

ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Joint UNECE/OECD/Eurostat Working Group on Statistics for Sustainable Development
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Item 2-8 of the Provisional Agenda

COMMENTS OF THE JOINT UNECE/OECD/EUROSTAT WORKING GROUP ON STATISTICS FOR SUSTAINABLE DEVELOPMENT

Prepared by the UNECE secretariat

I. COMMENTS ON THE DRAFT REPORT

EUROPEAN COMMISSION

**Ariane Labat, ECFIN E.4 Economic Analysis / Environment & Sustainable
Development**

Thanks a lot for circulating the draft reports and the comments of the members of the group in advance to the meeting.

In complement to the comments already made on behalf of the EC by Oliver and Pascal, I would like to emphasise the following points:

- First, a comment on **section 1.1.3**:

We regret that the tone of this section creates the false impression that this report has been elaborated in a climate of battle between tenants of conflicting and entrenched views. From the content of the meetings we attended and also from the latest comments of the other members of the group you circulated, we see much more common ground and progress made together than what this section reports.

If some parts of the report convey the (skewed) impression that there is a fundamental dichotomy between various SDI sets, the reader may derive fallacious conclusions from the report. For example, we do not see a benefit to the clarity of the report to state that "it is much easier" to propose a set of SDI indicators from the holistic view. If it would be so

much easier, as other parts of the report claims the SDI indicators based on the capital deserve additional development to be more commonly used than today, the reader may conclude that the current efforts on SDI are wasted at complex and secondary issues!

- A comment on the consistency of the description of the policy implications of the capital approach throughout the report:

Section 1.1.5 is a synthetic, clear and useful description of the policy implications of the capital approach. We think such presentation is a fruitful outcome of the work of the group. We are pleased to see that the conclusion of the report also brings to the front this important message.

As a minor remark, we see some parts of **section 4.2** as being redundant and less informative than the message passed by **section 1.1.5** and we are looking forward to discussing drafting changes with the group to minimise redundancies.

- Last but not least, a plea for bridging the indicators short listed in **Table 4.3 / Table 5.2 and Section 5**.

BELGIUM

Natacha Zuinen, Bureau federal du Plan

General remarks

We congratulate the experts for this draft report that provides a well detailed theoretical background on the capital approach in the perspective of sustainable development and very useful information with the comparison between the SDI lists based on a political approach and with a possible SDI list based on the capital approach.

- Regarding the fact that this report is about SDI, the report should in general better take into account the international commitments on SD to define this concept and to translate it into indicators. These international commitments are the official reference for policy-makers and civil servants working on sustainable development at the international level. We would in particular like to stress the importance of taking into account the intra-generational dimension of sustainable dimension that is a key principle of the international sustainable development commitments. Sustainable development is not only about the development of social welfare *over time* but also about the repartition of social welfare between the present generations. *All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world* (principle 5 of the Rio Declaration:).

- Regarding the development of indicators, the need for a conceptual framework based on the capital approach is certainly necessary to better monitor on a regular basis and on the long term the stocks of our economic, environmental, human and institutional resources. But the demand for indicators comes from policy-makers (statisticians are responsible for

the supply) and is largely based on the international sustainable development commitments. These commitments do not only address the state of the capitals but also the driving forces that affect these capitals. Moreover, in order to assess the progress of a SD strategy on a shorter time period, policy-makers will in general need flow indicators that can show variations on a shorter time period. Therefore, we would like to stress two points:

- the need to be clearer on the flow indicators that affect the stock indicators (ex: indicators on transport that affect the state of the climate) and to be able to link the flow indicators to the stock indicators. The TransGovern model that Belgium presented during the Oslo meeting in 2006 goes in this direction with the concept of pressure exerted by 3 driving forces (demography, consumption and production) on the capitals (human, environmental, economic);
- the need to better interconnect the political approach and the capital approach in the recommendations. The report should address the political approach in its conclusions.

We would also like to recall that the necessary condition to launch work on sustainable development indicators within the UN Commission on sustainable development in 1995 was to let to countries a large flexibility in their choice of indicators. This point was at the center of the work within the UNCSD work program on sustainable development indicators since the program wanted to involve developed and developing countries. The list of indicators proposed by the UNCSD after this work program was seen as a shopping list that countries could use to define their own list of SDI. This flexible approach was essential to start working on SDI and we need to take seriously this element into consideration when working on SDI.

On the format of the report, there is a need for a clear definition of the capital approach. It would be important to give a comprehensive definition of the capital approach and to link this approach with the UN SD commitments.

The report stresses the importance of the Systems of Environmental and Economic Accounting (SEEA). It would be relevant to make clear linkages with the NAMEA and MFA accounts, and to explain these linkages. It would also be worth establishing linkages with the ongoing efforts to enlarge the national accounts to the social component of sustainable development.

Specific remarks

§36: The first sentence is not correct: sustainable development is a term with a positive connotation, but not development. Development is a descriptive concept that is not associated to positive or negative evolution.

§43: Since this § proposes a short definition for each capital, the financial capital should also be described in this §.

§49: The third sentence is too vague. The report should be clearer about the way the neoclassical economic theory has taken into account natural resources.

§55: It's not possible to limit the concept of SD to a development that can continue at least until the end of a politically relevant time horizon. The project of SD is largely

defined by international commitments and should in particular be coherent with the 27 principles of the Rio Declaration.

§56: Poverty eradication is an overarching objective of sustainable development and the ensuring inter-generational justice is a principle of the Rio Declaration.

§63: The use of indicators should not be limited to unfavorable trends. Indicators highlighting positive trends are useful for two reasons: 1) to encourage the future development of these favorable trends, 2) to provide a comprehensive picture of the situation including all the components of development.

§70: The need of a framework was already highlighted in the conclusions of the report of the Workshop of Ghent in Belgium in 1995. The arguments in favor of a framework are also linked to the need of embracing a large number of indicators and various kinds of indicators with different units. Each indicator can easily be linked to its own thematic framework but there is a need for a common framework giving place to the social, economic, environmental components of our development.

§92: first sentence: perhaps??? is there any proof of this affirmation? There is a need to be more evidence based.

§142-145: Why is health not addressed in these paragraphs?

§201: The supply and the demand for indicators should be more clearly distinguished. The supply can be more stable but should also respond to the demand of policy-makers that can evolve according to the political priorities.

§286. The work on indicators in general and on SDI should not only be assumed by statistical offices. The conclusions of the Ghent workshop in 1995 concluded that *"national statistical services and other appropriate institutions and the UN statistical division should in routine data collection begin to include data series needed to calculate ISDs and contribute to research, development and harmonization of appropriate indicators"*. (**§10**)

II. COMMENTS ON FUTURE STEPS

EUROPEAN COMMISSION

Ariane Labat, ECFIN E.4 Economic Analysis / Environment & Sustainable Development

We suggest to the group to spend real time to discuss the small set of indicators shortlisted by this report, as it is a core element coming out of the work of the group. In particular, we would like to correct some inconsistencies: **table 4.3** does not brand the indicators OCDA and unemployment rate as deriving from the "capital approach"...yet the suggested list of indicators for social capital makes the case for encompassing the level of unemployment. The section on Social Capital reflects the significant work put by

some members of the group to advance on this difficult issue, the results of this effort should not be lost when wrapping up with findings on other types of capital. Similarly, **section 5** exemplifies the "capital based" approach set of indicators with ODA as the indicator reflecting the nation's impact on the global wealth. As already pinpointed by several members of the group, we should make clear the process of selection of indicators stemming from the capital approach.

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