

A proposal for An Executive Vice-President for Future Generations Detailed role portfolio

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# **An Executive Vice President for Future Generations**

# Because the long-term starts today.

# **Overview**

Decisions made today will shape the EU's position and the lives of people in Europe for decades. While many issues require immediate responses, institutions also needs to consistently consider the long-term in policymaking and how decisions will impact the future of the EU and its people.

# In 2024-29, with a new Commissioner mandated to enshrine intergenerational thinking horizontally across policy areas, the European Commission would be able to:

- Integrate and embed intergenerational thinking in the policy cycle to build towards a positive future in linewith EU values and goals;
- Safeguard future generations' wellbeing, and act as a conduit for their concerns, through scrutiny of policies, reforms, and investments;
- Review and monitor progress towards the EU's vision of the future of Europe in collaboration with citizens.

"The promotion of 'solidarity between generations', as set out in the EU Treaties, requires policymaking to plan for generations-yet-to-come, so that they can inherit a thriving, stable, future-fit Europe.

With the introduction of a political role dedicated to intergenerational solidarity and long-view decision-making, the EU can show global leadership on governance and future orientation and join a growing number of governments and bodies around the world formalising long-term thinking in decision making."

Elizabeth Dirth, Managing Director, ZOE Institute



# Rationale

The unpredictability of future challenges necessitates a more systematic use of strategic foresight and long-term thinking in agenda-setting, policymaking, investments, budgetary allocation, and impact assessment across all policy areas to build a future-fit Europe.

Decisions made today will shape the EU's position and the lives of people in Europe for decades. While many issues require immediate responses, the Commission also needs to consistently consider the long-term in policymaking and how decisions will impact the future of the EU. This is the only way to ensure true strategic autonomy and future competitiveness of the Union and its Member States.

The next Commission will need to deliver the goals of the European Green Deal against a backdrop of complex challenges and polycrisis. Success will depend on its ability to balance long-term planning with crisis response, and for this leadership is needed.

The next Commission needs to centre a long-term, strategic perspective across Commissioners and directorates-general, and in policy, funding, and investment decisions. The appointment of a dedicated Executive Vice President can ensure just that.

# **Core competencies**

An Executive Vice President for Future Generations in the next European Commission would:

# Integrate and embed intergenerational, long-view thinking in the policy cycle to build towards a positive future in line with EU values and goals

Governance and new ways of working:

- Formalise the integration of the assessment of long-term impacts into the impact assessment process within the policy cycle.
- Deepen and normalise the use of existing strategic foresight work and methodologies of the Commission into the policy cycle so that it feeds into the annual work plan and budget, including learning from future models and scenarios for better long-term decision-making.
- Develop and implement new processes to enable closer coordination across policy areas to identify potential interactions and long-term impacts of policies on one another.

# Monitoring and evaluation:

• The European Semester process can include reporting against defined criteria and metrics for future-fitness. This is used as input into country specific recommendations for future-fit economic policy of Member States. The



Commissioner's office would define and enforce binding targets using socioeconomic and environmental (in addition to economic) metrics for use in the Semester.

- Monitor progress towards the renewed vision of Europe using relevant indicators and ensure that resourcing aligns with the vision.
- Use holistic Integrated Assessment Models in the impact assessment process to better integrate long-term environmental and social impacts into current macroeconomic simulation models and policy assessment and evaluation so that long-term impacts can be better understood.

# Safeguard future generations' wellbeing, and act as a conduit for their concerns, through scrutiny of policies, reforms, and investments

- Regular horizontal scrutiny of policies and investments to ensure they are future-fit
  - This could be inspired by the model of the Lithuanian parliament's committee for the future, where each piece of legislation is scrutinised for its long-term impact, or follow the model many countries used in embedding scrutiny for the SDGs.
  - Future-fitness could also be added to the remit of the Regulatory Scrutiny Board. Whilst the RSB sits outside of the remit of Commissioners, defining this and supporting the institutionalisation of this could be an early task of the Commissioner's team.
- Ensure budgetary resources are allocated based on progress towards long-term targets both within the EU institutions and among Member States, by assessing the MFF, annual EU budgets, and Member States' budgets through the Semester process, for whether they are future-fit.
- Receive direct input from citizens concerned about the long-term implication of EU actions and inactions, working in collaboration with the Ombudsperson through a new collaborative process to ensure scrutiny and safeguarding.

