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## Economic Commission for Europe

### Conference of European Statisticians

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Item 6 (a) of the provisional agenda

#### **A conceptual framework and suggested indicators for measuring sustainable development**

### **Summary of the consultation on the “Framework and suggested indicators to measure sustainable development”**

#### **Note by the secretariat**

##### Summary

This note summarizes the comments by the Conference of European Statisticians member countries and international organisations on the “Framework and suggested indicators to measure sustainable development”. The framework was developed by the Joint United Nations Economic Commission for Europe/Eurostat/Organisation for Economic Co-operation and Development Task Force on Measuring Sustainable Development.

The framework has been updated taking into account the outcome of the electronic consultation.

## I. Introduction

1. This note summarizes the comments by the CES member countries and international organisations on the “Framework and suggested indicators to measure sustainable development” prepared by the Joint United Nations Economic Commission for Europe (UNECE)/Eurostat/ Organisation for Economic Co-operation and Development (OECD) Task Force on Measuring Sustainable Development (TFSD). The framework was sent out for electronic consultation in December 2012-January 2013. Following the consultation, it was updated taking into consideration the comments. The updated framework is available at the UNECE website at: <http://www.unece.org/stats/documents/2013.06.ces.html>.
2. The Conference of European Statisticians (CES) Bureau reviewed the draft “Framework and suggested indicators to measure sustainable development” at its 5-6 November 2012 meeting. The Bureau supported the framework. It was considered a major step forward and a timely contribution to the discussion on Sustainable Development Goals and related targets and indicators in follow up to the Rio+20 Summit. The CES Bureau asked the secretariat to conduct an electronic consultation with all CES members which was carried out in December 2012-January 2013.
3. CES Member countries and international organisations were asked to comment on the following aspects:
  - (a) The structure of the document;
  - (b) The proposed conceptual framework;
  - (c) The proposed sets of potential indicators defined based on existing indicators and data availability;
  - (d) Proposals for future work.
4. A total of forty-four replies were received. The following countries and organizations replied: Australia, Austria, Armenia, Azerbaijan, Belarus, Brazil, Bulgaria, Canada, Chile, Czech Republic, Denmark, Finland, France, Georgia, Germany, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Mexico, Moldova, Montenegro, New Zealand, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovak Republic, Slovenia, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom, and Eurostat and the International Monetary Fund (IMF). Ms. Barbara Fraumeni, an independent expert and a member of the Task Force, also provided comments.
5. The detailed comments from all countries and international organizations and the response by the Chair and Editor of the TFSD are available on the UNECE website at: <http://www.unece.org/stats/archive/03.03f.e.html>.
6. Many countries, such as Azerbaijan, Brazil, Canada, Denmark, France, Germany, Hungary, Ireland, Israel, Italy, New Zealand, Poland, Portugal, Sweden, Switzerland, and Ukraine, sent detailed and in-depth comments, and made a number of suggestions for improvements.
7. The document was updated to reflect the comments made by the countries and the international organizations. The updated framework is submitted to the CES 2013 plenary session for endorsement.

## II. General comments

8. All responding countries and organizations support the framework. Many countries highlight it as an important achievement and provide positive comments on its structure and clarity.

9. Denmark “congratulates the Task Force with a very impressive outcome of a very difficult task”. Mexico “endorses the conceptual framework presented for measuring sustainable development and considers that the structure of the paper is clear and logical”. Iceland finds that “the draft report is based on solid background material and reaches an acceptable compromise for sustainable development indicators”. Germany considers the document “valuable and a significant step forward regarding the clarification of the difficult and complex theme of measuring sustainable development”. Georgia notes that it “adequately reflects the issues existing in this field”. Portugal says that “the report is complete and informative”. Romania states that it “represents an exceptional collection of the progress registered in the field of sustainable development indicators” and is “a very good tool to be used by both statisticians and decision makers”. Slovenia expresses that it “provides a valuable mix of current knowledge and new findings”. United Kingdom values the indicator set, framework and paper as very good. Eurostat describes the document as “a very informative piece of work”. The IMF considers that the document “explains and structures well the conceptual framework for sustainable development, integrating the relevant statistical standards, including the System of National Accounts”.

10. A number of specific comments on the text are also provided. These concern editorial suggestions for making the text more precise, streamlining the annexes, corrections to references to specific countries and literature, etc. All specific comments were forwarded to the Chair and the Editor of the Task Force and taken into account in updating the document.

11. Finally, some countries informed about their work in the area of sustainable development and about the availability of data on indicators listed in the report (Armenia, Canada, Mexico, Russian Federation, etc.).

12. The Chair and the Editor of the Task Force have addressed to the extent possible the specific comments provided by the countries and the international organizations. Examples of their responses and the respective changes to the document are summarised in the next sections.

