FRAMEWORK FOR INTERGENERATIONAL FAIRNESS

POLICY ASSESSMENT TOOL HOW-TO GUIDE

FUNDAÇÃO
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ABOUT THIS GUIDE

This guide is a product of a multi-year collaboration between the Calouste Gulbenkian Foundation and the School of International Futures to define a framework for the systematic evaluation of public policies according to what is fair and unfair for all generations.

The Framewok for Intergenerational Fairness

The framework consists of three inter-linked elements:

1. Guidance for institutional ownership that provides legitimacy within the political system and accountability to the public.
2. A blueprint for national dialogue to collectively consider society's vision for the future.
3. A **policy assessment toolkit** that applies latest best practice to provide useful clarity on the questions of intergenerational fairness.

This guide provides **step-by step instructions for using the policy assessment toolkit**. You can read more about the framework and supporting resources in the *Specialist Report* found at www.soif.org.uk/igf and https://gulbenkian.pt/de-hoje-para-amanha/en/

Adapting the Framework for Your Context

The framework was created for Portugal but is principles-driven and designed for adaptation to a broad range of applications. It can be applied by national and local government, international organisations, foundations, businesses and special interest groups who want to ensure their decisions made today are fair to current and future generations.

The Calouste Gulbenkian Foundation

The Calouste Gulbenkian Foundation was created in 1956 by the last will and testament of Calouste Sarkis Gulbenkian, a philanthropist of Armenian origin who lived in Lisbon between 1942 and the year of his death, 1955. The Foundation is of perpetual duration and works for the entire mankind, having as main purpose to improve the quality of life through art, charity, science and education.

The Gulbenkian Foundation, and in particular the Gulbenkian Future Forum, aims to identify and anticipate the fundamental challenges of society, promote critical mass, and put major issues on public debate.

In this context, the Foundation launched in 2018 an initiative to explore the importance of Intergenerational Justice to the Portuguese public and political agenda, encouraging policy makers to consider intergenerational justice criteria when defining public policies.

The Foundation assumes itself as a privileged entity to address this issue, since the very concept of intergenerational justice is part of its essence as a perpetual institution. You can read more at: https://gulbenkian.pt/de-hoje-para-amanha/

School of International Futures

The School of International Futures is a non-profit practice that exists to help policy makers and business leaders improve the present and the future by using foresight and futures methods to make better strategic choices about the future, to improve the quality of their innovation, and make their organisations more resilient by better understanding and managing risk.

SOIF was founded in 2012. It is headquartered in London and operates globally, using diverse teams to work with organisations and communities to make change for the better. You can read more about SOIF and its Intergenerational Fairness Practice at www.soif.og.uk/igf

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Assessment Instructions

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Participative Approaches

Suggestions, examples and templates for using participative approaches to complete the policy assessment.

Peer Review

Instructions and checklist for conducting an independent peer review of a completed policy assessment.

Reporting and Communicating Results

Principles for reporting the outcome of policy assessments for public accountability and engagement, with examples of good practice.

Monitoring and Evaluation

Guidance for how the work of intergenerational policy assessment should be monitored and evaluated on an annual basis.

POLICY ASSESSMENT OVERVIEW

Learn more about this framework and what you need to get started with a policy assessment or peer review on intergenerational fairness.

FRAMEWORK FOR INTERGENERATIONAL FAIRNESS

To help ensure today's decision-making processes take future generations' well-being into account, we developed a methodology to assess public policies from the standpoint of intergenerational fairness.

The framework is a mechanism to drive awareness, dialogue and policy change around intergenerational fairness. Given its focus, it was designed to remain relevant and applicable over a generation and more. To do this, it consists of three elements, each essential for systemic change.

The elements work together to ensure that policy impacts are clear, taken seriously, reflect deep understanding of society's values and will engage public interest and conversation.

- The right **institutional ownership** provides legitimacy and accountability to the public by embedding the processes in multiple institutions within government and society.

- The **national dialogue** uses participatory approaches to drive the policy assessment tool with society's vision for the future. It generates deep understanding of drivers of change and creates far-reaching public engagement.

- The **policy assessment tool** is a practical methodology that shines practical clarity on the questions of intergenerational fairness in a meaningful way. Each stage of the tool guides the assessor to think widely about the impacts of the policy over time.

INSTITUTIONAL OWNERSHIP

NATIONAL DIALOGUE

POLICY ASSESSMENT TOOL

?

Is this fair
to all generations, now and in the future
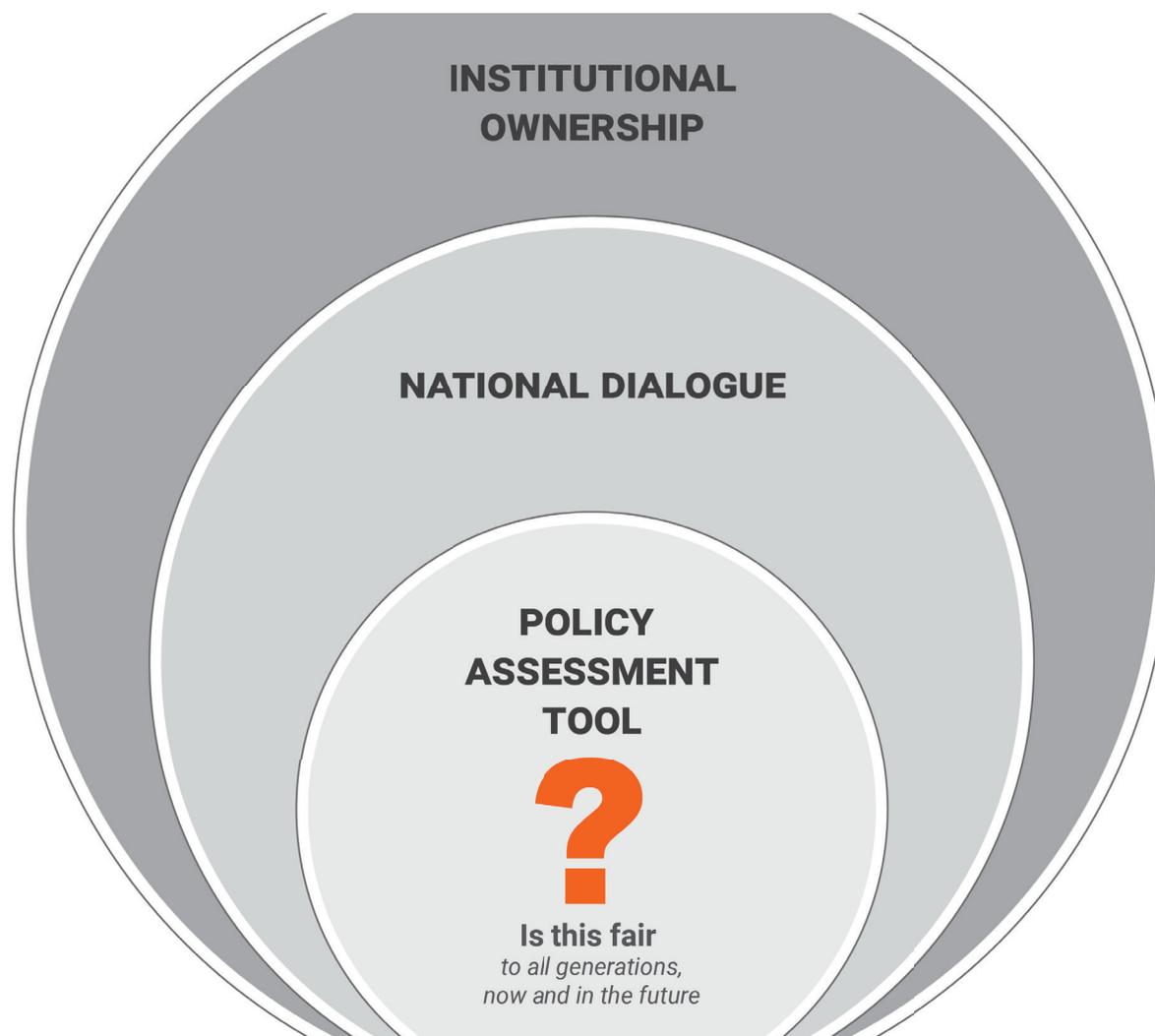
COMMON SCENARIOS IN POLICY ASSESSMENT

How an assessment can influence at different stages of the policy cycle

Accelerating adoption through independent assessment
A) Immediate cycle (over a month) occurs once a bill is launched in public

B) Longer cycle (over 1-4 years) as a political constituency is mobilised to influence the wider system

1. Bill published and initial policy assessment completed

2. Public debate on whether a policy is intergenerationally fair

3. Feedback and influence to amend, pull or replace bill

4. Manifesto and platform development that includes intergenerational fairness

5. Policy programmes more considerate of intergenerational fairness

6. Policy development informed by new requirements and behaviours around intergenerational fairness

7. Oversight from audit and review bodies against intergenerational fairness
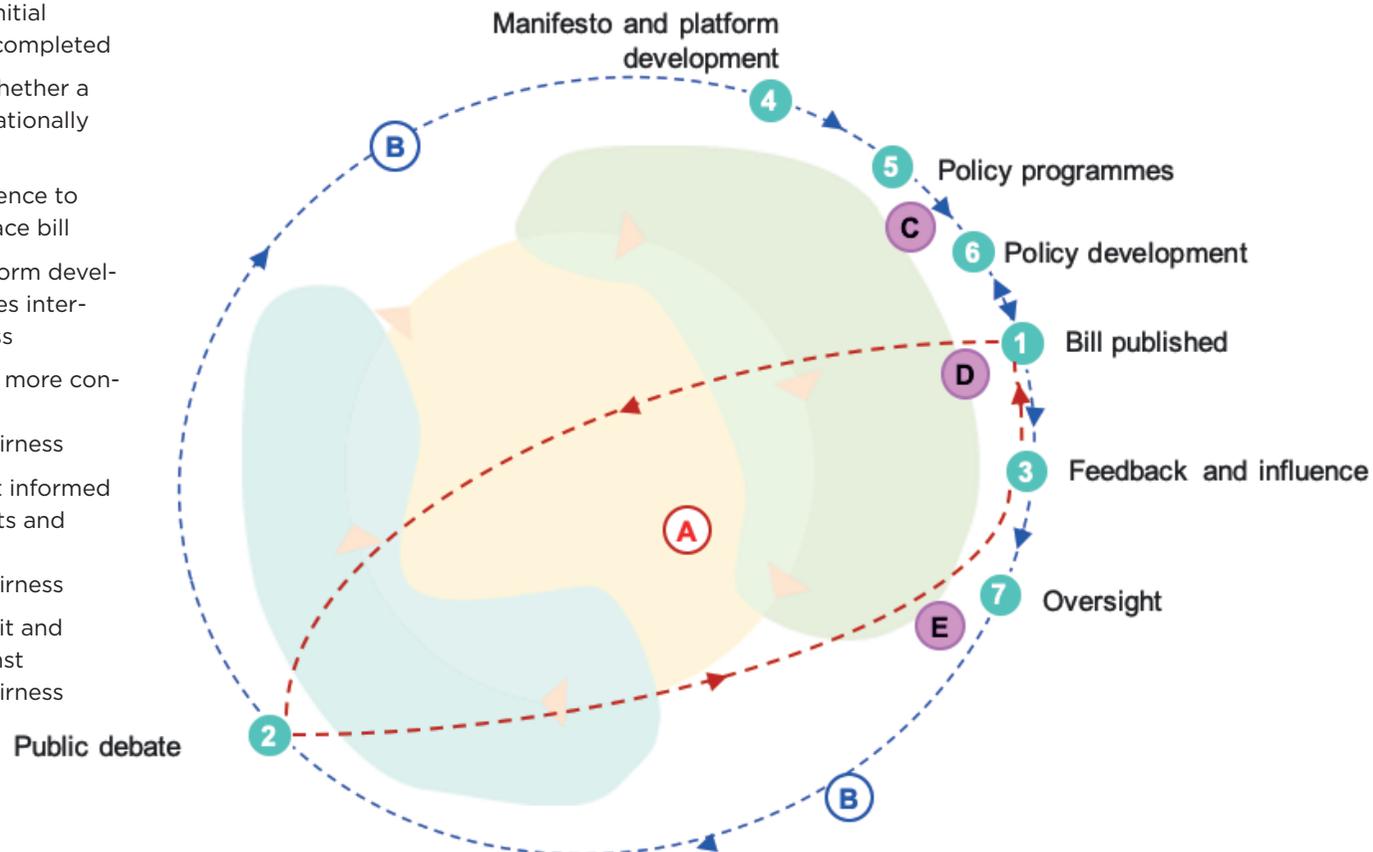
OUR DEFINITION OF INTERGENERATIONAL FAIRNESS

