

# RECOVERY IN PACIFIC ISLAND COUNTRIES :

an orientation guide  
for parliamentarians

Navigating public debates on green  
and blue recoveries in the Pacific.

“*In Samoan there is a saying. E pala le ma'a a e le pala le upu. It means even stones decay but words remain. Words can be wielded, text can change everything, each word you use is weighted.*”

**Brianna Fruean,**  
Pacific Climate Youth activist at the 26th Conference of State Parties,  
UN Climate Change Conference in Glasgow.



EUROPEAN UNION



From  
the People of Japan



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere



## Key messages from this report

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### Legislative powers:

- While emergency and crises context might require special procedures, some safeguards described on page 7 can help reduce the risk that major legislation with long-lasting impact escapes the scrutiny of parliament.
- Similarly while it might be difficult to cut subsidies during recovery contexts, there are ways to condition support to non-sustainable industries and prevent the creation of new incentives for socially divisive or polluting activities.
- Investments in some sectors (clean infrastructures, early warning systems...) are more likely than others to provide for both immediate and long term perspective for impacted economies and employment opportunities.

### Representation

- A risk for parliaments and Members of Parliaments during crisis is to focus on dissemination of information only, facilitating a two ways communication is a vital function during emergencies.
- Emergency and recovery contexts have encouraged Members of Parliaments to innovate both through traditional communication channels and new technologies - some examples are detailed on p11.

### Oversight

- Through question time, parliaments can create the space to question the multi-sectoral nature of recoveries.
- How to allocate responsibility for recovery and response oversight is examined on pp13-14 with options ranging from creation of Standing Committee to allocation of various monitoring functions to existing sector committees.
- Oversight of crisis preparedness is another essential function of parliament especially in the Pacific context where climate emergencies are becoming increasingly frequent.

### Zoom in on fiscal policy oversight:

- Financing the recovery: in a number of Pacific countries, reforms might be required to enable parliaments to play a stronger role in reviewing, approving and scrutinizing financing instruments such as loans, green/blue bonds and climate tax governance;
- Budget documentation: budget documents in the Pacific (and globally) rarely contain enough data and details to enable an informed debate on sustainability but legislatures around the world have been using targeted hearings, launched pre-budget Committee inquiries and used Financial Statements post-budget to lobby for more data and exert oversight.

## CONTENTS

Who is this publication for?	3
1. INTRODUCTION: WHAT DOES IT MEAN TO RECOVER BETTER TOGETHER?	4
2. THE ROLE OF PARLIAMENT AND MEMBERS AS LEGISLATORS	6
ENTRY POINTS FOR PARLIAMENT: FOCUS ON LEGISLATION	7
ENTRY POINTS FOR PARLIAMENTS: BUDGET REVIEW	7
3. THE ROLE OF PARLIAMENT AND MEMBERS AS REPRESENTATIVES	10
4. THE OVERSIGHT ROLE OF PARLIAMENT AND MEMBERS OF PARLIAMENT	12
5. ZOOM IN – FINANCING RECOVERY	14
REFERENCES	15

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## Who Is This Publication For?

Parliament is the intended audience for this publication. This includes:

- **Individual Members of Parliament**, who can ensure the views and opinions of their constituents are shared and heard during parliamentary debates, in submitting parliamentary questions and through other constituency casework.
  - **Public Accounts Committees**, who have a key role in their role scrutinizing budgets, economic policies and spending.
  - **Standing and/or legislative committees**, whose scrutiny of non-financial Bills and policies brought before Parliament can help ensure sustainability isn't an afterthought – that sustainability is built into every aspect of recovery policy.
  - **Parliamentary staff, whose research**, procedural and professional support can help ensure Members of Parliament are well-equipped to conduct scrutiny, pass laws, budgets and represent their constituents through a sustainability lens.
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*In memory of Thomas Jensen, a brilliant mind, UNDP colleague and leading Pacific sustainable energy sector specialist, who contributed to the content of this publication.*

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# 1. Introduction: What does It Mean to Recover Better Together?

