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**EUROSTAT**

Directorate E: Sectoral and Regional Statistics  
**Unit E-2: Environmental statistics and accounts; sustainable development**

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**WORKING GROUP ON  
SDG-RELATED REPORTING  
OF THE DGs**

**PRINCIPLES, CRITERIA AND SELECTION  
PROCESS FOR DEVELOPING  
AN EU-SDG INDICATOR FRAMEWORK**

*Version of 15/12/2016*

## 1 Purpose of the document

The Commission is planning to develop a reference indicator framework for the monitoring of the Sustainable Development Goals (SDGs) in an EU context (COM(2016) 739 final, page 16).

This paper presents the mechanisms for discussing and approving this reference indicator framework (called for short EU SDG indicator set), the underlying principles to develop the indicator set and the criteria to select the most appropriate indicators.

This version incorporates comments received at the 13 Dec 2016 meeting of the *Working Group on SDG-related reporting of the DGs*.

## 2 Background

In September 2015 the UN Sustainable Development Summit adopted the document [Transforming our world: the 2030 Agenda for Sustainable Development](#). The document includes a list of 17 sustainable development goals (SDGs) and 169 targets which the subscribing national governments committed to pursue.

In the section on 'follow-up and review', the 2030 Agenda foresees to evaluate at national, regional and global level the progress made in implementing the goals and targets over the coming 15 years. This refers to the need to develop a global indicator set, complemented by indicators at the regional and national levels (paragraph 75). The development of the *global, regional and national indicator sets* entails separate processes.

In March 2016 the UN Statistical Commission agreed on a [global list of 241 SDG indicators](#)<sup>1</sup> as a practical starting point to monitor the 17 SDGs and 169 targets at global level. Not all indicators in the list are immediately available at global level - in fact data are currently available only for about 1/3 of the indicators.

Global monitoring started in 2016 and the UN Secretary General issued a first [SDG progress report](#) on 3 June 2016, followed by a [SDG glossy report 2016](#) for the broad public.

The Commission's follow-up to the SDGs is taken forward through a revised European Consensus on Development and the Commission Communication on "[Next steps for a sustainable European future](#)" (COM(2016) 739 adopted on 22 November 2016), which maps out both the internal and external aspects of EU policies contributing to the implementation of the SDGs. The Communication shows the significance of the SDGs for Europe and explains how the EU contributes to achieving them. It is accompanied by a [staff working document](#) which gives an overview of key European actions and policies in relation to the 17 SDGs.

The Communication in section 3.3 announces a detailed regular monitoring of the SDGs in an EU context from 2017 onwards, and the development of a reference indicator framework for this purpose. The set-up of the future regular monitoring in an EU context and the process to develop the indicator framework are still to be developed.

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<sup>1</sup> The SDG global indicator list includes 230 different indicators, as nine are used to measure two or three targets (multipurpose indicators).

In line with the conclusions of the 8 November 2016 meeting of the Economic and financial affairs (ECOFIN) Council<sup>2</sup>, Eurostat assumes to lead this process in close cooperation with the other DGs, based on the principles and mechanisms as presented in this paper.

### **3 Agreeing on what and how to measure**

**The purpose of a new EU SDG indicator set is to measure progress towards the SDGs in an EU context.**

EU SDG monitoring must have a strong link to EU policies and initiatives as presented in the Communication and in the staff working document accompanying the Communication. Many of these policies are jointly implemented by EU institutions and Member States. The focus will be on issues that require attention over a number of years, i.e. longer-term policies and initiatives.

Therefore, the EU SDG indicator set must have a high relevance for EU policies and initiatives such as Europe 2020, the 10 Commission Priorities, the Circular Economy package etc. Synergies with indicator sets used for monitoring existing or forthcoming EU policies will be exploited, including for Europe 2020 and the Circular Economy package.

The EU SDG indicator set will be structured along the 17 SDGs. It will be aligned as far as appropriate with the UN list of global indicators, noting that these are designed for global level reporting and therefore not always relevant for the EU.

The EU SDG indicator set would focus on indicators that are available or that have a good chance to become available in time to be included in the SDG monitoring starting in 2017. This approach differs from the rationale behind the global SDG indicators, as a large number of the global indicators are currently not available and for several indicators no agreed methodology exists.

Like the list of global SDG indicators at UN level, the EU SDG indicator set will be open to regular reviews to consider new indicators as methodologies, technologies and data sources evolve over time and new policies and strategies beyond 2020 should be taken into account. It is assumed that annual reviews will make sure new data can be included. Significant reviews may be needed to reflect major EU policy changes such as the replacement of the Europe 2020 strategy by a new strategy.

