Tier III Fast Track Requests

(as of 13 March 2017)

Indicators included:

1) **2.c.1**
2) **3.8.1**
3) **5.a.1**
4) **6.3.1**
5) **6.4.1**
6) **6.5.2**

7-8) 9.3.1-9.3.2

9) **10.5.1**
10) **11.3.2**
11) **11.7.1**
12) **15.3.1**

Brief note on the Tier classification of SDG indicator 2.c.1

2.c.1 Indicator of Food Price Anomalies (IFPA)

As proposed custodian agency for this indicator, FAO would like to bring to the attention of the IAEG-SDG the following elements suggesting that this indicator should be upgraded to Tier II status.

The types of prices that will be used have now been fully clarified

At the last IAEG-SDG, member countries declined FAO's application to raise this indicator to Tier II status, citing lack of clarity on the underlying price data to be used. An additional *Implementation Strategy* that is submitted in conjunction to this note now clarifies that the IFPA will be monitored at a national and global level: FAO will rely on official domestic price data that it compiles in the FPMA tool to calculate and monitor the indicator at the national level, whereas for the global level, FAO will monitor and apply the IFPA to countries' officially reported food price indices, which facilitates cross country comparisons as it uses a national level food basket covering all the most important commodities consumed. A PowerPoint presentation elaborating on the methodology as well as an Excel sheet revealing in a stepwise manner the calculation for one country and one commodity are provided as well as supplementary documentation.

The methodology for this indicator was established already two years ago through a consultative process, and relies on existing standards

The methodological development of the indicator concluded in October 2014 when it became part of FAOs *Global Information and Early Warning Systems* activities. The process began by conducting a literature review, after which the indicator was constructed using established data methods and underwent 18 months of validation in use before being launched in October 2014. The methodological paper was sent out for peer review to experts in the World Bank, FEWSNET, WFP, University of Bonn, and other Technical Divisions in FAO. However, given that the indicator was designed as a tool to detect abnormally high prices as part of FAO's activities on Food Price Monitoring and Analysis, countries were not consulted in the design process which dated prior to the launch of the SDGs. In any case, no new standards are required as the definitions and methods for the indicator used are already commonly used standards.

Data are already being collected from countries

The indicator relies on the price data generated by the national statistical systems. The price data is compiled mainly from the websites of national sources. In a couple of cases where data is not available online, FAO has arranged to receive the data directly from countries via e-mail on a monthly basis. Prospectively, FAO plans to invite all countries to appoint a national focal point with the responsibility of providing the necessary price data at regular intervals. Approval by the IAEG-SDG of the indicator's Tier II status would be essential backing in order to move in this direction.

To date, over 90 countries are covered

All data for the indicator has been continuously compiled since 2009 from national entities, and in particular National Ministries of Agriculture, and is available for download in the FPMA Tool. As of November 2016, the FPMA tool contains over 1300 monthly commodity market price series for 89 countries. These data are re-enclosed in the *Implementation Strategy* document.

World Health Organization

20, AVENUE APPIA – CH-1211 GENEVA 27 – SWITZERLAND – TEL CENTRAL +41 22 791 2111 – FAX CENTRAL +41 22 791 3111 – WWW.WHO.INT

Tel. direct: +41 22 791 2739
Fax direct: +41 22 791 1584
E-mail : hogand@who.int

In reply please refer to:

Your reference:

28 February 2017

Dear co-chairs of Inter-Agency Expert Group on SDGs,

Request for 'Fast Track' Tier Reclassification of 3.8.1 indicator

The World Health Organization (WHO), as the custodian agency of indicator 3.8.1, requests the fifth IAEG-SDGs meeting to consider reclassifying this indicator as either a Tier I or Tier II indicator. WHO believes indicator 3.8.1 'Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)' is conceptually clear, has an established methodology with available standards, and data that are regularly produced by countries.

The methodology to measure this indicator was developed by WHO and the World Bank through an extensive consultation process that began in 2012 and included engagement from countries, academics and international agencies. It is an index of health service coverage, which averages values for 16 commonly-reported and well-understood tracer indicators. The approach to computing the index is based on the existing methods of the Human Development Index. Our guiding principle in the development of the index has been parsimony, so that the data and methods are understandable and reproducible.

