

# **Imprint**

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# Introduction

In the context of polycrisis and wicked problems, governments increasingly deal with multidimensional challenges involving high levels of complexity. One of the many issues policymakers face in this context is to deliver policies which reinforce each other without contradictions and that do as little harm as possible. Tensions and trade-offs in the policy process are inevitable to some degree and require governments to be able to identify them early in the policy process and manage them effectively.

For instance, the EU and Member States are facing trade-offs in combatting climate change, as set out in the European Green Deal and European Climate Law, while ensuring that the transition towards a net-zero economy is based on fairness. Manifestations of the trade-offs can be seen in the decline of industries reliant on fossil fuels, as negative impacts on employment and rising energy prices can disproportionately affect low-income households. In addition, the complex nature of the green and just transition brings connected governance challenges to the centre stage, such as the challenges of aligning shortand long-term goals and ensuring policy coherence. If not well managed, these challenges can jeopardise the success of the transition. Future-proofing the policy process can help withstand those challenges and maintain the ability to deal with trade-offs.

To determine the main challenges that EU and national-level policymakers and experts face in working towards this transition, and to develop policy process solutions that can help address them, we convened a series of co-creative policy labs. These labs brought together EU and National-level policymakers and experts to approach both the challenges and solutions from multiple perspectives of European policymaking.

This report documents and illustrates the activities that took place during the policy lab process, taking stock of the results to support further development of the effective governance for the green and just transition and other challenges. This report provides an overview of the main challenges, solutions, and process innovations for the policy design process.

The first section provides the policy context of the green and just transition and why governance plays a crucial role in its achievement. The second section presents the benefits of co-creative approaches and the third part describes the policy labs for the future-fit policymaking process starting with the purpose, participants and an outline of the structure. In sections four and five we share the challenges and proposed solutions as well as process innovations that were co-created by the policy lab participants.

# **Context**

The implementation of the European Green Deal provided an important backdrop of our series of policy labs. However, the context extends further than specific policies to the policy process itself. The 'how', or the governance and implementation of these policies, matters as much as the 'what', or the policy instruments themselves. The 'how' relates not only to the different dimensions of interactions between policies but also to the principles of effective governance. Both aspects are discussed below as this section focuses on the context of the policy process and its importance to achieving policy goals such as the green and just transition.

# The European Green Deal

This process finds its context within the green and just transition. The EU's primary policy package to address this, and one of the six Commission priorities for 2019–2024, is the European Green Deal. This plan outlines the goal to be the first climate-neutral continent, focused on ensuring 1) no net greenhouse gas emissions by 2050, 2) the decoupling of economic growth from resource use and 3) no person or place left behind. Through these three key points, the European Green Deal brings together the three key domains of policy: environmental, economic, and social, thus demonstrating how interrelated these three domains are. This makes the plan a good working example to examine how policies focused on the different dimensions interact with one another, creating synergies, which are positively and mutually reinforcing, or trade-offs, where they are at odds with each other.

For the success of the European Green Deal, and for the success of the green and just transition more generally, it is important to identify how policies will interact with each other and how synergies can be enabled, and trade-offs can be avoided as much as possible.

# **Interactions between policies**

Governments at the EU and national levels are increasingly faced with complex, 'wicked' challenges characterised by diversity, complexity and uncertainty. Governance and policy coherence principles are at the core of dealing with these challenges. There are different types of interactions between policies and policy areas. These interactions can come in the form of trade-offs, which are interactions between policies or policy objectives in which the improvement of one leads to the deterioration of another. They cannot be overcome; one must be prioritised over another. This can potentially lead to harm.

To achieve the green and just transition, harmful trade-offs need to be mitigated and tensions need to be addressed to the greatest extent possible through well-designed policy mixes. EU institutions as well as national government administrations need to be equipped with tools to enable effective policymaking processes that support dealing with tensions and trade-offs at an early stage.

Trade-offs can occur across four dimensions: sectoral, between different economic sectors and jobs; territorial, between territories, regions, and countries; distributional, between different people and social groups; and temporal, between the needs and interests of the present and the future.

#### Sectoral

To reach the net-zero goals outlined in the European Green Deal and Climate Law, some sectors will face bigger changes than others. Some sectors are more carbon-intensive than others, and thus will need to make more drastic changes to reduce emissions, and some sectors will be phased out entirely. This, in turn, can result in job losses, businesses closing, and a mismatch between available skills and available jobs.

Policymakers are challenged to ensure this process is fair and that these trade-offs are mitigated as much as possible, for example by supporting the retraining of workers for jobs in new sectors.

#### **Territorial**

As with sectors, the impacts the green transition will have on territories will vary depending on the territory. Where certain territories rely heavily on a certain sector, the changes affecting this sector may be felt especially acutely in that territory. For example, this is observed in areas where coal mining is the dominant economic activity. This can result in high levels of unemployment in certain areas, requiring policymakers to support the transition by providing new means of employment to keep the area from depopulating in search of opportunities elsewhere and avoid forced labour mobility.