The indicator set should use as much as possible indicators based on European statistics produced within the European Statistical System ('ESS indicators'). Non-ESS indicators are also used provided they satisfy the agreed minimum requirements (see section 5).

### **4 Principles for establishing the EU SDG indicator set**

The term «indicator framework» refers to the idea that there should be a coherent set of indicators that addresses the overall requirements of the 2030 Agenda.<sup>3</sup>

The following principles will be applied to frame the EU SDG indicator set:

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<sup>2</sup> The conclusions (page 6) state: “*The Council CALLS UPON the ESS to monitor progress towards the goals of the 2030 Agenda for Sustainable Development.*”

<sup>3</sup> 24<sup>th</sup> session of the Committee for the Coordination of Statistical Activities; Item 5 (Rome 11-12 Sept 2014)

- (1) The indicator set should be structured along the 17 global SDGs to allow monitoring EU policies in the perspective of the UN 2030 Agenda.
- (2) The indicator set should aim for maximum 100 indicators, as this is widely recognised as an upper limit for effective and harmonised reporting by experts from National Statistical Offices, OECD, Eurostat and many others<sup>4</sup>.
- (3) The indicator set should consist of maximum 6 indicators per goal to attach equal importance to all goals.
- (4) The indicator set should include 1 – 2 headline indicators per goal, ideally representing the overall ambition of each goal in an EU context to facilitate communication.
- (5) The selected indicators should cover the social, economic, environmental and institutional dimension of sustainability as represented by the Agenda 2030 text of each goal<sup>5</sup> to allow a balanced measuring of progress.
- (6) The selected indicators should be calculated by using the same definitions throughout the indicator set (e.g. population, GDP etc.) to allow a consistent measurement of progress.
- (7) Each selected indicator should be policy relevant according to the criteria set out in section 5.1; admissible according to criteria set out in section 5.2; and reach a minimum rating level according to the quality criteria set out in section 5.3.

Following the above principles, the EU SDG indicator set is expected to inform policy makers and other users in a comprehensive and representative way on progress towards sustainable development as reflected in the Communication on “Next steps for a sustainable European future” and the UN 2030 Agenda.

## 5 Selecting EU SDG indicators

In line with the Better Regulation Toolbox<sup>6</sup> of the Commission, the EU SDG indicators have to be “RACER” to the largest possible extent, i.e. *Relevant, Accepted, Credible, Easy to monitor* and *Robust against manipulation*.

To achieve these requirements in a transparent and efficient manner, a series of specific quality criteria will be applied to all indicator proposals. The selection criteria are structured

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<sup>4</sup> See [Informal Note on Expert Group Meeting on the Indicator Framework for the Post-2015 Development Agenda](#), UNHQ, New York, 25-26 February 2015.

As an example, Eurostat’s latest SDS Monitoring report 2015 is based on the evaluation of 96 indicators, the indicator system for Belgium has 75 indicators, the system for Switzerland 73 indicators, etc.

<sup>5</sup> Taking the Communication on “Next steps for a sustainable European future” and the Staff working document “Key European action supporting the 2030 Agenda and the Sustainable Development” into account, an agreement on aspects not applicable for the EU would allow to revise the proportion of the dimensions accordingly.

<sup>6</sup> The Better Regulation Toolbox: TOOL #35: MONITORING ARRANGEMENTS AND INDICATORS [http://ec.europa.eu/smart-regulation/guidelines/tool\\_35\\_en.htm](http://ec.europa.eu/smart-regulation/guidelines/tool_35_en.htm)

in a hierarchical order. Policy relevance is the initial selection criterion, followed by exclusion criteria based on the [Code of Practice of European statistics](#). Indicator proposals which meet these criteria will then be quality rated according to concepts as applied in the [Euro-SDMX Metadata Structure \(ESMS\)](#), recommended by the European Commission for the European Statistical System (ESS)<sup>7</sup>.

The SDG indicator set selected through this process should reach a maximum level of relevance and quality in order to allow a solid and reliable measuring of progress.

## 5.1 Requirements on policy relevance

To ensure policy relevance, indicators considered for the EU SDG indicator set should either

- a. be part of one of the following existing indicator sets for monitoring EU policies:
  - EU SDI set (Sustainable development strategy)
  - Europe 2020 headline indicators (Europe 2020 strategy)
  - Set of impact indicators for Strategic Plan 2016-2020 (10 Commission priorities)

or

- b. designed to monitor a policy or initiative as reported in the staff working document “Key European action supporting the 2030 Agenda and the Sustainable Development” accompanying the communication on “Next steps for a sustainable European future”.

Only for areas where no such indicators exist, entirely new indicators should be proposed. New indicators should be aligned where appropriate with the UN list of global indicators.

