

Recommendations on the role of beyond GDP indicators in monitoring of the transformation to a climate-neutral society

DEEDS special session; Monday 28 October 2019; 09:30 – 11:30h; Helsinki

In the special session of DEEDS at the Beyond Growth Conference in Helsinki, the role of Beyond GDP indicators in monitoring of the transformation to a climate-neutral society was discussed. This document contains the conclusions and recommendations of this session.

Introduction

- Europe wants to achieve climate neutrality by 2050 in accordance with the Paris Agreement, as laid down in the European Commission's vision "A clean planet for all". This requires deep economic and societal transformations, engaging all sectors of the economy and society;
- The European Commission wants to ensure a fair and just transition where nobody and no region in Europe is left behind;
- To keep track of the transformation process and to prevent possible adverse impacts of climate policy, continuous monitoring of the social, environmental and economic impacts of the transition is needed.

Why is a broader monitoring perspective (e.g. Well-being lens; Beyond-GDP monitoring) needed?

- A more comprehensive set of indicators than economic indicators alone can inform policies to increase political and societal support for climate action and can help to overcome barriers to change;
- Monitoring of well-being in a broad sense (i.e. Beyond-GDP monitoring) can help to show synergies and trade-offs between climate change mitigation, various policy domains and broader societal and sustainability goals;
- A broader well-being lens helps to achieve a fair and just energy transition, in terms of inclusiveness and a fair division of wealth, while avoiding energy poverty;
- Beyond-GDP monitoring can give meaningful insights into progress of a just transition for all involved stakeholders: national, regional and local governments, firms (both industries and small businesses), citizens and societal organisations; both on progress of the transition to a climate-neutral economy and society, as well as on associated impacts on health, education, environmental quality, biodiversity, security, prosperity and equal distribution of income and opportunities;
- Beyond GDP-monitoring is necessary to co-create, implement and interpret the far-reaching, integrated, policy measures that have to be taken to fundamentally mitigate the socio-economic impacts of climate change.

The discussion in the special session resulted in the following recommendations:

- The transformation to a climate-neutral society should be monitored in a broad sense, not only in terms of economic impact but also in terms of: health, education, environmental quality, biodiversity and security, etcetera. This type of monitoring, i.e. 'Beyond-GDP monitoring' or 'a well-being lens', has for example been developed in UNECE and OECD frameworks;
- Beyond-GDP monitoring should show progress on and impact of Climate Action on different geographical scales. The international level, where agreements between nations are made. The



national level to make comparisons between nations. On the regional and local level, where

results can play a strategic role for policy making and information provision to all stakeholders. There should be a connection between monitoring efforts at all three levels. Transparency, objectivity and integrity of monitoring on all levels should be assured.

- On the regional and local levels the monitoring can in particular inform bottom-up dialogue and create 'common ground' for further joint actions, benchmarks, and exchange of experiences. This will help to create an enduring climate action that is supported by the people, and ensures that no one is left behind;
- To ensure the uptake of Beyond-GDP monitoring in European policy it is recommended to include the Beyond-GDP monitoring results in the regular monitoring and reporting schemes of Member States to the European Commission. The first option mentioned in the session was the European Semester. Another option is the National Energy and Climate Plans.



Annex: Meeting summary of the special session on the role of beyond GDP indicators in monitoring of the transformation to a climate-neutral society

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Key note ‘Decarbonisation Policies through a Well-being Lens’ by Brilé Anderson (OECD)

See presentation in the attachment.

Plenary and panel discussion on five statements

Five statements were prepared and discussed with a panel and the audience. The panel comprised of:

Brilé Anderson, OECD

Beata Jaczewska, High-Level Panel of the European Decarbonisation Pathways Initiative

