UNDP's Opinion of Mexico's SDG Sovereign Bond Framework[1]

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Abstract

The United Nations Development Programme is of the view that this framework is aligned with the principles and objectives of the Sustainable Development Goals[2]. First of its kind, this bond has the potential to open the way for other Governments to tap into the private capital market to finance public SDG-related programs. UNDP concludes that the SDG Sovereign Bond proposed by the SHCP has the potential to advance Mexico's commitment towards the SDGs in three areas: strengthening budget transparency, increasing the amount of resources earmarked towards sustainable social development policies, and supporting the development of capital markets to finance sustainable development at the national and international level. The use of the Social Gap Index to define eligibility and sub-regional targeting (geospatial criterion to ensure proceeds are used in areas that are lagging the furthest behind), the proposed indicators, and the defined exclusions for screening expenditures, further supports the aim of selecting expenditures in accordance with the SDGs. The invitation to UNDP to advise the SHCP in drafting the impact report is an added quality control mechanism that the SHCP is undertaking to signal its commitment to quality reporting in terms of alignment with the SDGs.

Overview

The Sustainable Development Goals, adopted in 2015 by 193 UN member states, are an ambitious plan of action for countries to eradicate extreme poverty, reduce inequality and protect the planet. The pillars of sustainable development, namely social, economic and environmental, are represented in its 17 goals and 169 targets. In terms of the framework for sustainable development financing, the Addis Ababa Action Agenda (AAAA), adopted in 2015, outlined a framework for development finance, calling for investments and services from all sources of financing to drive its implementation. Under the principle of nationally driven implementation, the AAAA highlights the importance of countries developing and strengthening their own integrated approaches to financing the SDGs and national sustainable development strategies.

UNDP acknowledges the central role of governments in financing the SDGs, which will require resource mobilization from a wide range of public and private sources, ensuring they contribute to sustainable development outcomes following the principle of leaving no one behind.

UNDP is a purpose driven organization that aims to support member states in their effort to enhance people's effective freedoms so that they can pursue the life plans they have reasons to value. Our core values are based on social, economic and human rights, and place the Sustainable Development Goals as our aspirational line of sight. At the country level, UNDP works to be an effective partner to governments in the implementation of their development priorities as they relate to the SDGs.

Based on this, UNDP recognizes that the purpose of the SDG Sovereign Bond Framework is aligned with Mexico's commitments and sustainability priorities and its pursuit of the achievement of the SDGs.

A Step Forward in Mexico's Commitment to the SDGs

The SDG Sovereign Bond proposed by the Mexican government to finance sustainable development policies in Mexico is an innovative mechanism, aligned with the 2030 Agenda, within the AAAA. As such, UNDP concludes that it has the potential to advance Mexico's commitment towards the SDGs in three areas: strengthening budget transparency, increasing the amount of resources earmarked towards sustainable social development policies, and supporting the development of capital markets to finance sustainable development at the national and international level.

UNDP is of the opinion that the SDG Sovereign Bond represents a mechanism to strengthen budget transparency towards sustainable development in Mexico.

UNDP recognizes the efforts made by the Mexican State to create an enabling institutional architecture to bring the 2030 Agenda to life through its policies and programs. In 2017, the Government of Mexico became a pioneer in SDG financing by linking its budget with the 2030 Agenda. In partnership with UNDP, the Mexican Ministry of Finance and Public Credit (SHCP, for its acronym in Spanish) developed a system to strategically integrate the SDGs into its national planning and budgetary processes. This link allows the government the inputs for implementing long-term planning towards the 2030 Agenda. UNDP commends that under the current government's policy, the alignment methodology is completely public and is part of the guidelines that federal agencies must follow. The SDG Sovereign Bond Framework represents a commitment to take these efforts one step further.

UNDP welcomes that, as established by the SDG Sovereign Bond Framework, the funds collected through this mechanism will increase funding earmarked for the advancement of the 2030 Agenda in Mexico.

The public sector and public finance will be core to the implementation of the SDG globally. The SDG Sovereign Bond, as stated in the framework, is a welcomed mechanism to increase the sources of financing earmarked towards projects and programs aligned with the SDG, moving Mexico towards predictable financing for the 2030 Agenda.