During development of this framework* we engaged over 400 experts to inform and test our work. We adopted a simple definition of intergenerational fairness that builds on the Brundtland Commission (1987) and is meaningful to assess.

Policies that are fair to all generations:

- Allow people of all ages to meet their needs.

- Meet the needs of the present without compromising the ability of future generations to meet their own needs.

A policy is unfair when it:

- Disadvantages people at any particular life stage.

- Disadvantages people at any period in time, present or future.

- Increases the chances of inequality being passed on through time.

- Restricts the choices of people in the future.

- Moves society further away from its vision for the future.

The assessment looks for any instances of unfairness caused by the policy, explicitly considering each of the five aspects of unfairness captured in the definition. It also provides an overall assessment of whether, on balance, the policy is clearly fair or unfair, probably fair or unfair, or "too close to call", where a political judgement is required to decide whether the trade-offs are worth it.

*For more information on how this framework was developed and the theory behind it, please see the *Specialist Report*.

> "
> Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
>
> **Our Common Future, Brundtland, 1987**

HOW WE ESTABLISH WHAT IS FAIR

The policy assessment uses a participatory citizen-led vision of the future to determine which impacts are desirable or undesirable. This vision is established through national dialogue, foresight, and systems analysis.

The dialogue ensures that the policy assessment process is rooted in citizens' desired vision of the future as well as stress-tested against possible alternative future scenarios.

As national dialogue hasn't been conducted at the time of this release, the first version of the tool uses illustrative data to provide a meaningful starting point. This is based on earlier Portuguese foresight outputs, some involving participatory exercises.

Participatory approaches identify drivers of change in Portugal, map out their interdependencies, and determine how inequality is transmitted through the system. These form the foundation for the desired vision and alternative scenarios. Widely-adopted standards such as the UN Sustainable Development Goals are used alongside citizen and expert input.

If you are adapting to the tool to a different context, please be aware of these assumptions and get in touch at igf@soif.org.uk to discuss key considerations when using the tool. For more information on the principles and process behind the national dialogue, please see the Specialist Report on Intergenerational Fairness Policy Assessment
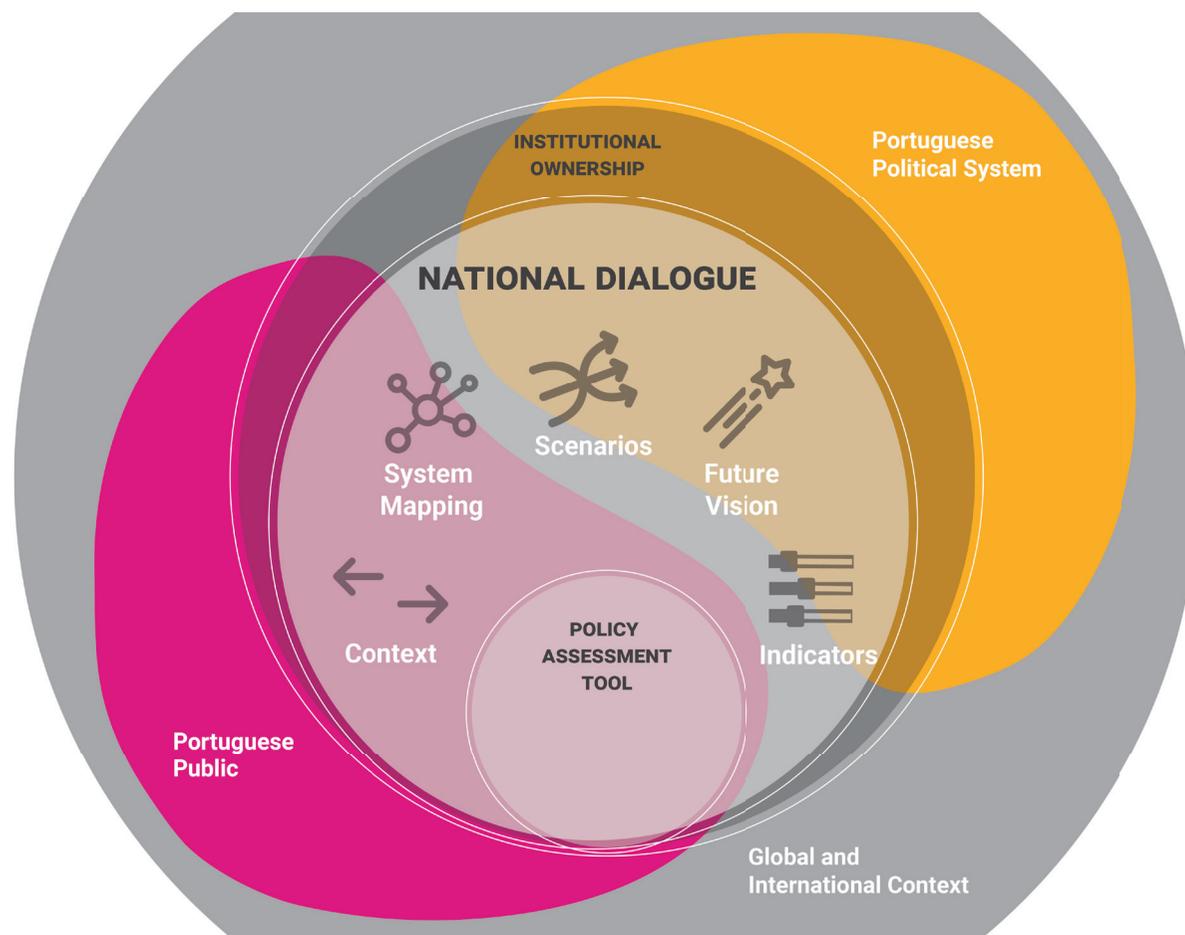
5 STAGES IN POLICY ASSESSMENT FOR INTERGENERATIONAL FAIRNESS

Our policy assessment methodology includes five flexible stages, which can be applied to any type of policy or strategic decision. At each stage, the assessor reconsiders the questions of intergenerational fairness to inform their judgment.

1. **Diagnostics** stage captures key information about the policy, scans for ways the policy may be unfair and builds a timeline of short, medium and long-term issues, identifying those which require further analysis. In some cases, the assessment can stop here.

2. **Impacts** stage dives deep into the toughest questions, using available qualitative and quantitative data, expert modelling or participative sessions to explore chains of intended and unintended impacts on generations over time.

3. **Scenarios** stage tests the assessment against alternative scenarios describing what might happen, ensuring the recommendations are robust in an uncertain environment.

4. **Process** stage examines how the policy was designed and/or enacted. Were intergenerational issues considered? Diverse perspectives actively sought? Did the process itself create unfairness?

5. **Conclusions** stage summarises the findings and recommendations for further communication.

DIAGNOSTIC

IMPACTS

SCENARIOS

PROCESS

CONCLUSIONS
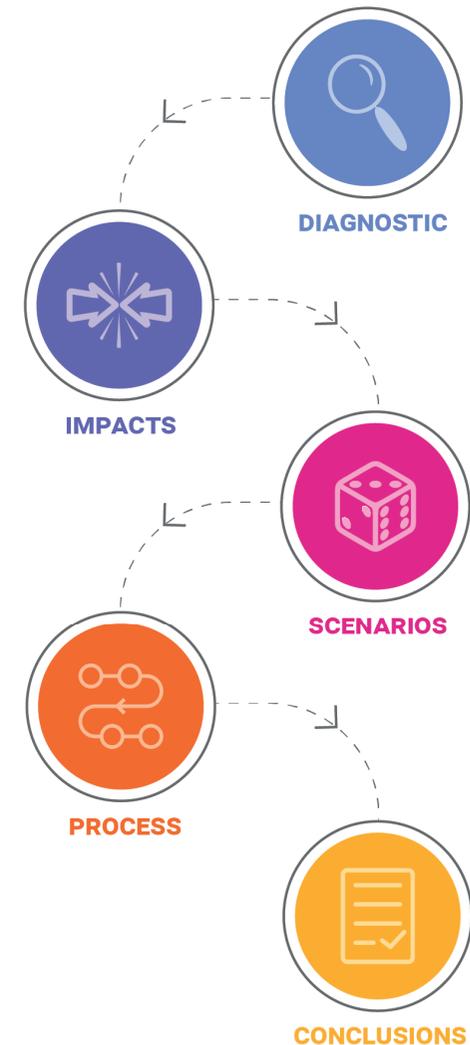
APPLYING FLEXIBILITY WITHIN THE POLICY ASSESSMENT PROCESS

The assessor can apply judgement after the diagnostics stage on which additional stages of the assessment should be completed.

For some policies the outcome is clear once the diagnostic is complete.

For policies that are clearly fair or clearly unfair at this stage there is no need to complete the rest of the assessment, with one exception: it can be helpful to complete the process stage for policies that are clearly unfair, as this can shine a light on the aspects of policy-making that led to the unfairness.

