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# Promoting Sustainable Development in the Global South: Governance Challenges for Valuing Ecosystem Services

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## I. Introduction

‘Sustainable development’ is a contemporary concept that has become prominent since the release of the Brundtland Report, ‘Our Common Future’ in 1987. While emphasising that humanity can sustain development by meeting current needs without jeopardising future generations’ ability, the report cautioned that achieving that goal would necessitate balancing present and future priorities.<sup>1</sup> This balancing out makes sustainable development both a dynamic and predictable phenomenon. However, the concept has been criticised for apparent contradictions and uncertainties, especially in reconciling resource conservation imperatives with economic development goals and means. Due to conceptual ambiguity, its goal and objective are understood differently, with numerous approaches used to combine the goals of social progress, environmental protection and economic growth.<sup>2</sup>

Nevertheless, despite its initial conceptual ambiguity and systemic complexities, sustainable development as a concept and practice has evolved, seeking to reconcile differences and integrating the plethora of concerns relevant to a *common-wealth* and human welfare. To effectively achieve the Sustainable Development Goals (SDGs), a comprehensive approach is essential. This approach should embrace all dimensions of sustainability, including social, economic, political, ethical, environmental and psychological aspects, with a strong emphasis

<sup>1</sup>GH Brundtland, ‘Our Common Future: Report of the World Commission on Environment and Development’ (1987), [www.un-documents.net/ocf-ov.htm](http://www.un-documents.net/ocf-ov.htm), accessed 26 October 2023.

<sup>2</sup>SM Lélé, ‘Sustainable Development: A Critical Review’ (1991) 19 *World Development* 607; D Worster, ‘The Shaky Ground of Sustainability’ in W Sachs (ed), *Global Ecology: A New Arena of Political Conflict* (Bloomsbury, 1993).

on intergenerational equity. These principles should serve as the foundation for shaping norms, laws, policies and strategies, ensuring a unified global effort to combat challenges like poverty, hunger, inequality, disease, environmental degradation, and other barriers to a high standard of living. A well-structured action plan is crucial, backed by a robust set of laws, policies and regulations dedicated to sustainable development. Whenever possible, these guidelines should derive from international agreements and be adapted to unique circumstances, either through legal or statutory adjustments.

Historically, the distinction between the Global North and South has been pronounced; it is rooted in a multitude of factors, including economic disparities, colonial legacies, technological advancements, and cultural distinctions. Despite globalisation and various international cooperation initiatives, the prospects of closing this gap and fostering global convergence remain distant, both now in the foreseeable future.

However, this challenging backdrop impels developing nations to be proactive and ambitious in their efforts to induce meaningful societal transformations. These nations have a responsibility, not just to the international community but, more crucially, to their citizens, to improve living standards, infrastructural facilities, educational access, healthcare provisions and more. A pivotal approach for these nations would be intertwining the SDGs into their governance structures. Since the Covid-19 pandemic gripped the planet, progress towards attaining the SDGs has declined; indeed, in some countries, there have been reversals.<sup>3</sup> Beyond the challenges posed by the pandemic, the Global South faces significant implementation setbacks. Political indifference, governance challenges, inadequate bureaucratic support, misalignment with international treaties, and a disconnect between policy intentions and their actual execution are primary contributors to these delays.

The purpose of this chapter is to explore the specific governance challenges that face developing countries in implementing sustainable development objectives through policy and law. This chapter will first examine the integration of sustainable development into domestic policies in poor nations, followed by a discussion on current trends in sustainability accounting. Subsequently, the chapter will analyse the effectiveness of existing governance systems in achieving these objectives. It is vital that environmental and sustainable development are no longer made randomly in a disjointed way; instead, as this chapter will advocate, more integrated approaches requiring a high degree of cohesion, coordination and collaboration are needed. This would enable decision-makers to execute more informed policies that incorporate environmental accounting and quantify the benefits associated with ecosystem services into the decision-making process.

This chapter will examine the necessity of going beyond the mere formulation of framework policies and providing guidance on essential objectives and

<sup>3</sup> JD Sachs and others, *Sustainable Development Report 2022: From Crisis to Sustainable Development – The SDGs as Roadmap to 2030 and Beyond* (Cambridge University Press, 2022) vii.

priorities for implementing sustainable development at a national level. The next challenge for developing countries is ensuring that there is sufficient integration, both vertically and horizontally, to drive policy-making and arrive at informed decisions. Not only will cross-institutional bodies such as taskforces play an increasingly important role, but this must also be supported by enabling multiple stakeholders to create a polycentric governance environment. For environmental accounting and environmental accounting and reporting (EAR) practice, this requires greater engagement with industry, community and stakeholders to ensure that high-quality inputs and considerations are captured early in the policy design process and backed with an independent judiciary with sufficient expertise in EAR and sustainability accounting to interrogate decision-making with effectiveness.