UNDP is of the opinion that the SDG Sovereign Bond Framework represents an opportunity to strengthen markets for SDG financing, within Mexico and internationally.

The issuance of Mexico's SDG Sovereign Bond represents an important step towards creating a market for SDG investments. This first of its kind, this bond has the potential to open the way for other Governments to tap into the private capital market to finance public SDG-related programs. It also establishes a benchmark to guide the development of private sector bonds.

Finally, UNDP recognizes that being asked to act as an observer to the issuance of this bond, and comment on the SDG Sovereign Bond Framework's alignment with the SDGs is evidence of Mexico's commitment towards implementing innovative mechanisms to achieve the 2030 Agenda, following the highest international standards.

Use of Proceeds

The SGD Bond Framework defines four types of budgetary expenses that may be earmarked, as well as the specific use of the proceeds (i.e. green and/or social projects). It establishes that the specific Eligible Sustainable Expenditures must be part of Mexico's budgetary programs included in the National Budget – which are already mapped in accordance with the SDGs. Moreover, it ascertains that expenditures will be defined though a geospatial criterion (based on Mexico's Social Gap Index – SGI) to ensure that they are used in the areas that are lagging the furthest behind.

UNDP is of the opinion that the SDG Sovereign Bond Framework presents an adequate selection criterion. A National Budget mapped in accordance with the SDGs provides appropriate ground for selecting sustainable expenditures. The use of the SGI to define eligibility and sub-regional targeting, the proposed indicators, and the defined exclusions for screening expenditures, further supports the aim of selecting expenditures in accordance with the SDG. The following section provides specific comments on each of these criteria.

a. Budget alignment to the SDGs

Mexico's federal government has made important progress on its commitment to align its work with the SDGs by linking the federal budget with specific goals and targets. It is important to point out that the alignment methodology is public, and its guidelines must be followed by all federal agencies.

A national budget aligned with the SDGs provides a solid first step, serving as a filter of eligible expenditures and aligning the national budget with money market instruments under the SDG framework.

However, it is important to acknowledge the scope and limitations of the mechanisms available to link potential impact, outcomes and benefits to actual expenditures. The complexity and interconnectedness of the SDGs pose recognized methodological challenges to unequivocally link budgets and expenditure to actions and indicators. UNDP recommends that all available monitoring and evaluation mechanisms and information sources be employed to inform the impact report. This will also improve the allocation of expenditure and the quality of the impact report for future cycles.

Finally, the methodology for budget alignment is a recent innovation in the Mexican context. Like any new element that is integrated into a complex planning and budgeting process, there will be room for improvement in terms of how federal agencies are linking their budgets to SDG targets and feeding inputs into progress reports. UNDP recognizes that continuous training of public servants associated with these processes is important and is willing to support that effort.

b. The use of the Social Gap Index to define eligibility and sub-regional targeting

The framework sets out criteria to define the municipalities where social projects linked to the SDG Sovereign Bond can be implemented. There is no geographical restriction for green projects. To define those eligible municipalities

for social projects, the framework uses the SGI[3] classification. Only municipalities classified as having Medium, High and Very High social lag are eligible. Under this selection method, 1,345 municipalities comprising about 22 million people would be eligible for social projects financed by the SDG Sovereign Bond.

The use of the SGI to guide the selection of sub-regions meets different desirable properties:
a. The SGI is an established official measure intended to inform public policy and decision making.
b. It follows a well-established and transparent methodology and uses publicly available data – The index has been estimated for years 2000, 2005, 2010, and 2015 by the National Council for Evaluation of Social Policy (CONEVAL, for its acronym in Spanish). CONEVAL is the institution responsible for the country's official poverty measurement, and the evaluation of its social programs. It is important to note that CONEVAL is an institution with technical autonomy. The methodology can easily be replicated and access to data guarantees that any private citizen can scrutinize the results.
c. The index will be updated using 2020 census data.

In order to test the suitability of the SGI as a selection method, sensitivity analysis was carried out by UNDP, using four alternative measures. The analysis confirms that the SGI is a robust selection method.

