

EAERE 2024

Policy Session 14: The forthcoming 7th IPCC Assessment Report. What role is there for environmental economists?

Thursday, 04/July/2024: 11:00am - 12:45pm
KU Leuven, Belgium

The session aims at discussing modalities and strategies to stimulate more economic research to be embedded in the IPCC 7th Assessment Cycle and more in general in IPCC processes, including covering research innovation gaps.

Chair: **Simone Borghesi** (EAERE President, European University Institute and University of Siena)

Speakers:

Jos Delbeke (EAERE Policy Outreach Committee and European University Institute)

Phoebe Koundouri (Athens University of Economics and Business and Denmark Technical University)

Xavier Labandeira (EAERE Policy Outreach Committee and University of Vigo)

Jan Minx (MCC Berlin)

Massimo Tavoni (Politecnico di Milano and CMCC)

Philippe Tulkens (EU Commission - DG Research and Innovation)

Notes

The session was co-organised by the EU Commission and the EAERE Policy Outreach Committee. The panel included EAERE experts who actively participated in previous IPCC reports and shared their experiences, views and suggestions. The guiding questions were the following: What has been the **contribution of environmental economists to IPCC reports**? What are the experiences of the panelists in the IPCC? How can EAERE contribute to the 7th Assessment process? How can EAERE and environmental economists improve the science dialogue?

The Green Deal is an impressive achievement that benefitted from the political momentum. The pathway to net zero emissions has started, but there is still a long way to go. IPCC is an outstanding process to get a deep and multifaceted vision about the state of scientific, technical and socio-economic knowledge on climate change, its impacts and future risks, and options for reducing the rate at which climate change is taking place. Still, economic views are needed. Environmental economists are invited to join the IPCC process and EAERE can play a big role in this engagement.

Environmental economists' contribution must focus on efficiency and cost-effectiveness, distributive analysis and economic incentives. Removals of carbon, despite being not embraced by the whole scientific community, are important to reach the main goal of net zero, taking into account that a transition phase is needed.

The scientific outcomes must be coupled with capacity of co-designing the policies so that they can be science-based. In order to identify pathways to climate resilience, mitigation and adaptation, climate economists need a starting point that can be found in the **in-depth analysis of the implementation levels of the SDGs**.

Pathways to net zero not only need to be identified but also financed. The restructuring of the global finance should be at the top of the climate agenda.

National governments not always cover the costs of academics' participation in the IPCC process. This practice may discourage economists from joining the works. Besides advocating for a greater recognition of academics joining the IPCC process, EAERE is putting some efforts to facilitate economists' contribution in the IPCC, thanks to its observer status.

Another relevant gap in the economists' contribution to the IPCC is the lack of existing **literature's review**. It is important to provide systematic review of policy instruments' performance across all relevant impacts dimensions and aggregate evidence so that they can be used by IPCC to suggest the most effective policy instrument.

In order to properly contributing to the IPCC reports, environmental economists should work closely with academics of other fields to **integrate economics with other sciences**.

Primary research is key to the process, and the EAERE community is very active in this method. However, there is a urgent need of conducting **secondary research**. EAERE shall tackle the issue by sponsoring the creation of large teams in charge of systematic review and meta review.

Long term scenarios elaborated by the IPCC would greatly benefit from a growing number of studies **combining ex ante and ex post views**, modelling and empirical studies.

Environmental economist should focus primarily in the **research gaps** as identified by the IPCC itself: interactions between nature and climate, economics of removals, economic impact of policy instruments.

In relation with the needs of the **Global South**, it should be noted that mitigation can be adopted by all countries. Global collaboration of academists is expected to elaborate results that take into account the needs of all countries. Political influence of major countries on less powerful countries is still very high, thus combining science with political postures of national delegates is the challenging exercise economists are asked to do.

The growing need for **ex post analysis** can sometimes face the inner challenges of this kind of research. The reality is the result of a complex combination of policy instruments and external factors which cannot be isolated one from another when assessing the impact of single measure. Ex post verification of models are thus challenging, but extremely needed as they are the most impactful in terms of awareness-raising.