Calls to ‘recover better together’<sup>1</sup> have attempted to bring a silver lining to the devastation brought upon the Pacific and the planet by the combined impact of the COVID-19 pandemic and the annual cyclone seasons. However, defining what we mean by better can be just as tricky and political as defining the terms ‘recovery’ and ‘togetherness’. For the UN system, the overarching goal is to ensure that progress made towards the achievements of the Sustainable Development Goals (SDGs) is not lost and concrete and immediate action incorporates a commitment to inclusion<sup>2</sup>.

The Pacific Islands Forum Foreign Ministers gathered to deliver a joint speech on the vision for the COVID-19 recovery in the Pacific.

*“We also call for a unified global recovery to COVID-19; one that builds a healthy, prosperous and secure world for all and recommits to multilateralism to address our shared challenges.”<sup>3</sup>*

The UNDP 2020 Human Development Report outlines how human development as currently defined has come at a high cost for the planet. It simply argues that *“unequal, carbon intensive growth has run its course”*<sup>4</sup>. Yet fossil fuels are still being subsidized – in the Pacific, this is especially true in the fisheries and energy sector. The IMF estimates that publicly financed subsidies for fossil fuels (direct and indirect costs) amounts to over US\$5 trillion a year, or 6.5 percent of global GDP.

How much change can we expect from *“recovery processes”*? Major investment packages and carefully designed change at time of crisis can often only be afforded by large economies and mature institutional systems<sup>5</sup>. Small islands/big ocean economies will struggle to access the fiscal resources and flexibility required

to invest high proportions of their GDPs. Pacific Islands States financial health is also challenged by the increase, current and future, of natural disasters and the regular demand it imposes on their resources. So, while it is important to look at the opportunities created by recovery processes, it is fair to recognize they are not equal around the world.

The above holds true for global calls to recover *“greener”* or *“bluer”*. There is no globally agreed definition of green recovery or blue economy. Promoters have described

it as an approach or a paradigm shift. However, economic growth which does not undermine sustainability has been implicit and explicit in numerous Pacific Leaders Forum policies

and communiqués from the early 2000 Green and blue narratives can be more or less radical: some initiatives described as blue economy simply correspond to more sustainable practices in existing industries (decarbonising fishing), while others promulgate rethinking the definition of human development.

The Pacific Islands Development Forum linked the concepts to putting on an equal or parallel footing the importance of economic growth, social inclusion and environmental sustainability. Blue economy reports often focus on maximising the benefits of ocean-related economic activities while ensuring ocean’s health.

In this context, this publication attempts to provide practical starting points for Pacific parliaments, Members of Parliament and parliamentary staff to legislate, engage on and oversee recovery processes to *“recover better”*.

**“recover better together”**



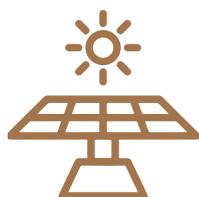
## Ten Priorities for a Just and Transformative Green Economic Recovery<sup>6</sup>

The Partners for Inclusive Green Economies is a group of major institutions engaged in Green Development and Sustainability such as the Global Green Growth Institute and the UN Poverty-Environment Action. In a 2020 paper on Green Recovery from COVID-19, the members of the initiative list the following priorities:

- 1. The Green Economy Principles of Wellbeing, Justice, Sufficiency and Efficiency, Planetary Boundaries and Good Governance** should guide recovery plans and actions.
- 2.** Develop and actively use national green economy plans, “**Green Deals**” and green industrial strategies and green COVID-19 recovery plans to build long-term resilience and prosperity.
- 3. Structure fiscal stimulus and financial aid packages** to accelerate the transition to a fair and green economy, not to undermine it.
- 4.** Recognize and value the **role of nature in reducing risks**.
- 5. Build resilience** to external shocks.
- 6.** Strengthen and broaden **inclusive social protection mechanisms and advance human rights**.
- 7.** Accelerate the **energy transition and tackle fossil fuel subsidies**.
- 8. Apply a gender-responsive lens** to the recovery to effectively address underlying issues of gender inequality.
- 9.** Prioritize small and informal enterprises to accelerate the **private sector transition to greener practices**.
- 10.** Improve **global cooperation and coordination**.