#### Distributional

The green transition will not affect all social groups equally. As sectors are phased out and territories find themselves with high unemployment, the people who work in these jobs — often working-class people — will be most impacted. It is crucial for policymakers to ensure that these people have other means of securing their livelihood, through acquiring new skills for new jobs and being supported by a welfare state that can cushion impacts through

the transition period. It is important that not only the costs, but also the benefits, of the transition are shared fairly in society.

### Temporal

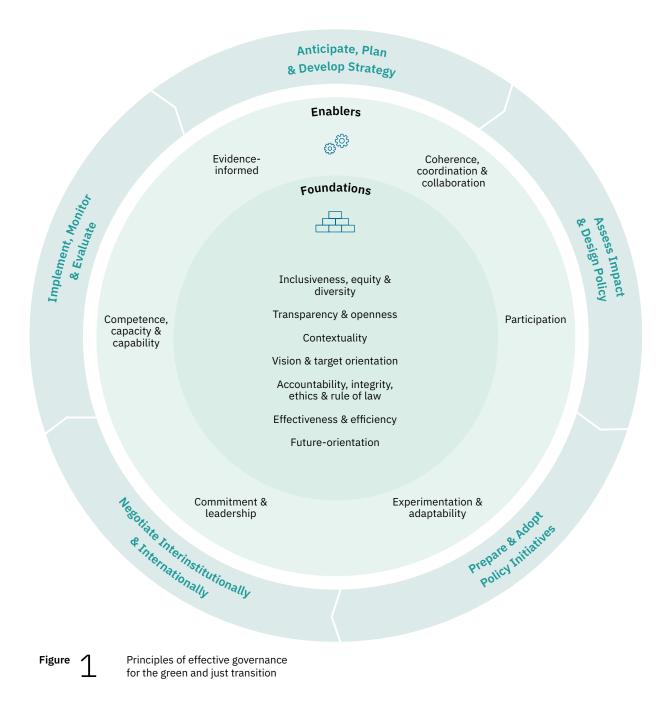
It can be difficult for governments to manage longterm trends. Policymaking in many cases is more reactionary instead of being visionary and future oriented<sup>1</sup>. Whether because of political concerns, elections, or the pressing nature of day-to-day decision making, short-termism is in many cases the rule rather than the exception in policy environments.

To tackle such short-termism policymakers at the EU and national level should be supported by institutional structures and processes. Strategic foresight can play a role in helping to embed the long-term thinking in policies.

# Principles for effective governance

In our report <u>Enabling the green and just transition</u> we outlined the principles for effective governance in the context of the green and just transition. Following these principles, in particular the enablers (see Figure 1), can help policymakers to better uncover and mitigate the potential trade-offs arising from policy options.

i In the EU, Member States can write <u>territorial just transition plans</u> to identify the territories that need the most support. This identification is carried out through a dialogue with the Commission, and these territories are then eligible for funding through the Just Transition Fund.



#### These enablers are:

- **1. Evidence informed:** policymakers use evidence to design policies
- 2. Competence, capacity and capability: policymakers have the skills, knowledge and time they need to make effective policies
- **3. Commitment and leadership:** policymakers are committed to creating policies with the best outcomes and leading the way
- **4. Experimentation and adaptability:** policymakers are ready to adapt to changing realities and try new ideas and processes
- Participation: citizens and/or residents are able to participate in decision making and agenda setting
- Coherence, Coordination and collaboration: policymakers apply a whole-of-government approach to break silos and promote synergies

# The value of co-creative paticipatory methods

Policy labs are design-thinking workshops which utilise co-creation methods and bring together diverse stakeholders for open debate and discussion. These methods can help address complex policy problems, particularly through enhanced problem solving, pooling a variety of expertise, and cross-disciplinary exploration.

#### **Enhanced Problem Solving**

Co-creation fosters innovative approaches by tapping into collective intelligence and the diverse experiences of policymakers. It also helps to identify nuanced challenges and develop tailored strategies to overcome them.

#### Pooling of expertise

Policy labs provide an opportunity to bring different policymakers together and form new coalitions and alliances that can nurture the whole-of-government approach and improve cross-policy coordination. The co-creative approach is based on the idea that policies are more likely to succeed if they incorporate the insights and reflect the needs and aspirations of the people they affect. Such pooling of expertise and experiences of policymakers adds to the evidence base for the policy process analysis.

#### **Cross-disciplinary exploration**

Policy labs create a space for cross-disciplinary exploration and innovation in policymaking. Such a space provides the opportunity to apply collaborative, systemic and forward-looking approaches with experts from many disciplines and policy fields, each with their own unique set of knowledge, terminology and assumptions. It also provides a mechanism for informal and contextual knowledge exchange to occur.

When analysing the green and just transition issues, the co-creation approach works particularly well as the area is marked with policy challenges – be it trade-offs between the long-term and short-term goals, or a mismatch between social and environmental aims.