In future years, we anticipate refinements to some of the tracer indicators used in the index. In particular, we plan to replace indicators with similar SDG indicators from other targets once comparable values for those indicators are widely reported. This includes 3.1.2, 3.b.1, 3.b.3, 3.c.1 and 6.2.1. Such changes would improve consistently with the SDG framework and reduce reporting burden; the timing will depend on how quickly these SDG indicators become available. We would propose any substitutions to the IAEG, and will be able to reconstruct historical series to ensure temporal consistency. The indicator's definition and measurement framework would not be substantively altered.

WHO is currently conducting a country consultation with WHO member states for the data and methods for 3.8.1, including current values for 194 countries. We will release estimates for 3.8.1 in July 2017 and publish the second Universal Health Coverage global monitoring report in December 2017.

The metadata for this refined indicator accompanies this letter. My team is available to assist you to clarify the metadata before the decision in the fifth IAEG-SDGs meeting.

Yours sincerely

Cali Mattoo
for

Ties Boerma
Director
Information, Evidence and Research

Brief note on the Tier classification of SDG indicator 5.a.1

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*

As proposed custodian agency for this indicator, FAO would like to bring to the attention of the IAEG-SDG the following elements suggesting that indicator 5.a.1 is upgraded to the Tier II status.

The methodology for this indicator has been established after a peer-review process with multiple partners and several National Statistical Offices (NSOs).

Indicator 5.a.1. did not exist in the previous MDG monitoring framework. The novelty of this indicator meant that no data existed for it, so its computation and its interpretation had to be addressed anew.

This process took place over the past four years, mainly in the context of the initiative "*Evidence and Data for Gender Equality*" (EDGE) which developed methodological guidelines on measuring asset ownership and entrepreneurship from a gender perspective. Since 'agricultural land' is one of the assets considered in the guidelines, the EDGE project has enormously contributed to the methodology of the SDG indicator 5a1 (a) + (b). In fact, the protocol summarized in this technical note highly reflects the recommendations expressed in the "*UN Methodological Guidelines on the Production of Statistics on Asset Ownership from a Gender Perspective*"[1]. The draft guidelines were presented to the 48th Session of the UN Statistical Commission in March 2017; comments and remarks from the UNSC will be reflected in the Guideline's finalization.

The EDGE initiative is jointly executed by the United Nations Statistics Division and UN Women, in collaboration with National Statistical Offices, the Asian Development Bank, FAO, the OECD, and the World Bank.

The EDGE project has consolidated technical inputs over a multi-year process from a wide range of stakeholders, including National Statistical Offices, regional and international agencies, and researchers with expertise in gender analysis, asset ownership and entrepreneurship.

The EDGE project then tested the proposed methodology in seven pilot countries -Georgia, Maldives, Mexico, Mongolia, Philippines, Uganda, and South Africa – and refined the methodology based on the lessons learned from the pilots. National Statistical Offices of the pilot countries have also been involved in the review process of the methodology.

FAO has promoted the adoption of indicator 5.a.1 throughout the consultative process around the 2030 Agenda. It contributed to the initial draft of the EDGE Guidelines providing insights on current practices in agricultural censuses; finally it actively provided comments on the Guidelines, thus significantly contributing to the operationalization of the indicator.

The World Bank supported the EDGE initiative in the roll out of the Methodological Experiment on Asset Ownership, to test the relative effects of different respondent selection protocols on the measurement of asset ownership and control at the individual level.

The methodology of the indicator has been developed and it is described in minute detail

The protocol for indicator 5.a.1 is based on the "*UN Methodological Guidelines on the Production of Statistics on Asset Ownership from a Gender Perspective*". In addition, FAO has submitted a 13-page methodological note on this indicator to the IAEG-SDG Secretariat. The protocol provides guidance on:

1. key terms (i.e., agricultural land, agricultural population, ownership, tenure status)
2. Recommended data sources
3. Respondent selection (i.e., who to interview and how many, the random selection procedure)
4. The list of data items, distinguishing between essential and complementary items
5. Options on how to adapt the recommended data items to different survey contexts, including a minimum set of questions to integrate into existing surveys
6. How to compute the indicator based on the essential data items.

[1] Available at https://unstats.un.org/unsd/statcom/48th-session/documents/ under "Agenda Item 3(h): Items for discussion and decision: Social Statistics."