## 2. The Role of Parliament and Members as Legislators

Parliaments exerting their legislative functions have opportunities to review priorities, new initiatives and the overall regulatory framework. From the onset, they can assess if a new piece of legislation or a recovery investment package constitutes:



**PUERTO RICO'S  
2019 CYCLONE  
RECOVERY  
INCLUDED TRANSITION TO  
100%  
RENEWABLE  
ENERGY.**

### **Transformative change.**

Flagship large scale initiatives have the potential to transform durably a sector or the current development trajectory of a country. While numerous recovery packages have been accused of green-washing, Puerto Rico's 2019 cyclone recovery included transition to 100 percent renewable energy. The net-zero emission goals of Fiji's 2021 Climate Change Law or Palau's coordinated incentives framework for sustainable tourism are other examples.

**Policy and regulatory reforms.** It is important to note that removing legislative and regulatory barriers to sustainable and inclusive growth is often as, if not, more important than promoting new legislative packages. The Pacific Community<sup>7</sup> has conducted a review of Pacific frameworks which provide de facto incentives to poor environmental management (such as fuel duty concessions or water pricing). Parliaments might make use of the numerous Sustainable Development Goals toolkits to assess impact of legislation (see for instance [Scottish Parliament Sustainable Development impact Assessment Tool](#) and [Guidance Note on](#)

[integrating the SDGs across the work of all Fijian Parliament committees](#)).

### **Direct investment and economic multipliers.**

Response and recovery packages often include large investments aimed at boosting the economic rebound. Studies show that returns on investment is higher in clean infrastructure, energy efficiency of existing buildings<sup>8</sup>, and in natural capital<sup>9,10</sup> (e.g., Planting trees/mangroves). Research, in larger economies, and early warning systems for disaster risk reduction and rural support spending have also been identified as providing high returns<sup>11</sup>

**Capacity/institutional strengthening.** With a focus on economic recovery, there is a risk for government to divert resources away from institutions such as parliaments and Supreme Audit Institutions. These institutions are however key factors in making the difference between successful and weak responses to disasters. Initiatives focusing on skills, human resources and institutions tend to have high return on investment and are highly encouraged by international banks such as the International Monetary Funds.

**Financing instruments.** Revenues tend to drop during crises, as a result of economic slowdown or shutdown of entire sectors. Governments as a result often try to innovate by creating new financing instrument, relying on loans and Overseas Direct Assistance. The last chapter reviews in more detail the risks of weaknesses and solutions to enhance oversight of debt management and financing instruments.

***“Tracking of recovery packages by OECD across 43 countries, identified US\$336 billion allocated to environmentally positive or “green” investments (representing 17% of total recovery funds, as of March 2021). However, this is balanced by a similar scale of investment (US\$334 billion) which have a negative or mixed environmental impact.”***

## Entry points for parliament: focus on legislation

Budgets, primary legislation, and secondary legislation may all need to be passed in haste during an emergency with limited scrutiny. This need can however rapidly fade during recovery processes. Members of Parliament may therefore wish to consider pressing for amendments to existing constitutional frameworks, legislation and/or rules of procedure to allow for:

- Opportunities for regular debates on the scope of emergency powers, how and when they should be limited, scrutinized or phased out;
- Regular votes on legislation to switch on/off powers, with clear sunset clauses; and
- Commitments for Parliament to be able to see (in draft) Regulations before they are enacted.

Members of Parliaments might also want to consider introducing requirements for regular

reports to be presented to Parliament while reviewing response or recovery legislation. Requirements could specify the need for assessment of impacts against national or sub-national development plans, the sustainable development goals (SDGs) and other national or sub-national priorities.