# Policy Labs: Future-fit policymaking for the green and just transition

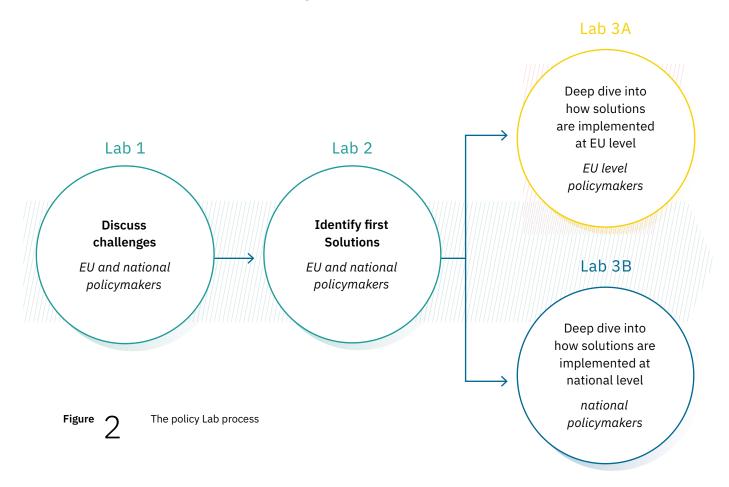
Between September 2023 and January 2024, ZOE Institute for Future-fit Economies hosted a series of co-creative policy labs on future-fit policymaking for the green and just transition. The following section showcases the process of the policy labs with details on how they looked in practice.

**Purpose and process** 

The policy labs aimed at bringing together participants from different levels of policymaking – EU and national-level policymakers and experts – to discuss, in a first step, the main challenges and obstacles within the policymaking process that lead to tensions and trade-offs. In a second step, participants brainstormed ideas on how those challenges could

be overcome with new ways of working. In a final step, the EU and national-level groups were separated to discuss with their peers how those solutions could be tailored to their own policymaking context, with the final result being something more tangible that they can use in their own work.

During the process of the policy lab series, a number of design thinking methods were used to facilitate the discussions and allow for diving deeper into the challenges and solutions. The methodology was designed and used in a way that it provided and facilitated a trusted thinking space for expert policymakers to co-create concrete strategies to further advance effective governance for green and just transition.



# **Participants**

Overall, the policy lab process brought together 14 Directorate-Generals from the European Commission and members of eight EU Member State administrations as well as EU advisory bodies such as the Committee of the Regions.

The diverse representation of perspectives from a range of policy fields, different hierarchy levels as well as different levels of government enriched the discussions and allowed to highlight important insights. It also created an opportunity to exchange knowledge that is actionable for decision-making.

# **Challenges**

The series of policy labs started by defining the challenges within policymaking that lead to trade-offs within the context of the green and just transition. The process of identifying challenges started with giving cases to use for contextualising moments when challenges arrive. Breaking into groups, we asked the question "why do we face trade-offs when... 1) designing and using funds, 2) aligning with goals, 3) designing and implementing regulations, and 4) designing directives and national policies." We chose these four cases to cover different instruments or contexts where policymakers can face trade-offs and phrased these questions to be relevant to both the EU and national-level policymakers and experts.

Working in groups, participants contributed inputs of challenges they have faced which can lead to tradeoffs. Then all participants had a chance to move around the room, see what the others had written, and vote to prioritise which challenges to take to the next step. This resulted in the following priority challenges:

- Regulations: immediate enforcement is difficult when Member States have different starting points
- 2. Directives and national policies: multi-level governance and Member State implementation can create more complexity and more or less ownership
- Directives and national policies: uncertainty makes it difficult to plan
- **4. Funds**: lack of coherence and complementarity between funding instruments
- **5. Funds**: timeline of funds doesn't always match the needs of funding
- 6. Goals: contradictions between goals

From there, participants uncovered the underlying issues that lead to these challenges using the iceberg model (Figure 2). The iceberg model is a tool that can help to understand the origins of a problem by looking below the surface level to find root causes that lead to an issue<sup>2</sup>. This tool is also used in the JRC's training on evidence-informed policymaking<sup>3</sup>.

The underlying issues, or "root causes" were thus solidified into three key challenges to focus on for the next stage of developing solutions:

- **1.** Short-term thinking makes it difficult to see the long-term impacts of a policy.
- 2. It is difficult to see the full spectrum of potential negative impacts of a policy (e.g., blind spots).
- **3.** How to strengthen the use of evidence in setting goals (and targets).

These three challenges were the key focus moving forward in the Policy Lab process and working towards solutions for the key problem of "finding and mitigating potentially harmful trade-offs for the success of the green and just transition".

