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Building strong institutions to combat climate change and its impacts and for the sustainable management, protection and restoration of natural resources

Institutional challenges and opportunities related to climate change and the protection of natural resources

Note by the Secretariat

The Secretariat has the honour to transmit to the Committee of Experts on Public Administration the paper prepared by Committee members Linda Bilmes and Soonae Park, in collaboration with Geraldine Fraser-Moleketi, Louis Meuleman, Aminata Touré, Lan Xue and Najat Zarrouk.

* [E/C.16/2022/1](#).



Institutional challenges and opportunities related to climate change and the protection of natural resources

Summary

The present paper is intended to provide a basis for the discussions of the Committee of Experts on Public Administration on building strong institutions to combat climate change and its impacts and for the sustainable management, protection and restoration of natural resources. In the paper, the Committee reviews institutional challenges and opportunities related to the achievement of Sustainable Development Goal 13 on climate action, Goal 14 on life below water and Goal 15 on life on land.

The authors identify the main institutional challenges for achieving these Goals, including the lack of globally accepted standards for measuring biodiversity, an uneven playing field for developed and developing countries, the fragmentation of institutional arrangements for dealing with climate change, and the impacts of the coronavirus disease (COVID-19) pandemic. They also suggest possible solutions for the way forward, including the use of market mechanisms to create incentives, such as taxes and subsidies; the establishment of metrics to measure natural capital; and a fundamental change in human behaviour, supported by government action. The authors conclude with a set of recommendations, which could be further studied by the members in 2022.

I. Introduction

1. For the first time, the Committee of Experts on Public Administration has decided to study the institutional challenges and opportunities related to climate action and the protection of natural resources, both on land and under water. An informal working group was convened for this purpose during the intersessional period. The working group examined in particular the ways in which institutions and partnerships could be engaged to achieve Sustainable Development Goal 13 (combating climate change), Goal 14 (conserving the oceans, seas and marine resources) and Goal 15 (protecting terrestrial ecosystems and halting biodiversity loss), as well as the related targets and metrics for reviewing progress towards those Goals.

2. Recognizing the importance of technical analysis in this area, the working group consulted a number of scientific experts, including representatives of the Statistics Division of the Department of Economic and Social Affairs specializing in the System of Environmental Economic Accounting (SEEA) and of the Geosciences and Environmental Change Science Center of the United States Geological Survey, as well as officials involved in the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Glasgow, United Kingdom of Great Britain and Northern Ireland, from 31 October to 13 November 2021.

3. The working group was further supported in its efforts by the Secretariat, which commissioned a background paper on building strong institutions to address climate change and for the sustainable management of natural resources.¹ The paper was found to be highly relevant to the work of the working group. The main issues identified in the paper included institutional barriers to achieving the environment-related Goals and targets; the ability of countries to use the metrics associated with those Goals effectively; overarching issues of social equity, capacity and transparency regarding the extent to which resources are allocated to achieving environmental objectives; and ways of disseminating and utilizing some of the United Nations toolkits, such as the Artificial Intelligence for Environment and Sustainability tool for ecosystem accounting developed by the Basque Centre for Climate Change in support of SEEA implementation.

II. Key institutional challenges and opportunities related to achieving Sustainable Development Goals 13, 14 and 15

Challenges

4. Progress towards achieving Sustainable Development Goals 13, 14, and 15 has stagnated or deteriorated across all regions of the world. This poor performance is due in large part to institutional factors, including the lack of “ownership” of the Goals; the fragmentation of responsibility for achieving the Goals, with responsibility divided among different ministries and agencies in most countries; the lack of funding for the environmental transition in emerging economies; the lack of transparency in spending on environmental activities; the lack of capacity for applying and understanding technical material; and the misalignment of ecosystem boundaries with administrative jurisdictions. Additional challenges to achieving environmental targets

¹ Afreen Siddiqi, “Building strong institutions for addressing climate change and for the sustainable management of natural resources”, background paper prepared for the Committee of Experts on Public Administration, December 2021. Available at: https://publicadministration.un.org/Portals/1/CEPA21_background%20paper%20on%20institutions%20climate%20action.pdf.

include insufficient partnerships among different levels of government, government departments, the private sector, civil society, academia and other actors; and problems specifically related to the measurement of these Goals, including difficulty measuring ecosystem conditions and inadequate metrics.

5. Although most countries have agreed on how to measure greenhouse gas emissions, the lack of globally accepted standards for measuring biodiversity is a major challenge. One issue in this area is the limited technical capacity in both the public and the private sectors. Capacity-building efforts are under way but need to be conducted on a substantially greater scale. Private accounting firms will not voluntarily incur the costs of acquiring such expertise unless there is a major shift in global accounting standards. Standards are generally set by private bodies, such as the non-profit Financial Accounting Standards Board of the United States of America, that are driven by consensus and often slowly adapted. Moreover, the international coordination of standards will be necessary, as otherwise the setting of strict environmental standards risks simply displacing heavily polluting activities to countries or regions with lax standards.

6. In addition, the uneven playing field for developed and developing countries poses a significant challenge. Although there is an overall desire to protect biodiversity and an understanding of the problem of climate change, it is extremely difficult for some leaders to make the case compelling to local populations facing immediate crises, such as floods, droughts and food shortages, even though such crises are frequently related to climate change. Moreover, the dilemma of asking developing countries to bear a heavy burden because of the impacts of climate change induced by developed countries has been well illustrated at the twenty-sixth session of the Conference of the Parties and continues to put a severe strain on negotiations.