## III. Comments on the structure of the document

13. Countries consider the structure of the document clear. Bulgaria states that it is “a well-structured and balanced material that successfully provides a synthesis of current knowledge and presents different measurement concepts”. Similarly, Hungary and New Zealand state that the document is “well-structured, clear and logical/concise”. Austria also welcomes its clear structure and suggests that greater focus could be paid on the presentation of indicators as this will be of most interest for the users.

14. Special appreciation is expressed by some countries on specific parts of the text, e.g., Mexico and Austria consider the section on communication and visualization of the data sets as highly relevant. Slovenia finds useful the examples of visualisation tools.

15. A number of comments suggest to include additional references or to correct references. There are also proposals to move the abbreviations to the beginning and the glossary to the end of the report, and to combine the annexes dealing with the selection and

availability of indicators. It is noted that some sections of the report are more detailed than others.

16. Reactions to comments on the structure:

(a) Glossary has been moved to the end. The glossary includes references to the various sections, where the terms are considered more in detail. List of abbreviations has been moved to the beginning of the document;

(b) The issue of clustering the annexes was raised a couple of times in the comments. A great deal of work was done to streamline the annexes, in particular concerning the indicator selection. In total the annexes were reduced by 13 pages;

(c) The tables in the short narrative are streamlined and simplified so that this part could be read as a self-standing document;

(d) Some sections of the report are more detailed than others, e.g. the sections on different types of capital. The reason is that in some areas there is less consensus, and therefore more discussion, or new methodologies are presented which require more explanation;

(e) The missing references are added. For example, to OECD's work on green growth, UNEP's work on green economy, human capital stock taking report for the CES, MONET framework, etc.;

(f) The omission of "nutrition" as a theme has been corrected. The rationale about the selection of "nutrition" (Maslow) has been explained.

#### **IV. Comments on the proposed conceptual framework**

17. The framework and the presented set of indicators are considered a good starting point for harmonisation. Countries support the basic framework which includes the three dimensions: 'here and now', 'later' and 'elsewhere'. For instance, Austria emphasizes that the conceptual split between the dimensions allows improving the observation of "sustainability" using the indicators. Countries also note that themes and dimensions should be used together to guide the users. Some countries, e.g., New Zealand, welcome the inclusion of the intra-generational aspect of sustainable development into the framework. Others, e.g., Slovenia and Ukraine, specifically appreciate the focus on the well-being of future generations.

18. Several countries emphasise the importance of proposing a flexible framework. The link between the conceptual and thematic categorisations is believed to make the report relevant for both statisticians and policy makers. The international dimension is considered crucial and further work in this area is encouraged.

19. Countries appreciate that the framework can easily incorporate indicators on the key "policy drivers" for each theme. Several countries consider the indicators on "policy drivers" to be useful tools for policymakers as they can provide detailed information on how to reverse negative trends or sustain positive ones.

20. Reaction to specific comments on the framework:

(a) The issue of interrelationships between the various forms of capital has been reflected in the text;

(b) More consideration is given to the discussion of weak versus strong sustainability and critical natural capital (in the chapter on the international dimension, as well as in the part on indicators);

(c) The TFSD acknowledges that more work needs to be done on the “transboundary impacts” of countries on each other, regardless of their level of development. The proposal has been added to the agenda for future work.

## V. Comments on the proposed sets of potential indicators

21. The countries assess the selection of indicators as adequate and a good basis for harmonising the measurement of sustainable development. Several respondents note that some of the indicators can be produced by all countries. It is found useful to select indicators that are already produced and disseminated in international databases. At the same time, it is pointed out that including in the lists these indicators that are not yet produced (placeholders) can provide an impetus for further work to reduce data gaps.

22. Sweden emphasizes that in addition to choosing indicators and providing a framework, it would be important to analyse the indicators one by one to investigate how they impact on one another. Ukraine appreciates the review of the existing international experience as a “very positive aspect of the report”. Finland considers that “the proposed small set of indicators is feasible on global scale”. Serbia considers particularly helpful the information offered in the part on sustainable development indicators.

23. Several countries are asking to include a brief description of the proposed indicators, because some of them are not common and countries may not be familiar with some concepts, such as bird index, land assets, competencies and educational attainment. Slovenia and Ukraine would welcome specific recommendations on the indicators.

24. Some countries propose to remove or include certain indicators based on different reasoning. Denmark, for example, remarks that certain indicators are complex (e.g., gender pay gap) and either do not have an internationally agreed definition or are difficult to explain to the public.