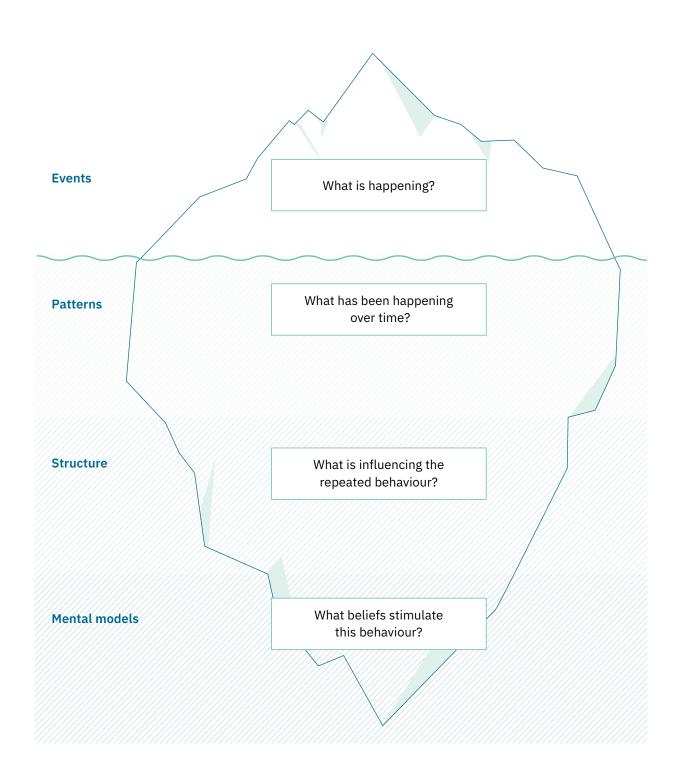


Figure 3 The Iceberg model

# Challenge 1: Short-term thinking makes it difficult to see the long-term impacts of a policy

In policy design, one of the most significant challenges is the prevalence of short-term thinking, where immediate results or addressing pressing concerns are prioritised without fully considering the long-term impacts of decisions. Such policies appear effective in the short run but fail to address underlying systemic issues or create unintended consequences in the future.

One aspect of this challenge lies in the political and electoral cycles that often drive decision-making. Another factor contributing to short-term thinking is the complexity of predicting long-term outcomes.

# Challenge 2: It is difficult to see the full spectrum of potential negative impacts of a policy (e.g., blind spots)

A significant challenge in policy design lies in limitations for fully understanding and foreseeing all potential consequences of a proposed policy.

Such blind spots can arise due to various factors including complexity, uncertainty about the future, limited perspectives, time constraints and limitations for comprehensive analysis and consideration of possible options.

# Challenge 3: How to strengthen the use of evidence in setting goals (and targets)

The effective incorporation of evidence when establishing goals and targets can be challenging when designing policies. Critical evaluation of evidence happens when also considering broader societal values, political considerations, and stakeholder perspectives. The evidence use process in a complex policy design environment is not linear and there are many factors that may influence goal-setting decisions.

# **Solutions**

In policy lab 2, we moved forward with identifying first ideas of solutions to the challenges identified above. To do this, participants drafted their own ideas and refined the ideas of the others. Then, all solutions were assessed based on how much **impact** they could have on addressing the overall challenge of addressing trade-offs and how **feasible** this idea is to implement. Those that were deemed the most impactful and most feasible were the "first solutions" that were then taken forward to the third policy labs to refine further. These solutions aligned naturally to the enablers of effective governance outlined <u>above</u>. See <u>annex</u> for an overview of the first solutions and how they aligned to the enablers.

Policy lab 3 was divided into two events: Lab 3A for the EU and Lab 3B for national governments. It was important to discuss challenges and the first, or more general, ideas of solutions with these two groups together to bring the diversity of perspectives that comes with the different levels of policymaking. However, to make concrete suggestions for the implementation of these solutions, it was necessary to divide the groups to be context specific. In Labs 3A and 3B, we took the "first solutions" and worked towards making them into concrete "process innovations". The process of the third labs and the resulting process innovations are described in the next sections.

# **EU-level process innovations**

In Lab 3A, participants from the EU level gathered to develop their process innovations. To already ground the ideas in a concrete topic, we aligned each of the solutions to a case – these are outlined in the <u>annex</u>. Using the solutions together with the cases, participants first assessed their own experiences with the case, then in groups discussed these experiences.

In a next step, groups considered the experiences they had discussed previously and looked at how to improve the solution to make it into something concrete, feasible, and actionable. To do this, they looked at the elements that need to change, the people or institutions who can create that change, and other stakeholders who should be involved. Then they wrapped up by adding concrete next steps to take.

These were then further refined by ZOE Institute, building also on a series of one-to-one meetings with some of the policy lab participants. These are described in further detail below.

# Overarching strategic framework to guide all EU funding

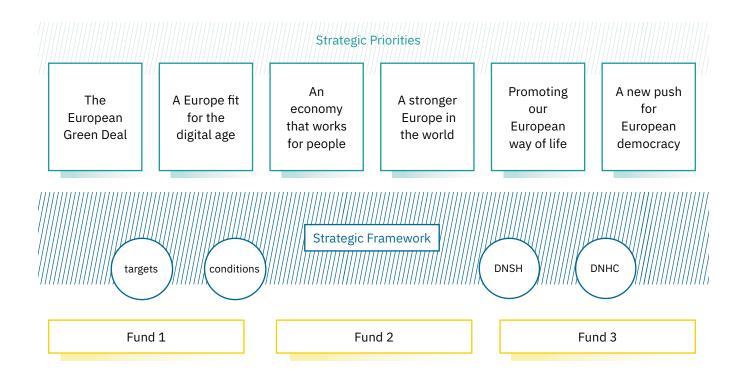


Figure An example of how the strategic framework could look in aligning funds to Commission priorities, based on the Strategic Priorities of the 2019–2024 Commission as an example

To address the several challenges relating to funds, we propose the development of a Strategic Framework for Funds which connects to the Strategic Priorities of the EU. This would be developed at the start of the institutional cycle just after the strategic priorities are set. The Strategic Framework would ensure that funds are guided to deliver on achieving the Commission's priorities.