At the sub-regional level there are four alternative measures with similar desirable characteristics as the SGI and data available for the year 2015: 1) the Human Development Index (HDI) estimated by the UNDP; 2) the Marginalization Index estimated by the National Council of Population (CONAPO, for its acronym in Spanish); 3) the National Multidimensional Poverty Methodology estimated by CONEVAL and, 4) the extreme National Multidimensional Poverty Methodology, also estimated by CONEVAL.

The selection of municipalities through the SGI is comparable to all four indices, in particular to the extreme multidimensional poverty headcount ratio, with a 0.8929 correlation between the two indices. A detailed description of the correlations between the different indices can be found in Annex 1.

c. Proposed Indicators

The list of proposed "SDG Targets" covers a wide range of SDG targets and indicators, including 6 context-specific indicators developed by Mexico and monitored by the Information System of Sustainable Development Goals (SIODS) - indicators 2.1.2.a, 2.A.3, 2.A.4, 2.A.5, 3.7.2.a, and 4.1.2. Although not described in the Global "SDG Targets", these indicators follow the same principle and respond to the call by the General Assembly of 25 September 2015 for monitoring the 2030 Agenda.[4]

A mapping of the proposed "Example, illustrative outcome &/or impact indicators" to the actual SDG target indicators suggest that of the 43 proposed indicators 41 are *aligned* with actual indicators and 2 are *partially aligned* with actual indicators. Please find the full list of indicators in Annex 2.

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[3] A description of the index can be found at www.coneval.org.mx/Medicion/IRS/Paginas/Que-es-el-indice-de-rezago-social.aspx. Specific results of the index can be found at sistemas.coneval.org.mx/InfoPobreza/Pages/wfrMapaRezago?pAnio=2015.

[4] For more information, see agenda2030.mx/ODSopc.html?lang=es#/ques and www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf.

d. Exclusions and Screening

The principle of "acting to avoid harm" is essential and well embodied by including "exclusion and screening" commitments to the SDG Sovereign Bond Framework.

The opinion of UNDP on the alignment of the proposed exclusions for activities are as follows:

- *Exploration, production or transportation of fossil fuels: Aligned*
  This exclusion is closely aligned with SDG 7 (affordable and clean energy). This includes expanding primary reliance on clean fuels and technology and increasing the share of renewable energy in total final energy consumption. It is important to note, however, that SDG 7 does include investment in promoting cleaner fossil-fuel technology. This exclusion is also closely aligned with SDG 13 (climate change). Funding activities that include the exploration, production or transportation of fossil fuels would detract from the achievement of these SDG.

- *Generation of nuclear power: Partially aligned*
  Nuclear power contributes an important source of low carbon electricity – the type of electricity necessary to meet SDG 7 (affordable and clean energy) and SDG 13 (climate change). In this sense, restricting investment in nuclear power may not be aligned with the SDG. However, radioactive waste from nuclear power also poses environmental and health risks. SDG 12 (ensure sustainable consumption and production patterns) requires the environmentally sound management of hazardous waste. In this way, restrictions on the generation of nuclear power is partially aligned with the SDG.

- *Alcohol, weapons, tobaccos, palm oil, cattle/ beef production, conflicted minerals, or adult entertainment industries: Partially aligned*
  The restriction on alcohol is aligned with SDG 3 (good health and well-being) which includes the prevention and treatment of substance abuse – including the harmful use of alcohol. The restriction on weapons is aligned with SDG 16 (peace, justice and strong institutions) which includes a commitment or reduce all forms of violence and related deaths. The restrictions on palm oil and cattle/beef production are partially aligned with SDG 15 (life on land) which commits to the sustainable use of terrestrial ecosystems, sustainably managed forests, combating desertification, and health and reverse land degradation and halt biodiversity loss. The production of these specific products is not necessarily the problem, but rather the sustainability of the process – which can be true for other products as well. The restriction on conflict minerals is aligned with SDG 12 (responsible consumption and production) and SDG 16 (peace, justice, and strong institutions). The restriction on adult entertainment industries is partially aligned with SDG 16 (peace, justice, and strong institutions) which includes provisions against trafficking, sexual violence, and violence against women. However, the adult entertainment industry itself is not necessarily the problem but rather the potential associated violence or trafficking that can be associated with it.