A — Take this path if clearly fair at diagnostic stage

B — Take this path if clearly unfair at diagnostic stage

C ⋯ Take this path if complex, "probably (un)fair", or unclear at diagnostic stage

1 DIAGNOSTIC
2 IMPACTS
3 SCENARIOS
4 PROCESS
5 CONCLUSIONS
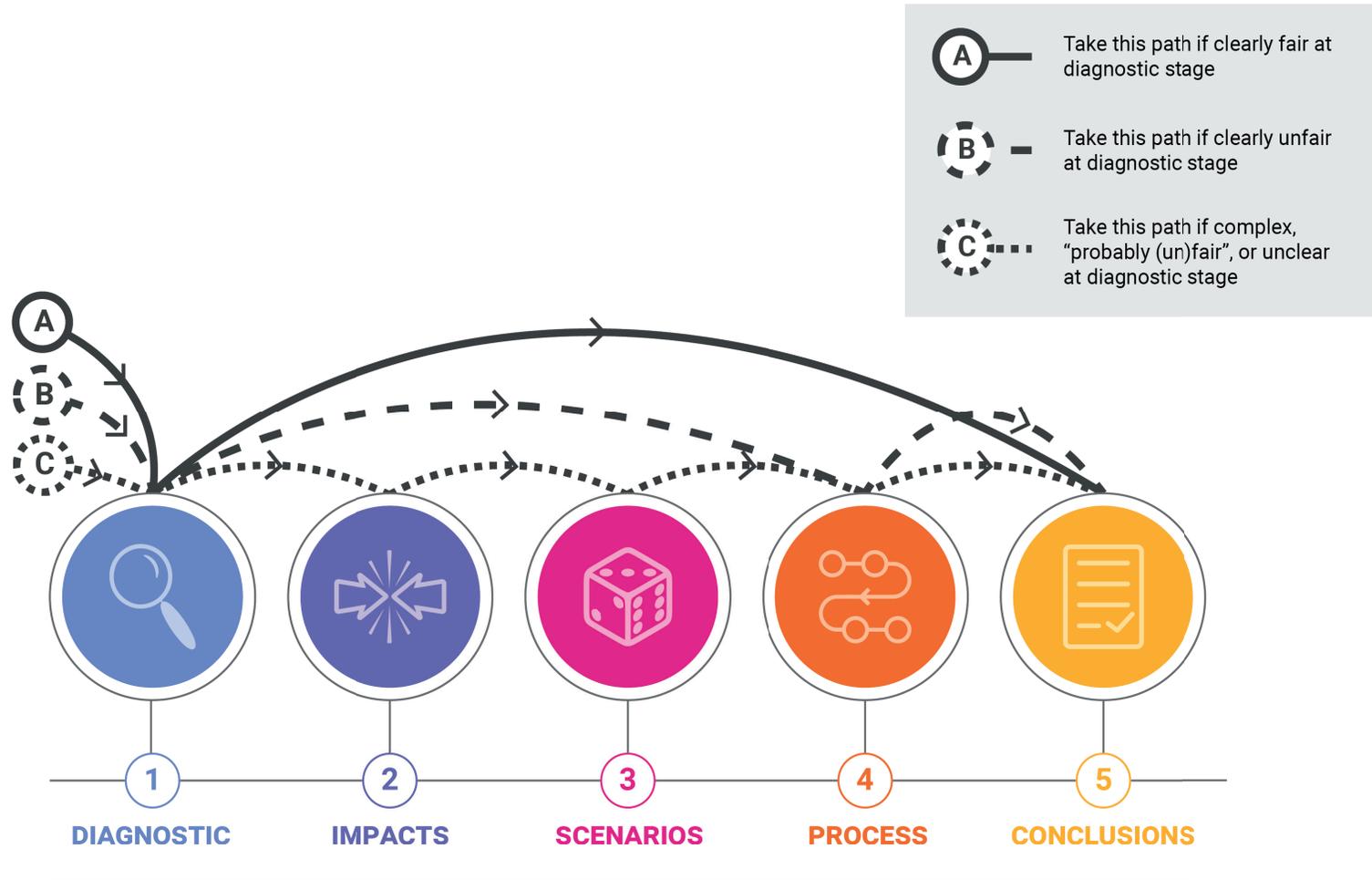
PRINCIPLES FOR POLICY ASSESSMENT FOR INTERGENERATIONAL FAIRNESS

The methodology is designed to apply to a wide variety of policy types and policy areas, it cannot anticipate everything that you may need to deal with. Use these 10 principles to guide your use of the tools with appropriate flexibility.

Target resources to maximise assessment impact

Use the Diagnostic Stage to quickly decide which policies need further analysis to assess. Tailor the Impacts and Scenarios Stages to fit your available resources.

Set a consistent time horizon

This policy assessment process focuses on understanding how impacts play out over time, and short, medium and long-term horizons are defined for each policy during the diagnostic stage. Keep these consistent through the assessment and across multiple independent assessments of the same policy to enable meaningful comparison.

Get clear on the counterfactual

Every policy is an intervention designed to effect change. Define the counterfactual before starting the Diagnostic stage and keep it in mind throughout the assessment. If the counterfactual is sufficiently different to the status quo, it may be helpful to complete the Diagnostic as if the counterfactual and the policy are two alternative policy options.

Assess impacts with impartiality

As far as possible the assessment must be an impartial one. Assess impacts on people equally regardless of their circumstances, life stage, and the time period they live in.

Consider the policy in context

It is important to keep sight of relevant trade-offs between the impacts of "sets" of policies as well as the impacts of a single policy. Future uncertainties must be acknowledged and considered.

Take a "snag-hunting" approach

Focus on surfacing unanticipated negatives and damaging consequences by systematically evaluating wide-ranging impacts over time.

Avoid the "fallacy of misplaced concreteness"

Aim to bring intergenerational trade-offs to light without trying to quantify impacts with unwarranted precision.

Ensure auditability

Decisions, reasoning, assumptions, outputs and source materials at each stage need to be auditable so an independent reviewer can understand and challenge the detail of the assessment.

Allow for differences in political perspective

Expose trade-offs and provide sufficient information to enable users to reach their own normative evaluation.

Communicate engagingly

Successful communication of the assessment results is critical to create change. The output should give a transparent assessment of fairness, be clear, comprehensible, and provide tangible recommendations.

WHAT YOU'LL NEED TO GET STARTED WITH A POLICY ASSESSMENT OR PEER REVIEW

Set aside 2-4 hours for the initial diagnostic or peer review. After that, the time required will vary depending on the policy, the issues that require investigation and the methods you choose to use. Make sure you have...

The Assessment Template

The policy assessment tool Is available in Google Sheets and can be downloaded and used within other spreadsheet software, such as Microsoft Excel.

The Policy in Question

You'll need to reference the policy and provide context around it, which may require multiple documents or files to hand.

This Guide

Have a copy of this guide to hand while you work through the step by step instructions.

ASSESSMENT INSTRUCTIONS

Guidance on how to complete each stage of the policy assessment.

DIAGNOSTIC STAGE

This stage captures key information about the policy, scans for ways the policy may be unfair and builds a timeline of short, medium and long-term issues, identifying those which require further analysis.

OBJECTIVES

- Identify likely intended and unintended policy impacts over time

- Establish whether the policy may be intergenerationally unfair, considering all five aspects of intergenerational fairness

- Determine whether further analysis is needed, and decide next steps to either communicate results or tailor the rest of the assessment.

Inputs →

- Diagnostic Stage template

- Information about the policy under assessment

- This How To Guide

- About 2-4 hours

Steps →

Diagnostic Part 1:
Policy information:

1. Capture policy information and context

Diagnostic Part 2:
Assessment:

2. Define the time horizon

3. Define counterfactual

4. Identify impacts

5. Answer intergenerational fairness questions

6. Make recommendations

7. Assess intergenerational fairness and determine next steps

Outputs →

- Targeted information about the policy

- Information about the policy context

- Recommendations relating to the policy context (e.g. that a related or alternative policy also be assessed)

- Assessment for each aspect of intergenerational fairness

- Initial overall assessment of intergenerational fairness

- Decision on whether additional analysis is required to complete or refine the assessment

- Information to help tailor the other policy assessment stages

DIAGNOSTIC STAGE
STEP 1: CAPTURE POLICY INFORMATION AND CONTEXT

In this step you will document key information that will be used throughout the assessment, document the wider context, and make recommendations relating to the context.

Capture policy information

Reference and title:
So that the policy being assessed can be clearly identified

Brief description:
Describe what will happen when the policy is implemented

The problem the policy aims to solve:
What are the circumstances that have led to this policy being put forward?

Policy objectivess:
What does the policy aim to achieve?

Implementation timeline:
What are the key dates proposed for implementation of the policy?

Populations affected:
Who is affected by the policy? Are different groups affected in different ways? Are there any groups who are particularly vulnerable to the impacts?

Ecological areas affected:
If there are ecological impacts, where will they occur?

Capture context information

Scope constraints:
Record anything that shapes the potential scope of the policy. E.g. existing legislation, or international requirements.

Aspects of the problem not addressed:
If alternative policies exist to address any gaps, record them here.

Historical unfairness:
Specific populations may have been either disadvantaged or unfairly advantaged in the past, in ways that are relevant to this assessment.

Alternative policies:
Have any policies been proposed to meet the same policy objectives, or use the same resources, that might be more intergenerationally fair?

👉 **Tip:** Throughout the diagnostic, make sure to record sufficient information to allow an independent reviewer to understand how you reached your conclusions. Include links to supporting material and document any assumptions or judgements you make.

Make recommendations

Recommendations may emerge from the context information captured. For example:

Scope constraints: Could other policies be considered to remove any constraints that may make the policy less intergenerationally fair?

Aspects of the problem not addressed: Are additional policies needed to fill any gaps? Should any related policies be assessed using this framework?

Historical unfairness: Does this policy correct any historical unfairness identified? If not, a recommendation may be needed to amend the policy design accordingly. If yes, that context must be included in communications on the assessment.

Alternative policies: If yes, should those policies be assessed by this framework?

DIAGNOSTIC STAGE
STEP 2: DEFINE TIME HORIZON

In this step you will define what is meant by short, medium and long term, to allow consistent analysis at each stage of the assessment

These terms will be defined differently for different policies. Consider:

- The implementation timeline set out in the policy information in step 1. Are there any key dates when impacts are likely to alter?

- The expected time horizon that impacts will play out over. This is typically longer than the implementation timeline.

Document the definitions in the white boxes in the Diagnostic template. See next slide for an example

👉 **Tip:** If multiple independent assessments are being carried out for the same policy, or alternative policies are being assessed, define the time horizon first to allow comparability.