Furthermore, policy relevance implies that all selected indicators allow an unambiguous interpretation of the desired direction of change as set out in the relevant EU policies and initiatives.

## 5.2 Admissibility requirements

In addition to the policy relevance, indicators to be considered for the EU SDG indicator set must be produced and disseminated in line with the principles stipulated in the [Code of Practice of European statistics](#). In particular, they must meet the following requirements:

- I. Readiness of statistical production: Indicators must have at least one data point ready to use and published by their producer.
- II. Sustainability of statistical production: Regular data production must be ensured, preferably by an official mandate and by adequate human (including quality of staff) and financial resources.
- III. Sound methodology and procedures: Indicators and their underlying data must be produced according to a well-founded methodology and procedures.
- IV. Accessibility and transparency: Data on indicators must be accessible online and information on their data sources, methods of computation, etc. must be publicly available.
- V. Compliance: Indicators must comply with international or EU standards where such standards exist (agreed methodology, definitions, classifications, standards and recommendations).

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<sup>7</sup> See Commission recommendation of 23 June 2009 (2009/498/EC), at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:168:0050:0055:EN:PDF>

It is assumed that indicators provided by data producer with a strong commitment to quality, i.e. official statistics or other well established institutions having a quality policy and procedures in place to monitor and report on product quality, will fulfil the above requirements.

Indicators not yet available but being prepared (e.g. on the SENDAI framework for disaster risk reduction) could be mentioned in the statistical monitoring report.

The admissibility requirements should only be relaxed in cases where there is a genuine lack of indicators that meet these criteria. In these cases, users will be informed as appropriate about the limitations of the affected indicators.

### 5.3 Requirements on data quality

To be considered for the EU SDG indicator set, indicators must have a minimum quality. Table 1 below provides the criteria to assess the quality of indicators. To be included in the indicator set, indicators have to be classified at least at "low" level for each criterion and have to attain a minimum average rating of 1.5 point. The average rating is calculated by dividing the total number of points by the number of applied criteria.

If a criterion does not apply to a proposed indicator, no weight is given for this criterion. In particular, this is the case for newly produced indicators for which only one data point is available yet and therefore the length of the time series and the comparability over time cannot be assessed.

If a criterion cannot be assessed due to a lack of information, the proposed indicator will not be considered for the EU SDG indicator set.

**Table 1: Criteria to be applied to potential EU SDG indicators for quality rating**

<i>Criterion</i>	<b>Rating</b>				<i>Comments</i>
	<b>high (= 3 points)</b>	<b>medium (= 2 points)</b>	<b>low (= 1 point)</b>	<b>not accepted (= 0 points)</b>	
Frequency of dissemination	every year	every 2 years	every 3 years	longer than every 3 years or a-periodic	Indicators based on models: Criterion applies to the statistical input data as the frequency of running the model is not decisive for rating.
Timeliness (release year-reference year)	T-1 year	T-2 years	T-3 years	> T-3 years	T = year of release Indicators based on models: Applies to the statistical input data as the time of running the model is not decisive for rating.

<i>Criterion</i>	<b>Rating</b>				<i>Comments</i>
	<b>high (= 3 points)</b>	<b>medium (= 2 points)</b>	<b>low (= 1 point)</b>	<b>not accepted (= 0 points)</b>	
Geographical coverage	Data for all MS and EU aggregate available	MS data represent at least 75% of EU total and estimate for EU aggregate available	MS data represent at least 50% of EU total and estimate for EU aggregate available	MS data represent less than 50% of EU total or no EU aggregate available	Rating based on most recent period. Data on EFTA & candidate countries, US & Japan are also desirable.
Comparability between countries	Data for all countries are comparable	Data comparable for MS representing at least 75% of EU total	Data comparable for MS representing at least 50% of EU total	Data comparable for MS representing less than 50% of EU total	Rating based on most recent period.
Length of time series (in years)	> 10 years	5 – 10 years	2 – 5 years	1 year only	Applies only to indicators with at least 2 data points
Comparability over time	At least 5 data points without method-logical break	At least 3 data points without method-logical break	At least 2 data points without method-logical break	No data points without method-logical break	Rating based on number of years from last break. Applies only to indicators with at least 2 data points.

