

D5.4

Minutes and conclusions of the Workshop 2

February 27, 2024

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Glossary

Abbreviation	Full term
EU ETS 2	European Union Emission Trading System covering road transport and buildings
IFCMA	Inclusive Forum on Carbon Mitigation Approaches
IPCC	Intergovernmental Panel on Climate Change
OECD	Organisation for Economic Cooperation and Development



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Executive Summary

This deliverable contains the minutes and conclusions of the second policy workshop of the project CAPABLE that took place on Friday 2 February 2024 in Barcelona and online, back-to-back to the second project meeting organised by UAB.



1 Agenda

CAPABLE - ClimAte Policy AcceptaBiLity Economic framework

Agenda – 2nd Policy Workshop February 02, 2024

Online (in-person for those in Barcelona)

ZOOM LINK: <https://eui->

[eu.zoom.us/j/94579027905?pwd=TU9QVG1zM0xaZzRCWHInc0FIQnFXUT09](https://eui-eu.zoom.us/j/94579027905?pwd=TU9QVG1zM0xaZzRCWHInc0FIQnFXUT09)

Meeting ID: 945 7902 7905, Passcode: 020224

DAY 2 afternoon - 02 February 2024

Room: Z22/23 (main aula) ICTA-UAB

14.30 - 14.35

Welcome

Chairperson: Simone Borghesi, EUI

14.35 - 15.00

Project Big Picture and Policy

Chairperson: Johannes Emmerling, EIEE-CMCC

Speakers: Loic Berger, CNRS/IESEG, Keith E. Smith, ETH Zürich

Kai Lessmann, PIK, Silvia Pianta, EIEE-CMCC, Simone Borghesi, EUI

15.00 - 16.30

Discussion with the Advisory Board members and stakeholders

Evaluation of climate policies: learnings from systematic reviews

Chairpersons: Jan Minx, MCC and Simone Borghesi, EUI

Speaker: Mauro Pisu, OECD

Notetakers: Alessia Casamassima, EUI and Klaas Miersch, MCC

Comprehension and use of scientific knowledge by policymakers

Chairpersons: Loic Berger, CNRS/IESEG and Albert Ferrari, EUI (online)

Speaker: Helena Hauser, IESEG/Univ. Zurich (online)

Notetakers: Roberta Terranova, EIEE-CMCC and Maria Montoya, IESEG

16.30 – 16.35

Wrap up and closure of the workshop

Simone Borghesi, EUI

2 Participants and objectives

Participants were affiliated to the following organisations:



ECCO Think Tank, UAB, European Commission (DG Research & Innovation, CINEA, Joint Research Centre), EUI, Next Energy Consumer, FEEM, European Environment Agency, University of Santa Barbara, Italian Environment Ministry, OECD, MCC Berlin, INFRAS, Eurocities, Carbon Market Watch, University of Milano Bicocca, European Parliament Research Service, ETH Zurich, E6, CMCC-EIEE, Resources For the Future, IESEG/CNRS, PIK Potsdam, Enel Foundation, UAB, Fern Universität in Hagen, CUNI, RUG.

The objectives of the workshop were to:

- Provide a first overview of the progress and results of the CAPABLE project and receive feedback from Advisory Board members;
- Inform and discuss with the Advisory Board members and stakeholders the insights from a systematic analysis of studies on climate policy evaluation; and
- Review how policymakers comprehend and use scientific knowledge and how CAPABLE can analyse it.

After a warm welcome and presentation of the project CAPABLE by Simone Borghesi (EUI), the coordinator of the project CAPABLE, together with the work package leaders, provided an overview of the different work programmes. The present document intends to focus on the discussion that followed this overview during the two thematic sessions.

3 Insights from the session on the evaluation of climate policies

Jan Minx (MCC), the session chair, provided input on the ongoing efforts to advance systematic reviews for policymaking in the climate field. According to him, we are in the age of climate solutions, but global emissions are still rising. We cannot afford to misuse money and time when implementing policies. Therefore, we need to rely on 1) the best evidence to make policies, 2) on the sum of the current knowledge (traditional literature reviews are often biased and unreliable) and 3) new tools, such as systematic reviews strengthened by artificial intelligence. This is a promising way to evaluate policies across instruments and outcome domains that can speak to the needs of policymakers. Moreover, policymakers need updated evidence in time. Living and synthetic of evidence is necessary.