To determine the overall time horizon, consider:

1. Does the policy result in lasting physical changes to the environment? (e.g. carbon emissions last a few hundred years, air pollution levels can fall in just hours)

2. Does the policy shut off options for the future (e.g. some urban design makes car use almost essential for people living there, and therefore the policy has an effect for perhaps a hundred years)

3. Does the policy only affect the current cohort of old people? (e.g. a pension reform that younger people can take into account in advance, so would probably have an impact over perhaps 20 years)

4. Does the policy involve building something that will last? (e.g. new motorways, which can last 200 years)

5. Does the policy involve destroying something irreplaceable? (e.g. causing extinctions, which are forever)

6. Does the policy involve using up an asset that won't be available in the future? (e.g. rare earth metals. The policy will have an impact until these are replaced, which could take perhaps 40-50 years)

7. Is the policy likely to create an asset that will continue to be available in the future? (e.g. technological breakthroughs can be useful for hundreds of years)

8. Is the policy likely to improve the understanding, skills, and health of people in a way that will be useful for the rest of their lives? Does it do the opposite, like dangerous work which causes limiting long-term health conditions? The positive or negative impacts would be most of a whole lifetime.

9. Is the policy likely to create a change that people can pass on to their children? (e.g. improved education, which can have an effect over generations)

10. Would the policy continue to have an effect despite fundamental changes in the overall context? (e.g. if another pandemic affected Portugal to a degree similar to Covid-19, events that might happen every 30 years or so)

DIAGNOSTIC STAGE
STEP 3: DEFINE COUNTERFACTUAL

In this step you will define the counterfactual against which all impacts will be compared.

Decide on the most appropriate counterfactual for the assessment

When considering whether the policy will have an impact, it's important to get clear on the situation you are comparing to. In some cases the most appropriate counterfactual will be business as usual with no significant changes expected. In other cases the policy might have been designed in response to an expected future event or shift in circumstances. In that case the counterfactual should either be based on what's expected to happen if the policy isn't enacted, or an alternative policy that has been designed to respond to the same problem.

Record any key assumptions about how the counterfactual will change over time

In some cases there may be circumstances that would be expected to change if the policy is not enacted. Alternative policies or expected events will have their own timelines to consider. In practice you may need to define the time horizons and the counterfactual concurrently.

Document the counterfactual, and any key things that are likely to change over the time horizons defined in step 2, in the white boxes in the Diagnostic template.

Example: Time Horizon and Counterfactual
Throughout this section boxes in this colour show you highlights from an example assessment of the 2007 pension reform.

Time horizon	Short term Transitory period of 10 years for some rules (until 2016)	Medium term Full effect of reform reached after full contributive career of 40 years of new entrants in employment since 2002 (2016-2042)	Long term Full effects in place (2042+)
Counterfactual	According to the Government assessment made in 2006, without reform, the public pension system would turn financially unsustainable in 10 years. This means that higher social contributions or taxes would have to take place to finance the system. In the short term, the counterfactual might have mixed impact: higher deficits would probably lead to higher interest rates but with a comparative better situation for workers that retire within this period. But younger workers or even younger generations would have to support the burden. The counterfactual scenario (no policy change) would be unsustainable and would imply higher costs (taxes) in the medium and long term.		

Identify impacts over the time horizon as compared to the counterfactual and make an initial assessment on whether the policy moves each domain towards or away from the future vision.

Identify impacts

Make all assessments compared to the counterfactual defined in step 3.

Include impacts on all populations and ecological areas identified in step 1.

Use the dropdowns to record whether impacts are expected and add comments to explain your assessment. In some cases it will be helpful to include comments to explain a judgment of "no impact"

Human and ecological domains

Use the template links to find a short definition and vision statements for each domain.

Use only the short definitions when recording impacts for the short, medium and long term.

Use the vision statements for your assessment of whether overall the policy moves the domain towards the vision.

Domain options (time):

Improved – The policy has a positive impact on this domain

Probably improved – On balance the policy probably has a positive impact on this domain

Mixed impact – The policy has both positive and negative impacts on this domain

No impact – The policy has no impact on this domain

Probably worsened – On balance the policy probably has a negative impact on this domain

Worsened – The policy has a negative impact on this domain

Unclear – More information or analysis is required to reach a conclusion

Domain options (vision):

Towards vision – The policy moves Portugal towards the vision statements for this domain

Probably towards vision – On balance the policy probably moves Portugal towards the vision statements for this domain

No impact – The policy has no impact on this domain

Probably away from vision – On balance the policy probably moves Portugal away from the vision statements for this domain

Away from vision – The policy moves Portugal away from the vision statements for this domain

Unclear – More information or analysis is required to reach a conclusion

DIAGNOSTIC STAGE
STEP 4: IDENTIFY IMPACTS (2 OF 3)

Identify impacts over the time horizon as compared to the counterfactual and make an initial assessment on whether the policy moves each domain towards or away from the future vision.

Transmission of inequality

Use the template links to find a description of each vector. If the policy strengthens a vector, it means inequality is more likely to be passed down through generations. I.e. the policy is intergenerationally unfair.

Life stages

Capture any impacts that affect any of the life stages in unique ways. There's no need to include any impacts that affect all life stages equally in this section.

For the medium and long term assessments, think about impacts on people who will be at each of the life stages during that time period.

Government finances

Record the impact on government finances and assets over time.

When are the costs incurred? Does the policy generate income for the state? Will the government gain or lose ownership of any assets (e.g. land)?

Vector options:

Weakened – The policy weakens transmission of inequality through generations (good)

Probably weakened – On balance the policy probably weakens transmission of inequality through generations (probably good)

Mixed impact – The policy both weakens and strengthens this vector in different ways

No impact – The policy has no impact on this vector

Probably strengthened – On balance the policy probably strengthens transmission of inequality through generations (probably bad)

Strengthened – The policy strengthens transmission of inequality through generations (bad)

Life stages options:

Advantaged – People at this life stage are particularly advantaged by the policy

Probably improved – On balance people at this life stage are probably advantaged

Mixed impact – People at this life stage are both advantaged and disadvantaged by the policy in different ways

No specific impact – The policy does not impact people at this life stage in specific ways that differ from other life stages

DIAGNOSTIC STAGE
STEP 4: IDENTIFY IMPACTS (3 OF 3)

Identify impacts over the time horizon as compared to the counterfactual and make an initial assessment on whether the policy moves each domain towards or away from the future vision.

Future policy options

Assess whether the policy makes any significant irreversible decisions. If it does, at what stage in the time horizon will they occur?

Other impacts

There is space in the template to capture any other impacts that are not covered by any of the sections above.

Select the relevant dropdowns to capture whether other impacts should be fed into the template in future versions of the assessment template or the national dialogue.

Example: Human Domains Diagnostic Extract

Domain	Assessment				Comments (abridged)
	Short term	**Medium term**	**Long term**	**Vision**	
Education	Unclear	Unclear	Unclear	Unclear	The counterfactual scenario of higher taxes and Social Security Contributions may lead to lower qualifications
Income and work	Mixed impact	Mixed impact	Mixed impact	Unclear	Direct effects: lower retirement income, but higher participation rate of older workers. Both trends are expected to increase over time, but longer contributive careers implies higher pensions all else being equal. In a counterfactual scenario: higher taxes, lower labour supply, lower net immigration.
Networks - infrastructure	No impact	No impact	No impact	No impact	
Social equity	Mixed impact	Mixed impact	Mixed impact	Unclear	Lower income for new pensioners vs. older pensioners. The allocation of resources between workers and retirees tends to be more fair after the reform, as pension value tends to be proportional to total contributions.
Political voice	Improved	No impact	No impact	No impact	The reform measures were supported by social partners (unions, sectoral business associations) through a prior agreement signed in 2006 with the Government. The legislative proposal (Decree-Law 187/2007) went under public consultation on a voluntary basis.

DIAGNOSTIC STAGE
STEP 5 & 6: ANSWER QUESTIONS AND MAKE RECOMMENDATIONS

Use your impact assessment from step 4 to answer each of the five intergenerational fairness questions and capture any recommendations to address any aspects of unfairness identified.

5) Answer the five Intergenerational Fairness questions

Answer the intergenerational fairness questions to capture any instances of intergenerational unfairness. Use the dropdowns at the top of the diagnostic to answer each question. Explain each answer in the white comments box.

1. Does the policy disadvantage people at any particular life stages?
    Summarise your analysis from the life stages section of the diagnostic. Answer yes if any life stages are significantly disadvantaged by the policy, even if people at other life stages may be advantaged.

2. Does the policy disadvantage people at any period in time, present or future?
    Look at the timeline heatmaps you've generated in the diagnostic, including the financial arrangements section. Do negative impacts particularly affect people at any period in time, now or in the future?
    Note: Some policies may incur a cost to the present generation in order to benefit future generations. In this case you should answer this question as "yes". You will still be able to assess the policy as overall "intergenerationally fair" if appropriate. You may also be able to suggest ways to mitigate the costs to the present generation.

3. Does the policy increase the chances of inequality being passed on through time?
    Summarise your analysis from the transmission of inequality through time section of the diagnostic. Answer yes if any of the vectors in the diagnostic are strengthened by the policy.

4. Does the policy restrict the choices of future generations?
    Summarise your analysis from the future policy options section of the diagnostic.

5. Does the policy move society further away from its vision for the future?
    Look at the impact of the policy on the vision for each domain. What is the overall impact on the vision?

6) Make recommendations

Record any recommendations that might address or compensate for any aspects of intergenerational unfairness identified.

Assessment options:

Yes
There are clear instances of intergenerational unfairness

Probably yes
On balance there are probably instances of intergenerational unfairness

Probably not
On balance there are probably no instances of intergenerational unfairness

No
There is no reason to think there are any instances of intergenerational unfairness

Unclear
More information or analysis is required to reach a conclusion

DIAGNOSTIC STAGE
STEP 5: EXAMPLE

Does the policy:	Diagnostic stage assessment	Diagnostic stage analysis
1. Disadvantage people at any particular life stages?	Yes	The reform particularly affects future pensioners. Those who retired from 2008 onwards will be working more and receive lower pensions. And those that are about to retire had contributed at the same rate than previous pensioners.
2. Disadvantage people at any period in time, present or future?	Yes	The direct impact of the reform is gradual both in terms of lower pensions and higher age of retirement. But without pension reform higher social contributions or taxes would have to take place to finance the system. Younger generations would have to support the entire burden. The transitory regime of the 2007 reform was designed to smooth this burden.
3. Increase the chances of inequality being passed on through time?	No	On the contrary, progressively lower inequality over time is expected after the reform.
4. Restrict the choices of future generations?	Probably not	Several changes/amendments have already been made; others may be more difficult and social partners should be involved in future significant changes. In any case, it may be necessary to adapt the current pensions regime depending on its social adequacy and fiscal sustainability and the current legal framework may change.
5. Move society further away from its vision for the future?	Probably not	This reform appears to contribute to several "Portugal we want" dimensions, but more research is needed in the impacts stage to confirm this.

