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Global Trends and Status of Indicators of Sustainable Development

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Global Trends and Status of Indicators of Sustainable Development *

Background Paper submitted to the Commission on Sustainable Development

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I. Introduction

It is widely acknowledged that indicators of sustainable development are important tools to increase focus on sustainable development and to assist decision-makers at all levels to adopt sound national sustainable development policies. Over the last decade and across the world, a multitude of indicator systems has been developed on international, regional, national and local scales.

However, while sustainability indicators, indices and reporting systems have gained growing popularity in both the public and private sectors, their effectiveness in influencing actual policy and practices often remained limited. The gap between the large *potential* but smaller *actual* influence suggests that indicators could play a stronger role in articulating and tracking progress towards sustainability visions in a wide range of settings.

The Commission on Sustainable Development (CSD) has been instrumental in the process of promoting indicators. In 1995, it approved the Programme of Work on Indicators on Sustainable Development. The work programme culminated in a set of 58 indicators, based on a Theme/Sub-theme framework. The set was presented to the CSD in 2001 after extensive consultations and national testing programmes. The World Summit on Sustainable Development in 2002 and subsequent sessions of the CSD encouraged further work on indicators for sustainable development by countries in line with national conditions and priorities and invited the international community to support efforts of developing countries in this regard.

Against this background, this paper intends to fulfill three related objectives: First, it briefly reviews major trends in the development of indicators of sustainable development. Second, it characterizes the specific role that the CSD indicators of sustainable development (CSD-ISD) have played in the last decade. Third, it informs about the current work of the UN Division for Sustainable Development on indicators.

II. Recent trends in the development of indicators of sustainable development

Indicators of sustainable development have flourished since the early 1990s, in line with the increased recognition of sustainable development as an integral part of policy-making. The Compendium of Sustainable Development Indicator Initiatives, a database maintained by the International Institute for Sustainable Development, contains 669 indicator initiatives as of December 2005.

Indicators of sustainable development are often developed through dynamic interactive processes and dialogues among a wide range of stakeholders, including government representatives, technical experts and civil society representatives. The process allows participants to define sustainability from their own perspective, taking locally relevant aspects as well as their own value systems into account.

The diversity of core values, indicator processes and sustainable development theories resulted in the development and application of different conceptual frameworks. Conceptual

frameworks for indicators help focus and clarify what to measure, what to expect from measurement and what kind of indicators to use. The main differences among frameworks are the way in which they conceptualize the key dimensions of sustainable development, the inter-linkages among these dimensions, the way they group the issues to be measured, and the concepts by which they justify the selection and aggregation of indicators.

Issue- or theme-based frameworks are the most widely used type of frameworks, especially in official national indicator sets. This type is also applied in the CSD-ISD. A main reason for their prominence is the suitability to link indicators to policy processes and targets. Frameworks based on variations of the Pressure-State-Response model continue to be used in indicator systems concentrating on the environmental dimension of sustainable development. Such a framework was also used in the first CSD-ISD of 1996, but was abandoned for the current set due to difficulties in identifying indicators within this framework in the presence of complex inter-linkages among issues and uncertainties over causal linkages. More recently, a few countries have started to develop their indicators based on a capital framework, organizing indicators along different capital dimensions, typically real, financial, environmental, natural, social and institutional capital. These frameworks directly link indicators to sustainability concepts arguing that the maintenance of broadly defined capital categories is imperative to allow future generations to meet their own needs.

Increasingly, countries and organizations are applying so called headline indicators, short core sets of indicators closely linked to policy priorities. These short sets provide signals to high-level policy-makers and to the general public, thereby raising the profile of priority policy issues and in particular providing early warning about imminent trends. In many cases, they are complemented by larger sets of indicators targeting more specialized audiences. Their popularity is rooted in the perception that robust core sets of measures are easier to understand, and that they help track progress towards selected policy goals. Moreover, working with a long list of indicators can be counterproductive, as real priorities tend to be lost in large, comprehensive indicator sets. However, there is a potential danger that headline indicators simply reflect current political priorities or the influence of special interest groups rather than focus on significant issues influencing future sustainability. Therefore, holistic and inclusive processes are needed to achieve headline indicators reflecting societal priorities for achieving sustainable development.

On the international level, there is a continuing interest in the development of aggregate indices. They also continue to attract a large amount of media attention. At the same time, most of these indices have not been accepted for actual decision-making due to a lack of consensus on measurement, weighting and indicator selection. On the national level, aggregate indices continue to play only a minor role.

Increasingly, indicators are explicitly linked to targets and goals. On the international level, the Millennium Development Goal (MDG) indicators are the most prominent example. The MDG indicators are used for monitoring progress towards the targets derived from the Millennium Summit in 2000, which constitute a critical subset of medium-term targets towards sustainable developments. The MDGs and their indicators have been instrumental in shaping policies of most international organization within the United Nations system, many developing

countries and to some extent also the business sector. Moreover, the MDG initiatives have also increased attention to improving national statistical capacities for development monitoring.