### 25. Reaction to comments on potential indicators:

(a) The suggestions for additions to the indicator sets by Azerbaijan, Brazil, Canada and Ireland are listed in Annex VI. New indicators are not added to the list in order to keep the selection process transparent. Replacing indicators will not affect the measurement system as such, as most of the indicators suggested are policy “drivers” and not core indicators;

(b) The point on the limits of the “bird index” as suggested indicator for land and ecosystems has been addressed in the text on policy indicators/drivers. Additional text has been added to explain the choices that are made for themes nutrition and health;

(c) Descriptions and units of the proposed indicators have been added in Annex VI;

(d) Text highlighting the importance of data quality and appropriateness has also been added;

(e) The need to address data gaps or measurement issues was further emphasised;

(f) To make the indicator sets relevant for developing countries alternative indicators for the small set are proposed. These are presented in table 5 and table 9.4. An effort is made to link these indicators to the Millennium Development Goals (in table 9.5) and to take into account the needs of countries with different levels of development.

## **VI. Comments on the proposals for future work**

26. Countries supported the directions for future development proposed in the document. The following suggestions were made:

### **A. Test outputs deriving from the framework**

27. Italy suggests testing outputs with a group of countries.

### **B. Resolve measurement issues**

28. Portugal stresses the importance of resolving the measurement issues, in particular the focus should be on (1) assuring international comparability [...] which may depend on the integration of already existing specific surveys; (2) linking subjective and objective indicators [...]; and (3) measuring sustainable development at the regional level.

29. Canada suggests that more effort could be made to reflect the quality of data available and potential for improvement over time (e.g., How robust are the data?).

30. Canada emphasises the importance of the following point in the document: "Sustainable Development Goals, [...] deal with themes which are very relevant from the viewpoint of human well-being and sustainable development. However, significant work needs to be done to make these goals 'measurable'."

### **C. Promote the harmonisation of indicator sets**

31. Finland notes that it is important to promote the harmonisation of international indicator sets in line with the proposed sets and to give a priority to the use of the small set. On measuring transboundary effects, Finland recommends the use of input-output based methods. Ukraine also considers it useful to collect the specific indicators on a comparable basis across countries and proposes to take into account the level of economic development of the country groups.

### **D. Further work on 'transboundary impacts'**

32. Brazil notes the need for further research in the field of 'transboundary impacts', assessing the relations between countries in social, economic and environmental aspects, as well as improving the measurement of human capital, social capital and natural capital.

33. Canada emphasises that 'transboundary impacts' is one of the most important dimensions in terms of measuring sustainable development and tracking spillover and leakage effects, and that there is need for further development of these indicators.

34. Portugal suggests that future work specific topics related to transboundary issues should be developed on the basis of internationally comparable indicators.

### **E. Further work on distributional aspects**

35. Several countries emphasize the importance of distributional aspects and inequality (Austria, Azerbaijan, Ireland, Italy, Poland, Russian Federation and Ukraine). Italy considers it desirable to add indicators on inequality and, at least, a few capital indicators.

However, Italy points out that given the limited availability of some indicators it is difficult to accomplish this in a short time frame.

## **F. Measurement of natural capital**

36. The measurement of natural capital is mentioned as another important aspect. Canada suggests focusing future work on the System of Environmental-Economic Accounting (SEEA) as the source of added value in measuring ecosystems and developing natural capital indicators. It further notes that the Experimental Ecosystem Accounts (SEEA Part 2) has longer-term potential, but considerable development work is still required. Sweden adds that SEEA does not only concern natural capital, but also outlines the need to align the physical and the economic statistics of relevance for the sustainable development agenda. This work opens up for analyses on how, for example, energy use and economic activities in different countries shape the driving forces and the resulting outcomes in terms of environmental pressure.

## **G. Sustainability accounting**

37. Sweden proposes a new area for future work: sustainability accounting.

## **H. Develop recommendations with practical steps**

38. Israel would welcome recommendations on specific practical steps for moving forward on improving data availability, such as surveys (time use) or administrative data that can be collected.

## **VII. Interest expressed by countries to participate in further work**

39. A number of countries express willingness to participate in further work on specific topics. For example, Iceland supports harmonising statistical measures for sustainable development and wishes to follow up on the proceedings in the future. Mexico is open to participate in further work on specific topics.

40. New Zealand considers important the cultural aspect of social capital and is willing to take a lead in the future development of this area.

41. Australia is interested in leading a follow-up work on refining the indicators.

42. Mexico, Slovenia, and Ukraine have already started to use the framework in developing/reviewing their indicator sets.

## **VIII. The way forward/proposal**

**43. The Conference is invited to:**

(a) **Endorse the framework as updated based on the comments by countries and international organizations;**

(b) **Ask the CES Bureau to review the outcome of the consultation, in particular the suggestions for future work as outlined in section VI of this note and decide on next steps, such as:**

(i) **Pilot testing of indicator sets with a sample of countries;**

- (ii) **Developing practical guidance for the implementation of sustainable development indicator sets;**
  - (iii) **Linking/adjusting the indicator sets to the SDGs, targets and indicators, once they are defined;**
  - (iv) **Further work on 'transboundary impacts' and distributional aspects.**
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