## II. Integration of Sustainable Development into Policy: The Competing Priorities Faced by Decision-makers in the Global South

Sustainable development has progressed far beyond the stage of being merely a collection of ideas, concepts, policy goals or benchmarks. It is widely conceded that, in tandem with good governance, the SDGs offer a solution to global problems affecting humanity and the natural environment.<sup>4</sup> Several principles and propositions emanating from international agreements and protocols have or are being built into relevant national policies, strategies and instruments to put them into practice along with distinctive procedural elements. These constitute the legal and operating framework of sustainable development and cover both laws and policies.<sup>5</sup>

Despite the array of policies on sustainable development themes – ranging from poverty reduction, human development, and environmental conservation

<sup>4</sup>N Schrijver and F Weiss (eds), *International Law and Sustainable Development: Principles and Practice* (Martinus Nijhoff, 2004).

<sup>5</sup>See 'Report of the United Nations Conference on the Human Environment' (5–16 June 1972) UN Doc A/CONF.48/14/Rev.1; 'Report of the UN Water Conference on Clean Water and Sanitation' (14–25 March 1977) UN Doc E/CONE.70/29; See also the 1979 World Climate Conference on global warming causing the 'greenhouse' effect; the 1982 UN Convention on the Law of the Sea related to marine pollution; the 1977 UN Conference on Desertification and the follow-up Convention of 1994; the 1993 World Conference on Human Rights for promoting and safeguarding the rights of women, children and indigenous peoples; the World Conference on Women held in 1975, 1980, 1985 and 1995 that acknowledged women's rights and privileges in society; the 1997 UN Framework Convention on Climate Change and, last but not least, the Kyoto Protocol of 2002, which legally obligated developed nations to reduce emissions of greenhouse gases. All these events and agreements have had wide ramifications for sustainable development. However, Agenda 21 of 1992, the 1995 World Summit for Social Development and the World Summit on Sustainable Development held the same year, the United Nations Millennium Summit of 2000, the Rio+20 Summit and the more recent 2030 Agenda for Sustainable Development outlined in 2015 directly contributed to serve as the fundamental footings of sustainable development emerging as a concept and a practice in the Global South.

to climate change, universal education, health access, gender equality and human rights – many nations continue to exhibit a deficiency in formulating and implementing a sustainable development policy or strategy. However, only a small number of countries have sustainable development strategies, and many of those are outdated.<sup>6</sup> Since institutions, capacities and sustainable development priorities vary by country, each must create and implement its own strategy.<sup>7</sup> This must occur to enable governments to respond to the specific sustainable development needs and considerations that impact the community. Human rights, justice, social and political inclusion, and effective governance form part of a broader agenda. For sustainable development strategies to truly succeed, they need a robust foundation. Decisive actions from determined political leadership should complement this foundation – all set against a backdrop of accountability and transparency.

Implementing sustainable development projects requires intricate policy integration and painstaking policy coordination. Integration fails when nations prioritise one policy sector over another. For instance, developing countries may need to consider promoting high emissions intensity, export-orientated industries to promote employment opportunities and wealth creation. Even within the environmental sphere, priorities may differ – some focusing on climate change, biodiversity, air quality or recycling, and others preferring natural resources management, environmental health or disaster management in the environmental sphere. The social dimension of sustainable development is centred on health, quality of life, environmentally friendly consumption, education and interpersonal relations.<sup>8</sup> Sustainable development's success hinges on maintaining a balance across sectors. The proficiency of administrators in crafting a conducive political and regulatory landscape, coupled with their capacity to establish robust institutional frameworks for intersectoral interactions, will be pivotal in determining the efficacy of development initiatives.

### III. Shifts in Contemporary Sustainable Development Policy Practice: Ecosystem Services and Sustainability Accounting

Ecosystems and sustainable development share a profound and intricate relationship. A thriving and balanced ecosystem is not just an environmental asset but a

<sup>6</sup> See UN (2023) *National Reports by Topic: National Sustainable Development Strategies (NSDS)*, [sustainabledevelopment.un.org/topics/nsds/nationalreports](https://sustainabledevelopment.un.org/topics/nsds/nationalreports), accessed 27 September 2023. This website has since migrated to a new platform, [sdgs.un.org/](https://sdgs.un.org/).

<sup>7</sup> UN Department of Economic and Social Affairs, 'Guidance in Preparing a National Sustainable Development Strategy: Managing Sustainable Development in a New Millennium' (2002) DESA/DSD/PC2/BP13.

<sup>8</sup> OECD, 'Good Practices in the National Sustainable Development Strategies of OECD Countries' (2006).

cornerstone for human survival, prosperity and overall well-being. Every aspect of human life – from the air we breathe, the food we consume, to the water we drink – relies on the health and equilibrium of these ecosystems.