7. The fragmentation of institutional arrangements for dealing with climate change within and across countries is a major challenge that urgently needs to be addressed. Goals 13, 14 and 15 are associated with 27 different targets, 33 globally agreed indicators and thousands of related actions. By definition, these Goals span the full spectrum of economic activity. That fact in turn requires coordination among multiple parts of government both to implement coherent policies that are consistent with the Goals and to measure progress. In most countries, there is no clear leadership role assigned to a specific ministry or government department. The picture is even more complex in federal systems, where subnational governments are key actors in many areas of policymaking and regulation that are relevant to the Goals. Consequently, policy conflicts are frequent, and change is difficult to achieve, even when there is strong political will. Fragmentation also makes it very difficult to quantify the total volume of public sector resources being allocated to the implementation of the Goals, since they can be buried within many different areas of both national and local budgets. However, the tracking of total resource allocation is a key indicator of the level of policy seriousness and commitment to achieving the Goals.

8. It is also important to note that the coronavirus disease (COVID-19) pandemic has had a significant impact on national institutions and their capacity to steer and monitor the Goals as a programme of action. The pandemic caused major disruption to the functioning of governments, including in the areas of policymaking, the provision of basic services, law enforcement and the justice system. It also revealed significant limitations in the abilities of governments in “cross-cutting dimensions of government action”, such as crisis preparedness, the science-policy interface, communication and the use of digital government, which greatly affected the capacity of some governments to manage the crisis. The pandemic and the policy failure in responding to it highlighted significant areas in which national and international collaboration must be strengthened in order to meet the Goals.

Opportunities

9. Given the wide scope of the Goals, appropriate regulatory policies alone are not sufficient. In addition, there needs to be effective market “signalling” through a mix of taxes and subsidies to ensure that private sector actors (both firms and individual consumers) are incentivized to promote the Goals. However, environmental accounting is a key requirement for creating such market-based incentives, because it helps to make the costs and benefits clear and transparent. Some successful examples have incentivized positive change or obtained strong community participation and support. Efforts such as those made to restore mangroves in Senegal or protect the habitats of birds in the Republic of Korea have been characterized by strong partnerships and local engagement and have truly enabled communities to help develop solutions, additional examples of which can be found in the background paper (see para. 3 above). This success typically requires strong institutional foundations from the outset and a common purpose within a local community.

10. The current set of globally agreed indicators could benefit from being updated and adjusted with a view to measuring progress. In particular, metrics are required to measure “natural capital” – the living and non-living components of ecosystems that contribute to the generation of goods and services that benefit humans. There are a number of new tools, many pioneered by the United Nations, for measuring the services provided by ecosystems, tracking changes in ecosystem assets and linking that information to economic and other human activity. It is critical to move towards embracing the measurement of natural capital, which can be higher in developing countries than their gross domestic product alone might suggest. SEEA has achieved remarkable progress in this area and is poised to make its findings much more accessible to subnational governments, in particular with the new Artificial Intelligence for Environment and Sustainability tool for rapid natural capital accounting. However, these efforts need to be introduced and adapted locally. The lack of required expertise to compile and report the necessary data is a significant barrier to adoption.

11. Many countries are still in the very early stages of this process, with varying approaches used to recognize, demonstrate and capture the value of biodiversity and ecosystem services. Even where such approaches exist, the resulting valuation often does not lead to the development of the policy reforms needed to mitigate the drivers of biodiversity loss and encourage sustainable development. For this situation to change, private sector accounting standards must be altered to incorporate gains and losses from environmental impacts on asset prices and corporate balance sheets. This in turn will affect the market pricing of polluting goods and services and will ultimately shift the allocation of public and private capital on the scale necessary to address climate change threats.

12. Achieving the Goals will require a fundamental change in human behaviour with regard to the environment. A societal shift is required towards practices that improve human health and well-being and protect the natural habitat. Although there are clear signs of progress in this respect, the fundamental role of the natural environment in enabling and sustaining the economies has yet to be recognized in some parts of the world. Knowledge-sharing, both within and among countries, and education are critical components for building strong community participation in environmental protection. However, a related question for consideration concerns the extent to which government policy can ultimately influence choices and social norms so that behaviours become self-reinforcing over time even in the absence of external regulations or penalties. A better understanding of how social norms are initiated and sustained, including by evaluating the impact of social media, may help in promoting practices that protect the natural environment.

III. Policy recommendations

13. The working group recommends support for the following actions and proposes that the related issues be studied in more depth by the Committee over the next year:

(a) Prioritizing the establishment and strengthening of mechanisms for policy coherence in support of Goals 13, 14 and 15;

(b) Creating transparency in efforts towards climate action and natural resource management by including Goals 13, 14 and 15 in the voluntary national reviews presented at the annual high-level political forum;

(c) Strengthening the accountability of public institutions with regard to environmental protection by including an assessment of the state of natural resources under their jurisdiction as part of regular performance assessments;

(d) Building the capacity of the public sector in environmental economic accounting;

(e) Strengthening the channels for knowledge generation and sharing within and among countries;

(f) Using a portfolio of different types of measures, such as taxation, regulation and knowledge exchange, for a more rapid transition to sustainable development;

(g) Mainstreaming territorial planning and spatial development approaches in national climate policies and strategies;

(h) Investing in the capacity of subnational governments to access climate finance markets;

(i) Empowering, training, and building the capacity of public sector workers and elected officials at the subnational level to address the impacts of climate change, including, inter alia, by taking advantage of existing methods and tools adapted to the specific context of each country.