The opinion of UNDP on the alignment of the proposed screening for activities is as follows:

- *Deforestation or degradation of biodiversity: Aligned*
  This is aligned with SDG 15 (life on land) which commits to the sustainable use of terrestrial ecosystems, sustainably mange forests, combat desertification, and health and reverse land degradation and halt biodiversity loss.

- *Child labor or forced labor: Aligned*
  This is aligned with SDG 8 (decent work and economic growth) which commits to taking immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor.

- *Breach of Mexico's anti-corruption laws, and all environmental, social and governance policies and procedures: Aligned*
  This is aligned with SDG 16 (peace, justice, and strong institutions) which commits to developing effective, accountable and transparent institutions at all levels.

Management of proceeds

UNDP is of the opinion that the framework provides adequate mechanisms to ensure the management of proceeds will be in alignment with the SDG. The document discusses openly the matter of resource fungibility and provides a description on how eligible expenditures are incorporated into the resource pool, and thus monitored on a dynamic basis. It also asserts that monitoring the budgetary program's progress will be performed quarterly, allowing SHCP to make any necessary adjustments in a timely matter to ensure expenditure execution. Finally, it contains a clear provision in case there is a major controversy on an eligible expenditure – with the SHCP committing to remove from the pool any controversial expenditure and replace it with an eligible one – and in case the surplus of eligible expenditures becomes insufficient. All these mechanisms significantly reduce the possibility of the SDG Sovereign Bond fund being used out of the stated criteria or not fully used for SDG oriented expenditure.

UNDP suggests that, in order to strengthen the transparency of any shortfall or reallocation, any change should be disclosed not only in the allocation report but also addressed in the impact report.

Reporting

The UNDP is of the opinion that the framework establishes a reporting process that can certify that expenditures are aligned with the SDG Agenda. Together with a standard allocation report, the framework establishes the production of an impact report discussing the expected environmental and social impacts of the selected expenditures. It defines the potential information that the report may include and establishes that it will be based on reliable and publicly available information. For this, it will take advantage of the different public monitoring and evaluation mechanisms and line ministries data. It is important to note that the Framework establishes the refinement of the impact indicators as on-going. Finally, the invitation to the UNDP to advise the SHCP in drafting the report is an added quality control mechanism that the SHCP is undertaking to signal its commitment to quality reporting in terms of alignment with the SDG.

The framework makes a very definitive distinction between the allocation report and the impact report. While this is understandable given that the reports will be reviewed by two different set of actors, it is important to note the intrinsic connection between the two. UNDP suggests that this link is made explicit in the framework for future cycles.

Also, UNDP suggests including in section 3.4.2 of the framework that, in addition to the publication of the impact report on the SHCP website, the actions SHCP takes or agrees to take to strengthen the impact report (as a result of the UNDP's accompaniment) should be published alongside the impact report.

Closing observation

Thus, based on all the considerations in this document, the United Nations Development Programme is of the view that this framework is aligned with the principles and objectives of the Sustainable Development Goals.

Annex 1. Sensitivity Analysis of Selection Criteria: SGI compared to alternative indices

The following is an analysis of how the SGI, as a selection method proposed by the SDG Sovereign Bond framework, compares to other relevant indices, and how different the selection would be if any of the alternative selection methods were used instead.

Social Gap Index compared to the Human Development Index

The Human Development Index (HDI) was developed by UNDP and published at country level since 1990. In the case of Mexico, the most recent data available at municipal level is for 2010 and 2015. The HDI and the SGI measure different aspects of wellbeing (the HDI measures achievements while SGI measures deprivations) and have different estimation methodologies. Thus, a higher HDI means grater development achievement while a higher SGI means higher levels of deprivation. A simple correlation between HDI and SGI is thus negative, although quite high in absolute terms, -0.8873.

Both indexes are grouped in categories. The SGI is grouped into five categories of social gap or lag: Very Low, Low, Medium, High and Very High. Municipalities are eligible to participate in the SDG Sovereign Bond is they are in the Medium, High or Very High categories. The HDI is grouped into four categories: Low, Medium, High and Very High. Make that assumption that if the HDI would have been used as the selection criteria, the threshold would have been municipalities in the Medium and Low human development categories, the table below (Table A1.1 shows the level of alignment between eligible municipalities under both indices.