The Finnish [Climate Change Act 2015](#) requires all ministries in charge of delivering sectoral climate targets to submit a report to the Environment Ministry on an annual basis, which in turn submits this report to Parliament's Environment Committee for review. Stakeholders are invited to provide input to the committee's review. The [second annual report published under the Act in 2020](#), noted changes to the report based on debates in Parliament (the Eduskunta).

## Entry points for parliaments: budget review

The quality of budget documentation produced and shared with parliament can influence the quality of scrutiny. One of the greatest challenges for parliamentarians when reviewing budget documentation is the lack of consolidated and easily accessible data on green and blue measures and tools. Several parliaments have lobbied for more detailed budget documentation including adoption by government of performance budgeting, climate budget tagging (under consideration in several Pacific countries) or gender responsive budgeting. For example, as part of Iceland's COVID-19 recovery plan, each project proposal includes gender breakdown of estimated job creation.<sup>12</sup>

One such example of advocacy includes the Environment, Climate Change and Land Reform (ECCLR) Committee in the Scottish Parliament which launched an inquiry into a 'green, just and resilient recovery', in response to the pandemic. The committee also came up with its 2021-22 pre-budget scrutiny<sup>13</sup> around "green recovery" with the aim to increase its influence on budget formulation, transparency and clearer links between the budget and policy outputs. Their report received an official response by Government.<sup>14</sup> In the Philippines,

Technical Budget Hearings have held targeted reviews of climate change prioritisation of budget proposals.

An additional useful tool includes impact assessment. In 2020, France tabled its first "green budget" alongside its Finance Bill. This is the world's first budget to document both the positive and negative impact of measures on key aspects of the environment.<sup>15</sup> Not many Parliaments may be able to, on the model of the European Parliament, set up a dedicated Directorate which carries out quality control of European Commission impact assessments, prepares complementary impact assessments and conducts ex post evaluation of existing regulation. Yet parliaments may consider amendments to the Rules of Procedure to request impact assessments to accompany all substantive legislative proposals. Members of Parliament may wish to assess whether Impact Assessments:

- Provides an honest evaluation of all potential options, not policy driven and used to justify decisions that have already been taken;
- Is based upon accurate transparent assumptions; and
- Provides empirical evidence in support of the policy decisions presented.



## Checklist for committees scrutinizing disaster response and recovery legislation

1.	Is this a response or recovery package?	<p><b>Response or recovery</b></p> <p>Immediate response in any disaster context will value speed over most other factors, while recovery packages have an opportunity to take a longer-term perspective.</p>
2.	Are responsibilities for implementation clearly defined? Is the appropriate body tasked with implementation (e.g. local vs national Government; public vs private sector)?	<p><b>Implementation</b></p> <p>Implementation of laws does not happen automatically, and where it does happen it may not always happen effectively. Failures to implement laws typically result because of complicated legal frameworks, poor economic situations, and weak rule of law. Limited powers, scarce financial and human resources of enforcement agencies are also major causes of low effectiveness in ensuring compliance. These considerations would need to be factored in when reviewing an ambitious recovery package and major initiative might need to be sequenced to allow for institutional change and new skill-sets to emerge. Parliamentarians also have a role in overseeing legislation’s implementation through the post-legislative scrutiny function; a bill can foresee the mechanisms (how) and timeline (when) for this scrutiny to take place.</p>
3.	Is the proposed scheme simple enough for its initial implementation to be carried forward with existing capacity?	
4.	How much effort will be required to push this forward in a time for constrained human and financial resources?	
5.	Does the bill include clearly defined methods and/or timelines allowing for future debates in Parliament regarding implementation?	
6.	Would the bill create new “green” jobs? If yes, how many?	
7.	Have multiple “blue economy” entry points considered?	<p><b>Green jobs</b></p> <p>Green recovery measures need to address as a top priority the issue of jobs, both directly and indirectly. The economic impact of a disaster for particular industries may be uneven and measures may be needed to facilitate worker re-allocation. This should factor in types and transferability of skills as well as quality of jobs. Various “green” sectors and activities offer significant prospects for job creation. For example, infrastructure retrofitting (improving energy performance and design of buildings), renewable energy and sustainable transports.</p>
8.	Do these new jobs make use of skills that already exist in the local population?	
9.	Are the employment opportunities inclusive, gender-balanced, and available to underemployed and vulnerable populations?	