The Strategic Framework could connect targets set for the Strategic Priorities to the funds available, thus helping to ensure that allocated funding is working towards EU goals. To do this, it could incorporate some of the Commission's existing structures and tools related to funds. First, it could indicate cross-cutting priorities with minimum contributions, such as the climate and digital tagging requirements of the Recovery and Resilience Facility". It could also set conditions for funding by integrating principles such as Do No Significant Harm (DNSH), which serves as a sort of checklist for avoiding harm to the environment based on the EU Taxonomy; Do No Harm to Cohesion, which was introduced by the Commission in the 8th Cohesion Report and supported by European Parliament but is not laid down in legislation or used for assessment of funding4; or the idea of a social DNSHiii. These principles would help ensure that EU funding does not have harmful impacts.

Three of the process innovations proposed at the EU level fit into the policy cycle. As such, we have outlined a "Policy Cycle 2.0" which shows how these innovations fit with each other and within the existing policymaking processes of the European Commission. It contains three elements which are either additions to the policy process or adjustments to improve outcomes. These proposals are:

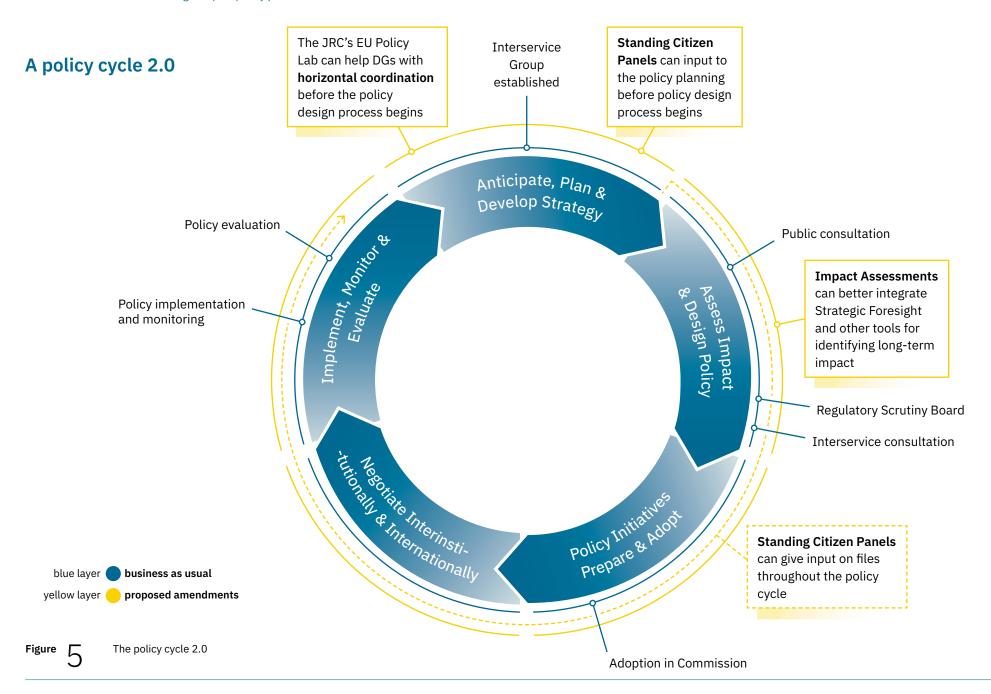
- convening EU Policy Labs to improve horizontal collaboration at the start of the policy cycle;
- organising Standing Citizen Panels to embed participation throughout the policy cycle; and
- **3.** further embedding the **long term in impact** assessments to balance short- and long-term priorities and impacts.

Together, these process innovations can help find and mitigate trade-offs across policy areas, different groups in society, and between time horizons.

ii Under the RRF, Member States' National Recovery and Resilience Plans must dedicate at least 37% of expenditure to climate objectives and 20% to digital objectives.

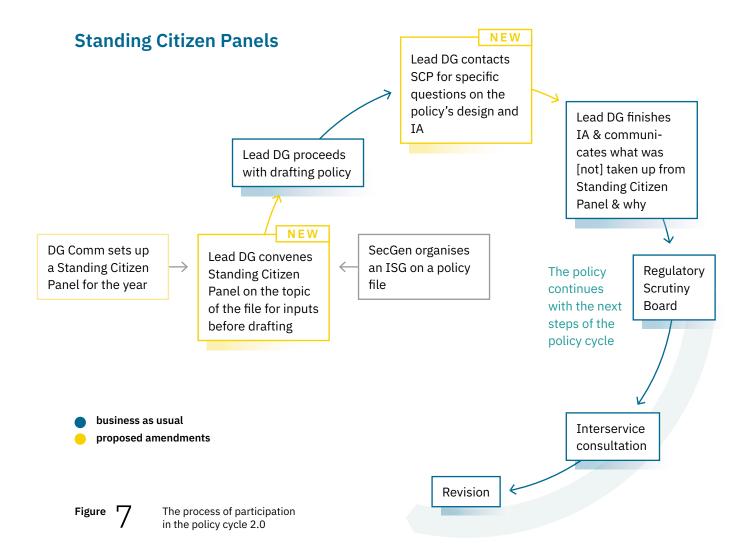
iii Such a principle does not yet exist at the EU level, but the concept is being discussed by diverse actors. In March 2024, the Belgian presidency of the Council of the European Union hosted an event on the topic called "Unlocking social conditionality: Extending a social "Do No Significant Harm" principle in investments (co-) funded by the EU".

iv The Policy Cycle 2.0 publication describes these process innovations in further detail.