6.3.1: Tier status of wastewater indicator for the SDGs: safety treated wastewater

Purpose

This note is in response to call to Tier III indicators for consideration by IAEG to "fast track" their tier reclassification to either Tier II or Tier I discussions, as decided at the 4th meeting of the IAEG in November 2016. The custodian agencies for this indicator believe that this indicator should be classified as Tier II indicator, since the methodology is well established, as articulated in their submissions to IAEG before and reiterated in this note. This note summarizes but doesn't repeat the details of the methods note[1].

Methods

The methodology development is led by WHO & UN-Habitat. National and international experts on domestic, commercial and industrial and hazardous wastewater were extensively consulted during 2014-2015. Statistical experts from national authorities as well as UNSD colleagues, both from the environment division, as well as the SEEA secretariat were also consulted to ensure have full statistical compliance, and compliance with international standards of environment statistics, specifically International Recommendations for Water Statistics (IWRS), and System of Environmental Economic Accounting (SEEA), approved by UN Statistical Commission. In addition, The International Standards for Industrial Classification (ISIC Rev 4) provides a convenient means to classify wastewater from all economic activities, including for hazardous wastewater. The household part of the methodology is also aligned with international standards of national statistical data collection through national statistical offices, as implemented by large international household surveys, such as DHS, MICS, LSMS etc. New data collection needed for this SDG indicator is also being tested in national surveys, in close consultation with national statistical offices around the world[2].

The methods developed were presented at a Member States consultation meeting in January 2015, which was attended by 15 Member States, 20 representatives of UN-Water members and 85 representatives of UN-Water partners and other civil society organizations[3].

While the methodology is aligned with relevant internal standards, the methodology was further fine-tuned following extensive experience gathered through filed testing in 6 countries (Peru, Uganda, Jordan, Netherlands, Senegal and the Philippines), across various socio-economic and geographic settings around the world. National experts from many countries were also consulted, and methods adjusted accordingly. Field testing is also ongoing in several other countries of Asia and the Pacific, including in China.

Way forward

Given the high demand created by the SDGs, and scarce resources at the national level, aggregation of all possible data sources at national and international levels are being considered. An iterative process of improvement of compiling all available data to make estimates against this indicator at the country level will help make the underlying data more reliable, further strengthen the methodology, and hence estimates more robust over time. The custodian agencies plan to consult the Statistical Commission of the method of integrating various sources of data for this and WASH indicators. With the above background and suggested way forward, the custodian agencies request the kind consideration of IAEG for making this indicator a Tier II indicator.

---

[1] Methods note on wastewater monitoring: https://www.wssinfo.org/fileadmin/user_upload/resources/Methodological-note-on-monitoring-SDG-targets-for-WASH-and-wastewater_WHO-UNICEF_8October2015_Final.pdf.

[2] Several African Chief Statisticians at 47th Statistical Commission agreed to embed data collection tools and methods in national statistical systems. Similar efforts are underway in other countries as well as through statistical bodies of Regional Commissions.

[3] Meeting report: http://www.unwater.org/fileadmin/user_upload/unwater_new/docs/Topics/SDG/GEMI_Report_First_Stakeholders_Consultation_Post-2015_Monitoring_FINAL2015-04-27.pdf.

Brief note on the Tier classification of SDG indicator 6.4.1

6.4.1 Change in water-use efficiency over time

As proposed custodian agency for this indicator, FAO would like to bring to the attention of the IAEG-SDG the following elements suggesting that this indicator should be upgraded to Tier II status.

The methodology for this indicator has now been established after a lengthy consultation process with multiple partners

Contrary to 6.4.2, 6.4.1 did not exist in the previous MDG monitoring framework. The novelty of this indicator meant that no data existed for it, so its computation and its interpretation had to be addressed anew. This process took place over the past two years in the context of the GEMI project "Integrated monitoring of water and sanitation related SDG targets", carried out by seven UN agencies, i.e. FAO, UNEP, UNESCO, UN-HABITAT, WHO, WMO, UNICEF, under the umbrella of UN-Water. The consultation included a proof-of-concept (POC) phase, involving five countries (Jordan, Netherlands, Senegal, Peru, Uganda). The national statistical offices were systematically involved in each POC country, collaborating with the technical institutions to produce robust and reliable indicators and to include them into the national statistical system. Moreover, several international experts being part of the 6.4 Target Team and of the UN-Water network were consulted on an ad-hoc basis, from the following additional entities (among others): UNSD, University of Nebraska, University of Frankfurt, IGRAC, Eurostat, World Bank.

