A PROPOSAL FOR SCP INDICATORS AND CAPACITY BUILDING STRATEGY IN THE CONTEXT OF THE SDG PROCESS

DRAFT EXECUTIVE SUMMARY from a future report from Statistics Sweden and the Ministry of Environment in Chile, with technical inputs from UNSD and the 10YFP Secretariat (UNEP). 2015-10-23[1]

Sustainable Consumption and Production (SCP) has been recognized as an integral part of the 2030 Agenda for Sustainable Development. It has been identified as a stand-alone Sustainable Development Goal (SDG 12) and as a central component of many of the 17 goals and 169 targets agreed in the agenda. Moreover, the United Nations Environment Programme (UNEP) is supporting a series of initiatives in the context of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) that are being implemented by national Governments and other stakeholders. Currently there are 124 national focal points for the 10YFP across the world, in countries with different levels of development, institutional structure, and political organisation that are implementing SCP type policies.

Achieving SCP will require a set of indicators to monitor the impact of policies and initiatives promoting this shift in consumption and production patterns, as well as the institutional capacity to implement them effectively. The need for monitoring to support national policies and increasing reporting requirements from various global initiatives on sustainable development issues is generating a significant burden on countries. This suggests the need to converge towards common statistical standards that can relate and interconnect with one another. In this context the United Nations Statistical Commission identified the System of Environmental-Economic Accounting (SEEA) as an important statistical framework for the 2030 Agenda for Sustainable Development and the Sustainable Development Goals' indicators. However, the nature of SCP policies and initiatives, as well as the data requirements, that involves a range of Government Agencies, suggests the need for substantive efforts in institutional development and capacity building in order to produce appropriate indicators as well as facilitate national and international coordination.

Sustainable Consumption and Production has been defined as "the use of services and related products which respond to basic needs and bring a better quality of life, while minimising the use of natural resources and toxic materials as well as the emission of waste and pollutants over the life cycle of the service or product so as not to jeopardise the needs of future generations" (IISD, 1994). Therefore it necessarily involves initiatives that encompass a wide range of issues posing significant challenges when trying to identify appropriate indicators. Proposing appropriate indicators to track changes in consumption and production patterns in the context of achieving the SDGs is only one of several challenges faced by nation states in constructing and producing indicators. Many countries face major difficulties such as: limited data and resources, limited technical capacity as well as fragmented institutional systems that would support SCP policies and monitoring.

Sweden and Chile together with UNEP and UNSD have started to work on the development of a set of thematic indicators to support the monitoring of SCP-related targets of the SDGs. Due to the cross-cutting nature of the SCP indicators there are considerable benefits to follow a systems approach, aligned with the statistical standards SNA and SEEA (UN 2014). This paper provides a brief summary of the proposals that will be elaborated in a discussion paper that will be released early in December 2015. The present note is a draft of the executive summary of that future paper, which is likely to be modified in its final form based on the full paper and the further research and analysis that will be conducted prior to its release.

[1] Authors: Vivika Palm, Nancy Steinbach (Statistics Sweden); Rodrigo Pizarro, Arturo Orellana (Ministry of Environment of Chile). Special thanks to comments from Charles Arden-Clarke Alessandra Alfieri, Seraphine Haeussling, Alice Mansion, Fabianne Pierre and Leila Rohd-Thomsen.

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Evaluating SCP indicators in support of SDG related goals and targets

In the coming report, the possibility of applying SEEA compliant indicators to the targets for Goal 12 on SCP is evaluated. We evaluate 7 of the targets set out in Goal 12. These are:

Target 12.1: Implement the 10YFP on the SCP.
Target 12.2: Achieve sustainable management and efficient use of natural resources.
Target 12.4: Achieve environmentally sound management of chemicals and all wastes.
Target 12.5: Substantially reduce waste generation.
Target 12.a: Support developing countries to strengthen their scientific and technological capacity.
Target 12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism.
Target 12.c: Rationalize inefficient fossil-fuel subsidies by removing market distortions, restructure taxation systems and phase out harmful subsidies.

