Step by step towards a sustainable world



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The world still has quite a way to go to achieve sustainability. With the GAPFRAME, an instrument is now available that can measure the sustainability gap that remains to be closed by all countries. Also it demonstrates the relevant action fields for businesses and government. The method, which was developed in Lausanne, is based on the UN's 17 Sustainable Development Goals (SDGs).

By Anna Birkenmeier, 30.06.2017

Switzerland is seen as one of the most successful and sustainable countries in the world. This perception is confirmed by numerous studies and rankings. The factors that contribute to this include, in particular, the country's high quality of life, the opportunities it provides for democratic co-determination and its economic openness. However, there is still potential for improvement in many areas, and Switzerland does not play in the first division in all areas. As the GAPFRAME

(http://www.gapframe.org)

shows, this is particularly true when it comes to certain sustainability issues.

Measuring the gap to sustainability

The GAPFRAME was developed by the <u>Business School Lausanne</u> (http://www.bsl-lausanne.ch)

in close cooperation with experts from the fields of research, development and business and is the product of a twelve-month research process. The instrument is present on the internet at www.gapframe.org since April 2017. The aim of the method is to measure the

distance that an individual country or region have yet to cover to attain a sustainable state and, hence, to identify action priorities for business and government actors. This state is defined as a "safe space" and is necessary so that "all citizens can live well on one planet" (see Figure 1). The GAPFRAME builds on the <u>United Nation's Sustainable Development</u> Goals (SDGs)

(http://www.un.org/sustainabledevelopment/sustainable-development-goals/)

and fleshes them out in the form of 24 issues and 68 indicators, which are underpinned by publicly available data on 197 countries. In addition – and this is what makes the GAPFRAME special – it provides current and ideal values for all 24 issues from which the corresponding gaps can be deduced. A national gap analysis highlights these "gaps" which make it possible to set priorities for state and private-sector action.



Figure 1: Translation of the SDGs into national priorities for a safe space (www.gapframe.org)

By establishing priorities in the areas of the environment, society, the economy and cooperation on a comparative basis, the GAPFRAME provides Switzerland with cross-thematic clarification for the first time. "In the overall GAPFRAME ranking, Switzerland ranks sixteenth and still has a lot of work do to contribute to the achievement of sustainability and to reach the 'safe space'," says Katrin Muff, a co-initiator of the study carried out by the Business School Lausanne. Switzerland performs particularly poorly in relation to the environment. "CO2 emissions are far too high in relation to our capacity available at global level, biodiversity is dangerously low, and a lot of work remains to be done in the area of energy," explains Muff. "Other important topics for Switzerland include our consumer behaviour and the continuing lack of equal opportunities." In contrast, Switzerland is already in the green "safe space" when it comes to living conditions, water resources and the use of resources by companies. (See Figure 2).

The Gap Frame: Switzerland and its top 8 issues @

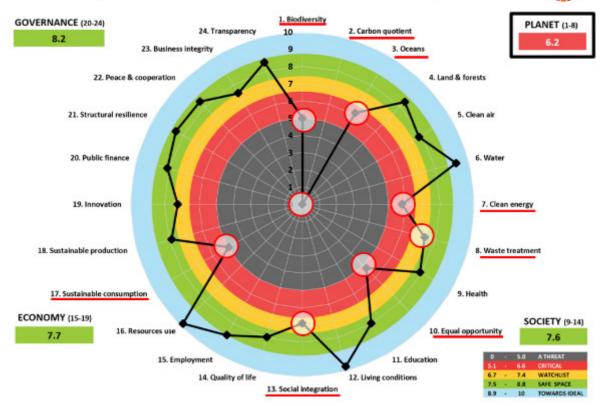


Figure 2: The main sustainability issues for Switzerland (www.gapframe.org)

Support for companies

Switzerland is not the only country with such a mixed report. "Depending on its state of development and local conditions, each individual country faces numerous challenges. The gap between the current state and a sustainable state is often significant," says Katrin Muff. The Sustainable Development Goals encompass 17 political targets, which aim to ensure the establishment of sustainable development at economic, social and ecological levels by 2030. The economy plays a crucial role in the achievement of these goals. Accordingly, companies must identify the relevant SDGs for their own activities, set their own priorities in relation to the sustainability issues and develop pioneering visions for their business. "Studies indicate that companies are fully aware of the importance of the SDGs but they lack suitable instruments to tackle them effectively and translate them into reality," says Muff.