Mauro Pisu from OECD shared an update on ongoing efforts, in cooperation with MCC, to compare the environmental effectiveness of climate policy instruments. Initiated at the first CAPABLE workshop in March 2023 in Milan, this operational cooperation aims to generate robust evidence on the effects of carbon mitigation across different contexts. The Inclusive Forum on Carbon Mitigation Approaches (IFCMA) of the OECD focuses on policies' impact on emissions and considers various approaches to compare their effectiveness in reducing carbon. The aim is to stocktake and map mitigation policies across countries, focusing on investigating consumer-side impacts and market development. Although it is challenging to develop an approach suitable for every country's unique circumstance, the workstream intends to provide timely and comparable metrics to review the literature. This systematic review will identify evidence on carbon mitigation policies and the interactions among those that impact their effectiveness. Results are expected by the end of the year 2024.

Most of the discussion in this session, moderated by Jan Minx and Simone Borghesi, focused on striking the right balance between the effectiveness and acceptability of climate policies. Finding effective and acceptable policies, an objective at the core of the project CAPABLE, requires understanding pushback from vocal minorities. In that respect, a large survey across European countries planned in CAPABLE intends to address this concern.

Understanding distributional impacts and responding to ongoing protests is fundamental. To better handle or limit protests further research on policy acceptability is needed. Living evidence can prompt policy responses. From a political perspective, it is also worth studying how policy opponents frequently and successfully construct subjective perceptions of policy costs to contest reforms. We witness this in carbon pricing where there is often little relation between subjective opinions and objective benefits.

Public perception is key as shown in the recent farmers' protests (see text box below). In general, it was argued that revenues are more popular when earmarked towards green investments rather than direct distribution. According to one participant, short-term climate policies contribute to public scepticism. Providing evidence of long-term benefits, such as job creation, growth or better health, may also enhance policy acceptability.

Urgent issues affecting specific groups (e.g., farmers or car manufacturers) highlight the importance of proposing benefits to the groups for dealing with these negative impacts. The pushback against climate policies underscores the need to tailor them to specific sectors. For instance, co-benefits will be particularly visible when distributing the revenues generated under the future EU ETS2.

Cooperation for policy evaluation and comparison partially stems from the need for global carbon pricing. Interactions between newly implemented and existing policies complicate policy comparisons across instruments. Despite numerous climate policies being implemented in the EU, there is a lack of understanding about their effectiveness. Ex-post evaluations of recently implemented policies are essential, although the experience is limited in time. Improving evaluation methods is also crucial; hence, leveraging ex-post evidence to inform ex-ante recommendations is a priority, highlighted by upcoming workshops such as "What Works Climate Solutions Summit." Good evidence on which policies work is necessary for efficient policy making. It requires evidence-based evaluation rather than relying solely on political support. Incorporating counterfactual analysis on the costs of inaction can help address scepticism and opposition to climate policies.

Farmers' protests partially blamed climate policies for their difficulties

There was a lively discussion on the perceived and actual impacts of climate policies on agriculture, triggered by recent protests by farmers in various EU countries. Although not directly paying a carbon price for its emissions, the agricultural sector is affected by carbon costs, impacting farmers' production expenses. However, direct emissions from the agricultural sector remain unchecked. Farmers' concerns, which encompass various issues well beyond climate policies, gain political traction and pose challenges to policy acceptability, design, and implementation.

Vocal minorities, backed by political support are influencing the political landscape, particularly with European Parliament elections approaching. Fears often drive political decisions, but focusing on opportunities and co-benefits is crucial for gaining support. The extent to which there

is support for a certain policy does not necessarily imply that this policy has an actual desired (or undesired) impact in a domain; even an ineffective policy can be perceived as having negative impacts.

4 Insights from the session on comprehension and use of scientific knowledge by policymakers

The session, chaired by Loic Berger (IESEG/CNRS) and Albert Ferrari (EUI), featured Helena Hauser (IESEG/University of Zurich) as a speaker. The topic focused on how policymakers comprehend and use scientific evidence on climate change. CAPABLE research encompasses the interpretation of policy studies and handling uncertainty in scientific evidence through various methodological approaches, including literature review, interviews, and experiments involving policymakers.