This process innovation suggests taking a tool that already exists within the European Commission—the Joint Research Centre's EU Policy Lab—and gives it a new context for application. Here we suggest that at the start of the policy cycle for initiatives flagged as "politically sensitive and/or important", the EU Policy Lab brings together a wide group of participants from a broad selection of policy-focused Directorate-Generals. In this forum, they could bring a cross-cutting, cross-departmental perspective to a policy challenge before drafting begins.

This approach could help identify potential tradeoffs—particularly sectoral trade-offs — and gaps or overlaps early on, and determine who (which DGs) need to be involved in next steps such as the interservice steering group.



Meaningful public participation is a core tenet of democracy. This process innovation outlines the creation of Standing Citizen Panels (SCPs) which would be available to give input at the planning phase of a file flagged as "politically sensitive and/or important", then would continue to be an available resource for policymakers throughout the policy cycle.

These SCPs would be representative of European society, following the same structure as the existing European Citizen Panels. They would serve a term of one year, with a cap on how much time they would be expected to contribute, and a financial compensation to ensure that this role is accessible not only to those with financial means and ample spare time.

By representing a broad range of society, SCPs can help uncover the potential regional or distributional trade-offs to mitigate them as much as possible within the policy design. Meaningful participation (meaning that the inputs of the SCP are taken into account within the policy design and implementation) can also give the public a sense of agency; that policy is not just something imposed on them, but something that can improve their lives and livelihoods.

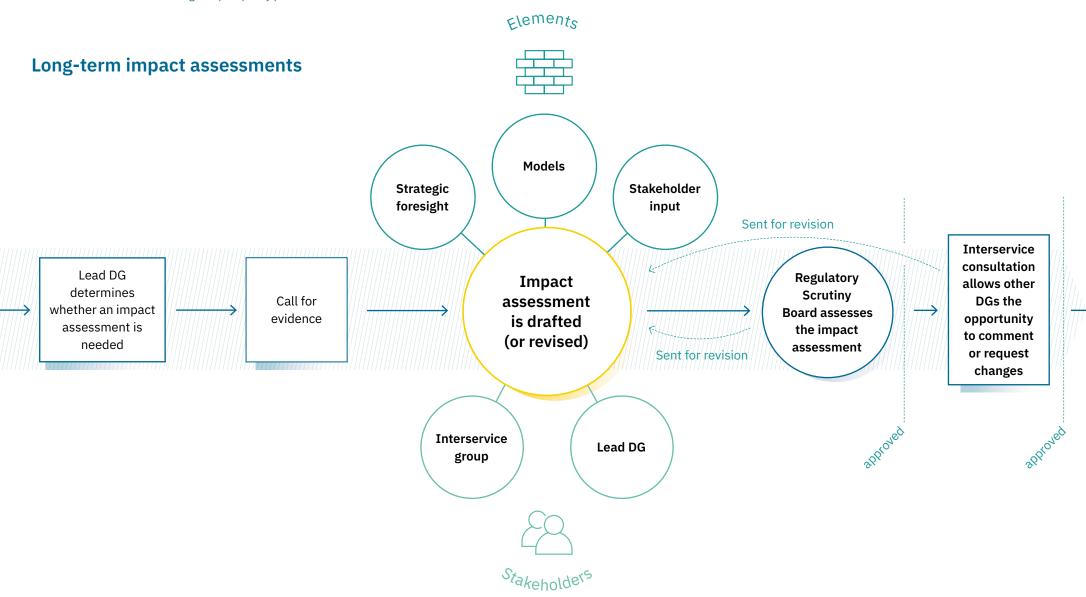


Figure 8

Impact assessments in the policy cycle 2.0

The final process innovation of the policy cycle 2.0 for the European Commission is not something entirely new, but an adjustment; to better embed the long term in impact assessments. For this we propose two dimensions: first, better defining and extending the timeline to assess for impact and second, mainstreaming the use of strategic foresight to a minimum standard.

The timeline assessed in impact assessments varies. It is reasonable that all policies should not be assessed according to the same time scale; some policies fall naturally within a shorter or longer time frame. However, while environmental policies tend to look longer into the future, socio-economic policies are assessed on a much shorter scale, with the "long term" often considered only three to five years into the future. While acknowledging the need for some flexibility and variation, we suggest an update to the Better Regulation Guidelines to include suggestions on time frames including a minimum time-frame for the long term.