The term ‘ecosystem services’ encompasses the vast array of tangible and intangible benefits humans derive from the environment. Beyond the obvious material gains such as food, water and raw materials, ecosystems enrich human life in subtler ways too. The astounding biological diversity of our planet offers a wealth of non-material advantages. For instance, diverse ecosystems have historically inspired knowledge structures, influenced cultural narratives, and shaped societal interactions.<sup>9</sup> Negative ecosystem changes cause human suffering and economic deficits that must be thwarted through sound ecosystem service management (ESM) whose goal is ‘to achieve a more sustainable resource use, contributing to the well-being of every individual, now and in the future by providing an equitable, adequate, and reliable flow of essential ecosystem services to meet the needs of a burgeoning world population.’<sup>10</sup> The ESM regulatory framework should be guided by prevalent cultural values and people’s rights. These must be rooted in decision-making processes that consider the full scope of potential benefits to the public without compromising environmental standards.<sup>11</sup>

Strategies for sustainable development should incorporate the potential effects on ecosystems and the benefits derived from ecosystem services. Policies should be formulated to prevent adverse impacts on society, the economy and the environment. Moreover, the execution of these policies should be complemented with robust review, monitoring and reporting mechanisms. Such measures will facilitate the collection of valuable data and insights, which will further guide and refine future policy decisions. The advantages of protecting ecosystem services far outweigh their costs, so policy responses should be evaluated from various angles, including those of law, technology, institutions, economics and even the psychology of policy-makers. To make such policies work, expertise in and evaluation of ecosystem services and their benefits to human health and well-being are essential.<sup>12</sup> Human well-being, ecosystems and ecosystem services all have trade-offs and synergies, and it is crucial to understand these relationships before making any decisions.<sup>13</sup>

<sup>9</sup> R Hassan, RJ Scholes and N Ash (eds), *Ecosystems and Human Well-Being: Current State and Trends* Vol 1 (Island Press, 2005) 14.

<sup>10</sup> S Jacobs, N Dendoncker and H Keune (eds), *Ecosystem Services: Global Issues, Local Practices* (Elsevier, 2014).

<sup>11</sup> KMA Chan and others, ‘Where are Cultural and Social in Ecosystem Services? A Framework for Constructive Engagement’ (2012) 62 *BioScience* 744; P Kareiva and others (eds), *Natural Capital: Theory & Practice of Mapping Ecosystem Services* (Oxford University Press, 2001).

<sup>12</sup> LH Goulder and D Kennedy, ‘Interpreting and Estimating the Value of Ecosystem Services’ in P Kareiva and others (eds), *Natural Capital: Theory & Practice of Mapping Ecosystem Services* (Oxford University Press, 2001).

<sup>13</sup> K Chopra and others (eds), *Ecosystems and Human Well-Being: Policy Responses* Vol 3 (Island Press, 2005).

Sustainable or environmental accounting and reporting (EAR) and impact assessment are pivotal in modern policy formation and decision-making. They comprehensively view an organisation's environmental footprint, and guide more informed, ecologically aligned decisions. These tools promote transparency, thus enabling stakeholders to understand environmental implications and pushing entities towards sustainable practices. By highlighting potential risks and inefficiencies, EAR spurs innovation and compliance with global standards, ensuring organisations not only meet regulatory requirements but also gain a competitive edge in international markets. As the nexus between sustainability and actionable insights, EAR and impact assessments are crucial for aligning economic growth with environmental responsibility. This process help 'achieve the complex balance between the human well-being and the natural well-being – the symmetry between humans and the environment'.<sup>14</sup> It is necessary to make significant changes to institutional structures and practices to achieve sustainable development.

Thus, EAR is essential for supporting ecosystems, developing climate change adaptation and mitigation strategies, and choosing response instruments. The underlying reason for a rational EAR system is to help adjust existing policies or introduce new ones, if necessary. Frequently, environmental policies are reversed if found to be non-compliant with international standards. Strategic policy implementation using the ecosystem approach necessitates the incorporation of cutting-edge scientific knowledge and innovative management techniques. Both macro- and micro-level policies support the solution of environmental problems. These may include institutionalising environmental entrepreneurship centred on market inputs and adopting methods for assessing externalities and incorporating them into strategic operations.<sup>15</sup>

However, accounting and reporting are no longer restricted to ecosystem and environmental issues. They now embrace all constituents of sustainable development to improve the quality of decision-making for policy development and effectively deliver economic, social and environmental services. In sustainable development, environmental and social accounting and reporting are complementary and focused on accountability structures within the gamut of governance. Together, termed as 'sustainability accounting', it covers actions directly affecting society and the ecosystem and assesses the economic performance of development institutions. In addition to the government and independent agencies carrying out the task, citizens and other stakeholders also participate in the process. This takes the form of 'social accountability' – a concept developed to increase government openness and transparency by giving citizens information and voice and multiple channels for participatory monitoring and policy advocacy. Malena and McNeil suggest that 'social accountability mechanisms can contribute to better policy, program design, more development resources, more equitable and efficient

<sup>14</sup> M-G Baldarelli, M Del Baldo and N Nesheva-Kiosseva (eds), *Environmental Accounting and Reporting: Theory and Practice* (Springer, 2017).

<sup>15</sup> M Fitzmaurice, *Contemporary Issues in International Environmental Law* (Edward Elgar, 2009).

public spending, and great and more sustainable development outcomes.<sup>16</sup> Social accountability assessments undertaken by government agencies with multiple stakeholder collaboration can serve a useful purpose in improving the quality and effectiveness of policy and strategy building in sustainable development. Informed by such assessments, the policy-making process is more likely to produce rational, outcome-driven sustainable development initiatives.