The methodology of the indicator is described in minute detail and relies on existing standards

FAO has submitted a 30-page methodological note on this indicator to the IAEG-SDG Secretariat. The definition of the indicator is the value added per water withdrawn, expressed in USD/m3 over time of a given major sector (showing over time the trend in water use efficiency). Major sectors, as defined by ISIC standards, include agriculture; forestry and fishing; manufacturing; electricity industry; and municipalities. The data on freshwater withdrawal are also used for the calculation of indicator 6.4.2 on water stress.

Calculated data are already available for 150 countries

The methodological note also includes tables with relevant economic data for the five POC countries that were selected to test the methodology. Using the same methodology, it is currently possible to calculate the values for the indicator for 150 countries. These data have been submitted by FAO to the IAEG-SDG Secretariat in a separate Excel file for illustrative purposes. Were the IAEG-SDG to decide to fast-track the upgrade of the indicator to Tier II, FAO would proceed to validate the data with countries, given that this is not official data but estimated data.

Indicator 6.5.2

Proportion of transboundary basin area with an operational arrangement for water cooperation

Justification for Tier reclassification

Development and testing of the methodology

The indicator 6.5.2 and the methodology were developed building on the experience of the custodian agencies, UNECE (servicing the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, hereafter the Water Convention) and UNESCO (supported the process for the adoption of the Articles on Law of Transboundary Aquifers and responsible for the International Shared Aquifer Resources Management initiative) in close coordination with various UN agencies involved in developing indicators and methodologies for targets under SDG 6 in the framework of UN-Water.

Calculating indicator 6.5.2 involves two elements: 1) determining areal extent of transboundary basins and 2) defining operationality of cooperation arrangement based on administrative records using criteria specified in the methodology. The first element is based on the international standard units for management of water resources, and the second element has its basis in the main principles of customary international water law. The elements are combined by a simple percentage calculation. These aspects show the indicator is conceptually clear and based on the standard information available in the field of transboundary water cooperation.

The methodology development benefitted from comments by a number of experts specialized on transboundary water cooperation from the UNESCO-IHP and UNECE networks and from country officials. Subsequently, detailed comments from country officials were received as part of the process of testing the methodology under the UN-Water GEMI initiative[1] by the five GEMI Proof-of-Concept countries[2] in 2016 and Slovakia. National Statistical Systems of the selected countries were involved in the testing. The testing verified the robustness of the indicator and the simplicity of its calculation, and provided input for completing the methodological guidance. The country representatives commended the relevance and simplicity of the indicator. A process of peer-review by experts from international organizations of all proposed indicators under SDG6 confirmed the results of the testing and allowed to further clarify the methodological guidance. Moreover, the intergovernmental processes/meetings of the co-custodians provided similar feedback. Commonly all countries have and keep track of the necessary data for indicator 6.5.2 but it is traditionally with the Ministries responsible for water resources and not the National Statistical offices.

A first rough calculation of the indicator undertaken by UNESCO IHP based on the data made available by national experts and in existing international databases has been possible for all UN Member States to which the indicator is applicable. This exercise confirmed the applicability of the methodology and its clarity.

Rolling out the methodology globally and information collection

UNECE and UNESCO have initiated data and information collection through a questionnaire addressed to all Member States sharing transboundary waters and a first reporting is expected by June 2017.

The recipients of the questionnaire are the Ministers responsible for transboundary waters; the permanent missions to the UN in Geneva and to UNESCO in Paris (Ministries of Foreign Affairs) are transmitting the requests.

In the data gathering exercise, the request of information on the indicator has been coupled with a questionnaire developed by Member States in the framework of the Water Convention, to monitor progress on transboundary cooperation and implementation of the Convention. This will help custodian agencies do quality control on the data submitted by Member States and will also enhance the responses in the data gathering exercise.

[1] http://www.unwater.org/gemi/en/
[2] Jordan, The Netherlands, Peru, Senegal and Uganda.

