



Food and Agriculture
Organization of the
United Nations

SUSTAINABLE
DEVELOPMENT
GOALS

**8th Meeting of the Steering Committee of the Arab Statistics Initiative “Arabstat”
10-11 November 2021**

Challenges in reporting data on Government Expenditure in Agriculture - SDG Indicator 2.a.1



**Gary Jones and Atang Moletsane
FAO Office of the Chief Statistician (OCS)**

SDG GOAL 2, TARGET 2.a & INDICATOR 2.a.1

Indicator 2.a.1 monitors progress in achieving Target 2.a

Indicator 2.a.1: The Agriculture Orientation Index (AOI) for Government Expenditures:

- refers to domestic public flows to agriculture
- compares **government's** relative contribution to the agricultural sector compared to the sector's contribution to Gross Domestic Product (GDP).



INDICATOR 2.A.1 – METHODOLOGY & CLASSIFICATIONS



Food and Agriculture
Organization of the
United Nations



IMF Governance Finance
Statistics methodology



The Classification of the
Functions of Government

based
on

Agriculture share of government expenditure

AOI =

Agriculture share of GDP



System of National Accounts

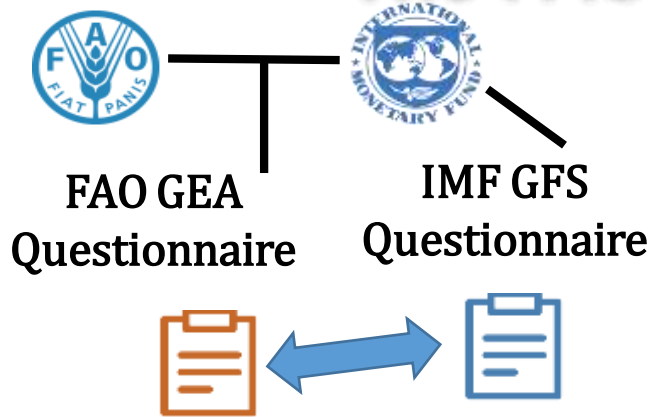
based
on



International Standard
Industrial Classification of
All Economic Activities

* Agriculture including Forestry,
Fishing and hunting

The FAO GEA and IMF GFS Questionnaires



- FAO GEAQ replicates **relevant aggregates** of Table 7 of the IMF GFS Questionnaire, thereby facilitating SDG 2.a.1 calculation
- GEAQ requests **additional detail related to agriculture** and environmental protection sectors, thereby broadly supporting FAO mandate

Table 7 of GFS questionnaire

7	EXPENDITURE [=2M]
701	General public services
704	Economic affairs
7041	General economic, commercial, and labor affairs
7042	Agriculture, forestry, fishing, and hunting
7043	Fuel and energy
7044	Mining, manufacturing, and construction
7045	Transport
7046	Communication
7047	Other industries
7048	R & D Economic affairs
7049	Economic affairs not elsewhere classified
705	Environmental protection
7051	Waste management
7052	Waste water management
7053	Pollution abatement
7054	Protection of biodiversity and landscape
7055	R & D Environmental protection
7056	Environmental protection not elsewhere classified

Table A of GEA questionnaire

7	EXPENDITURE (TOTAL OUTLAYS)
704	Economic Affairs
7042	Agriculture, forestry, fishing, and hunting
	→ Recurrent
	→ Capital
70421	Agriculture (crops and animal husbandry)
	→ Recurrent
	→ Capital
70422	Forestry
	→ Recurrent
	→ Capital
70423	Fishing and hunting
	→ Recurrent
	→ Capital
7048	R&D Economic Affairs
70482	R&D Agriculture, forestry, fishing, and hunting
705	Environmental protection
7054	Protection of Biodiversity and Landscape
	→ Recurrent
	→ Capital
7055	R&D Environmental Protection
	→ Recurrent
	→ Capital
7z1	Other, please specify: _____
7z2	Other, please specify: _____