## Checklist for committees scrutinizing disaster response and recovery legislation

10.	Are the bill's provisions consistent with and supportive of existing long-term decarbonization targets and strategies?	<p><b>Green/Blue economy</b></p> <p>A study by Cambridge Econometrics showed that recovery strategies based on green recovery measures targeting income and employment generation and GDP growth are superior compared to return-to-normal schemes, and lead to decreased emissions.</p>
11.	Will the intervention address market failures, such as subsidies to non-sustainable businesses, market-distorting subsidies, pricing that fails to account for externalities, etc.?	
12.	Will the bill help close the gap in delivering universal access to essential infrastructure services?	
13.	Will the interventions improve local economic productivity through access to better, more reliable infrastructure services?	
14.	Does the bill provide support/funding to health and social care systems?	<p><b>Resilience</b></p> <p>In many low-income countries, it is urgent to build resilience to future shocks, including natural disasters and the impacts of climate change. In particular, investments to raise the capacity of health care systems and social protection instruments should be prioritised as it offers an opportunity to generate long-term benefits, beyond the current crisis: if sustainably designed, these improvements in health care and social protection can build resilience to future shocks, including natural disasters and the impacts of climate change.</p>
15.	Has the project been screened for exposure and vulnerability to disaster and climate risk, considering future changes in climate conditions? Is it likely to attract further investments in at-risk areas?	
16.	Does the bill intend to build resilience to natural disasters, impacts of climate change, and health?	



## Checklist for committees scrutinizing disaster response and recovery legislation

17.	Will the bill lead to any positive / negative changes in anyone’s local environment?	<p><b>Inequality, human capital and cultural heritage</b></p> <p>Disasters such as the COVID-19 pandemic have shone a light on inequality in societies across the globe – with some groups being disproportionately affected by the pandemic. Crucially, many human rights depend upon the environment and by reinforcing and strengthening recovery legislation the human rights of those vulnerable can be protected.</p>
18.	Will it affect anyone’s access to green / blue space or local amenities?	
19.	Will the bill have any specific impacts on persons with disabilities, minorities, migrants and indigenous communities?	
20.	Could the bill have any impacts on anyone’s culture or heritage? Does this intervention respect the rights of indigenous communities?	
21.	Could the bill have any effect on inequality, including how wealth, income or both are distributed across society?	

## 3. The Role of Parliament and Members as Representatives



**DISSEMINATING  
INFORMATION**

**ENGAGING  
ON AND OFFLINE**

**DIVERSE GROUPS  
AND COMMUNITIES'  
DISCUSSIONS**

Dissemination of information is essential both as a preventative measure, during and after crises. Even more important however is to ensure communication doesn't flow only one way and that the most impacted as well as marginalised voices are actively heard and participate in shaping the response and recovery processes. Members of parliament, as elected representatives, have a mandate for engagement.

### Disseminating information

and outreach is a pre-condition for any dialogue to happen. This could include:

- Parliamentary staff translating documents into everyday and vernacular language;
- Parliamentary committees ensuring that their reports are published and available online in a timely and relevant manner;
- Parliament's online presence (official websites) and social media accounts being used to report on the various activities, record their public interventions and disseminate information.

Examples includes the presentation to civil society of budget briefs by parliaments in Fiji, Solomon Islands, Tonga and Vanuatu. Supported by the Floating Budget Office Initiative developed by the UNDP Pacific Office, those briefs have included a whole-of-government analysis of climate related investment and recovery packages.