Mohammed Chahim, Member of European Parliament

Ulla Rosenström, Prime Minister’s Office; Finland

Atte Harjanne, Member of Finnish Parliament

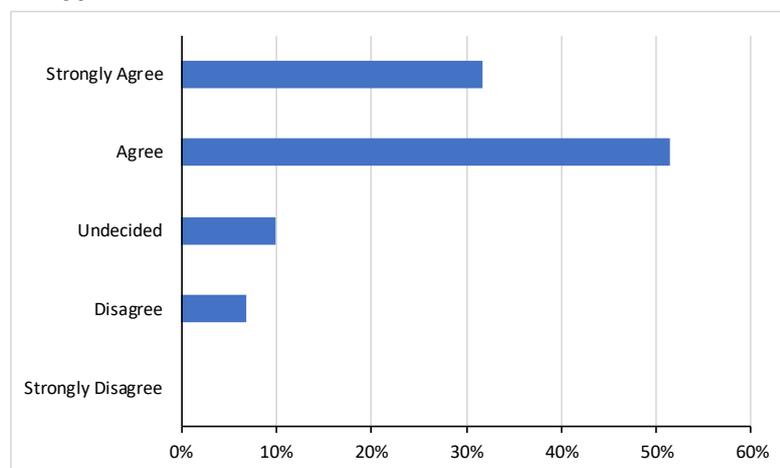
The following five statements were discussed and voted on by the audience. The main comments and results of the voting are shown below each statement.

Statement 1: Monitoring of climate action and its social and economic impacts should be done at a regional or local level. At this level Beyond-GDP monitoring can play a strategic role for policy making and information provision to all societal stakeholders.

Explanation: Climate action and policy measures will have different impacts in each regional context, depending on economic specialisation patterns with dominant actors and assets (e.g. in regions with fossil-intensive industries). For each context, specific and reliable information is needed on impacts at the regional and local level to ensure an inclusive and just transition in which no region will be left behind. Furthermore, the context specific monitoring results can be discussed with the societal actors, as to give meaning to these results, which is an important basis for further joint actions, benchmarks, or exchange of experiences.

Results of the voting

N=100



Main comments in the plenary discussion

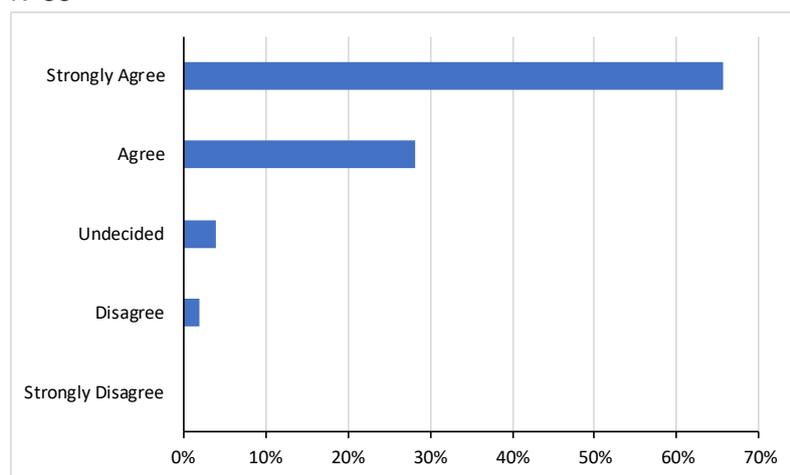
- Monitoring at all levels (international, national and regional/local) should be connected, especially since the climate agreement was made between nations. For this reason national level monitoring and international benchmarking is also important.

Statement 2: Beyond-GDP monitoring is necessary in order to adopt the far-reaching, integrated, policy measures that have to be taken to fundamentally mitigate the socio-economic impacts of climate change.

Explanation: it has become evident that the climate problems we are facing are not solved by simply adjusting ‘business as usual’. Instead, a societal transformation is needed to achieve the climate goals of the Paris Agreement. It will be difficult to achieve adoption of these policy measures if the policy indicators are only based on economic considerations. We need to use a broader perspective that includes Beyond-GDP indicators covering policy domains that are also impacted, such as health, environment, education, labour, etc. Beyond-GDP monitoring makes it possible to see a more integral picture of *gains* and *losses* and how to compensate among these.

Results of the voting

N=99



Main comments in the plenary discussion

- Well-being should be the central focus for government policies, not only Climate Action.
- Can political support be gained by these type of indicators, developed and prioritised by specialists in the field and then [top-down] communicated towards the general public? Shouldn't instead monitoring and governance build around individual people's feelings on how they say they want to live their lives?
- Do not forget that any Climate Action directly impacts the environment (e.g. biodiversity). Such impacts to the environment should be taken into the monitoring.

