

Introduction of the Sustainable Development Performance Indicator (SDPI) Project

UNRISD Session on Sustainable Development Performance Indicators for the SSE: How to measure progress towards the SDGs

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Research for Social Change



UNRISD
United Nations Research Institute for Social Development

The United Nations Research Institute for Social Development (UNRISD)

- The United Nations Research Institute for Social Development (UNRISD) is "an autonomous research institute within the United Nations that undertakes multidisciplinary research and policy analysis on the social dimensions of contemporary development issues".
- UNRISD was established in 1963 with the mandate of conducting policy-relevant research on social development that is pertinent to the work of the United Nations Secretariat, regional commissions and specialized agencies, and national institutions.

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Context and question of the Sustainable Development Performance Project

- the effectiveness of sustainability measurement and reporting has improved significantly due to numerous standard-setting initiatives, and revisions of existing tools and models.
- whether current measurement and reporting models adequately address a set of 21st century conditions and challenges, key aspects of which include:
 - the rise of SSE, blended value enterprises and impact investment that promote or prioritize social objectives;
 - trends and imperatives associated with the Green, Sharing or Circular Economy, which aim to decouple negative environment impacts from the process of economic growth;
 - technological and structural change associated with digitalization, industrial restructuring, financialization and labour market flexibilization;
 - normative challenges associated with human rights, rising inequalities, climate change and resilience, as well as the broader goals of integrated and transformative change demanded by the 2030 Agenda.

Objectives of the SDPI project

- Assess the adequacy of existing methods and systems for gauging the contribution of enterprises to achieving the Sustainable Development Goals (SDGs).
- Expand the scope of sustainability measurement, disclosure and reporting beyond for-profit enterprises to encompass enterprises and organizations that make up the social and solidarity economy.
- Identify data points and indicators related to SSE that may inform conventional approaches to sustainability measurement associated with for-profit enterprises.
- Identify and test a set of sustainable development impact indicators that can address the 21st century challenges

UNRISD research traditions for the SDPI project

- Contents and Measurement of Socioeconomic Development from the late 1960s to the 1970s.
- Corporate Social Responsibility from a Development Perspective in the 2000s
- Social and Solidarity Economy in the 2010s

Three Tier System of Indicators

- **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.
 - UNCTAD 33 Core Indicators
- **Tier Two: (hard and soft) 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.
 - 19 Indicators which contextualize selected UNCTAD’s Core Indicators

Three Tier System of Indicators

- **Tier Three: Activating *Transformation***

- *Transformative* indicators add the element of implementation and policy to normative *denominator* indicators to instantiate change within complex adaptive systems.
- For For-profit enterprises: 27 indicators
- For SSE: 33 indicators in the dimensions of

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|-----------------------------------|-----------------------------------|
| 1. Fair Remuneration, | 9. Environment, |
| 2. Gender Equality, | 10. Information Sharing, |
| 3. Corporate Taxation, | 11. Democratic Governance and |
| 4. Labour Rights, | Empowerment, |
| 5. Responsible/Ethical Sourcing, | 12. Employment, Training and Work |
| 6. Corporate Political Influence, | Integration |
| 7. Performance Accounting, | 13. Resilience |
| 8. Fines and Settlement, | |

Plus one or two “self-created indicators” corresponding to each dimension in the case where you cannot find adequate indicators

Plans for implementation

- Pilot testing (October 2020 – July 2021)
- Revision of indicators (July 2021 – November 2021)
- Global launch (December 2021 --)
- Engagement with discussion on harmonization of sustainability reporting indicators within the UN system