Similarly, parliamentarians can play a role in translating major policies into words, concepts, and initiatives that make sense to their constituents (defined geographically or more broadly) and enable them to have a say.

**Engaging on and offline.** Simple IT solutions as well as more sophisticated systems can enhance parliamentary openness. Traditional

communication mediums, such as talk-back radio shows and visit to constituencies, but many committees globally are using social media creatively. UNDP supported the installation of IT equipment in most Pacific Islands Countries' parliaments between 2020 and 2021. The UK House of Commons Science and Technology Committee, for example, carried out My Science inquiries in 2017 and 2019. The Committee used social media to collect suggestions on what inquiries they could launch. Similar systems have been used to crowdsource questions to Ministers during their evidence sessions. The International Parliamentary Union's social media guidelines may prove useful for Parliaments setting up social media accounts.

Setting national priorities and agreeing on a development path are highly political discussions. Such discussions should reflect the divergent perspectives of diverse groups and communities and be mindful of the existing power dynamics and interests of those groups. In the Pacific, the focus on ocean economy and interconnectedness often results in the need to involve stakeholders from multiple islands and States and further promulgation of Pacific regionalism. Some parliaments have used **citizens assemblies** to engage with the public directly on particularly important, contentious, or politically complex issues.

Parliaments, individual committees or clusters of committees in the Pacific may consider constituting a citizens assembly on a sustainable recovery policies. Care must be exercised in setting out the terms of reference for a citizens assembly, so that those participants are aware of what will happen to their recommendations and how the parliament will act on the recommendations made. **Youth Parliaments** have also been successfully used in the region to educate younger tranches of the population on the role and processes of parliaments, engage them on public debates and raise their political awareness.



## What would a Pacific Green/Blue Deal look like?

30 percent of the European Union's €750 billion (US\$891 billion) stimulus plan and its €1.1 trillion (US\$1.3 trillion) 2021-2027 budget will be allocated to climate-friendly investments. This allocation covers the European Union latest green initiative, the **EU Green Deal**, which aims to reach continental carbon neutrality by 2050 thanks to green transition in the industries, energy, agriculture and infrastructure. Among the projects supported are strengthening of railway transportation across Europe and the development of greener and alternative.

For Pacific countries, multiple entry points can provide the impetus for Parliaments and Members to conduct consultations on what a comprehensive approach would mean in the Pacific. The reliance of Pacific economies on the ocean could be a common regional

entry point. Countries such as Vanuatu, (2016), Solomon Islands (2018) and Fiji (2021) have adopted national ocean policies. Others are yet to articulate a comprehensive approach or are currently conducting consultations on the topic - notably in link with the achievement of Sustainable Development Goal 14 on life below water.

The Pacific Islands Forum through its 2050 Strategy for the Blue Pacific Continent is also creating the space for a regional debate, recognizing that ocean management requires collective action. At the global level, a series of United Nations and other State Conferences offer opportunities to generate debate. The Our Ocean Conference in Palau April 2022 saw for instance the launch of the Pacific Parliamentarians Alliance on Deep Sea Mining.

## 4. The Oversight Role of Parliament and Members of Parliament

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Limitations on time, budgets and expert resources mean it is important oversight exercised is proportional to the consequences of a policy – that it is focussed on the biggest issues, and the largest financial packages. Recovery and stimulus packages and their (too often absence of) sustainable nature for instance should come with enhanced oversight, accountability mechanisms, and be subject to tight scrutiny.

A crucial challenge for recovery oversight is the cross-cutting nature of the effort required. The COVID-19 pandemic for instance required coordinated investment in health structures parallel to social and economic measures and border management questions. Silos often exist within governments, and these tend to be replicated when a parliament oversees the government. Parliaments should move away from this silo approach towards a more integrated approach to their oversight in line with the integration principle.

