



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

Summary

Progress towards achieving 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) has stagnated or deteriorated across all regions of the world. This poor performance is due in large part to institutional factors. The fragmentation of responsibility for combating climate change and the sustainable management, protection and restoration of natural resources, lack of policy coherence, and an insufficient appreciation of the value of the environment in many countries are among the main challenges which will urgently have to be addressed while making institutions more sustainable and resilient. Simplified regulatory frameworks, a clear distribution of responsibilities across all levels of government, a shift in mindset and natural capital accounting are part of the solution, paired with adequate climate change adaptation and mitigation measures involving all stakeholders, including the private sector.

Recommendations

The Committee recommends that the Council encourage governments to prioritize the establishment and strengthening of mechanisms for policy coherence, including through the promotion of ecosystem management and territorial development approaches within and across administrative boundaries. (Paragraph 7)

The Committee recommends that the Council urge Governments to build the capacity of the public

sector in natural capital accounting based on the System of Environmental-Economic Accounting, as well as to strengthen 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. (Paragraph 8)

► See ECOSOC resolution [2022/9](#)

* Excerpt from Committee of Experts on Public Administration, Report on the twenty-first session. See Official Records of the Economic and Social Council, 2022, Supplement No. 24 ([E/2022/44-E/C.16/2022/9](#))

Discussion

Addressing silos and fragmentation

The Committee notes that, in most countries, there is no clear leadership role assigned to a specific ministry or government department for coordination across institutions. The picture is especially complex in federal systems, where subnational governments are key actors in many areas of policymaking and regulation relevant to the Goals. Policy conflicts are frequent, including with regard to the allocation of resources, and change is difficult to achieve even when there is strong political will. A lack of funding for the environmental transition in emerging economies is exacerbating policy trade-offs.

In addition, ecosystem boundaries and institutional financing arrangements are often misaligned with government jurisdictions. Complex legal frameworks that are difficult to implement prevent the replication of good practices due to lack of legal authority, while overly complicated regulatory frameworks hamper innovation, investment, financing, and partnerships. There can also be a lack

of coordination in holding people and businesses accountable for environmental harms. Those jurisdictional challenges are aggravated by insufficient data and tools to address data gaps.

Fragmentation also creates data silos and makes it very difficult to quantify the total volume of public sector resources being allocated to the implementation of the Sustainable Development Goals in national and local budgets. However, the tracking of total resource allocation is a key indicator of the level of commitment and policy priority attached to achieving the Goals.

The Committee calls to encourage governments to prioritize the establishment or strengthening of mechanisms for policy coherence, including through the promotion of ecosystem management and territorial development approaches within and across administrative boundaries. Simplified regulatory frameworks and clear distribution of responsibilities across all levels of government are part of the solution.

Building capacity for natural capital accounting

While well-crafted regulatory policies are crucial to addressing environmental challenges, the Committee notes that they are usually insufficient on their own. There is also a need for effective market signalling, through a mix of taxes and subsidies, to ensure that private sector actors are incentivized to achieve the Sustainable Development Goals. Natural capital accounting is a key instrument for creating such market-based incentives, making costs and benefits more transparent.

Metrics are required to measure natural capital more precisely. Tools for measuring the services provided by ecosystems across sectors, tracking

changes in ecosystem assets and linking that information to economic and other human activity are available and should be applied more widely.

The Committee recognizes that the System of Environmental-Economic Accounting has achieved remarkable progress in that area. Many countries are, however, only in the early stages of building capacity in natural capital accounting, using varying approaches, making it difficult to demonstrate an economic argument for investing in environmental protection. The new Artificial Intelligence for Environment and Sustainability tool for rapid natural capital accounting is found to be promising and beneficial in that respect, particularly for

subnational governments with more limited resources.

The Committee emphasizes that private sector accounting standards should be altered to incorporate gains and losses from environmental impacts on asset prices and corporate balance sheets. That in turn can affect the market pricing of polluting goods and services and ultimately shift the allocation of public and private capital at a scale necessary to address climate change threats. The Committee notes that private accounting firms will

not voluntarily incur the costs of acquiring expertise in measuring environmental impacts unless there is a major shift in global accounting standards. At the national level, standards are generally set by private bodies based on consensus and often slowly adapted. International coordination of private sector accounting standards will be necessary, as otherwise the setting of strict environmental standards in one jurisdiction risked simply displacing heavily polluting activities to other countries or regions.

Influencing societal behaviour, choices, and norms

The Committee underscores that, while there appears to be an overall desire to protect biodiversity and combat climate change, it is difficult for political leaders to make a compelling case for change to local populations facing crises such as floods, droughts, and food shortages, even though such events are frequently related to climate change.

A shift in mindset is required to change behaviours and promote practices that improve human health

and well-being while protecting the natural habitat. Knowledge-sharing within and among countries and education are critical components for building strong community participation. A better understanding of social norms, including by evaluating the impact of social media, may help in promoting practices that protected the natural environment, even in the absence of external regulations or penalties.

Responding to urban challenges

The Committee highlights that many cities have grown beyond the boundaries of their central municipality. Unbridled expansion adversely affects biodiversity and environmental sustainability in rural areas, particularly through permissive land-use planning or when urbanization is not well planned and managed.

The New Urban Agenda calls for the integration of climate change adaptation and mitigation measures in urban and territorial development and planning processes, making cities essential players. Urban actors are, in many instances, constitutionally and legislatively empowered with the autonomy and competencies to influence local level climate action

strategies. There is a need for increased exchange of knowledge and experience among cities, including on innovative partnerships with the private sector.

Public-private partnerships and private resource mobilization are critical for climate finance in urban areas, alongside intergovernmental transfers and vesting local governments with a revenue collection mandate. Local governments often lack the capacity to access finance themselves due to low credit worthiness and lack of awareness or experience. Greater clarity on the sharing of resources and responsibilities between national and subnational governments remains an ongoing concern.

Technical guidance for government officials



CEPA strategy guidance note on promotion of coherent policymaking



CEPA strategy guidance note on ecosystem management



CEPA strategy guidance note on long-term territorial planning and spatial development

See also: [UN statistical framework for ecosystem accounting](#)

Related expert papers on this topic (2016-present)



Institutional challenges and opportunities related to climate change and the protection of natural resources ([E/C.16/2022/3](#)) (20 January 2022)



Building strong institutions for addressing climate change and for the sustainable management of natural resources ([Conference room paper](#)) (21 December 2021)

Related meetings



Side event: Transforming institutions to build back greener: The case for Natural Capital Accounting (12 July 2022, [virtual meeting](#) organized by CEPA and UNCEEA)