There is also a growing interest in linking indicators to measuring the performance of programmes, organizations and institutions. In particular, sustainable development indicators have an integral role in national sustainable development strategies (NSDS). As a NSDS should be viewed as a cross-sectoral cyclical process, the application of sustainable development indicators is important in several phases, from the identification of strategic priorities, through the planning and implementation of specific policy interventions, monitoring progress and learning from successes and failures. Consequently, a number of countries have integrated the development of indicator systems into their NSDS. Nevertheless, most countries have not yet fully harnessed the mutually supportive and strengthening relationship between sustainable development indicators and NSDS, in which indicators can increase rigor and credibility of the NSDS and the NSDS can provide an institutional framework for indicators to gain policy relevance.

III. The role of the CSD indicators of sustainable development

Agenda 21, the action program adopted by the 1992 Rio Summit, calls in Chapter 40 for countries, international organizations and non-governmental organizations to develop the concept of indicators for sustainable development. The organizations and organs of the United Nations system were invited to provide recommendations for harmonized indicators systems on global, regional and national levels. In response to this, the United Nations Division for Sustainable Development (DSD) prepared a specific work programme on indicators, which was adopted by the CSD in 1995. The programme comprised five main elements:

- (a) enhanced information exchange among all interested actors;
- (b) development of methodology sheets, to be made available to governments;
- (c) training and capacity-building at regional and national levels;
- (d) testing of the menu of indicators and monitoring of experiences in three to four countries; and
- (e) evaluation of the menu and adjustment, as necessary.

The program, coordinated by the predecessor of the current Department for Economic and Social Affairs, involved a participatory, iterative approach to develop a set of indicators helping to measure progress on a wide range of sustainability concerns of countries in the world. The programme was implemented in three main phases until the end of 2000.

During phase 1 from 1995 to 1996, international agencies developed methodology sheets for the indicators included in the initial set of sustainable development indicators. The initial set consisted of 134 indicators, grouped according to the dimensions of sustainable development in four major categories: social, economic, environmental and institutional indicators. Indicators were embedded in the driving force, state and response (DSR) framework, a variation of the pressure-state-response framework. The relevant chapters of Agenda 21 were highlighted in the set. The methodology sheets followed a common template designed by experts from relevant agencies.

Indicators and methodology sheets were published in 1996 in the first edition of the so called 'blue book'.

In phase 2, from 1996 to 1999, 22 countries from across the world voluntarily pilot tested the indicator set. Twelve of the countries also tested the indicators in their reporting to the CSD. In order to facilitate the testing, the DSD developed guidelines for the implementation of the indicator set. The DSD initiated a series of regional briefing and training workshops as part of its capacity-building activities for developing countries. National workshops and twinning arrangements between testing countries also built important capacities.

Phase 3, from 1999 to 2000, primarily served the evaluation and revision of the CSD indicator set. A major milestone in the evaluation process was an international workshop held in Barbados in December 1999. Most countries found the testing process to be successful. The participatory approach adopted by all countries was very valuable, and the involvement and commitment of high-level policymakers was critical to achieve rapid progress. At the same time, institutional challenges especially in the areas of human resource and policy coordination often posed binding constraints. Integrating indicator initiatives with national development policies and transforming them into permanent work programmes ranked high among the recommendations to ensure their success. Most countries found that the initial CSD indicator set was too large to be manageable and that the underlying DSR framework was not always suited to emphasize policy issues and linkages. Consequently, a revised CSD-ISD set was developed and presented to the CSD in 2001. It consists of 58 indicators embedded in a theme/sub-theme framework and organized along the four dimensions of sustainable development.

Since the formal completion of the CSD work programme, countries continue to develop national indicator sets on sustainable development. Many of them base their sets on adapted version of the CSD-ISD, a process in which regional institutions have been instrumental. While no detailed analysis of the impact of the CSD work programme on national indicators of sustainable development has been prepared, a number of general conclusions can be drawn.

The focus of the CSD and its secretariat on indicators provided a very useful and timely forum for the discussion of national-level indicators with the involvement of governments, international organizations, and various stakeholders at a time when thinking on the role of indicators in sustainable development was immature and evolving. Therefore, the proactive role of the CSD proved to be instrumental in advancing work in this area. Hence, in addition to the direct impact through the concrete work programme outputs, the CSD work on indicators had an important indirect impact.

The intensive testing exemplified the important and beneficial role of working-level cooperation between the United Nations secretariat and member State governments and stakeholders. The provision of a large initial set of indicators assisted countries in selecting indicators reflecting their priorities. At the same time, the testing helped to identify some indicators of common importance and to reduce the initial set to a more manageable size.