**Oversight of response and recovery policies in plenary.** One way cross-cutting

oversight can be achieved in Plenary is through the allocation of dedicated question time to that issue. Question time is common in many parliaments, notably in the Westminster system, where each sitting week time is allocated to departmental questions. In the context of a disaster response, parliaments that already have an established Ministerial/Departmental Question time, may wish to consider allocating time in the order of questions to that issue. This would allow for a regular, dedicated period of scrutiny through which Members of Parliament can gather information on the current situation for that disaster and the recovery from multiple institutions.

**Cross-cutting oversight in committee.**

Similarly, in Pacific Islands States, parliamentary committees tend to be grouped per sector. For example, in Vanuatu, the Committee on Social Policy examines issues related to health, education, professional association and accreditation. These committees could review the work and achievements of line Ministries and/or engage in cross-cutting

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**In the UK House of Commons, each government department answers questions according to a pre-defined order called the ‘Order of Oral Questions’. This means that each Government Department/Minister must come to the Plenary and answer questions on an approximately monthly basis. Notice of the Questions to be asked through such questions must be given in advance.**

**An additional example of cross-cutting oversight is Fiji, where Parliament regularly invites the Minister in Charge of Disaster Preparedness (i.e., the Minister for Infrastructure, Transport, Disaster Management and Meteorological Services) to present its strategy or update the Parliament on the progress in implementing the strategy. Such oversight by Parliament typically involves a presentation by the Minister, followed by questions from Parliament.**

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reviews of the government's outputs. In other countries, where a very limited numbers of committees are active, the committee reviewing Audit Institution reports and/or the budget can take the lead in inviting testimonials from external stakeholders.

One way, parliaments can help ensure focused and sustained engagement on a green recovery is through constituting a dedicated Standing Committee to that issue. A number of European parliaments for instance have established a single, central EU affairs committee (or similar) to identify relevant proposals, scrutinize them

and push for coordinated scrutiny with other subject committees. Alternatively, Parliament's Rules of Procedure could be amended to specifically assign responsibility for response and recovery packages monitoring to an existing committee and/or add it to the mandate of multiple existing committees. Around the world, Parliaments have conducted inquiries and reviewed reports on: a) preparedness for green recovery, policies and plans and implementation and b) environmental audits, disaster-response audits or audits pertaining to recovery interventions.

## Green approaches to COVID-19 recovery: policy note for parliamentarians

The IPU's policy note, [Green approaches to COVID-19 recovery: Policy note for parliamentarians](#) provides practical guidance on how Members of Parliament promote national economy plans that harmonize economic and environmental policies. The policy note highlights six different focus areas:



### 1. Green infrastructure:

Green infrastructure involves strategically planning a network of natural and semi natural areas and solutions that can deliver a wide range of ecosystem services, such as water purification and retention, flood alleviation, air quality improvement, reduced energy use, space for recreation, and climate mitigation and adaptation. See the example from the Republic of Korea on green infrastructure and job creation.



**2. Waste management and circularity:** Sustainable waste management practices, such as waste treatment and recycling, can, in the long-term, be promoted through legislative

provisions, including tax rebates or waivers for recycling initiatives. A key means of achieving this will be through circularity. Circularity aims to restore, regenerate and reuse materials to promote the efficient and sustainable management of natural resources throughout their life cycle. Countries such as Denmark are helping companies stick to circular economy principles during the pandemic.



### 3. Clean energy:

Parliamentarians can promote laws which contribute to both short- and long-term energy policies that promote a shift to renewable energy. Such measures could include eliminating fossil fuel subsidies and introducing carbon pricing measures to both raise revenue and help reduce greenhouse gas emissions. This could include incentives to improve energy efficiency, which will create job opportunities, help reduce greenhouse gas emissions and save on energy costs. Learn about Nigeria's COVID-19 economic recovery plan that also promotes clean energy.



**4. Green jobs:** The loss of jobs and income associated with COVID-19 will likely push 34.3 million people into extreme poverty in 2021, and worsen income inequality within and between countries. A green economy has the potential to create 24 million new jobs globally by 2030. For instance, investing in renewable energy is likely to generate more jobs, both in the short and long-term, thus boosting spending and accelerating the recovery. For example, a green stimulus programme in Pakistan aims to restore natural ecosystems and address unemployment.