In developing nations, assessing social and environmental benefits is crucial, especially given their emphasis on poverty reduction. By measuring these benefits, policy-makers can make more holistic decisions that align with long-term goals, ensuring economic advancements do not come at unsustainable social or environmental costs. While it is widely acknowledged that economic progress frequently has beneficial social consequences, tools like EAR and sustainable accounting enable leaders in the Global South to analyse and maximise advantages. This ensures that the impact is generational – steering clear from favouring just short-term or niche interests.

Developing countries, despite the pressing need to enhance environmental accounting and appraise ecosystem services, confront significant obstacles in its effective deployment. A crucial aspect of precise EAR is the availability of high-quality environmental and spatial data. However, these nations often grapple with the challenge of producing or accessing granular datasets essential for accurate local predictions. Such limitations inadvertently pave the way for potentially flawed policy designs. Even the most well-meaning decision-makers are left navigating mindlessly, unable to pre-empt risks or harness prospective socio-environmental advantages of their initiatives. Further complicating the situation is the lack of robust governance structures supporting EAR, making its challenges even more insurmountable. Addressing these governance hurdles is vital and presents its own set of distinct challenges.

#### IV. Effective Governance and Implementation of Sustainable Development Objectives

Effective governance and strong institutional capacity are imperative for implementing sustainable development goals. This is evident in Goal 16 of the UNSDG's which states: 'Goal 16 of the Sustainable Development Goals is dedicated to the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels.'<sup>17</sup> Generally, governance in the context of sustainable development

<sup>16</sup> M McNeil and C Malena (eds), *Demanding Good Governance: Lessons from Social Accountability Initiatives in Africa* (World Bank, 2010).

<sup>17</sup> 'Sustainable Development Goals: 17 Goals to Transform Our World' (United Nations, May 2018), [www.un.org/en/exhibits/page/sdgs-17-goals-transform-world](http://www.un.org/en/exhibits/page/sdgs-17-goals-transform-world), accessed 26 October 2023.



refers to processes of socio-political governance oriented towards attaining sustainable development. This encompasses public debate, political decision-making, policy implementation, and interactions among public authorities, private business and civil society.<sup>18</sup>

Strong governance is vital for sustainability. According to the European Commission, good governance consists of openness and participation, accountability, effective coherence, efficiency and sensitivity to greater context.<sup>19</sup> For sustainability, governance also includes internalising external costs, ensuring the integration of policy considerations, evaluating options and dealing with trade-offs. A challenge with developing such governance regimes is establishing them so that at all levels of government there is a reasonable coherence of vision and commitment, where trust and accountability are evident, and where institutions have sufficient capacity for coordination and redirection.<sup>20</sup>

Although Goal 16 places an imperative on better global governance, it also pushes for reform within states' internal modes of governance and, importantly, emphasises that making political reform a priority is imperative in strengthening fragile states.<sup>21</sup> At their core, governance structures determine objectives, influence motivations, set standards, allocate resources, monitor compliance, impose penalties, initiate consultation and collaboration, or reduce conflict and resolve disputes. The most significant challenge is to ensure that multi-player governance regimes embody capacity for sustainability-oriented coordination, direction and redirection. Finding ways to ensure that all actors – business organisations, civil society, groups and citizens and formal governments – engage coherently and efficiently in the pursuit of sustainability demands much higher aims and underlines the crucial role of informal institutions.<sup>22</sup>

Due to the all-encompassing nature of sustainable governance in its interactions with economic, social and environmental spheres, governments must facilitate adjustments needed to orient social development along more sustainable lines.<sup>23</sup> Therefore, governance for sustainable development must focus on three main issues. First, the identification and management of critical threats to sustainability. Second, the integration of sustainability into general practices of governance. Third, the organisation of collective reflection and decision with respect to reconciling social priorities and orienting the overall development trajectory. Here, the emphasis is less on the totality of socio-political governance and instead focuses on the reform of that totality considering sustainable development.<sup>24</sup>

<sup>18</sup> J Meadowcroft, 'Who is in Charge Here? Governance for Sustainable Development in a Complex World' (2007) 9 *Journal of Environmental Policy and Planning* 299, 301.

<sup>19</sup> *ibid* 299.

<sup>20</sup> *ibid* 302.

<sup>21</sup> MS Edwards and S Romero, 'Governance and the Sustainable Development Goals: Changing the Game or More of the Same?' (2014) 34 *SAIS Review of International Affairs* 140, 146.

<sup>22</sup> R Kemp and S Parto, 'Governance for Sustainable Development: Moving from Theory to Practice' (2005) 8 *International Journal of Sustainable Development* 12, 17.

<sup>23</sup> Meadowcroft (n 18) 301.

<sup>24</sup> *ibid*.