# Review and monitor progress towards the EU's vision of the future of Europe in collaboration with citizens

- Build bridges between the European institutions and the public by maintaining regular dialogue for envisioning a Europe fit for the future.
- Make ongoing use of citizen participation processes, such as visioning processes and deliberative mechanisms like citizen assemblies or futuring techniques to ensure citizen engagement with, and support for, a planned transition towards that future.
- Build on the outcomes and learning of the Conference on the Future of Europe to establish more meaningful mechanisms for citizens to participate in the long-term vision of the EU.



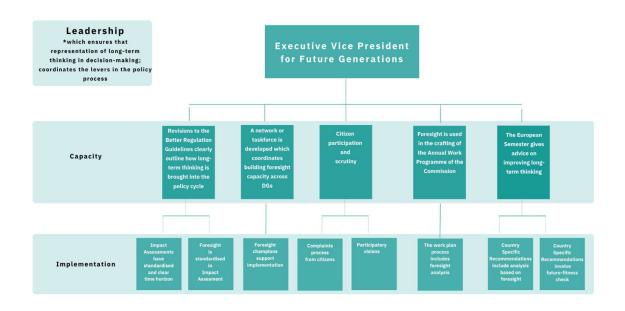


Figure 1: Key aspects of the role of an Executive Vice President for Future Generation

# The Work Plan

An Executive Vice-President for Future Generations would be building on the role and competencies of the Executive Vice President for Foresight and Interinstitutional Relations which was introduced to the Commission college in 2019. The role would bring long-term thinking and care for the future more deeply into policymaking, planning, investment and decisions.

The core competencies could be operationalised as follows:

# The first 100 days...

The first 100 days of the new Executive Vice President would focus on establishing their team and setting priorities, in addition to building some of the foundational aspects of the role that will serve for the coming five years. The priority task would include:

- Establish a cabinet of experts on: strategic foresight & futures thinking, citizen participation, demography, the European Green Deal, economy, digitalisation, Better Regulation, employment education and skills, geopolitics, and health, including a young person (under 30). Each of them would have strong future modelling foresight capacities in their own field of expertise.
- Develop and deliver a pan-European 'future we want' participatory visioning process that builds on the outcomes of the Conference of the Future of Europe and lays the foundation for the coming mandate.
- Ensure the goals identified for this 'future we want' process are being discussed across the DGs who are responsible for embedding these, including ECFIN EU



Semester country desks, as well as others. Each DG establishes a strategy for how best to embed this process in their work for the coming mandate in collaboration with the cabinet of experts.

- Establish the structure for an internal network of foresight champions and get units to begin to appoint representatives. This includes also identifying what capacities need to be developed by these individuals to be able to take up this role and defining exactly what should be the role and power of this representative in the unit.
- Revamp the Ministers of the Future network, and establish regular peer-support and learning, and strategic leadership for the national level implementation of long-term thinking at the MS level.
- Exhibit global leadership by engaging with the UN process that follows the Summit of the Future, including building a collaborative relationship with the (anticipated) newly appointed UN Special Envoy for Future Generations.
- Organise quarterly meetings between the EVP, the cabinet of experts, youth movements and specific NGOs to reflect on the work ahead and hear inputs from civil society. This could complement the EU Youth conference by being a smaller 1more regular event focused on specific topics to address in the coming months. This could be interesting for several reasons: first, get regular intel on the current struggles and priorities of youth in the EU; second, hear the (diverse) opinions and ideas of youth representatives about work done in the Commission; third, increase support of civil society for the Commission work and help disseminate news about the actions of the Commission to their networks and young Europeans in general.