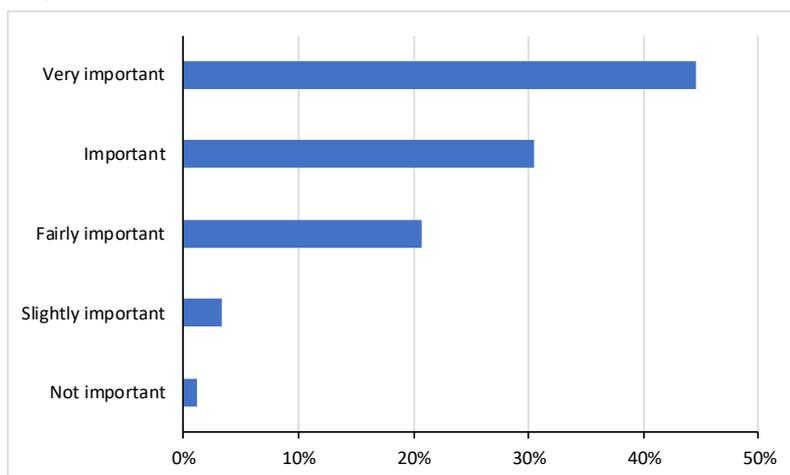


Statement 3: Beyond-GDP monitoring should facilitate bottom-up movement through a dialogue about results of the monitoring with societal actors. This also fosters a joint interpretation of results and creates common ground for further action.

Explanation: All societal actors that are impacted by climate action and its social and economic impacts, should be involved in the interpretation of the monitoring results and consequently in taking actions or formulating policies. This is the best way to create an enduring climate action that is supported by the people, and ensures that no one is left behind.

Results of the voting

N=92



Main comments in the plenary discussion

- There is a risk that bottom-up participation is not equal to representation of the whole of society. Efforts should be made to hear all different groups in society and their particular concerns as well as to understand their context. Be aware that [regional] differences in climate impacts are also related to inequalities.
- It is important that political leaders communicate there are multiple trade-offs related to Climate Action. It requires politicians to take leadership while accepting that it is not always possible to create a win-win for all.

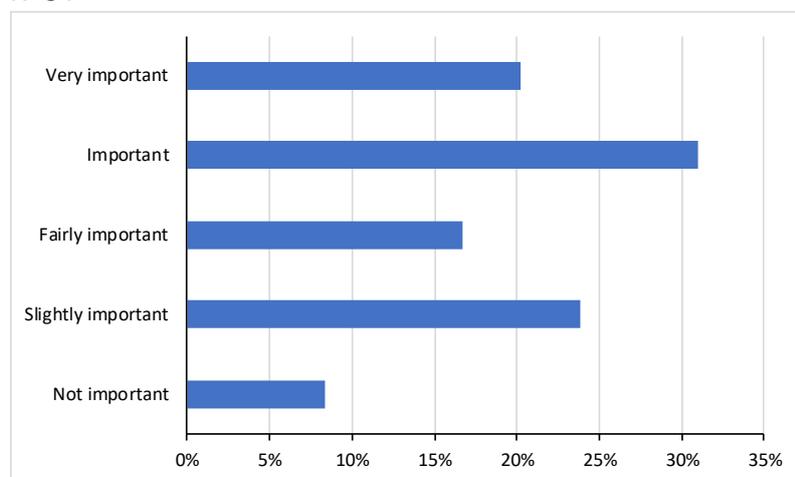


Statement 4: The EU should request countries to report the Beyond-GDP monitoring results and the actions they will take based on the monitoring, in the National Energy and Climate Plans.

Explanation: All Member States are obliged to deliver National Energy and Climate Plans (NECPs). In NECPs, the Member States describe the climate and energy objectives, targets, policies and measures and report the progress to the Commission. The EC should request the Member States to monitor the social and economic impacts of the energy transition in a standardised way through a broader well-being lens, and ask the Member States to describe the actions they take based on the monitoring.

Results of the voting

N=84



Main comments in the plenary discussion

- It is better to include the Beyond-GDP monitoring results in the European Semester reporting schemes instead of National Energy and Climate Plans.
- The European Semester should then be changed to include more well-being elements rather than the focus on the Growth and Stability pact it has now.

Statement 5:

- The monitoring of the transformation processes towards a climate neutral society should be monitored in a ‘fact-based’ manner [tailored to specific regional and local contexts].**
- Beyond-GDP monitoring can provide this.**
- A broader well-being lens helps to achieve a fair and just energy transition, in terms of inclusiveness and a fair division of wealth, while avoiding energy poverty.**

