

# **Appendix E**

## **MEASURING SUSTAINABILITY: THE ROLE OF OREGON BENCHMARKS**

### **Introduction**

This special section of the *2001 Benchmark Performance Report* addresses the requirements of Executive Order EO-00-07. In that executive order, the Governor directed the Oregon Progress Board to determine the strengths and weaknesses of the Oregon Benchmarks as useful indicators for determining Oregon's level of sustainability. The Governor also requested that the Progress Board examine the recommendations of the recent *Oregon State of the Environment Report 2000 (SOER 2000)* to determine their applicability for measuring sustainability. The executive order defines sustainability as "using, developing and protecting resources at a rate and in a manner that enables people to meet their current needs and also provides that future generations can meet their own needs. Sustainability requires simultaneously meeting environmental, economic and community needs."

The Board's preliminary assessment is that, with some modification, the benchmarks could be a useful tool for measuring sustainability in Oregon. The Board also finds that the *SOER 2000* recommendations provide an opportunity to create a strong set of indicators of ecological health that could be part of a larger sustainability framework.

Since the executive order, Board staff have: 1) investigated different sustainability measurement frameworks; 2) compared the Oregon Benchmarks to a model framework; 3) incorporated key *State of the Environment Report 2000* recommendations into the benchmarks for 2001-03 and; 4) developed a partnership with state natural resource agencies to incorporate the new *SOER 2000* generated benchmarks into agency operations.

In coming months, Board staff and agency partners will engage Oregonians in developing performance standards for the new environmental benchmarks developed as part of the *SOER 2000* process. The Progress Board is also investigating the possibility of analyzing, in depth, a few benchmarks using principles of sustainability.

### **Oregon's Sustainability Framework**

Oregon state government's approach to sustainability is best described as attempting to maximize the beneficial interactions among three sectors (or circles) of society - economic, social and environmental. Sometimes called the triple bottom line approach, the approach to sustainability compels us to consider the economic, social and environmental consequences of our actions and to create win-win or win-win-win situations, whenever possible.

Many other models exist for describing sustainable systems. Some rely upon economic concepts like assets, consumption and "getting the price right." Others attempt to model dynamic ecological function with pressure (affecting the system), state (system conditions) and response (reducing pressure) measures. Carrying capacity models focus on staying within the bounds of nature's regenerative powers. Still other models place humanity inside an ecosystem framework with the intent of demonstrating the interaction between the two.

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The Governor's executive orders states that the state Governor shall develop and promote policies and programs to assist Oregon to meet a goal of sustainability within one generation, by 2025. Subsequently, a Governor's work group on sustainability, consisting of business and community leaders, identified ten sustainable community objectives:

## Economic objectives -

A resilient economy that provides a diversity of good economic opportunities for all citizens;

Workers whose knowledge and skills are globally competitive, supported by life-long education;

## Community objectives -

Independent and productive citizens;

Youth who are fully supported by strong families and communities;

Downtowns and main streets that are active and vital;

Efficient and compact development that saves infrastructure investments and natural resources;

Affordable housing available for citizens in the community centers;

## Environmental objectives –

Healthy urban and rural watersheds and species abundance and diversity;

Clean and sufficient water for human and natural use; and

Efficient use of and reuse of resources and elimination of harmful toxins and emissions to the environment.

These objectives form the basis for engaging citizens, businesses and public officials in discussions about sustainability in their local communities and statewide.

## **Establishing Criteria for Indicators of Sustainability**

*Assessing Sustainable Development: Principles in Practice*, published by the International Institute for Sustainable Development, describes the Bellagio Principles for sustainable development. In 1996, leading measurement practitioners, as a follow-up to the 1987 World Commission on Environment and Development and Agenda 21 of the 1992 Earth Summit, developed ten principles by which measures of sustainability could be judged.