# The first year...

In the first year of the Executive Vice President for Future Generations, the following changes are visible and present in policy processes:

- Revised and clear guidance has been developed for how impact assessments should incorporate the long term how long and how to do it including how to incorporate different kinds of modelling and assessments, and how to incorporate foresight.
- A Foresight Network internal to the Commission's various DGs has been established and gives guidance on the policy process and supports internal capacity building across the Commission.
- The first Country Specific Reports include assessment of future-fitness of economic strategies and use foresight tools in national reflections. This has happened with the support of the EVP's team to develop a process and guidance for implementing this together with DG EFCIN.
- The EVP has worked with the Regulatory Scrutiny Board to put in place a way of scrunitising policies and investments for their future-fitness.
- The EVP has worked with DG COMM to institutionalise Standing Citizen Panels to create a platform for citizen input into policies throughout the policy cycle.
- A new coordination mechanism has been established with the European Ombudsperson to establish and channel and process to receive citizen inputs and



complains about EU policies that they believe are harming the interests of future generations. In this process complaints can come in to both offices, and the EVP has the mandate to take up the complaint with the relevant DG or DGs.

## By the end of the mandate...

After five years of this role:

- Foresight and long-term thinking are being used in every policy process to ensure all policies are aligned with the long-term goals and 'future we want'.
- The EVP has supported all EU MS to develop and strengthen national capacities to think and work in the long term through soft instruments like peer-support and reporting processes like the Country Reports in the EU Semester.
- A citizen-led future vision has helped to set goals and targets that allow for prosperity and progress to be measured and valued by a range of indicators which reflect those goals.

# **Use of Foresight**

Through the new role of an Executive Vice President for Future Generations the EU institutions can build on the innovation and progress made in strategic foresight over the 2019-2024 Commission term and become a world leader in foresight for better policymaking.

The European Commission has declared foresight a strategic priority since 2019, and it has been integrated explicitly in the Better Regulations Guidelines and toolbox since 2021. These developments are important foundations, but more is needed: the <u>European</u> <u>Parliamentary Research Service (EPRS) analysis on foresight</u> shows that despite important progress, clarity and consistency are still missing.

This is particularly vital given the geopolitical and sustainability challenges facing the next Commission.

One of the main missions of the Executive Vice President for Future Generations would be to mainstream the use of existing strategic foresight and methodologies into the policy cycle so that it feeds into the annual work plan and budget to deliver better long-term decision-making.

# So, what does this look like in practice? How can the Commission build on the important work of Executive Vice President Šefčovič , the Joint Research Centre, and the Secretary General's team in the next cycle?

The next step of embedding foresight should work towards completeness of integration in the policy cycle. This would require ex-ante, ex-durante, and ex-post integration and would entail a focus on:



a) Impact Assessments (ex-ante);

b) the EU Semester, planning the annual work programme, cross-DG coordination (ex durante);

c) monitoring & evaluation (ex-post).

# Ex-Ante

## Foresight in impact assessments:

The recent <u>EPRS analysis</u> finds that while the Better Regulations Guidelines, and Tool #20 calls for "a more systematic use of foresight", there is a lack of clarity about what that should entail. In the impact assessments' process, foresight is generally used at the problem definition stage and almost exclusively for policies related to climate, environment and energy. The next step to progress on foresight in the ex-ante stage of the policy cycle is consistency across policy areas and clear guidelines and instructions for good practice. This would include:

- Clear operational guidance for good practice in the Better Regulation Toolbox on selecting the appropriate foresight method in each section of impact assessments. For example, using megatrends can assist with defining the problem and with assessing policy options by understanding the impacts that can come from the interaction of policy options with mega- trends. Alternatively, using scenarios may help developing policy options. This recommendation would also align with the mandate of the Regulatory Scrutiny Board to ensure consistency in the policy cycle and to scrutinise the quality of the foresight analysis and its integration in impact assessments.
- Use of foresight across all policy areas, consistently. In line with the proportionality principle, the depth of analysis can vary depending on the type of file, the complexity, or political sensitivity of it. However, the introduction of a minimum standard would ensure that thinking ahead improves in all policy areas, consistently.