As part of the UN-Water's GEMI initiative, a series of actions is foreseen to raise awareness and provide guidance to the Member States about calculating indicator 6.5.2. A step-by-step methodological guidance has been available on the internet since April 2016 and was finalised in January 2017[3]. Other support and capacity building activities, such as a helpdesk and webinars, are foreseen.

Efforts are also undertaken by the custodian agencies to ensure the highest possible rate of responses, building on their intergovernmental frameworks and also on planned transboundary water events in the coming months where responsible authorities will be reminded to report.

Conclusion

Reclassification of indicator 6.5.2 from Tier III to Tier II is requested with the following justification: The methodology has a solid basis in international standards, it is simple and robust, extensively commented, tested and validated by a representative set of countries with different data availability. Furthermore, the data collection is in process within global intergovernmental framework in the UN System. All countries to which the indicator is applicable are expected to be able to produce the indicator value; and efforts are ongoing to ensure that as many countries as possible will report in the first exercise by June 2017. A set of measures to support the Member States in applying the indicator has been designed and some resources for their deployment secured.

[3] The methodological guide of indicator 6.5.2 is available from: http://www.unwater.org/publications/publications-detail/en/c/428764

UNIDO proposal to the IAEG-SDGs to revise the Tier classification of small-scale industries indicators – 9.3.1 and 9.3.2

The target 9.3 states to "increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets".

Small-scale industries play a crucial role in economy in generating employment and self-employment thereby reducing poverty. Small-scale industries are run with the small amount of capital using local resources. Some estimates suggest that developing countries small-scale industries account for up to 15-20 percent of value added and 25-30 percent of total industrial employment. However, one of the main problems currently faced by small-scale industries is the lack of adequate access to financial services, which are essential to improve technology and develop skills. In many developing economies majority of small enterprises do not have even a bank account while only 30-35 per cent enterprises have ever applied for a loan or were in line of a credit. The lack of access to financial services severely limits the possibility of integration of small-scale enterprises into the national market.

The target 9.3 covers two indicators: **the proportion of small-scale industries in total industry value added** and **the proportion of small-scale industries with a loan or line of credit**. The first indicator shows the contribution of small-scale industries to the total industry value added and the second helps to compare the access to financial services compared to their market share. Both indicators are so far classified to the group of Tier III indicators due to the lack of data and methodology.

The problem regarding the lack of common definition was reported at the fourth meeting of the IAEG-SDGs. The IAEG-SDGs advised that the Agency responsible for indicators should make the proposal on definition in consultation with other agencies and member countries.

Based on the experience of different agencies we propose the following definition:

A small industry is an independent, non-subsidiary enterprise engaged in production of goods and services with the persons engaged less than 20 employees.

This definition is in line with SNA and the World Bank definition applied to enterprise surveys. Moreover, the OECD database Structural and Demographic Business Statistics (SDBS) disaggregates the data by size class: 1-9, 10-19, 20-49, 50-249, 250+ persons employed.

DATA FOR SAMPLE COUNTRIES

9.3.1 Proportion of small-scale industries in total industry value added:

$$= \frac{VA_i \ of \ size \ class \ "small"}{total \ valued \ added_i} \times 100$$

- to be expressed in percentages
- i corresponds to one or two digit of ISIC

Due to the data availability, UNIDO proposes to use **the proportion of small-scale manufacturing industries in total manufacturing value added**. UNIDO, in partnership with the OECD, is responsible for the collection and dissemination of world-wide industrial statistics. Data sample in Table 1 represents figures for the proportion of small-scale manufacturing industries in total manufacturing value added. The total manufacturing value added is sourced from the UNIDO INDSTAT database. Information on the value added of small-scale manufacturing industries is sourced from the OECD Structural and Demographic Business Database given by employment size class. The data are collected from national annual industrial surveys.