There is a growing acceptance that no single body nor category of governance institution can effectively combat environmental change and, instead, what is needed is a multilevel, multiscale governance system.<sup>25</sup> Governance in the context of environmental policy is 'bound up in a messy and unpredictable set of interactions in which unintended consequences are inevitable'.<sup>26</sup> There are five key factors contributing to this. First, governing branches find issues in addressing problems through different jurisdictions, both horizontally between adjoining entities or vertically among different levels of authority, as each may have different capacities in terms of resources and priorities. Second, environmental change can be approached from different angles, including as a security, environmental or economic issue, each with profoundly different implications for policy reform. Third, different policies have different interpretations of the causes, severity and urgency of addressing environmental change and how this should be done, for example, through treaties, conventions, associated ratified legislation, sub-national and non-state actors, unilaterally or multilaterally, market measures or environmental activism, or fiscal measures such as tax investment incentives, quotas and fines.<sup>27</sup> Fourth, substantial differences exist in priorities and policies among these governance institutions, reflecting the prevailing political affiliations of the respective bodies as well as situational variables such as social diversity, rural or urban populations and wealth distribution. Finally, the pace of globalisation and the associated increases in human mobility, trade and associated transformations of environmental resources cause significant challenges for coordinating policies and their enforcement among static political entities, not designed for these circumstances.<sup>28</sup>

Joshi, Hughes and Sisk suggest that the most effective concept of governance is a dynamic and inextricably interconnected process of governing inputs, outputs and contexts.<sup>29</sup> Their research suggests that three fundamental governance transitions have historically characterised the development of modern states; achieving greater domestic security, building more robust state capacity, and increasing inclusion. Okwechime suggests that good governance should manifest in a genuine respect for the people, a commitment to providing a voice for all, transparency and effectiveness in decision-making, encouraging people to become involved, a commitment to a collaborative process, taking responsibility to monitor and evaluate the outcome of government developmental policies and programmes, and an openness to learning from poor decisions.<sup>30</sup>

<sup>25</sup> H Leck and D Simon, 'Fostering Multiscalar Collaboration and Cooperation for Effective Governance of Climate Change Adaption' (2013) 50 *Urban Studies* 1221, 1223.

<sup>26</sup> *ibid.*

<sup>27</sup> *ibid* 1224.

<sup>28</sup> *ibid* 1225.

<sup>29</sup> D Joshi, B Hughes and T Sisk, 'Improving Governance for the Post-2015 Sustainable Development Goals: Scenario Forecasting the Next 50 Years' (2015) 70 *World Development* 286, 287.

<sup>30</sup> C Okwechime, 'Interfacing Effective Communication, Good Governance and Sustainable Development in Nigeria' (2015) 2 *GSTF Journal on Media & Communications* 21, 36.

Importantly, going without plural centres of power would be detrimental. To strip out the functional differentiation between economic, legal and political spheres and discourses; to move back from specialisation and differentiation of labour and knowledge; and to do away with fragmented jurisdictions and the multitude of self and co-regulating processes would prevent the proper functioning of key legal principles. Therefore, effective governance must manage the diffusion of power and work to reap its benefits. Such functional specialisation and democratisation open the door for multiple routes of intervention to encourage the turn towards sustainable development.<sup>31</sup> To achieve this, governments must steer society within the context of distributed power. Meadowcroft<sup>32</sup> suggests this can be achieved in the following ways. First, governments must act from the understanding that they are just one component of the overall process of societal governance. Thus, government actions are oriented to increase the likelihood that the entire governance system will evolve in the desired direction, with the government acting as an enabler. Second, by exploiting interactions among actors to gain knowledge about interests, perspectives and capacities. Third, by establishing long-term objectives and adjusting goals as developments arise. Fourth, by supporting the extension of co-governance networks around specific issues. Fifth, by ensuring the development of carried institutions to track trends, evaluate existing policy initiatives, and audit their performance. Sixth, supporting a vibrant public sphere to accommodate continuous discussion of social choices and critically reflecting on the development path and policy approaches. Finally, by encouraging the growth of 'ecological citizenship' among actors. By promoting forms of citizenship that think critically about social/environmental interactions, engage practically with collective problems, and assume responsibility for conduct in private and public life, the government can strengthen the foundation for the transition towards sustainable development.

When working in a context of diffused power, governments must shift power balances in ways that encourage adjustments conducive to sustainable development.<sup>33</sup> Techniques used to pursue this include the following. First, adjusting legal rights and responsibilities to make some avenues of development easier or harder to pursue. For example, industries must identify hazardous substances through disclosure statements or by requiring companies to make such information public so that the balance is tipped slightly in favour of groups campaigning against toxic releases. Second, by creating new institutional actors and encouraging the establishment of new actors who can promote change. This may help to free bodies from bureaucratic routines, increase public confidence, and hedge against changed political priorities. Third, governments can establish new economic centres of power and intervene to strengthen economic actors whose activities point toward

<sup>31</sup> Meadowcroft (n 18) 308.

<sup>32</sup> *ibid* 209.