# Ex-Durante

### Foresight in the EU Semester:

Foresight could be integrated into the EU Semester process to ensure a mid- to longer-term perspective is taken in the context of economic development and stability within each Member State through the following innovations:

- 1. Use the Annual Strategic Foresight Report to reflect on whether Member States are investing enough in their preparedness for future challenges.
- 2. Use mega-trends to report in the Country Specific Recommendations whether Member States' investments relate to the megatrends we see.



# Foresight in the Annual Work Programme:

Foresight could be integrated into the exercise of operationalising the annual work programme. After the annual work programme is announced, each unit responsible for leading a new initiative would first undertake an exercise to reflect on how long-term developments (foresight report, or megatrends) impact on the pieces of their work programme that year. This could make use of the JRC policy lab or foresight lab process and EU Foresight Network by facilitating or supporting this process.

## Foresight in cross-DG Coordination:

While an EU foresight network was kick-started by EVP Sefcovic, to bring this to the next stage of integration, at least one contact should be appointed within each DG to be the focal point for foresight. This focal point would ensure foresight is well-integrated, would support capacity-building within their DG, and ensure efficient coordination across the multiple policy domains. The existing foresight network could then offer the infrastructure for coordinating on foresight, ensuring capacity, consistency, and strengthening the use of foresight.

# Ex-Post

# **Monitoring & evaluation**

Using foresight in monitoring and evaluation can help understand the impact of a policy's outcomes on other trends or policy areas. Connecting indicators and monitoring frameworks with evaluation of the extended future trajectory of the policy's implementation outcome can help understand unintended consequences and think upstream. Lessons learned through this exercise could encourage ownership of past decisions and improve anticipatory capacities for better policy making in future decisions.

# Long-view impact assessments

Future-proofing policymaking necessitates a reflection on the long-term impacts of policies and a new approach to impact assessments within the policy cycle. An Executive Vice President for Future Generations could oversee and coordinate this reflection and the development of new ways to approach assessing impacts, in coordination with the Regulatory Scrutiny Board and the Secretary General's team. This role could support the formalisation of integrating the long term into the impact assessment process within the policy cycle.

In the <u>2020 Strategic Foresight Report</u>, the European Commission set out plans to integrate foresight more strategically in future-proofing EU policymaking and to ensure that all major initiatives are grounded in a longer-term outlook. Since their last update in 2021, the Better



Regulations Guidelines and toolbox have encouraged policymakers to think about the longterm impacts of policies. While this is an important step, as is outlined in the European Parliament Research Service (ERPS) analysis this has been taking place inconsistently, without clear guidance, or sometimes not at all. It is also the case that in different policy areas, the practice of thinking long-term about policy impacts is much more deeply embedded.

The Commission needs the strong leadership an Executive Vice President for Future Generations to balance long-term planning with short-term actions. An Executive Vice President for Future Generations would oversee the development of new methodologies, guidance, and scrutiny on impact assessments to ensure their long-term perspective across the policy cycle. **So, what does this look like in practice? How can the Commission build on the developments of the Better Regulation Guidelines to ensure the long-term is adequately taken into account in impact assessments?** 

Making impact assessments consider the long term sufficiently requires changes in three areas:

- a) in the standard impact assessment methodology itself,
- b) in models which support assessing policy impacts,
- c) in the role of the Regulatory Scrutiny Board.

# a) Impact assessment methodology

Bringing the long-term into impact assessments requires two things: first, it is about the timeline and how far into the future cross-sectoral impacts are assessed; second, it is about how foresight techniques can be brought in.