Table 1: Proportion of small-scale manufacturing industries in total manufacturing value added

Country	Value (%)	Reference year
Australia	18.9	2013
Austria	8.6	2013
Belgium	9	2013
Brazil	6.9	2013
Bulgaria	10.3	2013
Cyprus	35.7	2013
Czechia	10.3	2013
Estonia	13	2013
Finland	12.4	2013
France	14.1	2013
Germany	8.3	2013
Israel	4.2	2012
Italy	23.6	2013
Japan	9.5	2012
Netherlands	13.7	2013
Norway	12.3	2013
Poland	9.4	2013
Portugal	18.7	2013
Republic of Korea	7.1	2013
Romania	9	2013
Slovakia	11.5	2013

Slovenia	15.6	2013
Spain	18	2013
Switzerland	9.8	2013
Turkey	9.7	2013
United Kingdom	12.3	2013

9.3.2 **Proportion of small-scale industries with a loan or line of credit:**

$$= \frac{Number_i\ of\ \text{"small"}\ enterprises\ with\ a\ loan\ or\ line\ of\ credit}{Number_i\ of\ all\ \text{"small"}\ \ enterprises} \times 100$$

- to be expressed in percentages
- i corresponds to one or two digit of ISIC

The indicator suggested by UNIDO is to use **the proportion of small-scale industries with a loan or line of credit** as defined by the World Bank Enterprise Surveys. Data sample in Table 2 represents figures for the proportion of small-scale industries with a loan or line of credit. The data are directly sourced from the World Bank Enterprise Surveys database.

Table 2: Proportion of small-scale industries with a loan or line of credit

Country	**Value (%)**	**Reference year**
Afghanistan	3.6	2014
Benin	16	2016
Bhutan	35.2	2015
Botswana	40.8	2010
Burundi	43.6	2014
Cambodia	18.8	2016
El Salvador	29.8	2016
Ethiopia	30.4	2015
India	16.3	2014
Indonesia	25.3	2015
Lao PDR	11.1	2016
Lesotho	12	2016
Malawi	21.3	2014
Malaysia	27	2015
Mauritania	21.8	2014
Mexico	26.8	2010
Myanmar	3.2	2014
Namibia	19	2014
Nigeria	12	2014
Papua New Guinea	30.5	2015
Philippines	22.6	2015
Senegal	14.2	2014

Solomon Islands	41.3	2015
South Sudan	6.3	2014
Sudan	2.7	2014
Sweden	34.9	2014
Thailand	11.2	2016
Timor-Leste	11.4	2015
Vietnam	28.8	2015

The UNIDO proposal has been consulted with OECD, the World Bank Enterprise Analysis Unit, UNCDF and with countries Bahrain, China, Czechia, Mexico, Mongolia and Slovakia.

10.5.1: Classification of SDG Financial Soundness Indicators (FSIs)

The IMF proposed to include seven FSIs as part the SDG indicators to measure financial sector stability. Currently, they are classified as part of Tier III Indicators under the SDG framework. Given the importance of FSIs for financial stability analysis and the fact that they are compiled based on the IMF's *FSIs compilation Guide*, which is recognized as an international statistical standard, it would be more appropriate to reclassify these SDG FSIs from Tier III to either Tier I or Tier II.

The FSIs are a prominent feature of the G-20 Data Gaps Initiative, being included in the second recommendation of the G-20 Report, and are used widely in financial stability analysis. As of today, 120 countries use the *FSIs Compilation Guide* as a reference to compile FSIs, which are posted on the IMF's FSI website in addition to the authorities' own dissemination. The number of countries reporting the seven SDG FSIs are presented in the table below.

No.	**Number of Reporting Countries**	
1	Regulatory Tier 1 capital to assets	118
2	Regulatory Tier 1 capital to risk-weighted assets	118
3	Nonperforming loans net of provisions to capital	117
4	Nonperforming loans to total gross loans	117
5	Return on assets	118
6	Liquid assets to short-term liabilities	109
7	Net open position in foreign exchange to capital	87

FSIs have been increasingly used in assessing the financial sector soundness. Within the IMF, FSIs are used in the Financial Sector Assessment Program (FSAP), staff reports, and other publications. For example, in a forthcoming analysis FSIs will be used in assessing the relationship between financial conditions and measures of financial stability, using a financial condition index and a financial stability index based on FSIs. Peer analysis of FSIs and use of FSIs in stress testing are also important tools in financial sector analysis.