Table A1.1 Mexican municipalities grouped by their levels of Human Development and Social Gap (2015)

		Human Development Index				
		Very High	High	Medium	Low	Total
Social Gap Index	Very Low	100	241	0	0	341
	Low	2	483	275	0	760
	Medium	0	70	532	1	603
	High	0	2	534	31	567
	Very High	0	0	76	99	175
	Total	102	796	1,417	131	2,446

* There is no HDI nor SGI data for 11 municipalities 2015.

As Table A1.1 show, most municipalities match both criteria, Medium to Very High in SGI and Medium and Low in HDI. Only in 347 municipalities (about 14.2%) is there a mismatch – those outside the gray areas in the table above. Furthermore, only 72 that are eligible for the SDG Sovereign Bond have a level of High human development. A test on how similar both selection criteria are is the Kendall's Tau-b. In this case, both methods draw a Kendall's Tau-b of 0.7191, above the usual threshold of 0.6, which means the eligibility based on the SGI is robust to the HDI as an alternative method.

Social Gap Index compared to the Marginalization Index

The Marginalization Index, as the Social Gap Index, is estimated with the principal component methodology by the National Council of Population (CONAPO). The index is also grouped in five categories, coincidentally the same as the SGI: Very Low, Low. Medium, High and Very High. The simple correlation between both indexes is 0.9531, higher than the correlation between the SGI and the HDI.

This correlation can be seen in Graph A1.1 where each dot represents a municipality measured in both, the Social Gap Index and the Marginalization Index. The vertical and horizontal red reference lines show the threshold for Medium, High and Very High Social Gap and Marginalization, respectively. The upper right-hand side quadrant represents all municipalities that would be selected under both methods.

An alternative selection method for the municipalities could have been those with Medium, High or Very High Marginalization (see Table A1.2). Comparing, only 291 (276 + 15 on the table) municipalities would not match for criteria under both methods (plus 11 municipalities for which there is no SGI data). Again, the Kendall's Tau-b show us that both methods are consistent – the result is 0.7734. This means that the selection of municipalities through the SGI is robust compared to the MI.

Graph A1.1 Correlation between the Social Gap Index and the Marginalization Index
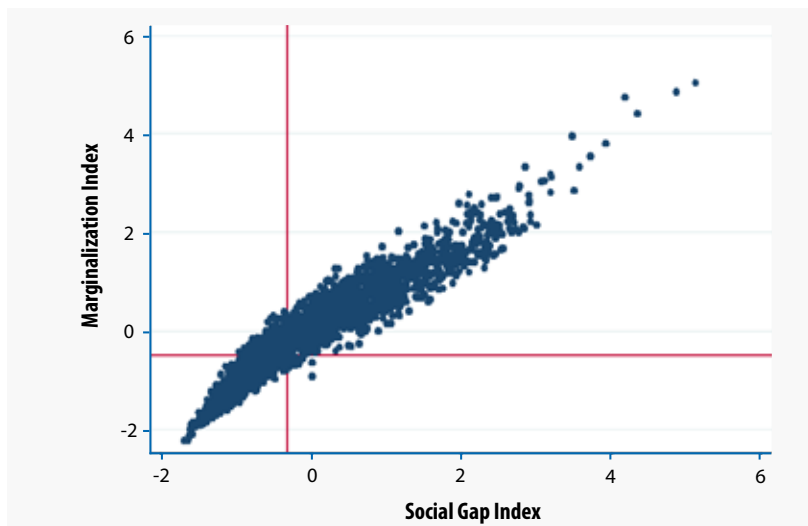

Table A1.2 SGI and MI for each Eligible municipalities

| SGI \ MI	No	Yes	Total
No	825	276	1,101
Yes	15	1,330	1,345
No data	3	8	11
Total	843	1,614	2,457

Social Gap Index compared to the National Multidimensional Poverty Methodology

The National Multidimensional Poverty Methodology (NMPM) is an official poverty measure estimated by CONE-VAL every two years at state level and every five years at municipal level. A simple correlation between the multidimensional poverty headcount and SGI in 2015 is 0.8150, which is fairly good. However, the SGI correlates better to the extreme multidimensional poverty headcount ratio - 0.8929 for the same year. This is higher than the correlation between SGI and HDI (in absolute value), but lower than the correlation between SGI and MI.

