

Sustainable Development Performance Indicators

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The challenge

... to identify meaningful indicators of an Export Credit Agency's performance in contributing to sustainable development.



Sustainable development

WCED definition:

“development that meets the needs of the present without compromising the ability of future generations to meet their own needs”
(Brundtland, 1987)



Sustainable development

Capitals model:

- 🌍 5 types of capital:
 - 🌍 Natural capital (environment)
 - 🌍 Human capital (human rights)
 - 🌍 Social capital (social issues)
 - 🌍 Manufactured capital
 - 🌍 Financial capital
- 🌍 All forms of capital are fully substitutable
- 🌍 Project is sustainable if results in a net increase in total capital

Sustainable development

Natural Step model:

- 🌍 4 system conditions:
 - 🌍 Materials must not be extracted from the earth faster than they are replaced.
 - 🌍 Materials must not be produced faster than they are broken down or absorbed.
 - 🌍 No physical degradation of the earth's surface and maintenance of natural biodiversity
 - 🌍 Just and efficient use of energy and other resources all around the world

Sustainable development

UK Government definition:

“a better quality of life for everyone, now and for generations to come” (DETR, 1999)

- social progress which recognises the needs of everyone
- effective protection of the environment
- prudent use of natural resources
- maintenance of high and sustainable levels of economic growth and employment



Sustainable development





Triple Bottom Line model:

\$ Economic development

👤 Social development

🌍 Protection of the environment

Types of indicators

-  Economic/environmental/social performance indicators
-  Management performance indicators
-  Operational performance indicators
-  Condition indicators

Sources of guidance



Published guidance



Reports by other ECAs and IFIs



Reports by private sector insurers

Key findings

- 🔑 Nobody has found the perfect solution
- 🔑 Both direct and indirect impacts must be reported
- 🔑 Report only on most significant direct impacts
- 🔑 Impractical to consider reporting details of indirect impacts → find way to summarise

Proposal

A matrix of 45 indicators covering ECGD's direct and indirect environmental and social impacts and 2 sustainable development condition indicators for the top 10 markets for inclusion in the Annual Report

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Publication of a Sustainable Development Report at the same time as the matrix is first published and then every 2-3 years.



Next steps

- ✓ Review by ECGD management
- ✓ Publication (posting on ECGD website)
 1. Other publicity
 2. Responses from stakeholders
 3. Implement revised version