<sup>33</sup> *ibid* 310.

desired social ends. For example, governments can encourage green businesses (for example renewable energy and organic farming). Finally, governments can encourage inter-organisational collaboration by encouraging new patterns of interaction in a collaborative, solution-oriented framework and creating organisational allies to strengthen resources championing sustainable development.<sup>34</sup>

Overall, governance for sustainability needs governance structures and practices that can foster, guide and coordinate positive work by a host of actors on a vast complex of issues through webs of interconnection and across multiple levels and scales, with sensitivity to their contexts and respect for uncertainties.<sup>35</sup>

At a higher level, the 2030 Sustainable Development Agenda will be difficult to implement unless a robust, sustainable development governance structure encompassing inclusive decision-making, coordination, participation, collaboration and networking, alongside transparency and accountability, is in place at the country level. Synergism between all the elements of governance in producing positive outcomes would be unavoidable. However, since sustainability is a dynamic phenomenon, it cannot remain entrapped or constrained by fixed structures and rules. As the demands of the triple bottom line<sup>36</sup> constantly change, sustainability initiatives must adapt accordingly, and so should the rules of governance.

A 'framework for public action' within an inclusive policy environment is essential to realise the SDGs in the Global South.<sup>37</sup> The policy-making space needs widening to enable the participation of and inputs from multiple stakeholders in policy development and execution. Development policies require multi-dimensional, multi-stakeholder and right-sized sequences.<sup>38</sup> Institutional practices in government embedding an inclusive orientation will positively spin on social interaction. The greater the spectrum of engagement, the more credible, legitimate and acceptable policies will be, both in society and beyond.<sup>39</sup> The policy process will then take on an inclusive perspective and be more equity-weighted. Only inclusive policy-making (information based, evidence driven and citizen centred) can be attentive to the wide range of perspectives and demands created by the policy environment.<sup>40</sup>

The corollary to inclusive policy-making is participation for its effectiveness in producing desired outcomes, legitimising policies and improving the quality

<sup>34</sup> *ibid* 312.

<sup>35</sup> Kemp and Parto (n 22) 20.

<sup>36</sup> Triple bottom line approaches seek to achieve environmental, social and economic outcomes holistically. See W Norman and C MacDonald, 'Getting to the Bottom of "Triple Bottom Line"' (2004) 14 *Business Ethics Quarterly* 243.

<sup>37</sup> UNESCO, 'Analytical Framework for Inclusive Policy Design: Of Why, What and How' (20 October 2015), [en.unesco.org/inclusivepolicylab/sites/default/files/2022-03/IPL\\_framework1.pdf](https://en.unesco.org/inclusivepolicylab/sites/default/files/2022-03/IPL_framework1.pdf), accessed 26 October 2023.

<sup>38</sup> H Silver, *Framing Social Inclusion Policies: Background Paper* (World Bank, 2012).

<sup>39</sup> UNDP, 'Human Development Report 2002: Deepening Democracy in a Fragmented World' (2002), [hdr.undp.org/content/human-development-report-2002](https://hdr.undp.org/content/human-development-report-2002).

<sup>40</sup> H Zafarullah and AS Huque, *Managing Development in a Globalized World: Progress, Processes, Institutions* (CRC Press, 2012).

of decision-making. By involving citizens, public and private stakeholders, and development partners at multiple levels, a more inclusive and transformative agenda can be created for sustainable development. Participation would enable a wide range of actors playing pivotal roles in mobilising resources, providing solutions and innovations, shifting production and consumption patterns and lifestyles, advocating for change, and monitoring those responsible and holding them accountable for anticipated results. That way, participation would enhance democratic governance, strengthen social capital, generate long-term outcomes, ensure efficiency, and sustain economic growth.<sup>41</sup> Initiatives and choices can then be made with the greater good in mind.

Sustainable development calls for proactive coordination between organisations, multi-stakeholder collaboration, partnerships and networking to advance projects in a unified and coherent fashion, maximise synergies between and among several components of the SDGs, and limit trade-offs. In such moves, coordination (vertical, horizontal or lateral, procedural or substantive, and internal or external) would result in harmonious relationships depending on the kind of goals pursued, the individuals and organisations involved, and the process and techniques used. In sustainable development, multilevel interests are at play across public and private sectors influenced by local, national and international demands. Because of social, political, economic and spatio-temporal complexities, solving specific coordination challenges based on a commitment to building the grounds for ‘negotiated consent, resource sharing, and concerted action’ can be constraining<sup>42</sup> and, therefore, proper coordination plans and negotiating methods must be in place.

In a hierarchical system, the coordination process often risks becoming mired in red tape and cumbersome bureaucratic procedures. Such systems can stifle innovation and responsiveness, leading to inefficiencies and delays in decision-making. Conversely, in a decentralised democratic setup, the dynamics shift towards collaborative engagement. Here, various stakeholders collaborate to co-create solutions, leveraging their unique perspectives and expertise. This collaborative approach not only reshapes the operational context in which entities function but also cultivates innovative methodologies to address both strategic and operational challenges. By encouraging open dialogue and shared responsibility, a decentralised democratic environment can efficiently navigate complexities, making it more agile and adaptive to evolving needs and circumstances.<sup>43</sup> *Agenda 2030* focuses on the importance of partnerships and collaboration and the need to build networks at local, national and global levels. The core idea behind partnerships and

<sup>41</sup> OECD, *Governance as an SDG Accelerator: Country Experience and Tools* (2019); UNDESA, ‘Principles of Effective Governance for Sustainable Development’ (2018) E/2018/44-E/C.16/2018/8; E Swyngedouw and others (eds) *Participatory Governance in Multi-level Context. Concepts and Experience* (Leske & Budrich, 2002).

