From *Incremental* to *Transformational*: A Three-Tiered Typology of Sustainable Development Performance Indicators

#Reporting4Sustainability
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Sustainability Quotient: Numeration & Denomination

Sustainability Quotient: \( S = \frac{A}{N} \)

Sustainability = \( \frac{\text{Actual Impacts}^*}{\text{Normative Impacts}^*} \) (\( \frac{\text{Numeration}}{\text{Denomination}} \))

*On the Carrying Capacities of Vital Capital Resources

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UNRISD Indicators Project: Three-Tiered “Pyramid” Typology

- **Tier One: Incrementalist Numeration**
  - *Numerator* indicators focus on actual impacts, including *absolute* indicators, as well as *relative* or *intensity* indicators that are non-normative, and therefore incrementalist by definition.

- **Tier Two: Contextualized Denomination**
  - *Denominator* indicators contextualize actual impacts against normative impacts. Also known as “Context-Based” indicators, denominator indicators take into account sustainability thresholds in ecological, social, and economic systems, as well as allocations of those thresholds to organizations and other entities.

- **Tier Three: Activating Transformation**
  - *Transformative* indicators add the element of implementation and policy to normative *denominator* indicators to instantiate change within complex adaptive systems.
# Tier One: Incremental Numeration Indicator Typology

<table>
<thead>
<tr>
<th>Absolute</th>
<th>Intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Financial</td>
</tr>
<tr>
<td>Social</td>
<td>Per Capita</td>
</tr>
<tr>
<td>Environmental</td>
<td>Physical</td>
</tr>
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<td></td>
<td>Progress Percentage</td>
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</tbody>
</table>

# Tier Two: Contextual Denomination Indicator Typology

<table>
<thead>
<tr>
<th>Thresholds</th>
<th>Allocations</th>
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</thead>
<tbody>
<tr>
<td>Science-Based</td>
<td>Physical</td>
</tr>
<tr>
<td>Ethics-Based</td>
<td>Per Capita</td>
</tr>
<tr>
<td>Context-Based</td>
<td>Economic</td>
</tr>
<tr>
<td>Trajectory Targets</td>
<td>Shared v Full</td>
</tr>
</tbody>
</table>
Reporting 3.0 Strategy Continuum

**Horizontal Axis**
- **BAU**: No evidence of sustainability assessment / progress
- **Improving**: Evidence of incremental progress vis-à-vis carrying capacities of capitals / sustainability thresholds
- **Sustaining (mid-line)**: Performance meets break-even point – no worse than the sustainability threshold
- **Regenerating**: Evidence of (context-based) net-positive sustainability performance (regenerative impacts on capitals)
- **Thriving**: Evidence of gross-positive sustainability performance (no negative impacts on capitals needing to be netted out)

**Vertical Axis**
- **Micro Level**: Evidence of progress at the entity level
- **Meso Level**: Evidence of entity-level progress catalyzing industry / portfolio / habitat level transformation
- **Macro Level**: Evidence of entity- / industry- / portfolio- / habitat-level progress that catalyzes economic / ecological / social systems level transformation
Tier Three: Transformation (Three Horizons Framework)

Three Horizons Framework Applied to the Transition Towards a Regenerative Culture

- World in Crisis
- World in Turbulent Transition
- A Viable World

Sustaining innovation keeps 'the lights on' and maintains status quo.
Disruptive innovation identifies opportunities to change the scope of what is possible.
Transformative innovation facilitates the transition towards regenerative cultures.

http://www.internationalfuturesforum.com/three-horizons
Thank You!

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