DIAGNOSTIC STAGE
STEP 7: ASSESS FAIRNESS AND DETERMINE NEXT STEPS

In this step you will assess the overall intergenerational fairness of the policy, and determine the next steps for the policy assessment.

Record assumptions

Check that any assumptions you've made during the diagnostic have been captured. Use the assumptions section in the template to highlight any important ones.

Assess intergenerational fairness

Taking into account the full diagnostic assessment, your summaries of impacts over the time horizon, and your answers to each of the five intergenerational fairness questions in step 4, make an overall assessment of the policy's intergenerational fairness. Use the dropdown to record your assessment. Use the comments box to capture the reasons for your assessment, including any judgements you have made.

Determine next steps

Taking into account all information and assessments from the Diagnostic Stage, decide whether to continue with the assessment, or stop and write up your conclusions.

For clearly fair or clearly unfair policies: It may be unnecessary to complete the impacts and scenarios stages. You may choose to complete the process stage, so that you can report on any issues with the policy-making process alongside the impact assessment.

For policies where the assessment is less clear, we suggest that you complete all stages of the assessment.

Assessment options:

Clearly fair
Either there is nothing to suggest that this policy is intergenerationally unfair, or any aspects of unfairness are clearly outweighed by the benefits

Probably fair
On balance, any aspects of unfairness are probably outweighed by the benefits

Too close to call
There are intergenerational trade-offs that require a political judgement

Probably unfair
On balance, the benefits are probably outweighed by intergenerational unfairness

Clearly unfair
The benefits are clearly outweighed by intergenerational unfairness

Unclear

👉 **Tip:** Many policies will involve trade-offs. It is possible to answer yes to one or more of the intergenerational fairness questions and still give an overall assessment of fair in this step.

DIAGNOSTIC STAGE
STEP 7: EXAMPLE

	Diagnostic stage assessment	Diagnostic stage analysis
Overall assessment	Probably Fair	The counterfactual of no pension reform would have been clearly unfair to future generations. The reform appears to improve outcomes for future generations, including disadvantaged people that are probably better off than without the reform. More research is needed in the impacts stage to confirm this.
Next steps	Complete all stages of assessment	There are complex issues that should be explored further

IMPACTS STAGE

This stage dives deep into the toughest questions, using available qualitative and quantitative data, expert modelling or participative sessions to explore chains of intended and unintended impacts on generations over time.
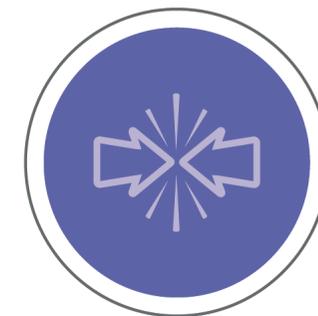
OBJECTIVES

- Deepen the detailed analysis of each domain from the diagnostic stage

- Identify relevant indicators

- Revisit the overall assessment of intergenerational fairness from the diagnostic stage

Inputs →

- Completed diagnostic

- Impacts stage template

- Information about the policy under assessment (this may include data, expert opinion, and citizens' views)

- This How To Guide

Steps →

1. Create assessment plan

2. Explore impacts

3. Identify indicators

4. Revisit intergenerational fairness questions

5. Make policy design recommendations

6. Revisit intergenerational fairness assessment

Outputs →

- Detailed analysis of impacts over time

- Suggested indicators to monitor actual impacts

- Recommendations relating to the policy context (e.g. that a related or alternative policy also be assessed).

IMPACTS STAGE
STEPS 1-3: PLAN, EXPLORE AND IDENTIFY INDICATORS
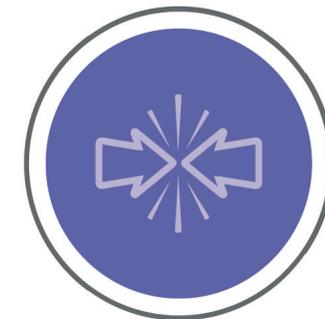
In these steps you will decide on your approach to exploring the impacts in more detail, conduct that assessment, and identify relevant indicators.

1) Create Assessment Plan

Unlike the Diagnostic Stage, the analysis for the Impacts Stage will look different for every policy assessed.

First, tailor the planned approach based on the issues identified in the diagnostic, and the time and resources available. Consider:

- Participative approaches (e.g. using workshops to bring citizens' voices into the discussion)

- Expert input

- Data – Where relevant indicators and data exist, including policy-specific data and demographic projections, they can be used to perform quantitative analysis to estimate future policy impacts

- Tools and models – Existing models or tools may be used to forecast impacts under different assumptions. For example, climate modelling or financial scenarios

- Interviews

- Desk-based research.

2) Explore Impacts

Analyse the impacts identified for each domain using the methods determined in step 1.

- Include both positive and negative impacts so that trade-offs can be properly understood

- Document your assessment in the way that makes sense for each method

- Capture key points for each domain in the template, referring to other assessment documentation where needed to support your analysis.

3) Identify Indicators

Identify indicators that could be used to monitor significant policy impacts over time.

These can be used for data gathering recommendations, and as part of monitoring and evaluation:

- To hold the government to account for policy consequences

- For continuous improvement of this policy assessment methodology by comparing actual and expected impacts.

These may come from the indicator set produced from the national citizens' dialogue. They may also be other more narrowly focused indicators that will be useful to track the specific policy impacts.

IMPACTS STAGE
STEPS 4-6: REVISIT ASSESSMENT AND MAKE RECOMMENDATIONS

In these steps you suggest ways to monitor these impacts over time, make recommendations to mitigate negative impacts, and reconsider your overall assessment based on the exploration.

14) Revisit Intergenerational Fairness Questions

Revisit your answers to the five intergenerational fairness questions from the diagnostic.

5) Make Recommendations

Having identified ways in which the policy may be unfair, you may be able to develop proposals for addressing those issues. Capture these recommendations in the conclusions tab of the tool, and link to them from the relevant section of the impact stage assessment.

In some cases you may want to go further and recommend that interested parties, including government departments and public bodies, provide detailed qualitative assessments before making decisions on policy implementation. This approach is in line with that taken for environmental impact assessments.

6) Revisit Intergenerational Fairness Assessment

Add any new assumptions.

Revisit your overall intergenerational fairness assessment from the diagnostic.

Example: Analysis, indicators and recommendations
Slightly abridged.

Domain	Analysis	Indicators
Education	This is an indirect effect that would result vis-à-vis the counterfactual scenario. Other things being equal, individuals will invest less in education if their expected net future labour income is lower relative to a situation with a labour wedge in jobs requiring high levels of education. This has intergenerational effects because lower general levels of education imply lower levels of income per capita and are correlated with lower education of the offspring.	• Measures of the labour wedge, that is, the overhead on top of the net wage that is paid by employers and employees as social security contributions and labour income taxes • Difference between levels of labour income taxation of jobs requiring high levels of education and jobs requiring low education requirements
Social equity	The loss in the value of new pensions may be partially offset by longer contributive careers and other social benefits (minimum pensions and Complemento Solidário para Idosos). The accrual rate and the updating rule also reduce inequality among pensioners. Compared to the no policy change scenario the ageing costs are more distributed between workers and pensioners. In addition, in the last decade, the relative income of pensioners has improved compared to workers: the at-risk-of-poverty rate of the eldery and retirees has fallen (as a result of several factors). Pension rules are equal for men and women (average life expectancy gains are considered).	• Gini coefficient or Percentile ratio of pensions distribution • At-risk-of-poverty rate • Benefit ratio • Replacement rates • Average pension/minimum wage

SCENARIOS STAGE

This stage tests the assessment against alternative scenarios describing what might happen, ensuring the recommendations are robust in an uncertain environment.
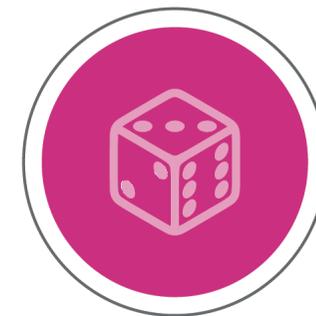
OBJECTIVES

- Stress-test the impacts stage analysis against alternative futures scenarios

- Understand uncertainties

- Finalise intergenerational fairness assessment

Inputs →

- Completed impacts stage analysis

- Scenarios stage template

- National scenarios

- This How To Guide

Steps →

1. Stress-test impacts analysis

2. Finalise answers to intergenerational fairness questions

3. Make recommendations

4. Finalise intergenerational fairness assessment

Outputs →

- Final assessment of intergenerational fairness

- Recommendations to future-proof the policy

SCENARIOS STAGE
STEPS 1-4: STRESS TEST AND FUTURE PROOF
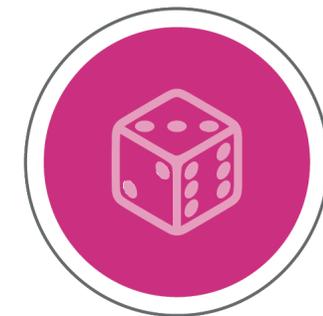
In these steps you will stress test the policy against a set of Scenarios scenarios, make recommendations to future-proof the policy, and finalise your assessment of the policy.

1) Stress Test Impacts Stage Analysis

Bearing in mind the impacts you have identified so far, think about how the policy as a whole would play out in each of the national scenarios. Consider both positive and negative policy impacts.

In particular:

• are any impacts increased, reduced or removed in different scenarios?

• are any new policy impacts created in different scenarios?

In some cases you may wish refine the national scenarios with additional scenario information. If there are existing scenarios that are targeted to the policy subject matter, see if they can be nested within the national scenarios to created a more targeted set of scenarios that incorporates both the

If you do amend the scenarios, make sure any changes will be clear to the peer reviewer.

2) Finalise Answers to Intergenerational Fairness Questions

Finalise your answers to the five intergenerational fairness questions from the impacts stage. Does this analysis add texture to your conclusions?

3) Make Recommendations

Raise any recommendations that this analysis has surfaced. For example:

• How might you change the policy now to make it more intergenerationally fair in different circumstances? (no regret tweaks)

• Contingency plans for making the policy intergenerationally far in a scenario. What early-warning indicators could be tracked to flag that the scenario is becoming reality?

• When might you want to revisit this assessment to assess actual and expected impacts at a later date?

4) Finalise Intergenerational Fairness Assessment

Finalise your intergenerational fairness assessment from the impacts stage. Does this analysis change your overall assessment? Update your summary to add any additional points surfaced by the scenarios analysis.

