

Supporting the Replicability of the Life Side Project

About LIFE SIDE

LIFE SIDE is a project co-funded by the LIFE Programme of the European Union, which has been supporting European policymakers with the design and implementation of the European Union Emissions Trading Scheme (EU ETS). The project has produced a literature-based report assessing the performance of the EU ETS.

Project duration: September 2016-December 2018

Replicating LIFE SIDE

The Life Side project can be replicated in other ETSs outside Europe, in other policy areas, on a member state level. Below are:

1. a checklist of actions that need to be taken in order to replicate the Life Side Project;
2. some practical recommendations aimed to help the transferability and replicability of the project results.

Checklist of actions for replication:

The following list of actions can be considered as the backbone of the Life Side, as it constitutes a list of steps, which need to be taken in order to replicate the project.

1. Identification of the critical aspects of the ETS on which you want to focus (the so-called “area of intervention”). LIFE SIDE focused on: Free allowance allocation; Competitiveness effects and carbon leakage; Interactions with other policies; Low-carbon innovation and investment; International Dimension.
2. Establishing an “expert group”. The expert group is an external validation unit, with the aim of providing continuous feedback and support to the project. The expert group can be involved in different steps of the project, from the validation of the topics of interest to providing feedback on the assessment’s results.
3. Validation of the chosen topics (in STEP 1) with the expert group. Given the importance of deciding on which aspect of the ETS to focus, feedback from different stakeholders becomes crucial.
4. Definition of the criteria of evaluation to be used in the assessment. In the Life Side Project, we adopted the following: Relevance; Effectiveness; Efficiency; Coherence (both internal and external) and EU Added Value. The adherence to these criteria is fundamental in the phase of diffusion of the results. They help to explain why and how some results have been obtained. Also the definition of these criteria is a two-step process which can benefit from an involvement of the expert group.
5. Once the conceptual framework is settled, you can move to the assessment. In the specific case of the Life Side Project, we used the “topics and criteria” lens to examine the relevant existing academic literature. Consequently, the assessment can be considered as an ex-post evaluation exercise based on existing literature.

6. The result of this first step of analysis is the basis for the subsequent discussion with policymakers and stakeholders. In the Life Side project, this phase took the form of a series of workshops, focused on the topics chosen in STEP 1.
7. Once feedback on the outcomes of the assessment report is obtained from both policymakers and academia, these results can be transferred to a wider audience (through policy briefs, training courses, conferences).

Practical Recommendations

Replicability to other ETSs outside Europe

1. Timing is fundamental. The project should ideally start before or during the phase of consultation for the creation of a new ETS, or during the revision of an existing system.
2. A broad involvement of all different stakeholders is vital. In particular, in our experience, there is great interest in considering the climate policy portfolio in its overall complexity, rather than limiting the study to the ETS. This means that it becomes crucial to have direct involvement of policymakers in other environmental areas, such as the energy sector.

Replicability to other policy areas

1. When choosing the different topics in STEP 1, we strongly suggest to place particular emphasis on policy interaction and the efficacy of the overall policy portfolio. Considering the policy portfolio as a whole, allows to increase the impact of the assessment, especially in terms of its environmental and social effects.
2. The importance of considering the policy portfolio in all its complexity needs to be reflected also in the choice and composition of the expert group. It is highly desirable that members of the expert group are sufficiently heterogeneous so as to reflect the views of different interest groups.
3. Building an international partnership is fundamental. Climatic challenges go beyond the border of single countries and organizing multi-country partnerships becomes increasingly relevant.

Replicability at Member State level

1. Having policy representatives from different areas of the country enhances the transparency and acceptability of the project.
2. Reading other reports and assessments on the ETS (or similar topic) by other national groups of experts can be beneficial. It generally provides a different and fresh look on the topic.