**5. Biodiversity and nature-based solutions:** Habitat loss is linked to the emergence of viruses like COVID-19, and is driven by increased exploitation of wildlife, the unsustainable use of natural resources, and climate change. Prioritizing biodiversity and avoiding incentives that have led to its

degradation are important considerations for any recovery measures. Nature-based solutions are actions that protect, sustainably manage, and restore ecosystems in ways that address societal challenges to provide both human well-being and biodiversity benefits. Read about the European Parliament's call for a biodiversity strategy with legally binding targets.



**6. Rule of law and environmental protection:** COVID-19 lockdown and emergency procedures have adversely affected: public participation in decision and policy-making on environmental matters; the enforcement of environmental laws; how environmental impact assessments are conducted; implementation of environmental rights; and the work of environmental defenders.

## 5. Zoom In – Financing Recovery

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It is parliament's responsibility to hold government to account for the money it raises and spends. Financial scrutiny is a broad term that covers the examination, analysis and challenge of the whole process of how and why decisions are taken to spend money; how wisely and effectively that money is spent; and how effective the outcomes of that spending are. However, the quality of financial scrutiny in many parliaments remains poor. This scrutiny deficit is compounded by the fact that many of the tools that could support strengthened scrutiny are within the remit of the government, not parliament (see pxx on budget review).

One area of concern for parliament is the oversight of debt management and debt levels which will be the topic of a separate publication this year.

In the context of sustainable recovery two financing tools have captured the interest and imagination of countries:

**Carbon/climate taxes** are a first instrument often looked into as a potential source of revenues. However, greening fiscal and tax policy is often a lengthy and complex process for governments<sup>18</sup>. Crises require immediate relief to populations and private stakeholders. It is important to note that tax relief is often thought of as a cost-effective way to enable recovery, but are often favoring traditional or non-sustainable sectors (e.i. tax breaks for fuel, tobacco, polluting cars, or alcohol industries). Taking a longer-term perspective, recoveries can offer a window of opportunity

to propose comprehensive tax reforms. Green tax policies, including carbon pricing, can contribute to financing the costs of crises and carbon prices can make a significant difference to public finances.

**Green/blue bonds** are another tool often looked into to finance recoveries. Here again well-designed and well-implemented strategies and regulation can support and enable investment in areas that require capital, particularly where governments are unwilling or unable to do so. On the other hand, poorly designed and implemented strategies can create perverse incentives and/or drive unsustainable investments. Considering both if and when legislation may be needed to protect the objectives, priorities and assets linked to bonds is essential.

Standards for blue/green bonds may not need to be legislated for, instead voluntary agreements could suffice. Legislation can create or remove barriers through establishing standards and labels for green financial products, developing sustainability benchmarks, and establishing a classification system for sustainability activities. Together, the World Bank and Principles of Responsible Investment (PRI), have published [A toolkit for sustainable investment policy and regulation](#). This provides a high-level overview of five foundational sustainable investment policies and could be used by Members of Parliament in the course of an inquiry to assess sustainable financing questions around green/blue bonds.

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**UNDP and UNCDF are currently supporting the design of the first Blue Bond facility in the Pacific. Blue Bonds are instruments inspired by the green bonds modalities, already adopted by multiple Pacific Islands States. In 2018, The Republic of Seychelles launched the world's first sovereign blue bond—a pioneering financial instrument designed to support sustainable marine and fisheries projects. The bond combines public and private investment and include support for the expansion of marine protected areas, improved governance of priority fisheries and the development of the Seychelles' blue economy. In 2020, Seychelles Blue Bond was acknowledged to have reduced the debt levels and partially compensated the lack of diversification of its economy. Seychelles US\$15 million, 10-year blue bond works is backed by a US\$5 million guarantee from the World Bank, along with a US\$5 million concessionary loan from the Global Environment Facility.**

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