### Extending and marrying the time horizons of different policy areas:

The duration of 'long term' means different things in different DGs. For some, long term is 2-3 years, for others 4-5 years. Some look until the end of the current multi-annual financial framework (MFF) or the current institutional cycle, and for others it is oriented around long-term goals and targets (e.g. 2030 for the SDGs or 2050 for net-zero emissions). While not always the case, there is a trend in environmental policy, or policies

connected to environmental goals, wherein longer timelines tend to be considered because of the direct relationship with longer-term goals and targets which are often set in the environmental policy domain. Policy areas which tend to focus on issues with short-term objectives or goals tend to also think shorter term in the instruments to address them. The lack of common timelines of impact assessments in different policy areas has created a trend where certain policy areas (e.g. climate) plan better for the long term than the short, and the reverse can happen for economic or social policy. To ensure consistency and longview in the timelines of impact assessments, the following adjustments could be made:

• A minimum duration could be set for how long into the future impact assessments should consider the impact of the policy at hand. Five years could then come to be considered an absolute minimum.



- Impact assessments consider **the duration or length of impact** of the other policy areas that it relates to. For example, if legislation is being developed that clearly has a relationship with the 2050 climate targets, then it should also consider impacts into 2050.
- **Clear guidance per policy area** which identifies specific weakness so that these can be focussed on when it comes to assessing policy impacts. Knowing weak areas is key to improvement.

# Foresight in impact assessments:

<u>Recent EPRS analysis</u> finds that while the Better Regulations Guidelines and Tool #20 in the Better Regulation Toolbox call for "a more systematic use of foresight", there is no clarity about what that should entail. In the impact assessment process, foresight is most often used when reflecting on the problem definition and on policies related to climate, environment and energy. The next step to progress on foresight in the ex-ante stage of the policy cycle is consistency across policy areas and clear guidelines and instructions for good practice. This would include:

- Clear guidance for good practice in the Better Regulation Toolbox about which foresight methods to use in which chapters of impact assessments, and how to apply them systematically. For example, using methodologies which bring in megatrends analysis to support in assist with defining the problem or with assessing policy options, or using scenarios may help in developing policy options. This step would also align with recommendations from the Regulatory Scrutiny board to bring more consistency to the way that foresight is integrated in impact assessments.
- Use of foresight across all policy areas, consistently. Considering the proportionality principle the depth of analysis can vary depending on the type of file, the complexity, or political sensitivity of it. However, the introduction of a minimum standard would ensure that thinking ahead improves on all policy areas, consistently.

An illustration of how this could look can be found in <u>ZOE Institute's Policy Cycle 2.0</u> proposal.

# b) Macroeconomic models for understanding impacts

Macroeconomic models are essential tools often used for comparing policy options and assessing policy impacts. Currently, the European Commission mainly relues on General Equilibrium (GE) models, e.g. QUEST, grounded in equilibrium thinking and GDP-centric metrics. While these models have been important for policymaking due to their analytical tractability and mathematical rigour, they are limited in their capacities to adequately take into account complex, changing realities and the interests of future generations.

The current models being used do not allow for future-fit policymaking because:



- 1. General Equilibrium models tend to focus on assessing policy impacts with respect to economic indicators, in particular Gross Domestic Product (GDP), and wellbeing-and sustainability-centered variables are often insufficiently taken into account.
- 2. Because of this, General Equilibrium models tend to favour policy options that enhance economic determinants of wellbeing, while environmental or social indicators, crucial for understanding the wellbeing of future generations, are not properly integrated or considered.
- 3. Additionally, General Equilibrium models are not designed to model non-linearities and feedback processes that exist in our real-world system dynamics. This means that the existing models underestimate the long-term risks and wellbeing ramifications associated with transgressing planetary boundaries or reaching environmental tipping points. This further implies that these models are not adequately prepared to deal with unexpected changes and shocks that disrupt the economic system and the adjustment path that follows such events.
- 4. Finally, the construction of GE models often lacks participatory elements, such as public involvement and stakeholder co-creation, and this way lack the democratic legitimacy that is needed for shaping the future through policy interventions.