We also compared the results between the SGI and NMPM using specific and demanding thresholds for the latter – rather than comparing with all municipalities with multidimensional poor population, we compared both indices using municipalities with at least 50% of the population living in multidimensional poverty, and those with at least 20% of the population living in extreme multidimensional poverty. The selection of municipalities based on the SGI is robust using these thresholds. In the case of the NMPM only 20 of the 1,345 municipalities selected using SGI would have an NMPM below 50%, while only 18 municipalities with a percentage of their population above 20% of extreme multidimensional poverty are not eligible to participate in the SDG Sovereign Bond based on the SGI criteria. The graphs below show the distribution of municipalities in terms of their NMPM and extreme NMPM headcounts, for each level of Social Gap. The horizontal red reference lines represent the 50% NMPM threshold and 20% extreme NMPM threshold respectively.

Graph A1.2 Comparison between municipalities identified by the Social Gap Index and the National Multidimensional Poverty Methodology
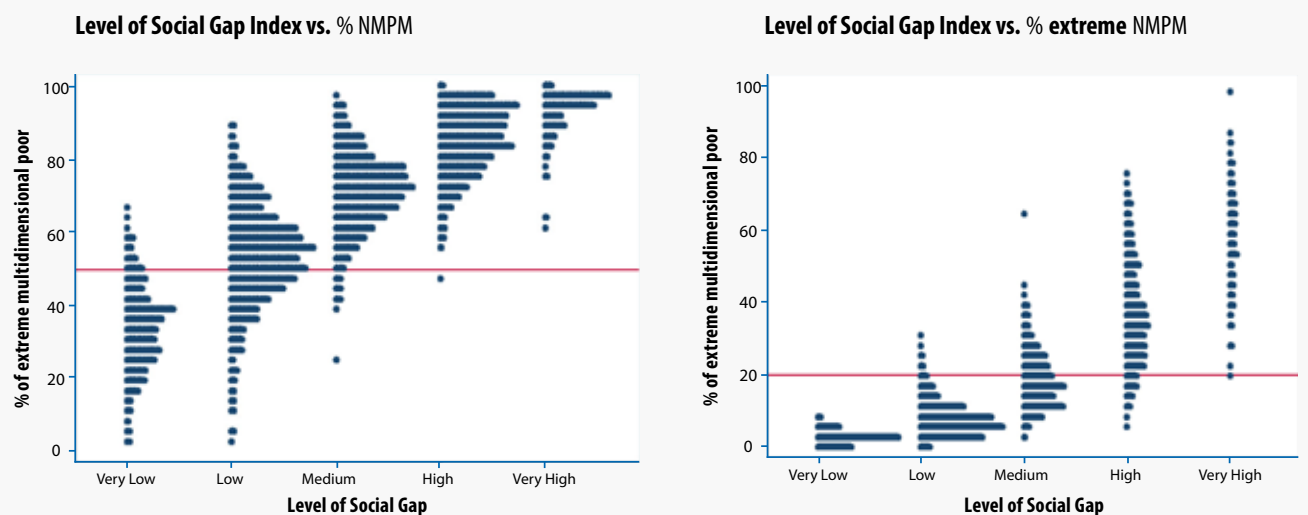
Using the Kendall Tau-b as an indicator, the SGI is more robust when compared to extreme NMPM (using 20% threshold) than it is to regular NMPM (using a 50% threshold). Between SGI and the selection of NMPM higher than 50% headcount, the Kendall's Tau-b is 0.5962, just under the desirable threshold of 0.6, while the Tau-b for extreme NMPM is 0.6760. However, the total number of selected municipalities for the SDG Sovereign Bond would have been 920 using the extreme NMPM higher than 20% headcount threshold as criteria, compared to 1,345 using SGI.

Annex 2.