FAO-GOVERNMENT EXPENDITURE ON AGRICULTURE (GEA) QUESTIONNAIRE & INDICATOR 2.a.1

2.a.1 numerator is based on two key aggregates taken from the GEA questionnaire and/or the IMF GFS database – for the highest level of government available

TABLE A: Government expenditure on agriculture and related functions		General Government									Memorandum: Central Government (Including Social Security Funds of central government)
		Central Government (excluding social security funds)				Social Security Funds	State Governm ents	Local Governm ents	Consolida tion Column	General Governme nt ³	
		Budgetary Central Governme nt	Extrabudge tary Units	Consolidati on Column	Central Government ²						
Functional classification ²		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
7	EXPENDITURE (TOTAL OUTLAYS)										
704	Economic Affairs										
7042	Agriculture, forestry, fishing, and hunting										
	→ Recurrent										
	→ Capital										
70421	Agriculture (crops and animal husbandry)										
	→ Recurrent										
	→ Capital										
70422	Forestry										
	→ Recurrent										
	→ Capital										
70423	Fishing and hunting										
	→ Recurrent										
	→ Capital										
7048	R&D Economic Affairs										
70482	R&D Agriculture, forestry, fishing, and hunting										
705	Environmental protection										
7054	Protection of Biodiversity and Landscape										