1. Be guided by a clear vision of sustainability and clear goals.
2. Be holistic in nature.
3. Include equity, ecological conditions and economic/non-market activities.
4. Be broad in scope.
5. Be practical.
6. Be transparent to public scrutiny.
7. Be engaging enough to elicit stakeholder interest.

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8. Involve a broad cross section of residents.
9. Be periodically reviewed and adjusted.
10. Be integrated into decision-making frameworks.

Many of the sustainability assessment elements outlined in the Bellagio Principles are contained in *Oregon Shines II*, the benchmarks, and *SOER 2000*. Oregon's measures are broad in scope and somewhat holistic. They include ecological and equity considerations. They are practical and often used in decision-making frameworks. Nearly 10,000 Oregonians have contributed to development of the measures. And they are periodically reviewed and adjusted.

Reworking of some aspects may be warranted, however, to more fully frame and carry out a sustainability assessment in Oregon and to further develop institutional capacity. Unresolved issues include: 1) the need to engage a broad cross section of residents in testing and refining the current vision and goals for sustainability; 2) lack of measures of inter-generational equity; 3) lack of an accounting system that includes social, environmental costs and benefits; and 4) lack of measures that demonstrate the inter-relationships between the three spheres or circles.

A broadly accepted, clear vision and goals for sustainability are necessary before a sustainability measurement system can go forward. The executive order provides an excellent starting point for developing consensus vision and goals. The other issues mentioned above can evolve as the system matures.

For more information on how the Oregon Benchmarks compare with the Bellagio Principles, see *The Oregon Benchmarks As a Measurement System for Sustainability* by Jeff Tryens and Bob Silverman, September 18, 2000. Available from the Oregon Progress Board.

## Next Steps

Step 1 - Refine the *SOER* environmental measures. (Spring 2001)

Historically, benchmarks on environment have not been on the same par as social and economic benchmarks. They were considered fragmented and not representative of environmental conditions in Oregon. As a result of the *SOER 2000* process, Oregon has, for the first time, widespread agreement on how to measure environmental health.

The Progress Board, *SOER* scientists and state agency partners will develop a plan to put the new environmental benchmarks into operation within state agencies. Tasks include agreeing on indicator definitions, determining data sources for new measures, and developing ranges for setting target values for 2005, 2010 and 2020.

Step 2 - Engage citizens in establishing desired future levels (targets) for environmental indicators. (Summer - Fall 2001)

The Progress Board and its partners will interact with Oregonians in a series of forums, state-wide, to consider where they want Oregon to be in the future for each of the environmental benchmarks. Three different future levels or targets will be developed for each benchmark: 1) level necessary to meet current federal and state laws; 2) level necessary to maintain the current flow of environmental goods and services; and 3) level necessary to maintain ecological health indefinitely. Each of these levels will be compared to a baseline level determined by existing trends.

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Note: steps 3, 4 and 5 are under consideration by the Oregon Progress Board and have not been updated.

Step 3 - Establish a vision and clear goals for sustainability within one generation. (Winter - Spring 2002)

As part of the Oregon Shines update, or a similar planning process, Oregonians will need to articulate a clear vision and set of goals for sustainability in Oregon. Goal statements are necessary to determine the types of measures needed to measure success in achieving the vision. The current executive order and report of the working group on sustainability (available at [www.OregonSolutions.net](http://www.OregonSolutions.net)) will serve as the starting point for that discussion.

Step 4 - Modify benchmarks and benchmark targets to reflect sustainability vision and goals. (Summer - Fall 2002)

As part of the biennial benchmark update process the Board would consider what changes are necessary to benchmarks and benchmark targets to improve their ability to reflect the sustainability vision and goals.

Step 5 - Publish new sustainability benchmarks. (Winter 2003)

Board staff would develop data for benchmarks selected as part of the review process.

The Progress Board welcomes citizen input on the best ways to create a measurement system for determining Oregon's level of sustainability. Please contact Jeffrey Tryens, Progress Board executive director, with any ideas or suggestions you might have.