SDG 2

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Decrease in prevalence of undernourishment (% of population)	2.1.1 Prevalence of undernourishment	**Aligned**
% of food products being produced within the limit of 250 km per meal	2.3.1 Volume of production per labor unit by classes of farming/pastoral/forestry enterprise size	**Aligned**
% of seasonal produce per meal	2.4.1. Proportion of agricultural area under productive and sustainable agriculture	**Partially Aligned**
Increase in the number of people provided with safe, nutritious and sufficient food	2.1.1 Prevalence of undernourishment 2.1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES) 2.2.1 Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age 2.2.2 Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)	**Aligned**

SDG 3

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Healthy life expectancy at birth (years)	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	**Aligned**
Maternal mortality (per 100,000 live births)	3.1.1 Maternal mortality ratio	**Aligned**
Under 5 mortality (per 1,000 live births)	3.2.1 Under-5 mortality rate	**Aligned**
Incidence of tuberculosis (per 100,000)	3.3.2 Tuberculosis incidence per 100,000 population	**Aligned**
HIV prevalence (per 1,000)	3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations	**Aligned**
Births attended by skilled health personnel (%)	3.1.2 Proportion of births attended by skilled health personnel	**Aligned**
Prevalence of underweight (% of children under 5, weight for age)	2.2.2 Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)	**Aligned**

SDG 4

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Proportion of schools with access to: electricity, the Internet, computers, adapted infrastructure and materials for students with disabilities, basic drinking water, single-sex basic sanitation facilities, and basic handwashing facilities	4.a.1 Proportion of schools with access to *(a)* electricity; *(b)* the Internet for pedagogical purposes; *(c)* computers for pedagogical purposes; *(d)* adapted infrastructure and materials for students with disabilities; *(e)* basic drinking water; *(f)* single-sex basic sanitation facilities; and *(g)* basic handwashing facilities (as per the WASH indicator definitions)	**Aligned**
School dropout reduction in target regions and among target populations	4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	**Aligned**
Decrease in the percentage of early school leavers from education and training	4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	**Aligned**
Increase in the participation rate of youth and adults in formal and non-formal education and training the last 12 months	4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	**Aligned**
School performances improvement of the beneficiaries (e.g. rate of repetition of school years)	4.6.1 Proportion of population in a given age group achieving at least a fixed level of proficiency in functional *(a)* literacy and *(b)* numeracy skills, by sex	**Aligned**
Social diversity improvement in class (share of income bottom distribution in class, or share of students whose parents have no high education diploma)	4.5.1 Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated	**Aligned**
PISA score (0-600)	4.6.1 Proportion of population in a given age group achieving at least a fixed level of proficiency in functional *(a)* literacy and *(b)* numeracy skills, by sex	**Aligned**
Share of resilient students among disadvantaged students (%)	4.1.1 Proportion of children and young people: *(a)* in grades 2/3; *(b)* at the end of primary; and *(c)* at the end of lower secondary achieving at least a minimum proficiency level in *(i)* reading and *(ii)* mathematics, by sex	**Aligned**
Increase in the number of young people form low-income background progressing to higher education	4.5.1 Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated	**Aligned**

SDG 6

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Water loss in pipelines	6.4.1 Change in water-use efficiency over time	**Aligned**
Improvements in the % of public buildings (including schools) with basic drinking water, basic sanitation facilities, basic handwashing facilities	4.a.1 Proportion of schools with access to *(a)* electricity; *(b)* the Internet for pedagogical purposes; *(c)* computers for pedagogical purposes; *(d)* adapted infrastructure and materials for students with disabilities; *(e)* basic drinking water; *(f)* single-sex basic sanitation facilities; and *(g)* basic handwashing facilities (as per the WASH indicator definitions)	**Aligned**
% of the population that has daily access to piped water and basic sanitation	6.1.1 Proportion of population using safely managed drinking water services 6.2.1 Proportion of population using *(a)* safely managed sanitation services and *(b)* a hand-washing facility with soap and water	**Aligned**
Decrease in diseases related to poor water quality (episodes of diarrhea, especially for children)	3.9.2 Mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene (exposure to unsafe Water, Sanitation and Hygiene for All (WASH) services)	**Aligned**
Yield improvement of basic crops in areas with irrigation infrastructure	2.4.1 Proportion of agricultural area under productive and sustainable agriculture	**Partially Aligned**
Reallocation of buildings/critical facilities outside high-risk flood areas, especially from vulnerable coastal zones (number of people or buildings)	13.1.3 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies 11.b.2 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies	**Aligned**
Number of inhabitants of cities protected against floods: reduction of the number of residents that have experienced flood disaster, reduction of death tolls caused by floods.	13.1.1 Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population 11.5.1 Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population	**Aligned**
Reduction of the damage on existing wastewater infrastructure (pipes, pumping stations, tanks, treatment plants) water services disruption (number of days)	11.5.2 Direct economic loss in relation to global GDP, damage to critical infrastructure and number of disruptions to basic services, attributed to disasters	**Aligned**