SCENARIOS STAGE
EXAMPLE

Scenario	Analysis	Recommendations
Switching teams Portugal leaves a fragmented European Union, turning to partners in global epicenters of growth, including India, LAC & East. Struggles to provide promising returns on investment as Foreign Direct Investment incentives, except for tourism and Chinese interest in natural resources. Specialisation supported by a global network, continued economic growth, decreased public debt. Growth in employment and skills development.	This intermediate scenario could put the social adequacy and fiscal sustainability of the pension system at risk (low economic growth, wages, but relative high value of future pensions). The negative impacts would intensify over the time horizon. Some adjustment of the measures might be needed in the future.	Government, Social Partners and International Institutions should monitor closely the evolution of the pension system testing different scenarios. In any case it is important to keep the pension systems stable allowing individuals to manage their expectations and make the desirable intertemporal choices.
Long-distance running Portugal faces a long and difficult journey to economic sustainability, with some countries working collaboratively across the region, while others are in tension. Little specialisation and minimal economic growth. Very slow economic recovery after worldwide government defaults (COVID). Strong Asian FDI Little social cohesion, inability to handle social crises, high poverty, unemployment and deteriorating health care	This would be the worst-case scenario for the well being of the pensioners. Inflation would reduce the real value of nominal commitments. According to the sensitivity tests carried out by the EC, age-related costs tend to be much higher in economically adverse and lower migration scenarios. The trade-off between social adequacy and fiscal sustainability of the pensions would be more difficult to address. Additional measures could be needed in particular up to the 2040's when the pressure over the pensions expenditure is expected to reach a peak.	To protect the future income and well being of pensioners, additional (individual and/or occupational) saving plans may be desirable.

PROCESS STAGE

This stage examines how the policy was designed and/or enacted. Were intergenerational issues considered? Diverse perspectives actively sought? Did the process itself create unfairness?
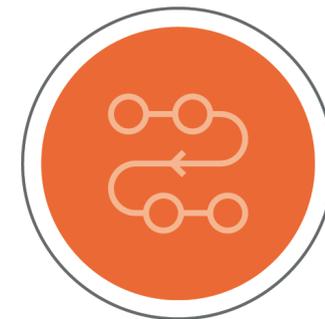
OBJECTIVES

- Examine how the policy was designed and enacted

Inputs →

- Process stage template
- Information about the policy design process
- This How To Guide

Steps →

1. Outline the policy-making process
2. Complete the checklist
3. Make recommendations

Outputs →

- Understanding of any issues with the policy design process
- Recommendations relating to the policy design\

PROCESS STAGE
STEPS 1-3: UNDERSTAND POLICY MAKING PROCESS
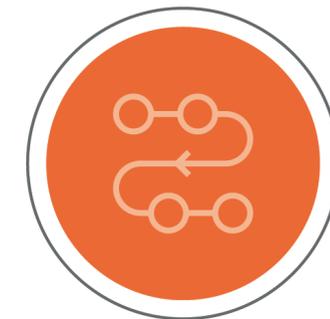
In these steps you will set out the policy-making process, look for evidence of good practice, and make recommendations to improve the process.

1) Outline Policy-making Process

Start by capturing an outline of the policy-making process. Include policy design and, for existing policies, enactment. Consider:

- Policy-making timeline

- Who was involved

- Participative approaches used

- Impact assessments completed

- Any problems encountered or significant changes made.

2) Complete Checklist

Answer the questions in the process stage template to the best of your ability. You will need to refer to policy documentation, and may need to speak to policy-makers involved.

Use the dropdowns to make an assessment, and record your reasons in the comments section, including reference to any supporting material, including interview notes.

If you are unable to answer any of the questions record an assessment of unclear, and make a comment to explain why.

See the following page for more detail on each of these considerations.

3) Make recommendations

Raise any recommendations that this analysis has surfaced. For example:

- Any actions policy-makers could take to bring the design or enactment process in line with best practice.

- Add additional steps that should be taken to complete this assessment.

PROCESS STAGE
CHECKLIST CONSIDERATIONS

1. **Have the policy objectives been clearly defined?** Are the stated objectives clear, and congruent with the policy design? Have all objectives been stated, for example including social and ecological objectives alongside economic ones?

2. **Has the policy design been informed by relevant, high quality, and up to date evidence?** Does there appear to have been any cherry-picking of the evidence to fit political objectives?

3. **Have alternative approaches to meeting the policy objectives been considered?** Have different options, including doing nothing, been explored in order to determine which is the most appropriate course of action?

4. **Have all groups affected by the policy been engaged in the policy design?** Have all groups that you have identified will be impacted in different ways by the policy been included in the policy-making process? Has their input been taken into account to improve the policy design?

5. **Have policy impacts been assessed over the full time horizon identified in the Diagnostic Stage?** This is a key driver for this assessment framework. Have policy-makers taken a long-term view, including explicitly assessing long-term impacts and incorporating them into decision making?

6. **Has the policy design been informed by stress-testing against multiple futures scenarios?** Have policy-makers taken future uncertainties into account by asking how the policy might play out in different alternative futures? Has the results of any such analysis been incorporated into the policy design?

7. **Have all significant impacts identified by this policy assessment been identified and responded to during policy design?** Has this assessment identified any important impacts not considered by policy-makers? Does your analysis suggest that any impacts have been given too much, or not enough, weight in the decision making process? Have all impacts that policy-makers identified as important been appropriately taken into account in the policy design?

8. **Is there a mechanism for collecting relevant data, including a baseline, to enable informed decision-making in the future on the effectiveness of the policy?** How does the data to be collected compare to the recommended indicators identified in the impacts stage? Does the policy include a plan to identify a baseline for important data before the policy is enacted?

9. **Is there a mechanism for amending the policy in the future should circumstances or citizens' preferences change?** Does the policy design allow sufficient flexibility to respond to changing circumstances in the policy context? Does the policy design enable future citizens to make changes?

10. **Are any private interests in the policy design appropriate and proportionate?** Does the policy appear to prioritise public good over private interests? Have the needs of populations affected by the policy been given more weight in the policy design than the desires of private interests?

11. **Is the timeline for policy design and enactment reasonable and proportionate (both past timeline and future plans)?** Has the policy design and enactment process avoided unnecessary delays? Has it avoided rushing decisions where additional time for analysis and consideration may have improved the outcomes? Have any shortcuts been taken in the policy design that may ultimately lead to delays or other poor outcomes?

PROCESS STAGE
EXAMPLE
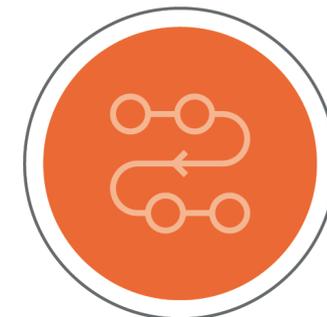
Example: Process stage analysis and recommendations

Process questions	Assessment	Comments, including potential consequences of any process issues	Recommendations
1. Have the policy objectives been clearly defined?	Yes		
2. Has the policy design been informed by relevant, high quality, and up to date evidence?	Yes	The financial impacts of the reform were assessed by several institutions (Government, EC Ageing Working Group peer review approved by the EPC in October 2007, Banco de Portugal Occasional Paper)	
3. Have alternative approaches to meeting the policy objectives been considered?	N/A	Given the objectives, alternative policies would not be very different	
4. Have all groups affected by the policy been engaged in the policy design?	Partially	There was a broad discussion, in particular with social partners; not only old-age but survivors and disability pensions were also taken into account; minimum pensions; special regimes for long contributive careers; broader contributive regime for self-employed and other forms of employment, reinforcement against fraud and evasion.	The communication of its effects over time to the public in general should be improved; the incentives to complementary saving schemes also depends on that communication.

CONCLUSIONS STAGE

This stage summarises the findings and recommendations for further communication.

OBJECTIVES

- Bring the key assessment messages together

- Plan communication approach

- Decide when to revisit assessment, if appropriate

Inputs →

- Conclusions stage template

- Completed analysis from all other assessment stages

Steps →

1. Gather inputs from other assessment stages

2. Refine and review overall messaging

3. Prepare impacts timeline for report

4. Develop follow up plan

5. Record key assessment inputs

Outputs →

- Gather inputs from other assessment stages

- Review and refine overall messaging

- Develop follow up plan

- Record key assessment inputs

CONCLUSIONS STAGE
STEP 1 & 2: GATHER REPORT INPUTS AND REFINE MESSAGING

In this step you will bring together the analysis and recommendations from each stage of the assessment. Taking each section of the template in turn:

2) Gather report inputs from other assessment stages

Background and context

Use your completed diagnostic part 1: policy information to add the problem, policy objectives, and context. Include sufficient detail here to support your analysis and conclusions.

Record any policy-making process information from the process stage here if it helps to explain or support your conclusion, or if there are problems with the process you want to draw attention to without making related recommendations. Any recommendations will be captured further down.

The time horizon and counterfactual will auto populate from the diagnostic stage.

Intergenerational fairness questions and overall assessment

Copy over your final assessment and analysis for the overall assessment of fairness and the five intergenerational fairness questions. If you completed all stages, this will come from the scenarios stage. Otherwise it may come directly from the diagnostic.

Recommended indicators

Pull through all the recommended indicators for tracking. Most of these will come from the impacts stage, but you may have identified some additional indicators in the process or scenarios stages too.

2) Review and refine overall messaging

Having gathered all elements of your assessment, review it as a whole. Make any adjustments or additions required to fully communicate the assessment and any instances of unfairness or complex trade-offs.

CONCLUSIONS STAGE
STEP 3-5: PREPARE IMPACTS TIMELINE, PLAN NEXT STEPS, RECORD INPUT

In these steps you will plan the next steps to communicate results and follow up on the assessment over time.

3) Prepare impacts timeline for report

Pull out all significant short, medium and long-term impacts, both positive and negative. Write each impact as a concise bullet point. These will be used to create a timeline of impacts for the report.

4) Develop follow up plan

Should any follow up actions be performed in the future? E.g. at an agreed time after the policy has been enacted. For example, revisiting the assessment to:

- Hold the government to account. Has the government policy implemented the policy in the way it said it would? Did any changes to the policy design affect intergenerational fairness?
- Reassess impacts in a changing context. Especially where the impacts differ significantly in alternative scenarios.
- Improve the policy assessment methodology. Did the policy assessments pick up the key intergenerational fairness considerations? Did unexpected impacts arise? How can the policy assessment methodology be improved in response?
- Improve the overall framework. Ensure insights on government performance and assessment performance are captured and fed into the next iteration of the framework, including institutional arrangements and the national dialogue.

If any follow up is needed, make a plan to ensure it is carried out as required. Record your plan in the template.

5) Record assessment inputs

Record the key inputs to the assessment in the conclusions template. Include enough information to help the reader understand the sources of the information that informed your conclusions, for example:

- Data sources and any models or other tools used
- People interviewed
- Participatory workshops. Who attended them? What did they cover?

Finally, sign off the assessment. Record your name, institution and role, and the date you completed the assessment, at the bottom of the conclusions template.