As outlined in the report (Le Blanc, 2015), the objective of achieving SCP patterns is a key dimension in the overall framework of the SDGs. With this in mind we investigate 17 key indicators[2] based on statistics which cover some targets in Goal 12, as well as SCP-related targets in other SDGs. They are not always identical to the indicators so far proposed under the IAEG-SDGs, and can be seen as a contribution to help define what an integrated statistical system could offer for analytical purposes on different themes, and what capacity building may be required to support data gathering and future application of these indicators.

Indicator	***Detail possible within SEEA***	***Additional detail***	***Targets measured***
GHG-emissions from the economy/GDP	Industries, government, households		*12.2, 1.5, 8.2,13.1*
Emissions to air (PM2,5)	Industries, government, households	Focus on cities	*12.2, 11.2, 11.5*
Environmental pressure from consumption – GHG emissions	Products	Trade partners	*12.2, 1.5, 8.2,13.1*
Environmental pressure from consumption – materials	Products	Trade partners	*12.8.4*
Emissions to water, e.g. N, P, Zink, lead	Emitted by industry	To recipient	*12.2, 1.5, 6.3, 2.4, , 14.1*
Amount of hazardous waste generated	By generating industry		*12.2, 3.9*
Use of chemical products	By industry and households	By toxicity classes	*12.2, 3.9*
Total energy use (including fuels, electricity, heating)	By industry, household, government, by energy source	Divide by per capita or GDP	*12.2, 7.2, 7.3, 8.4*
Domestic Material Consumption (DMC) excluding sand and gravel	By material category	Linking it to hazardous materials, fish stock	*12.2, 8.4, 14.7*
Water use	Industry and households, government	Water scarcity, drought and floods	*12.2,1.5, 6.4, 8.4,13.1, 15.6*
Environmentally related subsidies	By industry, households,	Divide by per capita or GDP	*12.2,1.5, 6.a, 7.2, 7.3, 7a, 9.4, 11.2, , 14.a, 13.1 15.a, 15.1*
Environmentally related taxes	By industry, households	Divide by per capita or GDP	*12.2,1.5, 11.2, , 13.1*
Environmental protection investments	By industry, households and government	Divide by gross investments	*12.2, 1.5, 3.9, 6.3, 8.2, 9.4, 11.5, 13.1, 14.1, 14.a, 15.1*
Turnover in Environmental goods and services sector	By industry, households and government		*12.2, 1.5, 3.9, 6.3, 6.4, 7.2, 7.3, 8.2, 9.4, 11.2, 11.5, 13.1 14.a, 14.1, 14.7, 15.2, 15.1*
Educated within the work force, by education levels	By industry	By gender	*12.2, 5.1, 5.5, 5.a*
Total disposable household income	By type of household	By gender	*12.2, 1.1, 1.4 5.1, 5.5, 5.a*
Total consumption expenditure	By products	By gender	*12.2, 1.1, 1.4, 2.1, 5.1, 5.5, 5.a*

[2] This is a preliminary list. It requires further discussion and has not yet been validated by the authors and the organizations writing the report.

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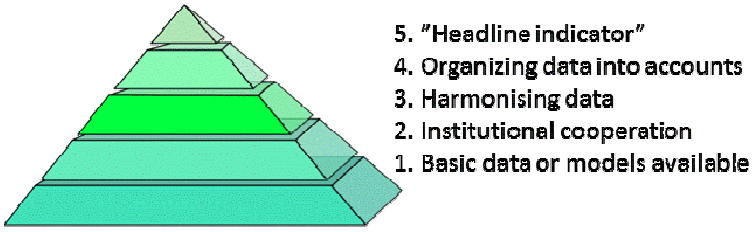
Indicator Construction

Identifying key indicators that serve multiple objectives and targets is an important step in facilitating the monitoring of progress towards the SDGs. Building an integrated statistical system by which several institutions secure the possibility to use important statistics such as economic statistics, energy statistics and environmental statistics for integrated assessments is a key to this monitoring. Quality indicators for this purpose must be based on an integrated system of statistics, here pictured as the 'building blocks' of indicator construction. The model is presented in Figure 1 showing an idealized process in indicator construction, involving 5 steps. Level 1 refers to the basic data. Level 2 represents institutional cooperation. Agencies need to harmonize their respective data sources into one framework. Level 3 involves processing the harmonized approach. Level 4 refers to the specific accounting framework to conceptualize the information. Finally Level 5 is associated with the analysis of the indicators derived from the process.