<sup>42</sup> E Swyngedouw and others (eds), *Participatory Governance in Multi-level Context. Concepts and Experience* (Leske & Budrich, 2002) 39.

<sup>43</sup> WJM Kickert, E-H Klijn and JFM Koppenjan (eds), *Managing Complex Networks* (Sage, 1997).

collaboration is to create values across the entire sustainable development process. Collaboration and partnerships can generate additional strength or intrinsic value toward achieving the SDGs.<sup>44</sup>

Networking is also a powerful tool for fostering and deepening collaboration and partnerships through which inclusive policy-making is enhanced. It is 'a form of organizational alliance in which relevant policy actors are linked together as co-producers where they are more likely to identify and share common interests'.<sup>45</sup> Sustainable development initiatives and outcomes, and the resolution of societal problems more generally, are aided by networking. Apart from collaboration, it presupposes interdependence, mutual adjustments and consensus among autonomous stakeholders, each pursuing specific interests but engaged in reaching compromises when contributing to policy-making.<sup>46</sup> The United Nations maintains action-oriented networks to advance intertwined sustainable development themes.<sup>47</sup> The Sustainable Development Solutions Network (SDSN) collaborates with relevant stakeholders at local, national and international levels to determine and propagate the best strategies for achieving sustainable development.<sup>48</sup>

## V. Reality on the Ground: Governance across the Global South

Regrettably, the slow progress toward achieving the SDGs in the Global South is directly attributable to the weakness of the various components of governance. The World Bank's Worldwide Governance Indicators provide a comparative perspective of the state of governance in the Asia-Pacific, African, Middle Eastern and Latin American regions between 2015 (when the SDGs commenced) and 2021 (the year for which data is available). These regions perform poorly on various governance indicators, well below the global average scores, ranging from over 73 to 87.6.<sup>49</sup> However, countries in East Asia and the Pacific and Latin America and the Caribbean are performing better than the rest of this Global South group (see Table 7.1).

<sup>44</sup> D Stibbe and others, *Maximising the Impact of Partnerships for the SDGs: A Practical Guide to Partnership Value Creation* (The Partnering Initiative, 2019).

<sup>45</sup> J Kim, 'Networks, Network Governance, and Networked Networks' (2006) 11 *International Review of Public Administration* 22.

<sup>46</sup> G Bouckaert, BG Peters and K Verhoest, *The Coordination of Public Sector Organizations: Shifting Patterns of Public Management* (Palgrave Macmillan, 2010); J Koppenjan and E-H Klijn, *Managing Uncertainties in Networks* (Routledge, 2004); P Valkama, SJ Bailey and A-V Anttiroiko, *Organizational Innovation in Public Services: Forms and Governance* (Palgrave Macmillan, 2013).

<sup>47</sup> UN, 'Action Networks for the SDGs', [sustainabledevelopment.un.org/partnerships/actionnetworks](https://sustainabledevelopment.un.org/partnerships/actionnetworks), accessed 26 October 2023.

<sup>48</sup> SDSN, 'SDSN Networks in Action 2022' (2022), [resources.unsdsn.org/2022-sdsn-networks-in-action-report](https://resources.unsdsn.org/2022-sdsn-networks-in-action-report), accessed 26 October 2023.

<sup>49</sup> See World Bank, 'Worldwide Governance Indicators' (2023), [info.worldbank.org/governance/wgi/Home/Reports](https://info.worldbank.org/governance/wgi/Home/Reports), accessed 27 September 2023.

**Table 7.1** Worldwide Governance Indicators & Performance of Different Regions in the Global South in 2021

Indicator	Region	Percentile Rank
Voice & Accountability	East Asia & The Pacific	55.35
	Latin America & the Caribbean	58.52
	Middle East & North Africa	23.74
	South Asia	36.47
	Sub-Saharan Africa	32.94
Political Stability	East Asia & The Pacific	66.32
	Latin America & the Caribbean	56.96
	Middle East & North Africa	28.21
	South Asia	33.31
	Sub-Saharan Africa	30.46
Government Effectiveness	East Asia & The Pacific	57.46
	Latin America & the Caribbean	50.10
	Middle East & North Africa	42.35
	South Asia	43.03
	Sub-Saharan Africa	26.66
Regulatory Quality	East Asia & The Pacific	54.04
	Latin America & the Caribbean	52.58
	Middle East & North Africa	42.17
	South Asia	30.89
	Sub-Saharan Africa	27.23
Rule of Law	East Asia & The Pacific	59.71
	Latin America & the Caribbean	49.04
	Middle East & North Africa	42.08
	South Asia	39.84
	Sub-Saharan Africa	29.08
Control of Corruption	East Asia & The Pacific	58.28
	Latin America & the Caribbean	49.80
	Middle East & North Africa	39.84
	South Asia	38.82
	Sub-Saharan Africa	32.28

Source: [info.worldbank.org/governance/wgi/Home/Reports](http://info.worldbank.org/governance/wgi/Home/Reports).