# Integrated Assessment Models (IAMs)

Using holistic Integrated Assessment Models (IAMs) in the impact assessment process can help better integrate long-term and horizontal considerations into policymaking decisionmaking processes. To safeguard and care for future generation's such models are necessary to:

- allow for a balanced consideration of economic, social, and environmental issues to clearly delineate the intricate trade-offs and synergies of economic policies with social outcomes and environmental sustainability.
- transcend regular policy silos in order to help policymakers reconcile short-term crises responses with long-term social and environmental targets.
- allow for a more diverse integration of different modelling methodologies that provide a structured set of tools for policymakers to properly assess complex challenges of today.
- allow for and respond to active public engagement when it comes to conducting model-based impact assessment to increase the democratic legitimacy of corollary policies.

The alternative macroeconomic models are there or are currently being developed in Horizon Europe research projects such as LOCOMOTION, <u>WISE Horizons</u>, and MAPS. These models provide valuable starting points for future-fit impact assessments in line with the interests of future generations.

# c) Regulatory Scrutiny Board

At the beginning of 2020, the Commission mandated the Regulatory Scrutiny Board to pay attention to the integration of the foresight dimension when assessing the quality of the



submitted impact assessment and evaluation reports. In addition to this, the Board has been carrying out the upstream support to the Commission services preparing IAs and continues to provide advice on the points in the policy development process at which foresight insights would be the most relevant and impactful.

The scrutiny of the future-fitness of impact assessments could also be strengthened through sharing good practices and operational guidance on foresight methodology. Soft approaches such as the RSB upstream advice to the services in the preparatory steps of impact assessment are very important to learning and building capability. Whilst the RSB sits outside of the remit of Commissioners, defining and supporting the institutionalisation of this could be an early task of the Commissioner's team.

# A cross-institutional approach

Embedding long-term thinking into governance in the EU requires a holistic and comprehensive approach to ensure the right measures in the right places. The most successful examples<sup>1</sup> that have been working to take long-term thinking into policymaking have brought four principles into the process: **Capacity, Collaboration, Leadership and Accountability<sup>2</sup>**.

**Capacity**: Across different teams within institutions, staff have the skills to embed longterm thinking, including using foresight tools, taking a long-term approach to impact assessments, etc. Policymakers have the time to be able to apply these skills, as well as to do effective collaboration.

**Collaboration**: There is horizontal coordination across different sectoral teams to ensure long-term trends and impacts of one area are understood by another, and vice-versa. Collaboration also includes citizens as partners and collaborators, rather than with a consultative relationship.

**Leadership**: There is a person in a leadership position who guides the development of the above two principles and ensures the quality, rigour, embeddedness and prioritisation of long-term thinking. This leadership figure is needed to combat the natural tendency to deprioritise the long-term in high-level decision processes. Its presence in these discussions is representational, as well as technical, in the same way that a Commissioner or Minister for Equality ensures this is taken into account in decisions.

<sup>&</sup>lt;sup>1</sup> ZOE Institute's report 'Building Our Common Future' explores numerous global examples: <u>https://zoeinstitut.de/en/publication/building-our-common-future/</u>

<sup>&</sup>lt;sup>2</sup> This conceptualization builds on Elizabeth Dirth's Processes for Just Future Making: <u>https://publications.rifs-potsdam.de/rest/items/item 4869890 3/component/file 4869892/content;</u> and the SOIF Triangle: <u>https://soif.org.uk/blog/ten-years-on/</u>



**Accountability**: Having accountability mechanisms in the process is important to ensure that scrutiny of policymaking and decisions, including leadership, takes place. This could be through citizen panels, a citizen complaint process, or through parliamentary scrutiny though a committee or rapporteur.

# Glossary

CSR	Country Specific Recommendation
DG	Directorate General
DG COMM	Directorate-General for Communication
DG ECFIN	Directorate-General for Economic and
	Financial Affairs
EC	European Commission
EPRS	European Parliamentary Research Service
EVP	Executive Vice President
GE	General Equilibrium
GDP	Gross Domestic Product
IA	Impact Assessment
IAMs	Integrated Assessment Models
JRC	Joint Research Centre
MFF	Multi-Annual Financial Framework
RSB	Regulatory Scrutiny Board
SDGs	Sustainable Development Goals
UN	United Nations

For more information on this proposal please contact: <u>elizabeth.dirth@zoe-institut.de</u>