Target	this propo	sal is for (please enter the SDG targe	t number. For example, 11.c):	
9.3				
3a. For " REPLACEMENT " or " D l	ELETION " p	proposals, please enter the indicator	name <u>and</u> number you are proposing to	
replace or delete:				
Click or tap here to enter tex	t.			
3b. For "ADDITION" proposals,	please ent	ter the name of the indicator you are	e proposing to add:	
Proportion of small-scale indu	ustries in to	otal industry value added		
3c. For "REVISION/ADJUSTMEN	JT" propos:	als, please enter the existing indicato	or name and number you are proposing to	

Proportion of small-scale industries in total industry value added

revise/adjust:

UNIDO proposes to report this indicator according to two series:

9.3.1.a: Proportion of small-scale industries in total industry value added based on international classification (current series)

9.3.1.b: Proportion of small-scale industries in total industry value added based on national classifications (new series)

Overview of proposal

4. Background and rationale for the proposal (please provide a summary of the rationale for the proposal)

According to the agreed metadata for SDG 9.3.1, "small firms" are defined as firms with less than 20 persons employed, on average, during the reference period. This definition was proposed by UNIDO based on the size classes recommended in the International Recommendations for Industrial Statistics (2008), and approved by the IAEG-SDGs. Furthermore, this is in alignment with the current practice in the World Bank Enterprise Surveys, which is the "proxy" data source for SDG 9.3.2. UNIDO has been collecting data directly from NSOs based on this definition.

However, most countries have their own classification systems for enterprise/establishment size, utilizing various variables such as number of employees, turnover, assets, etc., along with different size class thresholds. The definition of size classes is often tied to legal and policy frameworks in many countries, influencing registration procedures, taxation, and policies aimed at promoting small-scale firms. Consequently, it is challenging for countries to adopt a universal definition of small-scale industries, which has inevitably lead to low response rates for this indicator (only about 30% of countries report data regularly, mostly high- and middle-income countries).

To enhance data coverage, UNIDO proposes to additionally report SDG indicator 9.3.1 based on national classification systems. Although this will compromise international comparability, it will significantly improve data coverage. UNIDO will continue reporting the indicator based on the approved international classification to ensure international comparability, wherever feasible. Therefore, SDG 9.3.1 will be reported according to two series under this proposal.

5. Please indicate how and when the methodology has become an international standard and who is the governing body that approves it (except for proposals to only delete an indicator).

The proposed methodology was reviewed and endorsed by UNIDO, the custodian agency, following the 2024 SDG reporting cycle. Accordingly, the new surveys, scheduled for dissemination in spring 2024, will additionally gather data based on national classifications, which will then allow to computation of the SDG 9.3.1 indicator based on national classification systems for the 2025 SDG reporting cycle.

6. Link(s) to available data and/or to where data can be located to demonstrate the 40% coverage threshold (except for proposals to only delete an indicator)

The surveys distributed thus far have only gathered data from NSOs according to UNIDO's international definition of small-scale industries and not based on national classification systems. Using this international definition, about 30% of countries report data regularly. A complete data collection cycle based on the revised survey, which will additionally collect data based on national classifications and are scheduled for dissemination in spring 2024, is necessary to asses data availability. However, given the widespread presence of national classification systems for determining enterprise or establishment sizes across the majority of countries, it is reasonable to anticipate a substantial enhancement in data coverage.

The latest data for SDG indicator 9.3.1 based on UNIDO's international definition is accessible in the global SDG Indicator database (https://unstats.un.org/sdgs/dataportal).

7. In case the current data coverage is below 50%, is there a plan for how the data coverage will be expanded? Please elaborate on it (except for proposals to only delete an indicator).

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clusion/other comments (please enter any other information about the proposal):	
or tap here to enter text.	

- 9. Metadata file (except for proposals to only delete an indicator).
- ☑ I/We have attached the appropriate metadata file to this proposal.
- 10. Acknowledgement.
- ☑ I/We have read and understand the information regarding the guiding principles, criteria and requirements for the 2025 Comprehensive Review proposals listed above.