

# Impact Assessment



LIAISE Policy Brief

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## National-level policy strategies

A key challenge of national climate policies is how to respond to the internationally set policy targets at the national level. This policy brief presents results from the on-going study focusing on the use of **impact assessment in the renewal of Finnish energy and climate strategy**. The long-term national energy and climate strategy is a high-level political document describing a proposal for achieving the EU targets for renewable energy and emission reductions. The renewal process of the strategy included two impact assessments focusing on the environmental effects of the proposed strategy and implications to the national energy system and economy.

The **process of impact assessment** can be more useful for the development of wide-ranging and long-term strategies than the actual results produced by the assessment. The process is particularly important for promoting policy integration.

The results highlight the importance of **transparency** in the planning phase of assessment, **sensitivity to scale** issues and **realistic expectations** towards the outcomes of the assessment given the limited resources and time constraints of the assessment.

The key criterion for a good assessment tool is the ability to foster collaborative **co-production of knowledge**.

### LIAISE Policy Brief

This policy brief reports on the results from the LIAISE Network of Excellence.

The *LIAISE test cases* are about acting, participating in, supporting and observing concrete policy processes which use or could use IA tools. Test cases enable mutual learning about policy-makers' and researchers' needs, as well as learning on opportunities and barriers for interaction on IA tool use and development. Test cases involve researchers, tool developers, IA practitioners and policy-makers.

The *LIAISE test cases* study the use of selected IA tools, user requirements and science-policy interface at various thematic and governance levels. They include seven cases ranging from the EU-level to national and regional levels. They cover several policy areas including climate policy, agricultural policy, resource efficiency policy and land use policy. Test cases provide lessons from tool development and from the use or non-use of tools in IA processes. These lessons contribute to increased awareness on IA tools, improved communication between policy and research, and stimulating tool use and IA research.

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## Key findings

### **Budget austerity and time constraints are persistent practical challenges**

Impact assessment of complex issues such as climate change and climate policy requires considerable resources. Sufficient resources are particularly needed for a timely delivery of quantitative estimations that are highly relevant for policy debates. Utilization of earlier experiences and previous practices of knowledge production may help to streamline impact assessment, but at the same time there is a risk for routine use of existing assessment tools that may not fit to new situations and inadequate attention paid to emerging issues or alternative approaches.

### **Transparency is a necessity for integrated impact assessment of environmental policies**

Open-minded and transparent co-operation between knowledge producers and users is needed throughout the assessment process, but particularly in the scoping phase of impact assessment. Transparency about the background assumptions helps to increase the robustness of the assessment, to avoid misunderstandings and to deal with uncertainties.

### **Impacts occurring at different scales should not be ignored by assessments focusing on national level**

Assessing how climate mitigation policies at certain scales affect other scales is challenging. Focus on the national-level economic and environmental impacts of the objectives laid down in the EU climate policies easily leads to the underrepresentation of local level issues and concerns. A combination of different assessment tools can help to include the impacts related to different scales.

### **Impact Assessment can help to mainstream overarching policy issues to all relevant policy areas**

Substantial challenges are linked with the mitigation policies' integration to different policy fields and particularly with the identification of side-effects. From a policy perspective, emission reduction targets are far in the future, but immediate actions that affect both production and consumption of energy are required. By integrating related policy fields (such as energy, climate and health policies), the results of impact assessments are likely to be more useful for mainstreaming of climate policies. Coordination of collaboration between various actors involved in the climate policy ex ante assessment is a key success factor.

## Background: renewal of the Finnish energy and climate strategy

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Finland's previous energy and climate strategy was released in 2008. The renewal process was initiated in August 2011 as an update of the previous strategy. The renewed strategy was published as a national Energy and Climate Strategy in April 2013. The renewal process aimed to address the long timeframe and more demanding climate mitigation goals for the year 2020 as set at the EU-level. This strategy serves also for the preparation of the national energy and climate roadmap for 2050.

The renewal process was one of the *Test Cases* in LIAISE. The Test Case concentrated on the whole Impact Assessment (IA) process of the strategy. The Test Case comprised of collaborative workshops, document analysis and interviews of key stakeholders. The focus was on the processes and the challenges of knowledge production and utilization in national climate policy. The aim was also to chart the possibilities for providing support for the IA process and enhance collaboration between national ministries.

All legislative proposals and national level strategies and programmes in Finland must include a section on the impacts of the proposal. Thus, impact assessment had a clear although not predominant role in the strategy renewal process. The relationships between the key actors and the LIAISE Test Case are shown in Figure on next page.