Indicator 11.3.2 - Proportion of cities with a direct participation structure of civil society in urban planning and management that operates regularly and democratically

Custodian Agency: UN-Habitat

Current Tier: III **Proposed Tier:** II

Background and rationale for indicator reclassification

Indicator 11.3.2 seeks to address the important component of 'inclusivity' that is part of Goal 11 and Target 11.3. The indicator is designed to measure whether residents are able to participate in the urban planning and management of their cities. Given the complex and subjective nature of participation, the indicator focuses on formal structures that are available for civil society. It does not evaluate the effectiveness of these structures, nor the extent that they are used.
This indicator was classified as Tier III, as there was a lack of established methodology to measure it, with no existing data at country levels. However, several steps have been taken to refine the methodology to internationally acceptable standards. These activities include an Expert Group Meeting (EGM) and a Technical Meeting, which have produced a refined methodology.

Evidence of work plan implementation supporting reclassification

As the lead on this indicator, UN-Habitat held a virtual EGM on 21 November 2016. The key aim was to refine the methodology and the definitions used, develop strategies for capacity development and to build more consensus on country consultations. The meeting was attended by representatives of UNESCO, Women in Cities (WICI), Universities and private planning firms. The attendees included statisticians, urban planners and participatory experts (gender, youth, other groups).

Secondly, a technical Meeting was held in conjunction with other Human Settlements indicators, on 13-17 February 2017 in Naivasha, Kenya. This meeting was attended by a broad cross-section of academia, UN-agencies, Non-Governmental Organizations (NGOs) and National Statistical Offices. Further discussions on methodology refinements were held on each indicator, which resulted in a substantially updated Metadata document with an internationally agreeable methodology. A clear work plan on collecting initial sets of data by member states was agreed upon, and new data is expected to be available by Dec 2017.
Therefore, the collective ability to measure and monitor indicator 11.3.2 has been improved. As a result, the indicator can be moved from Tier III to Tier II on the account of a refined and agreeable methodology, alongside a clear work plan to start collecting data by selected member states.

Other supporting and available information /references

Please see attached:

- Refined Metadata document

Indicator 11.7.1 **Average share of built-up are of cities that is open space for public use for all by sex, age and persons with disabilities.**

Custodian Agency: UN-Habitat

Current Tier: III **Proposed Tier:** II

Background and rationale for indicator reclassification

This indicator seeks to provide information about the amount of open public spaces in a city. Cities that improve and sustain the use of public space, including streets, enhance community cohesion, civic identity, and quality of life. Having access to open public spaces does not only improve quality of life, it is also a first step toward civic empowerment and greater access to institutional and political spaces.

However, several activities are ongoing or concluded in support of refining the indicator and this include: Expert Group Meetings both virtual and face-to-face, pilot testing of the indicator in various cities, capacity development initiatives, partnership agreements and database development. In addition, it has been demonstrated both in principle and in practice that it is possible to accurately collect this indicator in a range of cities i.e a generally agreed upon methodology now exists to monitor this indicator, and data has been gathered in some cities as part of the city prosperity initiative.

Evidence of ongoing work to support reclassification

Expert Group Meeting (EGM)

UN-Habitat being the lead agency for this particular indicator held two EGMs, whose main aim was to refine the indicator (Definitions), methodology, providing technical support to national statistical agencies to build capacities to collect, analyses and report on the indicator.

The virtual EGM was conducted in December 2016. This EGM focused mainly on gathering key partners to discuss the indicator and work further to develop the metadata and to concretize the institutional partnership of organizations and individuals in the development of the metadata and methodology. Representatives from the European Union, World Resources Institute, United Cities and Local Governments, Arab Urban Development Institute, World Health Organization, NYU, among others participated at the virtual EGM.

The second EGM held in February 2017 focused on challenges of monitoring the human settlements indicators within the SDG. It also focused on the technical aspect of computing the indicator using the proposed methodology. This helped in identifying the challenges and opportunities of improvement methodology wise as well strategies for capacity building for National Statistics Offices (NSOs).

Database Development Initiatives

Data collection initiatives are already on going in several cities. The UN-Habitat's City Prosperity Initiative (CPI) has been collecting data for this particular indicator in over 300 cities distributed across Latin America & Caribbean, Africa, Asia and Europe. In addition, the Global Public Spaces Programme (GPSP) under UN-Habitat is currently mapping open public spaces in selected cities, such as Nairobi, Addis Ababa and Bamenda. New York University (NYU) is set to conduct a worldwide mapping of access to public open spaces, with a pilot study that will be conducted in three cities (Addis Ababa, Valledupar and Davao City), later applied to the global sample of 200 cities. These projects are all reliant on the same basic methodology, developed by UN-Habitat.