CONCLUSIONS STAGE
EXAMPLE

Follow up questions	Answer	Comments
Should this assessment be revisited in the future?	Yes	The regular assessment of the financial sustainability and social adequacy of the pension system by the European Commission (every three years) or by other entities should continue in order to allow the changes in the demographic and macro scenarios and their outcomes may lead to different assessments of intergenerational fairness of this policy.
Has the assessment revealed updates required to this set of templates?	No	
Has the assessment revealed anything that should be taken into account for the next iteration of the national dialogue?	No	

Overview of inputs	Comments
Describe the key inputs to this assessment	This assessment was carried out as a pilot by Banco de Portugal using early versions of the toolkit. Key inputs included: ● Modelling carried out at Banco de Portugal at the time of the reform ● 2006 European Commission reports on the long-term sustainability of public finances in the European Union (before 2007 pension's reform in Portugal) ● 2009 European Commission reports on Ageing and Sustainability (after pension's reform in Portugal) ● Assessment in 2009 of the reform of the Portuguese public employees' pension system ● The EU 2018 pension adequacy report ● Academic paper from 2013 that analysed the impact of the 2007 pension reform ● Joint Economic Policy Committee and Social Protection Committee paper from 2020 on the pension systems of EU member states

PARTICIPATIVE APPROACHES

Suggestions, examples and templates for using participative approaches to complete the policy assessment.

PARTICIPATIVE APPROACHES

There are many techniques you can use to gather insights from citizens to help with the assessment. In person or online workshops are well suited to this type of policy assessment. Surveys or interviews may also be useful to tools to explore some issues.

What is a participative approach?

A participative assessment involves representatives from all the groups of people affected by the policy under assessment. If it is not possible for some affected groups to take part directly (for example unborn future generations) exercises can ask participants to explicitly consider impacts from those unrepresented points of view.

Importance of using participative approaches

Using a participative approach will improve the quality of the policy assessment. By listening to a full range of voices affected by the policy in different ways you will gain new insights and identify impacts that may not have surfaced otherwise. You will gain a richer understanding of how the impacts will play out over time, and how they will affect groups of people differently.

Designing a workshop

Key considerations when designing a participative workshop:

- Aims – What do you want the achieve? What insights do you want to gather? How do you want to engage with participants?

- Who to invite – Where possible try to get representatives of each group of people affected by the policy, including younger and older people.

- Number of participants – Will there be breakout sessions in smaller groups? How many facilitators will you need?

- Length of session – How long will the session be? We find a minimum of around 2.5 hours is about right to allow participants to dive into the information.

- Location – Will the workshop be online or in person? Is the location accessible? Do you need to use conference call facilities like zoom? How will you make best use of a physical space?

- Briefing materials – What information will you send out in advance? How familiar are participants likely to be with the topic? Will you provide a summary of the policy or links to online resources?

- Exercises – Introductions Which exercises will participants to carry out? Which stages of the assessment will they contribute to?

- Timetable – How long will each exercise take? How will participants feed back their insights? Will you need to factor in time for breaks? Will any facilitator preparation be needed between exercises?

- Workshop materials – What briefing materials and worksheets will you need on the day?

- Workspaces – How will participants capture their input? E.g. online collaborative workspaces like Miro for a virtual workshop, or flipcharts, pens and post-its for an in person workshop.

- Facilitator roles – Who will facilitate the session? What will their roles be? Who will be responsible for chairing the session, facilitating breakout groups, time-keeping, capturing insights?

- Gathering feedback – How will you gather feedback from participants on how the workshop went?

EXAMPLE WORKSHOP EXERCISES: 1-3

This illustrative set of 9 exercises can be used for completing the impacts and scenarios stages in a workshop setting. These types of exercises typically generate rich insights in a relatively short time. You don't have to complete every exercise set out here for a valuable workshop. You can pick and choose the most important exercises for your situation.

Overview of workshop exercises

The following slides outline a set of exercises that can be used to gain participants' insights into the policy, to feed into the impacts and scenarios stages of this methodology.

1. Identify impacts
2. Life stages
3. Impacts over time
4. Desirability, size and certainty of impact
5. Indicators
6. Vision statements
7. Scenarios
8. Intergenerational Fairness questions
9. Overall assessment

Futures wheel

Exercises 1 to 4 make use of a futures wheel as a tool for exploring potential direct and indirect impacts of the policy. We have included a template futures wheel in this guide, or you can make your own.

Exercise 1: Identify impacts

- Set up a futures wheel with an event in the middle – for example the enactment of the policy under assessment.
- Start the wheel off with a set of spokes matching the relevant domains for the policy (as identified in the diagnostic stage)
- Leave some blank spokes for participants to add their own domains too
- Ask participants to identify impacts arising from the event in the middle and capture them on the wheel leading out from a relevant domain (these are the darkest blue circles on the example)
- From there they should add second (lighter blue circles) and third order (lightest blue circles) impacts arising from the original impacts added

Exercise 2: Life stages

Ask participants to add life stage markers to the impacts identified in exercise 1. To highlight which impacts particularly affect people at certain life stages.

Exercise 3: Impacts over time

Move the impacts identified in exercise 1 onto concentric circles representing the short, medium and long term (as defined in the diagnostic). Ask participants to move the impacts around on the timeline, to show when they will occur over time.

EXAMPLE WORKSHOP EXERCISES: 4-9

This illustrative set of 9 exercises can be used for completing the impacts and scenarios stages in a workshop setting. These types of exercises typically generate rich insights in a relatively short time. You don't have to complete every exercise set out here for a valuable workshop. You can pick and choose the most important exercises for your situation.

Exercise 4: Desirability, size and certainty of impact

Ask participants to add markers to the impacts on the timeline to show:

- Whether they are desirable or undesirable when considering different points of view (see below)

- How large the impacts are

- How uncertain the impacts are.

Points of view: Prior to the workshop, decide on the points of view you will allocate to participants for this exercise. These may include, for example, national government, local government, individuals living in certain areas or working in certain industries directly affected by the policy, individuals indirectly affected by the policy in different ways due to their financial or social circumstances, or any other points of view that make sense for the policy under assessment.

Exercise 5: Indicators

Ask participants to suggest data that could be monitored to understand the actual impacts as they arise.

Exercise 6: Vision statements

Give participants the set of vision statements. You may want to split the vision statements between participants, and/or only include the statements identified as relevant to the policy in the diagnostic. Ask participants whether they think the policy will move Portugal towards or away from each vision statement, and to explain why.

Exercise 7: Scenarios

Give participants the set of scenarios. Ask them to consider how the impacts of the policy might change in each scenario and feed back their insights. You may want to split the scenarios between participants. You could also ask participants to suggest:

- Recommendations to future-proof the policy design against certain scenarios

- Data that could be monitored over time to help understand which scenario is playing out in practice

Exercise 8: Intergenerational Fairness questions

Explain the 5 questions to participants and ask them to assess the policy against each. You may want to split the questions between participants, and/or only include the questions identified as relevant to the policy in the diagnostic.

Exercise 9: Overall assessment

Ask participants to assess whether they think the policy is intergenerationally fair, taking all their analysis into account, and to explain their conclusion.

Blank Futures Wheel Template
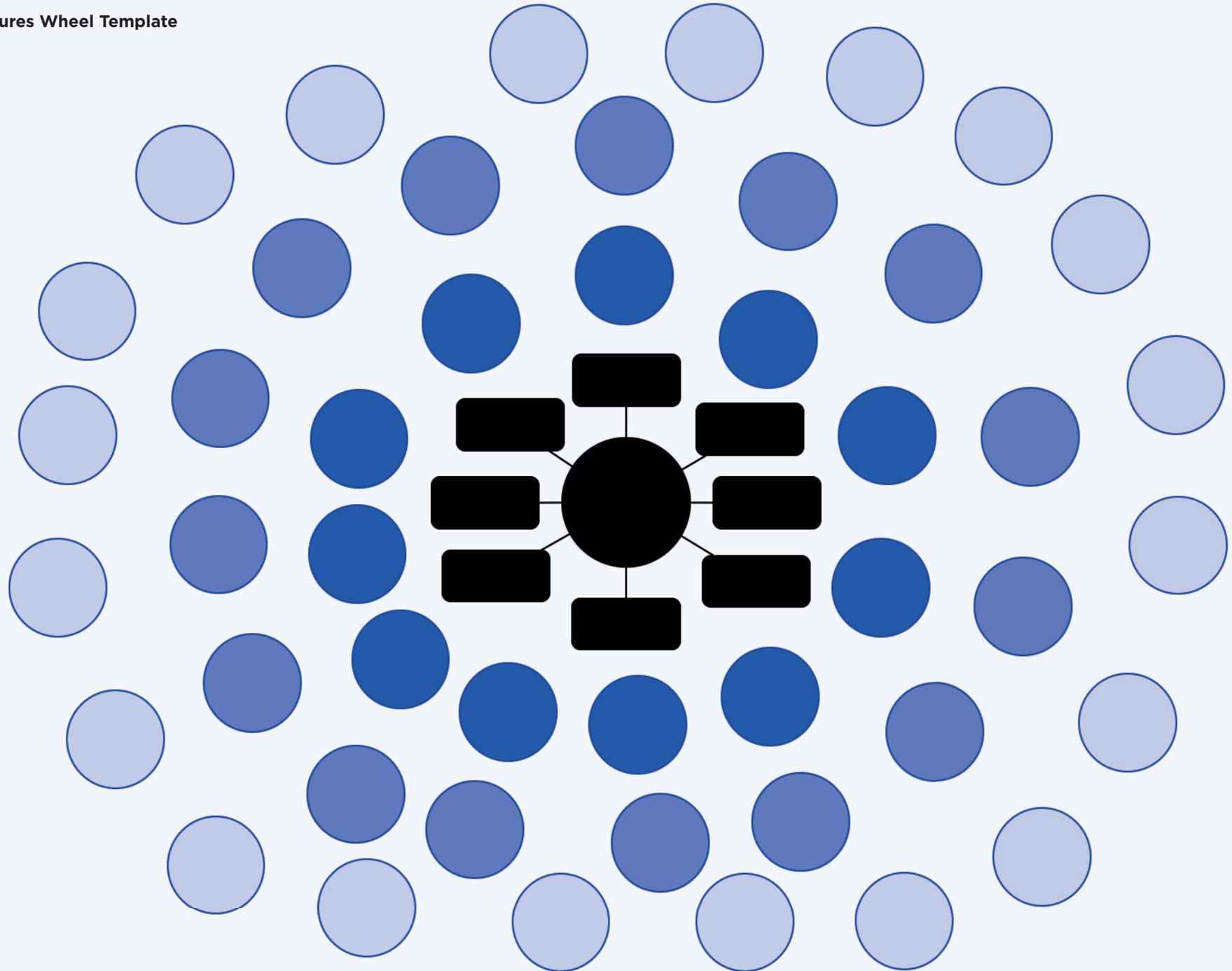
Example Markers for Exercise 4

Scoring for Desirability

Point of view 1

| -5 | -3 | 0 | +3 | +5 |

Extremely undesirable   Extremely desirable

Point of view 2

| -5 | -3 | 0 | +3 | +5 |

Extremely undesirable   Extremely desirable

Point of view 3

| -5 | -3 | 0 | +3 | +5 |

Extremely undesirable   Extremely desirable

Scoring for Size of Impact

★ High Impact   ☆ Low Impact

PEER REVIEW PROCESS

Guidance on how to complete the peer review and peer review checklist.