Strategic foresight is a tool that has been used increasingly within the EU since the start of the last Commission. Its use is suggested but not mandatory within the Better Regulation Toolbox (tool #20), though if it is not used the lead DG must present arguments why not. Here we suggest introducing a minimum standard of application of strategic foresight in impact assessments, using the existing tools at the Commission's disposal such as the <a href="JRC's Megatrends Hub">JRC's Megatrends Hub</a>. The <a href="Policy Cycle 2.0 publication">Policy Cycle 2.0 publication</a> outlines a suggestion for what this assessment could look like using megatrends.

By better incorporating the long term in impact assessments, the Commission can better mitigate temporal trade-offs.

# An Executive Vice-President for Future Generations

To ensure the commitment and leadership that can guide the rest of the processes and changes towards 'future-proof policymaking', an Executive Vice-President for Future Generations could be appointed. This person would work in a cross-cutting way to ensure that the long-term is considered across different dimensions of policymaking. They could do this through governance by deepening the use foresight; monitoring and evaluation including by reviewing the metrics and models used; horizontal scrutiny of policies for their future-fitness; budgetary allocation; and collaboration with citizens<sup>5</sup>.

### Summary

These process innovations at the EU level can help improve the outcomes of policy instruments including funds. The overarching Strategic Framework for funds can ensure that funds go where they need to go and do what they need to do. This can ensure that there are no gaps leaving needs unmet, or that there are no overlaps leading to inefficient spending. Having a more strategic and streamlined approach can also reduce the bureaucratic difficulties of Member States in determining which fund would best serve their purposes.

The additions and adjustments to the policy cycle can help policymakers better uncover and mitigate trade-offs across four dimensions: **sectoral** by using new ways of horizontal collaboration early in the policy planning stage; **regional** and **distributional** by using Standing Citizen Panels to incorporate public views and needs into the policy's design and implementation; and **temporal**, by better embedding the long term into impact assessments. Having a lower risk of unexpected harmful trade-offs can help reduce backlash to policies for the green and just transition to support its success.

# Member State-level process innovations

Using the solutions from the second lab as a starting point, participants discussed their own experiences with the same cases as the European-level groups used but working with only three of the solutions; those that relate to horizontal coordination, participation, and impact assessments.

In a next step, new breakout groups were created which brought people together with their colleagues from the same Member State and with other participants from similar ministries. These groups considered the reflections on the experiences from the first groups and discussed how to improve the solution to make it into something concrete, feasible, and actionable.

To do this, they looked at the elements that need to change, the people or institutions who can create that change, and other stakeholders who should be involved. Then they wrapped up by adding concrete next steps to take.

For EU Member States, there is no-one-size-fits-all approach to recommend. Each country has its own administrative structures to work within and its own starting points and areas for improvement. Building on the discussions from the Policy Labs, and from the experiences the participants shared from their work in their own national contexts, the process innovations here present ideas for ways to improve horizontal coordination, participation, and using evidence for the long term. To remain useful for potential application in different national contexts, these process innovations are more general than the detailed processes outlined for the EU.

### Whole-of-government approach

A whole-of-government approach means bringing together different ministries or departments when addressing challenges the government faces. Together, they can design strategies and this way find overlaps and gaps for the challenges they face and the evidence they need to address them. This whole-of-government strategy can occur at the start of a new political term or at the policy planning, implementation, and evaluation stages.

Where gaps are identified, they can be closed with additional policies or with a broadening of the scope of those planned. Where overlaps are identified, working groups and cross-cutting task forces could be formed between ministries or departments to share tools, evidence, and participatory processes.

# Example: the whole-of-government approach in Portugal<sup>6</sup>,<sup>7</sup>

In 2021, the Portuguese government established the Competence Centre for Planning, Policy and Foresight in Public Administration, or PlanAPP. It aims to support policy design and planning by defining priorities and objectives in a way that can ensure coherence between different policy areas and to monitor and evaluate their implementation.

RePLAN – Public Administration Planning and Foresight Services Network – is an interministerial network which is coordinated by PlanAPP to promote collaborative work and strategies across different policy areas and to share knowledge, resources, and good practices. Multisectoral teams within RePLAN work on cross-cutting topics and projects across different areas of government.

## Structured commitment to participation

There are many ways to organise and carry out public participation in policymaking. As with other dimensions of governance, there is no one-size-fits-all approach that can be applied everywhere. What is key is commitment to meaningful participation from the start of the policy process and included also later in the policy cycle, from design to implementation, then monitoring and evaluation. For participation to be meaningful it needs a clear structure for how it will feed into the policy process, and for trust and accountability policymakers would also need to manage expectations for how public input will be used. It is also important to communicate back to participants afterwards what was taken up, what was not, and why.

Meaningful participation would also need to be representative of society; this means including representation from all social segments (race, socioeconomic status, age, etc.), with a focus on underrepresented groups and those who would be the most affected by the proposed policy, as well as a gender balance. Expert moderators can collect needs, fears, and visions in a way that helps these participants see beyond their own personal interests to get to the bigger picture using methods such as personas.

External monitoring by experts would assess the risks of participatory processes, such as tokenism or co-option. These experts can also inform participants about what was ultimately taken up for inclusion in the policy design, what was not, and why.