Swiss-based research project with a global reach

More and more business schools around the world feel responsible to actively address the SDGs by providing innovative solutions in research and teaching. In Switzerland, the main business schools that have engaged in this issue are the Business School Lausanne and the University of St. Gallen. They are part of a global research project that supported the development of the GAPFRAME. "The GAPFRAME approach provides a framework that can act as a strategic instrument for target-performance analyses," explains Katrin Muff. In the GAPFRAME, sustainability is measured on the basis of four dimensions of sustainability: planet, society, economy and governance. The 68 indicators are evaluated on a scale of 0 to

-10. As the target value, the "safe space" is located in the range of 7.5 to 8.8, based on the Zen principle that 80 percent is sufficient. While the attainment of ideal values may be welcome, it is not desirable to attempt achieving them as long as there are problematic values that place a country or region in the critical range (between 5.1 and 6.6), on the watchlist (6.7 to 7.4 points), or even in the "threat" zone (0 to 5 points). Overall, a courageous new approach that will require ongoing discussion and revision.

The ideal values were defined in good faith according to best available information, and were subject to a large expert assessment. In contrast to the average-based methodology usually used (weak sustainability), the GAPFRAME rating is based on a sophisticated methodology (strong sustainability). Hence the country with the highest GAPFRAME score is the country with the least severe problems, and no country is entirely within the green "safe space". The first ten places are dominated by Northern and Western European countries: Norway, Austria, Luxemburg and Finland are ranked 1st to 4th followed by the central American countries Costa Rica (5th) and Panama (9th). At 16th, Switzerland's low ranking is due to its low score for the dimension "planet" (for which it ranks only 69th in the global ranking), whereas otherwise it is among the leaders for the other dimensions: 2nd after Sweden for economy, 7th for governance and 12th for society. Thus the agenda for Switzerland is clear.



Business School Lausanne (www.topmba.com)

A strategic tool for companies

The GAPFRAME helps companies and other stakeholders to make targeted and quantifiable progress towards a sustainable world. Unlike other sustainability approaches, the GAPFRAME not only compares individual countries with each other, but also assesses them based on their ideal state and thus highlights the dimensions and issues with the biggest gaps and most urgent need for action. Through this innovative approach, the GAPFRAME presents concrete fields of action for each individual country or region.

Starting with the problems

According to Katrin Muff, to solve these issues identified by the GAPFRAME a change of perspective is needed, particularly for the economy which is seen as a key driver to fulfil the SDGs. Up to now, companies have often initiated sustainability-related efforts from a company-centric perspective, which involved assessing risks and opportunities associated with environmental problems, an approach known as the "inside-out" perspective. In order to exploit the GAPFRAME potential und to bridge the gap between the current state and targeted "safe space" for all, Katrin Muff suggests that companies shift to an "outside-in" perspective. This involves the adoption of an external issue-oriented approach whereby companies define strategies for the most pressing issues relating to sustainability. Companies then identify their core resources, skills and innovative strengths to contribute to solving these problems.

The GAPFRAME highlights the most pressing issues

According to Katrin Muff, this change in perspective benefit companies in the long term, as the SDGs are generally considered to lead to significant new business activities with new markets: "Unlike the inside-out perspective, which can contribute to a short term business success, the outside-in perspective opens up the possibility of accessing entirely new and long-term business opportunities," she stresses. In this way the GAPFRAME approach offers a starting point for an outside-in perspective by highlighting the most urgent issues in a country or region in the areas of the environment, society, economy and governance. It provides an ideal platform for the debate between companies and stakeholder groups as to how these issues can be translated into long-term business opportunities.



Sustainable development goals (SDGs)

- 1. No poverty end poverty in all its forms everywhere
- 2. Zero hunger end hunger, achieve food security and improved nutrition, and promote sustainable agriculture

- 3. Good health and well-being ensure healthy lives and promote well-being for all at all ages
- 4. Quality education ensure inclusive and quality education for all and promote lifelong learning
- 5. Gender equality achieve gender equality and empower all women and girls
- 6. Clean water and sanitation ensure access to water and sanitation for all
- 7. Affordable and clean energy ensure access to affordable, reliable, sustainable and modern energy for all
- 8. Decent work and economic growth promote inclusive and sustainable economic growth, employment and decent work for all
- 9. Industry, innovation and infrastructure build resilient infrastructure, promote sustainable industrialization and foster innovation
- 10. Reduce inequalities reduce inequality within and among countries
- 11. Make cities inclusive, safe, resilient and sustainable
- 12. Responsible consumption and production ensure sustainable consumption and production patterns
- 13. Climate action take urgent action to combat climate change and its impacts
- 14. Life below water conserve and sustainably use the oceans, seas and marine resources
- 15. Life on land sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss
- 16. Peace, justice and strong institutions promote just, peaceful and inclusive societies
- 17. Partnerships for the goals revitalize the global partnerships for sustainable development

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