SDG 7 and SDG 13

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Annual GHG emissions avoided (tCO_2e)	13.2.1 Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national adaptation plan, nationally determined contribution, national communication, biennial update report or other) 9.4.1 CO_2 emission per unit of value added	**Aligned**

SDG 8

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Increase in the % of population with access to bank accounts or mobile money	8.10.1 *(a)* Number of commercial bank branches per 100,000 adults and *(b)* number of automated teller machines (ATMs) per 100,000 adults 8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider	**Aligned**
Increase in the % of eligible beneficiaries accessing social security	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	**Aligned**
Increase in the % of female run enterprises	8.3.1 Proportion of informal employment in non-agriculture employment, by sex 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities 8.5.2 Unemployment rate, by sex, age and persons with disabilities	**Aligned**
Increase in the % of enterprises run by indigenous or Afro-Mexican people	8.3.1 Proportion of informal employment in non-agriculture employment, by sex	**Aligned**
Percentage of training program participants obtaining employment within 12 months	8.3.1 Proportion of informal employment in non-agriculture employment, by sex	**Aligned**

SDG 9

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Reduction of travel time	9.1.1 Proportion of the rural population who live within 2 km of an all-season road 11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	**Aligned**
Reduction of days without access to essential services (e.g. school, healthcare markets)	3.8.1 Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)	**Aligned**

SDG 11

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Traffic modal split data change (percentage of trips made by road rail and inland waterways)	11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	**Aligned**
Public transport and sustainable mobility: modal shift (number of additional public transport users) and emissions of greenhouse gas avoided (teq.CO_2)	11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	**Aligned**

SDG 14

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Chemical status improvement of water (surface and groundwaters): nutrient pollution reduction & eutrophication reduction, nitrate in groundwater (mg.NO_3 per liter), phosphate in rivers (mgPO_4 per liter)	14.1.1 Index of coastal eutrophication and floating plastic 14.2.1 Proportion of national exclusive economic zones managed using ecosystem-based approaches	**Aligned**
% of surface water quality monitoring sites with good ambient quality	14.2.1 Proportion of national exclusive economic zones managed using ecosystem-based approaches	**Aligned**
Maintenance of hydrological environmental services	14.2.1 Proportion of national exclusive economic zones managed using ecosystem-based approaches 14.c.1 Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law, as reflected in the United Nations Convention on the Law of the Sea, for the conservation and sustainable use of the oceans and their resources	**Aligned**

SDG 15

"Example, illustrative outcome &/or impact indicators"	SDG target indicators	Alignment
Areas under restoration/rehabilitation (km^2)	15.1.1 Forest area as a proportion of total land area 15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type 15.2.1 Progress towards sustainable forest management 15.3.1 Proportion of land that is degraded over total land area 15.4.1 Coverage by protected areas of important sites for mountain biodiversity 15.4.2 Mountain Green Cover Index 15.5.1 Red List Index	**Aligned**
Areas conserved and/or recovered (km^2)	15.1.1 Forest area as a proportion of total land area 15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type 15.2.1 Progress towards sustainable forest management 15.3.1 Proportion of land that is degraded over total land area 15.4.1 Coverage by protected areas of important sites for mountain biodiversity 15.4.2 Mountain Green Cover Index 15.5.1 Red List Index	**Aligned**