Figure 1. Building blocks towards an integrated information system



Adjusted from UNSD 2015

The capacity of Governments to produce quality indicators consistently depends on the strength and quality of these building blocks. In short these building blocks determine whether the statistical system can produce appropriate indicators. The existence of a statistical standard for the information will guide the development of basic statistics following agreed definitions and classifications, at the heart of development of high quality statistics. The challenges countries face when dealing with environmental information have to do with the applications of different approaches to collection and compilation of data to respond to specific needs of a specific institution (sector approach). A broad capacity building strategy is necessary to improve this process of developing integrated indicators.

Capacity Building

The model presented above shows the process of indicator development. By combining statistics on the economy with statistics on resource use and environmental pressure, using the standard statistical framework of the SEEA, it is possible to model the environmental pressure in relation to production and consumption patterns. However, many countries are still in the process of adopting the SEEA and using a standards based approach (e.g. using ISIC as classification of economic activities) to the collection and compilation of environmental data. Therefore, while the SDG indicators are still being developed and reviewed, it is also useful to begin to define the capacity requirements at the country level to monitor and report the progress towards achieving SCP-related SDGs using such indicators.

We propose a capacity-building strategy that recognizes that as the objective of shifting to SCP patterns will be implemented across a range of different organizational units - therefore effectively implementing policies and generating new indicators to track changes requires novel institutional solutions. The main objective is advancing towards an integrated statistical system, an objective that is necessary even in countries with good

statistical information to make sure that these data sources are combined to inform integrated and coherent policies in years to come. Experience has also shown that the costs for setting up an integrated system are not excessive. While an initial investment is needed, there are important efficiency gains associated with integrated information for policy making and international reporting. And, further, making policy without the adequate information can generate important costs.

On the basis of the new challenges facing countries in developing statistics to be able to produce appropriate indicators for the SDGs, we propose a capacity building strategy for SCP indicators in the coming report.

Conclusions – key elements and next steps

This paper summarizes proposals that will be put forward in a report before the end of the year. This future report will offer:

1) some key SCP related indicators which comply with the SEEA framework, to facilitate integration of data;

2) some "limited adjustments" to the currently proposed indicators, to enhance their statistical basis, including by utilizing data that is available now or could be made available without the need for a very large additional investment in data gathering; and

3) initial proposals for capacity building related to data collection and application of such indicators to be clear on the importance of such activities as part of the overall package, and to provide an initial assessment of what is required in that respect.

The intent of the present draft executive summary is to put these considerations on the table in Bangkok to have a chance to hear IAEG members' response to them.

Implementing the Sustainable Development Goals poses challenges, and constructing and producing appropriate indicators that monitor change is an essential part of ensuring that these goals make a substantive contribution to human wellbeing. Sustainable Consumption and Production is not only an important goal in itself but a cross cutting issue in most of the 17 goals outlined. Carefully designed SCP-related indicators and recognizing the capacity building requirements of countries to implement those indicators is thus essential. The capacity building strategy will involve steps such as identifying the users and producers of the data in the country, agreeing on how to cooperate and share data and adopting the SEEA Central Framework as a coordinated system. It will also be necessary to prioritize which issues are of most importance for the country, identify the strong and weak points of the statistical system, and then set up a process to produce, analyse and report and communicate about the statistics. The future report will elaborate on these key steps in developing and applying appropriate SCP-related indicators for the SDGs.

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