Government expenditure on agriculture and related functions

Government expenditure on agriculture

Total government expenditure

Government Expenditure =

on Agriculture

penditure * 100

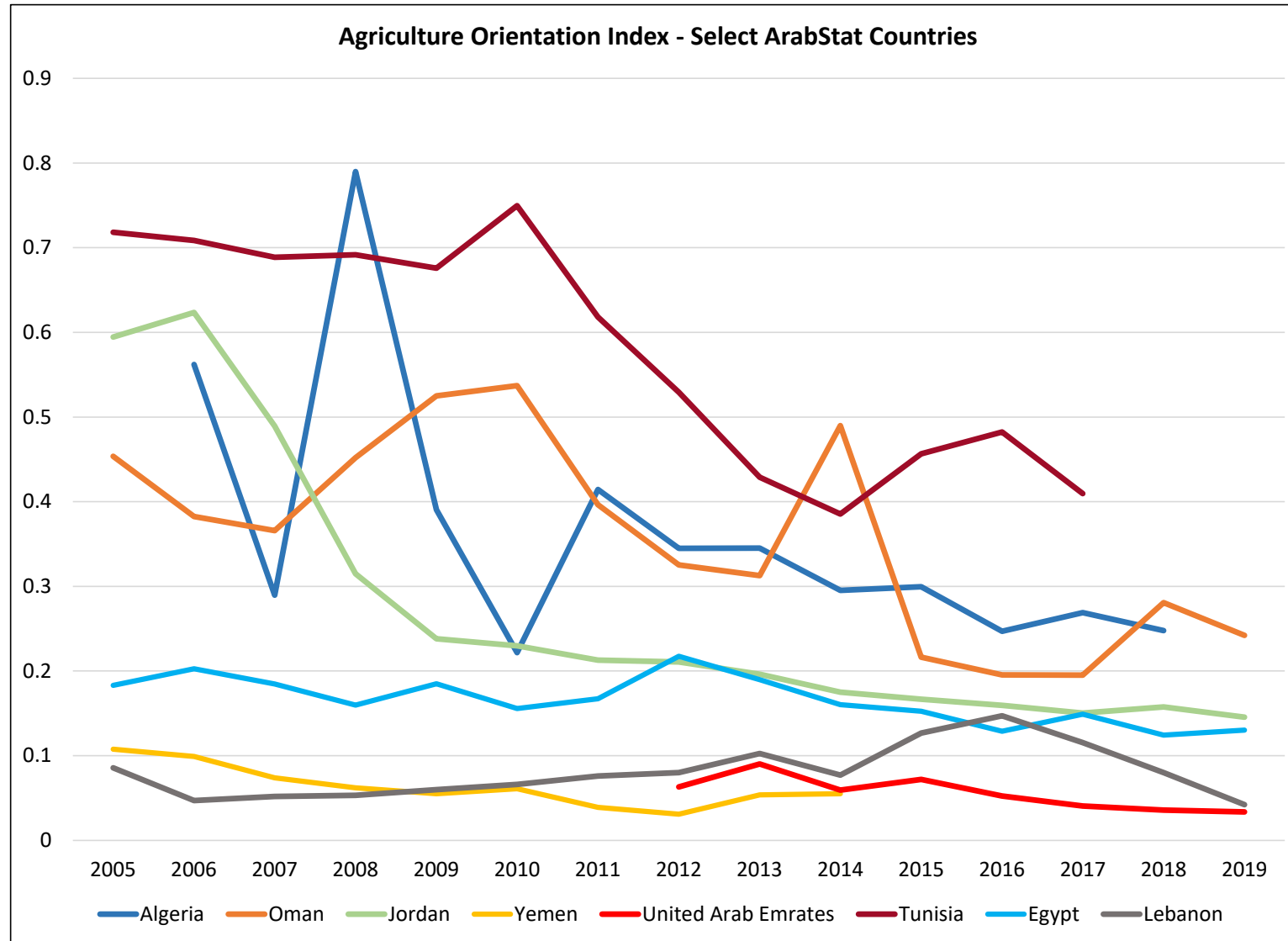
Total government expenditure

Government expenditure on agriculture

Agriculture Share of Government Expenditure =

$$= \frac{\text{Government Expenditure on Agriculture}}{\text{Total Government Expenditure}} * 100$$

AOI – What do the Available Data Tell Us?



AOI > 1 means a **higher orientation** of the government towards the agriculture sector relative to the sector's contribution to the economy.

AOI = 1 means a **neutral orientation** of the government towards the agriculture sector relative to the sector's contribution to the economy.

AOI < 1 means a **lower orientation** of the government towards the agriculture sector relative to the sector's contribution to the economy.

INDICATOR 2.a.1 POLICY USE AND INTERPRETATION

AOI > 1:

- Improvement in agriculture and rural infrastructure;
- Extension services (technical advice, inputs and services supporting production);
- Compensation of lack of private or foreign investment;

AOI < 1:

- Other sectors need higher government intervention than agriculture;
- Private investment and domestic credit flows to agriculture may be adequate;

AOI = 1 may not be the right target for *any* country:

- Difference in: degrees of decentralization; stage of development of agriculture; food insecurity.
- Still provides useful trend analysis, and comparisons between countries with similar agriculture sectors;

INDICATOR 2.A.1 - DATA REPORTING STATUS - ARABSTAT

We can provide remote Technical Assistance and Training

- Improve / initiate reporting
- Fill data gaps in time key SDG 2.a.1 series
- Develop granular breakdown in GEAQ

Email: Gary.Jones@fao.org
Atang.Moletsane@fao.org

FAO e-learning course on SDG indicator 2.a.1
<https://elearning.fao.org/course/view.php?id=361>



Food and Agriculture
Organization of the
United Nations



Country	2001-2020	FAO source
Algeria	2007-2018	Staff estimates
Bahrain	2016-2020	GEAQ + IMF GFS
Comoros	No data	
Djibouti	No data	
Egypt	2004-2020	GEAQ + IMF GFS
Iraq	No data	
Jordan	2001-2020	GEAQ + IMF GFS
Kuwait	2001-2016	IMF GFS
Lebanon	2001-2020	GEAQ
Libya	No data	
Mauritania	2012-2016	Staff estimates
Morocco	2006-2019*	GEAQ + IMF GFS
Oman	2001-2019	Staff estimates
State of Palestine	2005-2019*	GEAQ + IMF GFS
Qatar	2004-2005	IMF GFS
Saudi Arabia	2016-2019	GEAQ
Somalia	2017-2019	IMF GFS
Sudan	No data	
Syrian Arab Republic	No data	
Tunisia	2001-2017	Staff estimates + IMF GFS
United Arab Emirates	2012-2019*	GEAQ
Yemen	2003-2014	Staff estimates

* signifies gaps in time series

Thank you