## Core food and agricultural indicators for measuring the private sector’s contribution to the achievement of the Sustainable Development Goals

The achievement of the Sustainable Development Goals (SDGs) calls for collective transformational changes of all key actors in society. Businesses and the private sector more broadly can provide an important contribution to achieving the SDGs, although their specific role is not sufficiently mainstreamed in the SDG agenda.

SDG 12 (sustainable consumption and production) and target 12.6 explicitly encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information in their reporting. As the custodian agency of SDG indicator 12.6.1(number of companies publishing sustainability reports), the United Nations Conference on Trade and Development (UNCTAD) developed the [Guidance on core indicators for entity reporting on the contribution towards the implementation of the Sustainable Development Goals (GCI).](https://unctad.org/system/files/official-document/diae2019d1_en.pdf) UNCTAD’s GCI provides a useful starting point for assessing corporate performance on the SDGs as a set of standard baseline indicators. FAO has sought to build off of UNCTAD’s indicators by identifying additional indicators and tailoring guidance to assess the specific impact of food and agriculture private actors on the achievement of the SDGs.

The resulting[**Core Food and Agricultural Indicators for Measuring the Private Sector Contribution to the SDGs Supplement Guideline**](http://assets.fsnforum.fao.org.s3-eu-west-1.amazonaws.com/public/Methodology_note_of_core_indicators_food_and_agriculture_22.03.20_CONSULTATION.pdf)provides practical information on how to measure the contribution of food- and agriculture private actors to the SDGs in a consistent manner and in alignment with countries’ needs on monitoring the attainment of the SDG agenda. The indicators address four sub-sectors of the food and agriculture sector, namely: i) agriculture production (crop and animal production and aquaculture); ii) food processing, iii) food wholesale, and iv) food retail. For each indicator, the guideline provides the definition, rationale, measurement methodology and conceptual interpretation. The links and alignment of each indicator with relevant SDG indicators are also included.

The indicators and associated methodological guidelines are the result of an extensive review of existing frameworks and key standards, and wide internal peer review among FAO’s technical departments.

[The Office of the Chief Statistician of FAO](http://www.fao.org/sustainable-development-goals/indicators/en/) invites you to review the [draft indicators and guideline](http://assets.fsnforum.fao.org.s3-eu-west-1.amazonaws.com/public/Methodology_note_of_core_indicators_food_and_agriculture_22.03.20_CONSULTATION.pdf) and provide feedback as part of wider efforts to seek feedback within the UN agencies and partner institutions, and pilot testing of the indicators with private organisations. The indicators will then be finalised based on the input received through this consultation process and pilot testing, and launched alongside the Food Systems Summit later this year. FAO will work with countries and relevant partners across UN agencies and standard setting bodies to support private sector organisations in using the indicators, and support national governments and wider stakeholders on integrating information into overall analysis and reporting of progress on the SDGs.

We are seeking input on the questions outlined below. Please feel free to choose the question(s) where you can share the most relevant input and expertise.

**1. Scope**

* Are the most relevant sectors and areas with respect to the private sector’s impact on the SDG agenda covered? Are the associated indicators adequate to measure private sector entities’ contribution to the SDGs? If not, where are the gaps? Are there any indicators included which are superfluous and why?
* The framework is food-centric for the downstream sectors (food processing, food wholesale and food retail), and the scope of the guidance at the production level only includes crop and livestock production as well as aquaculture. Is the inclusion of aquaculture but not fishing the right approach given the similar impacts of aquaculture with other types of agricultural production? Should the framework be applicable to the forestry sector and if so, which aspects should be considered?
* Would it be helpful to include the specific list of indicators which apply to each type of production, e.g. aquaculture, livestock, crop production?
* For certain sustainability issues, the performance of an entity cannot be assessed without going beyond the entity’s direct operations. Some indicators take into consideration reporting entities’ relationships with their suppliers or suppliers’ impact in the reporting entity’s overall performance:
  + 1. **Indicators related to reporting entity’s relationship with suppliers**: A.5.1 Proportion of local procurement, A.5.2 Fair pricing and transparent contracts,
    2. **Indicators related to impact of suppliers**: B.1.4 Water Management practices, B.2.3 GHG emissions (scope 3), B.2.4 GHG Emissions management, B.7.1 Land conversion, B.7.3 Sustainable use and conservation of biodiversity, C.4.2 Incidence/frequency rates of occupational injuries, C.5.1 Incidents of non-compliance with child labour laws, C.6.3. Non-compliance in food safety and food quality, C.7.1. Non-compliance with land tenure rights regulations, D.2.1. Amount of fines paid and payable due to corruption-related settlements, D.3.1 Management of risks to people, planet and society through supply chain due diligence. For the other indicators, entities are encouraged to assess and report on suppliers’ performance alongside their own reporting.

Does this approach capture the relevant sustainability issues related to suppliers? Is it clear where reporting entities need to be requesting information from suppliers?

**2. Clarity**

* Is the supplementary guidance clear in terms of type of private entities targeted and reporting rules?
* Can entities easily evaluate if their activities and the commodities they purchase, produce, process, manipulate and/or sell are in scope for each indicator? If not, how could this be improved?

**3. Feasibility**

* Do private sector organisations have access to the type of data required to assess performance against the indicators? If not, is it feasible for them to collect it?
* Do companies have country-level information in order to provide disaggregated data by country to feed into SDG monitoring/reporting?

**4. Ease of use**

* Does the guidance make it easy enough for private sector entities to understand how to calculate their performance against each indicator? If not, where is improvement needed?
* Is there sufficient supplementary guidance in terms of links to additional materials and definitions?

**5. Qualitative vs. quantitative indicators**

* Are there ways to make any of the qualitative indicators quantitative and how? *Qualitative indicators are: A.2.3 Financial Risk Management, A.5.2 Fair pricing and transparent contracts, B.1.4 Water management practices, B.2.4 GHG emissions management, B.7.3 Sustainable use and conversion of biodiversity, B.9.2 Management of pesticides, B.10.2 Management of fertilizers, C.6.1 Food labelling, C.6.2 Practices promoting sustainable healthy diets*, D.3.1 Management of risks to people, planet and society through supply chain due diligence.
  + 1. For example, would it be preferable to replace the indicator in C.6.2 which focuses on practices with an indicator on the percentage of the entity’s marketing budget spent on promoting healthy foods?

**6. Adequacy of specific indicators**

* **B.7.1 Land conversion:** Do the three sub-indicators address the issues with land conversion as related to the achievement of SDG 15?
* **B.7.2 Habitat area protected:** Where there is no natural habitat in the reporting entity’s production area, should there be a requirement for reporting on restoration or ‘rewilding’ to create habitat?
* **C.1.2 Average hourly earnings of all employees:** Would it be better to formulate this indicator as ‘Percentage of employees and other workers paid above a living wage, disaggregated by occupation, gender, age, and disability status’?
* **C.6.3 Non-compliance in food safety and food quality:** Is it relevant to include incidents of non-compliance with GFSI certification as part of this indicator?
* **D.3.1 Management of risks to people, planet and society through supply chain due diligence:** Does this indicator capture well entities’ institutional efforts and commitments to identify and address social and environmental risks along the value chain?

Comments are welcome in English, Spanish or French. The consultation is open until April 30th, 2021.

We thank you very much for taking the time to provide your feedback on the core indicators and guideline. Your input will be very valuable in ensuring that they are effective at contributing towards measurement of progress on SDGs.

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