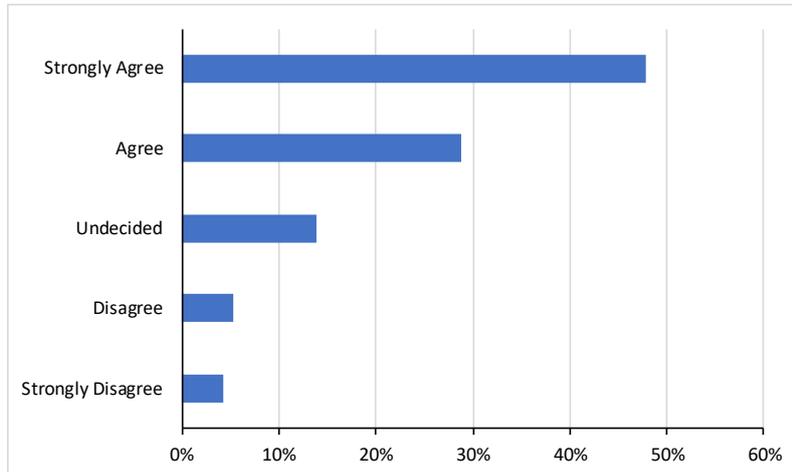
Explanation: the economic and societal transformation related to the energy transition should be monitored as to keep track of pace and (possible adverse) impacts of climate policy. The monitoring depends on relevant indicators and reliable information and, therefore, should be done in an “objective manner”, “fact-based”, as to deliver facts relevant for stakeholder groups, policy and politics. Beyond-GDP monitoring has already good and tested methodologies for this in place. Furthermore, Beyond-GDP monitoring of the energy transition can be a window of opportunity to decrease inequality and poverty.



Results of the voting

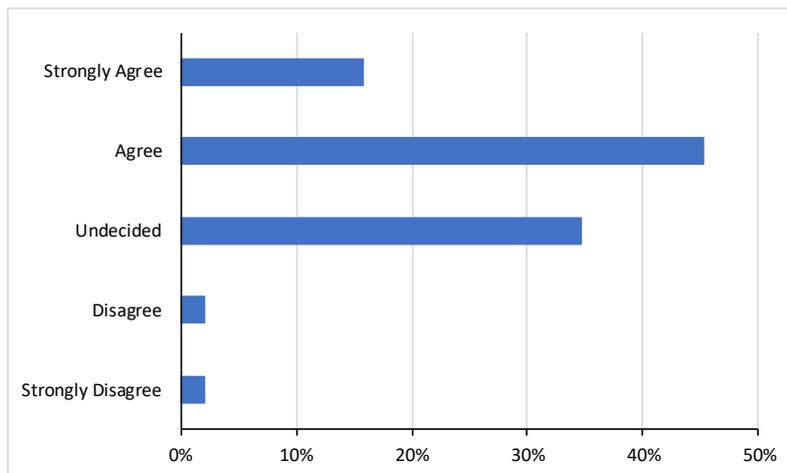
5a. The monitoring of the transformation processes towards a climate neutral society should be monitored in a 'fact-based' manner

N=94



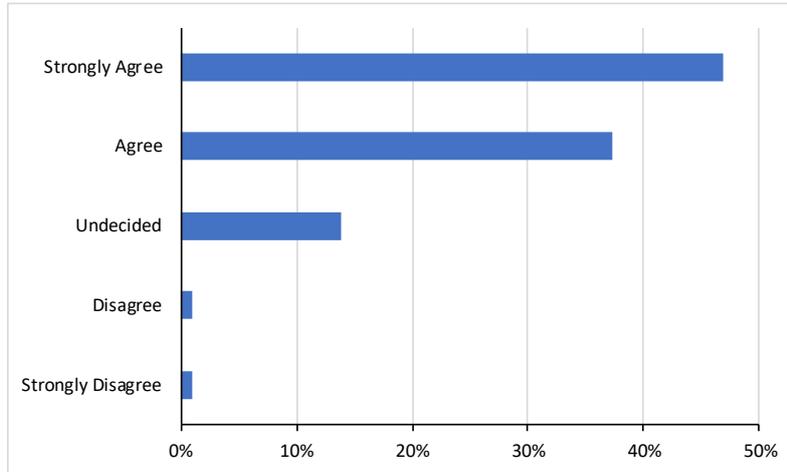
5b. Beyond-GDP monitoring can provide this.

N=95



5c. A broader well-being lens helps to achieve a fair and just energy transition, in terms of inclusiveness and a fair division of wealth, while avoiding energy poverty.

N=94



Main comments in the plenary discussion

- We are talking about facts and a “fact-based manner” but actually this is a discussion on social construction and power to frame the debate. There is a crisis in representative democracy where not all relevant points of view of the people are heard in the discussion [because of too much like-minded experts in the room]. These kinds of statements should be formulated bottom-up.