PEER REVIEW PROCESS

Peer review is a critical step in ensuring the robustness of the assessment.

OBJECTIVES

- Independent peer review of the intergenerational fairness assessment

Inputs →

- Completed assessment
- Information about the policy under assessment
- This How To Guide
- About 3-4 hours

Steps →

1. Complete peer review checklist
2. Sign off the peer review

Outputs →

- Peer review assessment

PEER REVIEW

The role of the peer reviewer is to consider the rigour and judgment applied to the policy in question. Has the assessment been conducted properly? Does the outcome contribute meaningfully to the societal conversation about the policy?

Appoint peer reviewer

An independent reviewer will be appointed for every assessment completed.

The full assessment should be signed off by both the assessor and an independent reviewer.

Peer review steps

1) Complete peer review checklist

The peer review template consists of a short checklist.

Answer each question (Yes, No or Unclear), and provide comments where appropriate.

2) Sign off the peer review

Add your name and the review date at the bottom of the sheet.

If revisions are required

Where possible, the final assessment should be a co-creation where both the assessor and reviewer are comfortable with the outcome.

You may wish to provide additional information to the original assessor in order to improve the overall assessment. In that case it may be helpful to complete a short second review to confirm that changes have been made as agreed.

Contents of Checklist:

Diagnostic

- I understand the policy being assessed
- The time horizon and counterfactual are appropriate
- The correct issues are identified
- The diagnostic reached an appropriate conclusion

Impacts

- The mostly likely policy impacts are identified
- The impacts have been sufficiently explored

Scenarios

- The scenarios have been sufficiently explored

Conclusions

- The assessment and analysis is appropriate, with nothing important missing
- The recommendations are reasonable
- The indicators recommended are appropriate

All stages

- Assumptions and judgements are recorded and appropriate
- The analysis uses sufficient supporting evidence.

REPORTING & COMMUNICATIONS

Principles, guidance, examples and inspiration for reporting results in an engaging and impactful way.

REPORTING AND COMMUNICATIONS

Tailor reporting styles to the intended audience. Consider both their preferences for how they receive information, and your objectives in sharing the assessment results with them.

Purpose, Audience and Types of Report

The outcomes from each policy assessment must be communicated in a timely and accessible fashion. Although these activities generally sit outside the direct role of assessors conducting the policy assessment itself, they are closely linked to the Conclusions Stage, described earlier in this guide.

Reporting doesn't just capture the outcomes in a technocratic fashion, it provides the essential information to advocates, special interest groups and the media who will campaign for and demand for fairness on intergenerational issues.

Reporting and communications should be created by specialists who can design and deliver clear and actionable messaging according the principles outlined on the following page.

There are three key types of reporting to consider, described here.

1) The technical output from the policy assessment

Output from the Conclusions Stage of the policy assessment will include:

- Background and context
- Overall rating of intergenerational fairness: clearly fair, probably fair, to close to call, probably unfair, clearly unfair
- Summary of the positive and negative intergenerational impacts of the policy
- Assessment for each of the five aspects of intergenerational fairness
- Recommendations related to :
- Wider context (e.g. related policies)
- Policy design
- Future-proofing
- Policy-making process
- Recommended indicators for tracking actual impacts

2) A briefing for use within the political system

This will be designed to engage those within the political system with the technical output. In particular this will make clear any trade-offs in the policy impacts, and highlight any recommendations identified during the policy assessment.

3) Communications to engage citizens

Generating a national conversation about intergenerational fairness and how it applies to specific policies is critical to our theory of change.

In addition to providing information designed to be picked up by traditional and social media, there are many options for creative outputs that can encourage a deeper engagement with the concept of intergenerational fairness

PRINCIPLES OF POLICY ASSESSMENT REPORTING

Apply these principles when communicating the assessment results for clear, actionable and inclusive messaging

Generate a national conversation

Reporting should link to the national dialogue to enhance the national conversation about intergenerational fairness.

Get the timing right

Outcomes should be reported within a timeframe that is compatible with public decision making. Sometimes this will mean the analysis needs to move fast.

Meet people where they are

Reporting must be designed in a way that creates a shared understanding of the values and intent of the assessment. Leverage successful pre-established channels of communication rather than reinventing the wheel.

Clarify policy impacts

Clearly set on the intergenerational fairness impacts and the intergenerational fairness trade-offs that should inform decision making.

Design for accessibility

The reporting should look beyond just a written and visual format and be available in other formats such as audio etc.

Be culturally Inclusive

While designing the output, the diversity in the cultural fabric of Portugal must be taken into consideration. For example, making the report multi-lingual might be important to capture the interest and attention of specific cultural groups.

Making the content available both on and off line might be important to reach both people with limited digital access, and those who rely on digital content.

Use a modular and consistent design

Public facing communications should be designed such that the audience is able to zoom in and zoom out while interacting with the content. Several bite-sized modular sections that can be used separately and/or together to communicate the results of the assessment will help tailor the messaging to specific target audiences and for varying degrees of engagement.

Public Pension System Reform

Overall assessment of intergenerational fairness:

Probably Fair

WHAT PROBLEM DOES THE POLICY AIM TO SOLVE?

The maturing of a (generous) public pension system in a context of ageing population had put the financial sustainability of the Portuguese PAYG system at high risk. Therefore, in 2006 the Government and Social Partners reached an agreement to reform the pension system.

OVERALL INTERGENERATIONAL FAIRNESS ASSESSMENT

Taking into account the objectives of the reform (partially achieved) and the clearly unfair outcome in the no-reform scenario (very high and increasing taxes for future generations), this reform is probably fair: disadvantaged people are probably better off than in the no (or alternative) reform scenario.

SHORT TERM

Transitionary Period (Until 2016)

• Almost no impact on those who retired up to 2007 (other than less generous annual updates). For those who retired from 2008 the replacement rates of their pensions (compared to final salary) have gradually descended, and the age of retirement has been increasing. This generation contributed at the same rate as previous pensioners, but will be working longer and receiving lower pensions.

MEDIUM TERM

Full Effect of Reform Reached (2016-2042)

• According to the government assessment made in 2006, without the reform the public pension system would have been financially unsustainable by 2016. This means that higher social contributions or taxes would have been needed to finance the system. Therefore younger workers or even younger generations would have to support the entire burden. The transitory regime of the 2007 reform allowed the smoothing of this burden and turned the system more sustainable.

LONG TERM

Full Effects in Place (2042+)

• Most new pensions at this time will be calculated using the new formula. New pensioners will have had 35 years to plan for their retirement on the basis of the reformed system.

DOES THIS POLICY DO ANY OF THE FOLLOWING?

Yes — **1. Disadvantage people at any particular life stages?** The reform particularly disadvantages pensioners. It shifts the burden of keeping the pension system sustainable onto retirees.

Yes — **2. Disadvantage people at any period in time, present or future?** New pensioners will progressively face higher age of retirement and lower replacement rates. But without the pension reform, younger workers or even younger generations would have to support the entire burden.

No — **3. Increase the chances of inequality being passed on through time?** The available studies point to progressively lower inequality over time.

Probably Not — **4. Restrict the choices of future generations?** It may be necessary to adapt the current pensions regime depending on its social adequacy and fiscal sustainability in the relevant scenarios.

Probably Not — **5. Move society further away from its vision for the future?** This reform contributes to several "Portugal we want" dimesions: promote sustained, inclusive and sustainable economy; national wealth to be distributed fairly and reduce inequality; a Portugal that makes decisions with the people by direcetly listening to communities and engaging with them.

For list of recommendations and detailed assessment, please visit
soif.org.uk/igf
OR scan the QR Code using your mobile device

MONITORING & EVALUATION

There are three key elements to monitoring and evaluation. Two, peer review and assessment follow up, have been discussed in previous sections. The third, an annual monitoring and evaluation report, is discussed here.

ANNUAL MONITORING AND EVALUATION

The annual report is an opportunity for the Future Generations Network to reflect on its activity over the past year, consolidate successes and lessons learned, and plan its activity for the next year. The report should be made available to the public. We suggest the following content.

Purpose and audience

The annual report is formal mechanism for the instititional owners to make their activities visible and accountable both government and the public at large.

It should address five core areas:

- The outcomes of national dialogue and policy assessments and associated recommendations

- Re-evaluations of assessments that are necessary (and their results)

- Indicators and statistics on application and usage of the framework, its tools, associated training and impact

- Assessment of the quality of debate on intergenerational fairness. including reporting and communications and a barometer of media

- Updates to the ongoing vision, strategy and operations of the institutional ownership, itself, particularly as informed by dialogue and policy assessments.

Contributors

The institutional owner should create mechanisms to monitor and evaluate work on intergenerational fairness outside of their direct control and allow those who have implemented any elements of the methodology to feed into the report.

This will allow data to be collected and consolidated, and lessons learned in different contexts to be shared widely.

This could include:

- Key vendors or delivery partners

- Special interest groups or citizens who conduct their own policy assessments

- Watchdogs or ombudsmen

- Academics and research groups

- Allied groups within government

SUGGESTED REPORT CONTENTS

The annual report is an opportunity for the Future Generations Network to reflect on its activity over the past year, consolidate successes and lessons learned, and plan its activity for the next year. The report should be made available to the public. We suggest the following content.

Institutional arrangements:

- Institutional make-up of the Future Generations Network, and their roles

- Other institutions involved in implementing the framework, and their roles

- Governance framework

- Ways in which institutions have made use of elements of the framework in their wider roles

- Lessons learned

- Plans for the next year.

National dialogue:

- Link to latest outputs

- Any activity during the year

- Any activity planned for the following year

- Confirm when the next full dialogue is planned

- Lessons learned from national dialogue activity during the year

- Any relevant lessons learned from policy assessments.

Policy assessment:

- Key outcomes. E.g. policies prevented or amended as a result of the framework

- Summary of policies assessed during the year, and assessment results

- Planned activities over the next year

- Link to latest templates and How To Guide

- Lessons learned

- Summary of any changes made to the methodology during the year

- Planned changes to the methodology over the next year.

Progress towards vision:

The annual report is an opportunity to monitor how well Portugal is doing as a whole in moving towards the vision generated by the national dialogue.

Report on changes in the indicators selected for each vision statement. Use this data to assess how Portugal is doing in the different domains, and against the vision overall.

FOR FURTHER REFERENCE:

www.soif.org.uk/igf