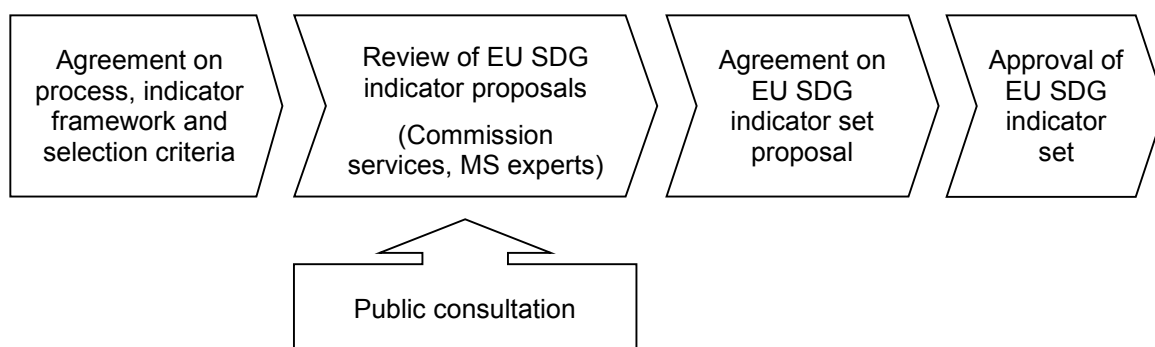
For the set of indicators per goal, further preference is given to:

- i. indicators that can be disaggregated by characteristics of the individual or household (e.g. gender, age, income, race, etc.), economic activity and spatial dimensions (e.g. geographical region, metropolitan areas, etc.) where applicable and relevant.
- ii. multi-purpose indicators (i.e. indicators that are able to contribute to the narrative of more than one goal) to keep the number of indicators limited and strengthen the links across goals.
- iii. performance indicators measuring impacts and outcomes of EU policies and initiatives in a simple, clear and easy to understand way.

## **6 Agreement on the EU SDG indicator set (process)**

The establishment of an EU SDG indicator set should take into account both technical and political aspects. Eurostat assumes a mandate to coordinate this process in close cooperation with other Commission services.

The proposed development process includes four major stages as shown in the graph below:



The working group on SDG-related reporting within the Commission, a sub-group of the Inter-service Steering Group (ISSG) on UN Sustainable Development Goals chaired by Eurostat, will be used to ensure the coordination at the Commission level. The WG will first agree on the process, the principles and the selection criteria. At the end of the development process, the WG (or the ISSG) is expected to agree on the draft final proposal of the EU SDG indicator set which will then be submitted to a competent body for approval. The competent body could be the ISSG.

The EU SDG indicator set will be developed based on an initial proposal drafted by Eurostat, a consultation round among the Commission services for collecting further and alternative indicator proposals, discussions with individual DGs and a final proposal based on the evaluation of the discussions and consultation round. The consultation will also include experts from the national statistical institutes for technical advice.

As soon as a sufficiently advanced draft of the EU SDG indicator set has been developed, a public consultation could be launched to integrate the civil-society perspective into the design of the final EU SDG indicator set. Alternatively, a public consultation could be run in parallel to the development work within the Commission services. In this case, the public consultation would focus on the identification of the most important areas to be monitored.

### Timetable - Overview on main activities and milestones (draft)

<i>Date</i>	<i>Event</i>	<i>Comments</i>
13 Dec 2016 in BERL	Meeting of working group on SDG monitoring (ISSG sub-group)	Discuss paper on principles, criteria and selection process for EU SDG indicator set. Launch consultation on a 1 <sup>st</sup> draft indicator set
15 December 2016 - 27 January 2017	Consultation of Commission Services and MS statistical experts on draft indicator set provided by Eurostat	Input: "Initial proposal of EU SDG indicator set" for review and paper "Principles, criteria and selection process" as background information
18 January (?)	Meeting of ISSG	Inter alia present progress on indicator development + discuss monitoring
30 January 2017 - 28 February 2017	Evaluation of consultation; bilateral high level discussions where needed (DEVCO, ENV, MARE, CLIMA...?)	Discussion of possibly controversial indicators
8-9 March 2017	Meeting of Eurostat's SDI working group	Discuss proposed EU SDG indicator set
Mid-March 2017	Meeting of ISSG on SDGs (or of WG on SDG monitoring)	Discuss proposed EU SDG indicator set
End March 2017	Draft final proposal of EU SDG indicator set to ISSG available	



<i>Date</i>	<i>Event</i>	<i>Comments</i>
April 2017	(ISSG?)	Approval of EU SDG indicator set.
17-18 May	33 <sup>rd</sup> European Statistical System Committee (ESSC)	Presentation of approved EU SDG indicator set
Early May 2017	Launch production of SDG monitoring report 2017	Includes 1 consultation round among ESTAT domain units and 2 consultation rounds with DGs
<b>15 Nov 2017</b>	<b>Release of Eurostat SDG monitoring report 2017</b>	

A public consultation could be run in parallel in January and February.