In Colombia, the National Administrative Department of Statistics (DANE) will initiate a pilot to collect data on the indicator of Public Space. Furthermore, the Administrative Department of the Public Space Advocacy (DADEP) of Bogota has an organized spatial data infrastructure that will allow them to more efficiently and effectively collect data and compute the indicator.

Capacity Development Initiatives.

Ongoing initiatives include development of training modules that will be used as a methodological guides during technical workshops, development of automatized processes to compute the indicator and pilot testing of the applicability of the data collection tools and methods in selected sample of cities. Partnerships are being developed further to assist in capacity building of the NSOs to collect, monitor and report on this indicator. The partners includes but not limited to NYU Urban Expansion programme, gvSIG, ESRI, GLORA, DANE, DADEP, JRC-European Commission. Finally, UCLG has expressed the interest to support capacity building at the local government level.

The feasibility of measuring and monitoring indicator 11.71 is improved; hence, the indicator can be graduated from Tier III to Tier II.

United Nations
Convention to Combat Desertification

Telephone: + 49 (0) 228 815 2800
Fax: + 49 (0) 228 815 2898/99
Email: secretariat@unccd.int

28 February 2017

To: Inter-Agency and Expert Group on SDG indicators (IAEG-SDGs)
From: United Nations Convention to Combat Desertification (UNCCD)
Re: Fast track review to reclassify indicator 15.3.1 as a Tier II indicator

As the custodian of SDG indicator 15.3.1, the UNCCD submits this one page note to request the IAEG-SDGs to undertake a fast track review to reclassify this indicator ("Proportion of land that is degraded over total land area") as a Tier II indicator.

The methodology for this indicator has matured significantly[i] and is now being used by 104 countries participating in the UNCCD's Land Degradation Neutrality Target Setting Programme (see attached for a list of participating countries). The programme includes support for the use and validation of data with the wider aim of assisting the other 91 countries, which are also Party to the Convention, to build national capacities for the regular production of data. A sound conceptual framework, using established monitoring and reporting principles, underpins a universal methodology for deriving SDG indicator 15.3.1. This methodology is supported by the widespread availability of Earth observation and geospatial information, including numerous open-source global, regional and national datasets that would allow virtually every country to report on the indicator.

Recognizing that land degradation is a complex issue, the three sub-indicators (land cover, land productivity and carbon stocks) will require multiple data sources and are part of the UNCCD's mandatory reporting process which will begin in 2018. National official data sources will be used to the greatest extent possible, complemented or enhanced by default data derived from Earth observation and geospatial information. The UNCCD and its key partners are working with technical organizations and experts to establish a mechanism for the provision of regular data. For some countries, land cover data is being collected by National Statistical Systems, however for most, this data is spread among different statistical fields (agriculture, environment, forestry, etc.) and relevant agencies or ministries. For the sub-indicators on land productivity and carbon stocks, data collection remains with specialized institutions at the national, regional and global levels.

Land cover has an international standard (ISO 19144-2:2012) and the Land Cover Meta Language provides a common reference structure for the comparison and integration of data for any generic land cover classification system. The other two sub-indicators on land productivity and carbon stocks will require new international standards. For carbon stocks, IPCC (2006) contains the most relevant definitions, especially with regard to reference values used for Tier 2 and 3 GHG reporting. With regard to the technical soil infrastructure, data transfer and provision of national reporting, data will be standards-based (ISO and OGC for the exchange of digital spatial data sets); an extended ISO 28258 will be the core model for exchanging soil data.

The UNCCD, leading a formal advisory group composed of FAO, CBD, UNFCCC, UNEP and UNSD, is now finishing the work plan for this indicator and will soon provide the IAEG-SDGs with a revised metadata document, including Good Practice Guidance for i) each of the three sub-indicators to support their measurement and the evaluation of changes, and ii) their spatial aggregation to assist countries in determining the most appropriate pathway for deriving SDG indicator 15.3.1.

[i] This includes recent publications by the UNCCD-SPI, GEO initiative EO4SDGs, and WGGI task team on 15.3.1 http://www2.unccd.int/sites/default/files/documents/LDN%20Scientific%20Conceptual%20Framework_FINAL.pdf