Hauser summarised results from a literature review on scientific uncertainty, emphasising the importance of acknowledging and communicating uncertainties in policymaking. She outlined three approaches to uncertainty communication identified in the literature: omitting uncertainties, neutral communication by scientists, and expert communication of relevant uncertainties. Experiment results on how people perceive uncertainties highlighted the significant impact of magnitude and framing of uncertainty on reactions. Her intervention also touched upon differences between policymakers and the public in responding to uncertainty, suggesting that policymakers may exhibit specific characteristics linked to their education, collective decision-making, and exposure to uncertainties. Overall, Hauser underscored the need to effectively communicate uncertainties in policymaking, highlighting the underexplored area of policymakers' reactions to uncertainty.

The discussion in this session focused on the definition of policymakers, their interpretation and use of science and information, and uncertainty. Within the broader theme of dealing with uncertainty in policymaking, insights from reports from the JRC referenced below emphasize the usefulness of quantitative evidence and evaluation in policymaking.

The need to differentiate between various types of policymakers was acknowledged. The CAPABLE team may have to consider distinguishing between politicians and policymakers and understanding how they define themselves. The interaction between scientists and policymakers is also to be better understood. It was suggested to look at how organisations like the IPCC communicate uncertainty by including specific vocabulary and confidence levels in their statement. Considering behavioural aspects, bounded rationalities and cognitive biases affecting communication between scientists and policymakers in dealing with uncertainty is also something to look at.

The role of evaluations in policymaking was emphasized in this session as well, showcasing their integral role in the policy cycle. The lack of evaluation culture for policymaking in many societies was pointed out. Moreover, participants highlighted an asymmetry between environmental and economic assessments in policies.

The next steps in the CAPABLE project involve conducting interviews with policymakers and experimentation, and the partners acknowledged the difficulty in finding research on putting policymakers into a lab setting. Explaining the research framework leading to such conclusions can

help policymakers to understand the study's reliability. Questions brought to the participants were focused on the type of information sought by policymakers, how they determine its relevance in decision-making, and which sources of information they find valuable, considering model comparison, meta-analysis, and primary research. Additionally, understanding how policymakers balance scientific recommendations with political, economic, and social concerns and public perception could be tackled.

Communicating uncertainty and scientific evidence is essential, but carefully selecting which and how to frame uncertainties is necessary. Simplifying messages and policies can enhance understanding and acceptance.

During the discussion, the underlying assumption that policymakers are directly informed by science was questioned. Policymakers usually rely on products prepared by knowledge brokers and (in-house) think tanks, challenging the assumption that they directly handle evidence. This filtering process is important. Policymakers often seek real-world examples to support their policies, emphasizing the importance of evidence in addressing social impacts and protests. Another assumption is that policymakers rely on an ideal information format: understanding what truly interests policymakers will contribute to shaping the ideal information format for them.

5 Conclusions

In conclusion, the discussion reflects the multifaceted nature of policymaking, where policymakers navigate complex information landscapes, balance competing interests, and strive to address uncertainties to craft effective policies. Rather than directly on science, policymakers' access to information filtered through refined knowledge products, seek real-world examples and grapple with the challenges of evaluating diverse policies.

At the end of the workshop, the organisers of the workshop (EUI) thanked all participants, including many consortium members, and invited them to continue the discussion in the future either bilaterally or at the next policy workshop. In the meantime, the members of the advisory board may be involved in another small discussion after the summer of 2024 on the climate agenda of the new European Commission.

6 Further links

The JRC's Enlightenment 2.0 project referred to during the discussion deals with evidence-informed policy-making and the uptake of evidence in politics:

- Report 1: Understanding our political nature: how to put knowledge and reason at the heart of political decision-making
- Report 2: Technology and Democracy: understanding the influence of online technologies on political behaviour and decision-making
- Report 3: Values & Identities - a policymaker's guide

The fourth report on Meaningful and Ethical Communication is currently in preparation.

The JRC project website - https://knowledge4policy.ec.europa.eu/evidence-informed-policy-making/topic/enlightenment-20_en

Inclusive Forum on Carbon Mitigation Approaches (IFCMA) - <https://www.oecd.org/climate-change/inclusive-forum-on-carbon-mitigation-approaches/>

Summit What Works – Climate Solutions from 9 to 12 June 2024 - <https://whatworksclimate.solutions/>