The renewal process was led by the Ministry of Employment and the Economy, which is the body responsible for the national energy policy. Other key ministries include the Ministry of the Environment, Ministry of Transport and Communication and Ministry of Agriculture and Forestry, Ministry of Finance and Ministry of Foreign Affairs. All the above-mentioned ministries can be described as core actors, while some other ministries have also participated in the process.

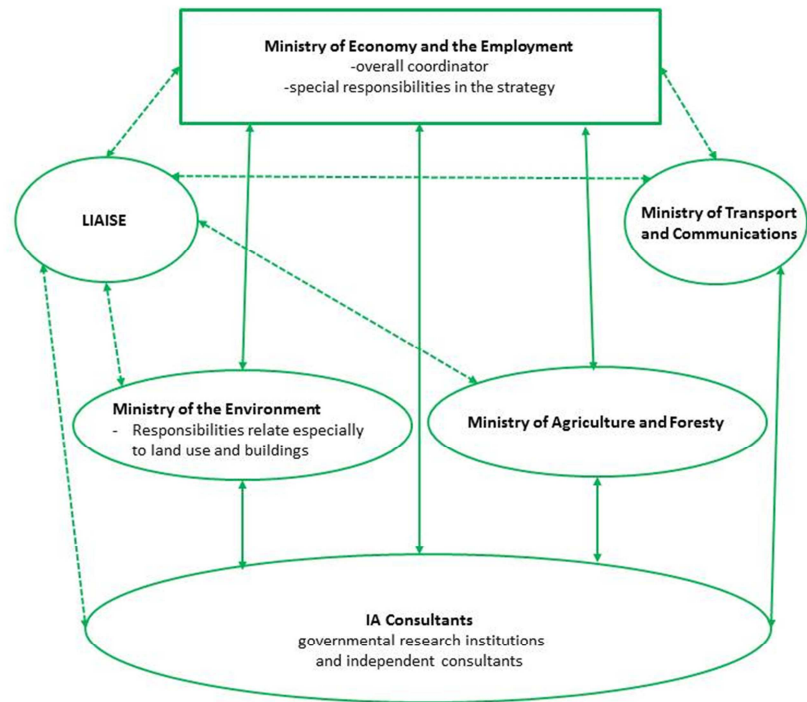


Figure 1. Key actors of the Finnish energy and climate strategy renewal and their relationship to the LIAISE Test Case (dashed arrows).

Representatives of key ministries composed a ‘climate network’, an unofficial task force for climate policy interaction and discussion. This task force had a major role in coordinating the assessments related to the strategy. The assessments focused on impacts of the new strategy on the national energy system and economy and on the environmental effects. In practice, the assessments were conducted largely as updates of assessments done with the preparation of earlier strategies. Assessments were based on preliminary formulations of the renewed strategy. The timetable for assessments was strict.

Furthermore, a national scientific climate panel was established at the end of 2011 to enhance and strengthen the role of scientific expertise in climate policy preparation and implementation. This new actor had only marginal role in the strategy renewal process.

More information regarding the Finnish energy and climate strategy can be found at:  
<http://www.tem.fi/index.phtml?l=en&s=5039>

## Organisation of the study – and a peek at forthcoming results

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The study explored selection and use of the assessment tools, special information needs of the knowledge production for climate policy and potentials for improving national-level impact assessment processes.

The *Test Case* focused on the interaction and facilitation of knowledge sharing between science and policy. The *Test Case* supported, observed and evaluated the knowledge production and utilization related to the impact assessment processes and explored the potential for improvements. The *Test Case* team also informed key actors (as depicted in Figure 1) about potentially interesting and useful tools.

Analysis of the results from the Test Case is still on-going. A key issue is how assessment tools can strengthen more collaborative knowledge production and use and enhance trust building and knowledge generation between different ministries and other core actors.

The following preliminary recommendations can be drawn:

- Developing assessment tools that help to identify positive and negative side-effects of climate policies is a promising way to mainstream national climate policies into other policy sectors and levels.
- Sensitivity to different kinds of knowledge related to different scales is needed. For instance, climate policies utilise information describing immediate local level actions, national priorities and long-term global level developments.

The main purpose of the **LIAISE Network of Excellence** is to identify and exploit opportunities to bridge the existing gap between the research and the policy community in the field of Impact Assessment, improving the use of IA tools in policy making. LIAISE combines the multi-disciplinary competence of a core group of European research institutes.

[www.liaise-noe.eu](http://www.liaise-noe.eu)

The Policy Brief Series presents the results of the work carried out in LIAISE to the policy world. It addresses topics of current concern and focuses on those aspects of the issue where the policymaker (and the public opinion) is seeking additional information.