
Pilot 2006 Environmental Performance Index

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**Appendix E:
The Pilot 2006 EPI's
Relationship to the
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Both the Environmental Sustainability Index (ESI) and the Pilot 2006 Environmental Performance Index contribute to data-driven environmental decisionmaking. However, there are important differences in the perspectives the ESI and EPI bring to environmental policymakers. The EPI does not seek to replace the ESI; instead, the two indices supplement each other.

The ESI provides a gauge of a country's long-term environment trajectory. Constructed around the concept of "sustainability," it tracks the environmental past, present, and future. It includes metrics related to underlying natural resource endowments, past pollution control, and the existing degree of ecosystem degradation as well as current environmental policy results and forecasts of a society's ability to change negative trends.

In contrast, the EPI addresses the need for a gauge of policy performance in reducing environmental stresses on human health and promoting ecosystem vitality and sound natural resource management. The EPI focuses on *current* on-the-ground outcomes across a core set of environmental issues tracked through 16 indicators in six policy categories for which all governments are being held accountable.

The EPI has several important distinctions from the ESI. Perhaps most significantly, the EPI measures country performance against an absolute target established by international agreements, national standards, or scientific consensus. It is based on actual environmental results measured on a proximity-to-target basis. With this approach and more comprehensive data, the EPI could be used for global-scale aggregation, showing how close the world is to

environmental sustainability. In contrast, the ESI is based on comparisons between countries, thus providing only a relative measure of environmental performance. In addition, the EPI focuses narrowly on areas within government control, while the ESI tracks a broader set of factors affecting sustainability.

With minor exceptions, for a country to be included in the EPI, data must be available for all 16 indicators. Current data gaps make it possible to include only 133 countries in the EPI rankings. In contrast, the ESI has a more flexible data requirement that allows missing data to be imputed in certain cases. Because of this difference, the EPI provides a more refined picture of a country's current environmental performance.

While the ESI and the EPI were designed with different objectives in mind, some insight can be gained from a comparison of the relative positions of countries on each index (see Figure E1 below). The rankings of some countries are notably higher on the EPI than the ESI. This is particularly true of the United Kingdom, Germany, and Taiwan. This result suggests that they face significant long-term sustainability challenges but are managing their present circumstances well.

A number of countries, particularly in Africa, have lower EPI than ESI scores. These nations are relatively unpolluted due to their underdevelopment, but they are not meeting the challenge of providing environmental infrastructure (drinking water and waste water treatment) for their people and creating systems for pollution control and ecosystem protection.

Finally, both the EPI and the ESI reveal substantial gaps in global environmental data. Many important environmental issues relating to sustainability, human health, and ecosystem vitality are not being tracked quantitatively. To the degree that both the ESI and the EPI provide useful guidance for making policy choices, there

is a compelling argument for greater investment in tracking environmental metrics and indicators more systematically across the world. The ultimate goal is to provide a firmer foundation for environmental policymaking and to help ensure that money devoted to environmental protection delivers maximum returns.

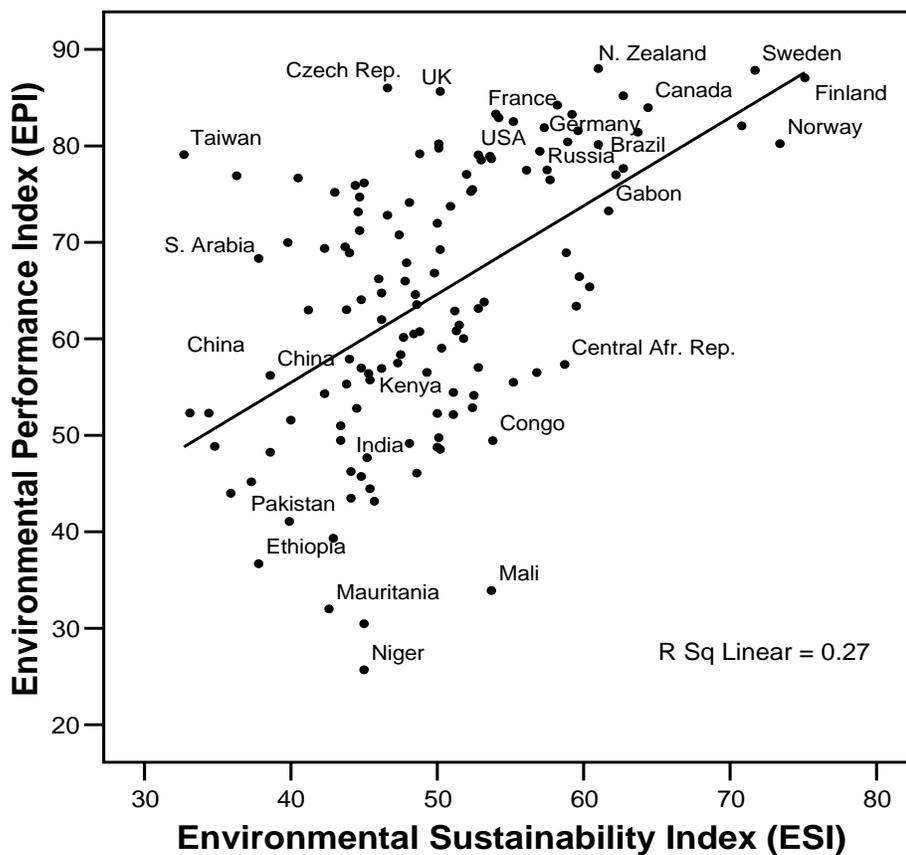


Figure E1. Relationship between the 2006 EPI and the 2005 Environmental Sustainability Index