#### Example: Finnish National Dialogues<sup>8</sup>,<sup>9</sup>

In Finland, national dialogues were set up in mid-April 2020 as a response to the Covid-19 pandemic. These national dialogues are a series designed to build understanding and share experiences of participants on topics important to them to strengthen inclusion and mutual trust. These dialogues do not aim at decision-making but rather at gaining a broad understanding of people's experiences with as many people and communities invited as possible to organise them. The dialogues bring together diverse groups of people, especially making an effort to include vulnerable members of society. The summaries of the dialogues are then published as a comprehensive overview that is used by government and civil society to inform their work.

In the spring of 2020, 162 national dialogues took place with over 1,100 participants.

### Planning for the long term

To ensure that long term goals are achieved, they need associated targets and indicators to measure progress. It is also important to set interim targets with their own timelines to ensure progress is being made along the way and at a reasonable pace.

Tools like strategic foresight and evidence libraries can help policymakers plan for the long term with the evidence they need, provided they need to know what evidence exists and how to use it. Policymakers would benefit from receiving country-specific training on how to use the tools that are available to them and how to apply these tools to the policy area(s) that they work on. Additionally, in relation to the whole-of-government approach, when learning what tools and evidence are available to them, policymakers would also benefit from learning about the other policies in the national framework and what connections these do or could have to their own area of work.

#### Example: Lithuania 205010

In 2023 Lithuania published 'Lithuania 2050' strategy that outlined the vision of the future that Lithuanians want to build for themselves. To prepare for the future, this document begins by outlining the key trends Lithuania faces today. With these challenges in mind, it then establishes five strategic ambitions and steps towards the future. The strategy was developed using foresight and co-creation methods and was open and inclusive, bringing insights from a broad range of stakeholders with a diversity of geographic, institutional, and socio-economic backgrounds.

## Summary

There are many ways to design policy, and what works best will always need to be context specific. However, Member States can learn from their peers (from other Member States or national governments outside the EU) to get new ideas of good practices that have worked elsewhere. The process innovations here build on learnings from Member States that participated in the labs and the examples mentioned in the text. The ideas shared in this report can serve as a source of inspiration for national governments working on improving horizontal collaboration, carrying out meaningful public participation, and integrating the long term in their policy design. Most importantly, these outcomes should be developed in a manner that works best in their own context.

# **Conclusion**

Policymaking within complexity is, expectedly, complex. Current societal challenges are increasingly interrelated, and while the headline issue of one challenge may sit in one policy area (e.g., environmental) and another in another (e.g., social), the challenges and their policy solutions are likely to impact each other in some way. It's important to identify these interactions early on to be able to mitigate any potential harm that could arise from this interaction, or trade-offs. Innovative process design can help.

Through this series of policy labs, EU and National-level policymakers and experts discussed the challenges they face that can lead to trade-offs and then developed process innovations to tackle these challenges. While the solutions are specific to the context of their policy level (EU or national), both levels focus on three key dimensions: horizontal coordination to build bridges between silos of different policy areas, meaningful public participation, and planning and using evidence for the long term.

# Annex

Enabler	Competence, capacity and capability	Experimentation & adaptability	Coordination, collaboration, cooperation	Participation	Evidence-informed	Commitment & leadership
First solution	New funds could be designed in a way that uses more consistent and coherent frameworks for applying for funds to allow for more rigorous application of policy coherence and tools like the DNSH.	Existing funds could be reformed or redesigned to be flexible enough to respond to Member States' needs and timelines.	A diverse group of DGs/ ministries could be involved in designing the policy and impact assessment especially early in the process.	The European Commission/ national administrations could engage more with people of all backgrounds and their representatives in structured, regular and participatory dialogues to allow for diverse voices to be heard.	Policymakers could balance the short- and long-term impacts in an integrated way in any policy proposal. For this, a mix of evidence methods in setting targets and measuring impacts, and "long-term" needs to be defined in concrete terms.	Publicly visible commitment, accountability and leadership to deliver policies to create a just, green transition need to better be communicated to the public, in particular the long-term impacts of policy.
Case	Design of new funds (e.g., Social Climate Fund)	Design/reform of existing funds (e.g., Cohesion funds)	Horizontal coordination (e.g., interservice consultation)	Ways of participation (e.g. European Citizens' Panels)	Impact assessment (e.g., future impacts)	European Commissioners' portfolios of responsibility
			EU level			
Process innovation	A Strategic Framework to guide all EU funding which connects to the Strategic Priorities of the EU to ensure resourcing steers a just, green transition as well as being guided by the DNSH.			Adjust the purpose and process of the ECP to enable more meaningful input from citizen participation into the policy cycle through Standing Citizen Panels.	Integrate the long-term more consistently in the impact assessment process using strategic foresight and other tools.	Appoint an Executive Vice President for Future Generations
			Member State leve	el		
Process innovation			A whole-of-government approach while designing strategies to find overlaps and gaps for the policy challenges and evidence needs.  Working groups and cross cutting policy task forces could be formed between ministries where overlaps occur to share tools, evidence, and participatory processes.	Integrated participatory framework for structured dialogues from the start and representation from all social segments.	Long-term goals need associated targets and indicators and interim targets to ensure progress is made over time.  Policymakers should receive trainings on how to use policy tools, how to apply them to their policy area, and connections to other policies in the national framework.	

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