However, even the shorter list of 58 indicators contains issues that are irrelevant for some (for example, coastal indicators are of no importance to landlocked countries), but misses issues that

are critical for some countries but are not of universal importance (for example, diseases like Malaria that are a major threat to development in some countries, but are non-existent in many other countries). Given the heterogeneity among countries, the lack of relevance of some indicators to certain countries is probably unavoidable. The testing and the flexibility of the work programme allowed the development of the theme/sub-theme framework for the revised CSD-ISD, which became, often in adapted form, the major framework for most national indicator sets.

IV. Current work on the CSD indicators

The World Summit on Sustainable Development in 2002 encouraged further work on indicators for sustainable development by countries in line with national conditions and priorities and invited the international community to support efforts of developing countries in this regard. The subsequent sessions of the CSD confirmed this mandate.

Since 2001, countries and organizations have increased their knowledge of and experiences with indicators of sustainable development. Moreover, the world sees an increasing emphasis on measuring development progress. The Millennium Development Goals and their indicators are probably the most widespread initiative in this regard. For these reasons, the Division for Sustainable Development decided that a review of the CSD indicators would be an important part of its support to UN members States in their efforts to develop and implement national indicators for sustainable development.

For the review, the Division chose a two-track approach. The first track, scheduled to be completed in early 2007, is to update and, if necessary, to adapt the existing CSD-ISD to important recent developments in the area of indicators. The second track is to assess the need for future international work on indicators on sustainable development. As part of the review process, the Division convened an expert group meeting in December 2005. The meeting was attended by participants from countries and international organizations. Documents and the report of the meeting can be found at <http://www.un.org/esa/sustdev/natlinfo/indicators/egmIndicators/egm.htm>. A second meeting of the expert group is tentatively scheduled for the second half 2006 with a view to finalize a draft revised CSD-ISD.

As part of the first track, international agencies responsible for the preparation of methodology sheets submitted proposals to retain, modify or add indicators within their areas of competency. The DSD performed interim assessments of these proposals and of the coherence between CSD-ISD and the Millennium Development Goal indicators. The second assessment was to further harmonization of the two major indicator sets, as appropriate. The expert group meeting agreed on an interim revised CSD-ISD. This set includes both core and non-core indicators. The non-core indicators offer a larger set of sustainable development issues that may be relevant for some but not all countries without returning to an unmanageable and large set. They also provide guidance for countries that may wish to delve into more detail in any given issue.

The thematic framework is being retained, with some adjustments. However, in order to emphasize the multi-dimensional nature of sustainable development and to highlight linkages

among the issues, it was agreed that the revised set should eliminate the division of indicators along the lines of the four “pillars” (social, economic, environmental and institutional). The interim list consists of 54 core indicators, 33 additional indicators and 12 further indicators to be developed. Whereas most of the current indicators remain on the list unaltered or with modifications, more than 20 per cent may be replaced or deleted. In select cases, CSD-ISD indicators can be aligned with similar MDG indicators. However, due to their different purposes, full harmonization of the two sets is unfeasible.

As part of the second track, the expert group meeting discussed the suitability of frameworks and options for a way forward for the CSD-ISD. Future work on capital frameworks through national and international efforts should be encouraged. The ongoing work on the System of Integrated Environmental and Economic Accounting is relevant for the derivation of indicators of sustainable development related to the environmental and economic sphere. Further synergies should be explored, not least through increased inter- and intra-agency cooperation. In the future, concerted efforts by many actors are necessary for enhancing global cooperation in the development and implementation of sustainable development indicators. In this regard, the Commission on Sustainable Development has a very important role to play not only in providing guidance and support but also in acting as a catalyst for national policy makers to develop and strengthen their indicator programmes. Increased capacity-building on sustainable development by many global, regional and national partners continues to deserve an important place on the political agenda.

V. Conclusion

Indicators of sustainable development have large potential to assess sustainability of economic, social and environmental development, to assist political priority-setting, to measure effectiveness of strategies and policies, and to assist communication among stakeholders, governments and the public at large. As their potential has not been fully used, they deserve high priority on the national policy agendas. International support to the development of indicator systems, including an information exchange on national approaches, should play an important role to assist developing as well as other countries in their efforts. The CSD has been instrumental in promoting ISD over the past decade and is in the right position to further in the upcoming years the advancement of sustainable development through improved indicator systems. As part of its effort to assist United Nations members, the DSD is currently reviewing the CSD-ISD. An updated and revised CSD-ISD is expected to serve countries as improved basis for developing or revising national indicators of sustainable development. Among other actors, the CSD could play an important role in shaping future international work on sustainable development indicators. In light of the increased impetus on measuring development progress against nationally or internationally agreed targets, effective coordination on national and international level with related initiatives, including those based on the Millennium Declaration, will be critical to ensure the development and implementation of coherent indicators, strategies and policies.