The Bertelsmann Stiftung Governance Index gives a moderate score to Latin America and the Caribbean, moderate to weak for the Middle East and North Africa, moderate to failed (>3.0) for Sub-Saharan Africa, and moderate to weak for Asia (including South Asia). The average quality of governance is deficient in terms of consensus-building, steering capability, resource efficiency and cooperation. In countries where the trend of populism is high, all aspects of governance suffer mainly because of weak leadership and poor steering capabilities.<sup>50</sup> On a 0–9 score continuum, in terms of citizen participation and its influence on policy-making, Africa scores reasonably low (0.29), while Latin America (0.56) and Asia/Pacific (0.43) indicate a moderate to low score.<sup>51</sup> Technology can play a critical role in advancing open government that, in turn, can contribute to implementing the SDGs. However, most countries of the Global South are not yet network-ready and, because they are unable to take full advantage of digital technologies due to structural limitations and regulatory constraints, leveraging economic and social benefits tend to be difficult.<sup>52</sup> They cannot move the SDGs forward due to low levels of trust and a lack of commitment toward inclusion, participation, collaboration and co-production.

There remain several potential causes of poor integration. When rules are inconsistent due to overlaps and interplays, it can have unfavourable effects on enforcement, incentive systems, and the clarity and feasibility of planning.<sup>53</sup> The intersectoral dimension of public administration and public policy is crucial for addressing these complicated legal and policy issues. For policy integration to have a positive impact on sustainable development outcomes, policy-makers and administrators need to find ways to connect the governance-related conceptual disjunctions and implement horizontal policies for which multiple organisations are responsible by adopting coordination arrangements that are both adaptive and reflective.<sup>54</sup> The success of Agenda 2030 hinges on harmonising sustainable development outcomes through cohesive planning, execution and accountability. By ensuring that institutions are inclusive and accountable, seamlessly merging voice, design and delivery, comprehensive, integrated results can be achieved. This approach paves the way for policy-making that is inherently more democratic. It has been reported that in many countries, government agencies tasked with enacting and implementing climate change policies lack the authority, technical capability, or legal mandate to facilitate inter-institutional coordination.<sup>55</sup>

<sup>50</sup> Bertelsmann Stiftung, 'The Transformation Index' (2022), [bti-project.org/en/?d=G&cb=00000](https://bti-project.org/en/?d=G&cb=00000), accessed 7 November 2022.

<sup>51</sup> V-Dem Institute, 'Democracy Report 2022 – Autocratization Changing Nature?' (2022) 10, [v-dem.net/media/publications/dr\\_2022.pdf](https://v-dem.net/media/publications/dr_2022.pdf), accessed 4 June 2024.

<sup>52</sup> Portulans Institute, 'The Network Readiness Index 2021' (Portulans Institute, 2021).

<sup>53</sup> T Bolognesi and S Nahrath, 'Environmental Governance Dynamics: Some Micro Foundations of Macro Failures' (2020) 170(3) *Ecological Economics*.

<sup>54</sup> A Molenveld and others, 'Images of Coordination: How Implementing Organizations Perceive Coordination Arrangements' (2020) 80 *Public Administration Review* 9.

<sup>55</sup> UNDP, 'Institutional and Coordination Mechanisms: Guidance Note on Facilitating Integration and Coherence for SDG Implementation' (2017).



Thus, sound policy management for sustainable development must be complemented by proper legal coordination between law makers and law implementers. From the standpoint of law, the legal roles of the executive, legislature, judiciary and bureaucracy in environmental protection and development come into play. Proper judicial and administrative procedures would help facilitate legal redress and provide remedial measures against unlawful actions affecting the environment and development. Individuals and institutions with a recognised legal interest and citizens whose legal rights are infringed must be protected. It is imperative that public and private entities at all levels of government, both nationally and locally, maintain accountability for their activities in accordance with their obligations.<sup>56</sup>

Also, international legal instruments, especially those relating to climate change and environmental control and monitoring, need to be adapted to suit local conditions and incorporated into national strategies. Legal loopholes should be closed as much as possible to facilitate close coordination among key stakeholders for the SDGs to be effectively implemented. Vertical coherence could be achieved through partnerships with non-governmental actors, such as dynamic civil society groups with local expertise. To elevate this partnership beyond a merely informal arrangement, a functional legal framework would be required.<sup>57</sup> The international covenants and protocols need to be revisited often and national policies that impede implementation of the SDGs should be overturned or amended, and recent breakthroughs that enhance them should be ramped up quickly.<sup>58</sup>

## VI. Fostering Policy Coherence and Improving Accountability

Sustainable development involves a complex interplay of various institutions, including public authorities, private enterprises and civil society. Achieving sustainable development requires effective coordination and collaboration among these actors. This is particularly relevant in developing country contexts with limited access to funding arrangements, which require targeted assistance and strong policy coherence to create new incentives for change and implement sustainable development projects in areas that can achieve the most impact. In recent years, these countries have taken proactive initiatives to promote policy coherence by adopting sound policy frameworks, such as National Adaptation Plans (NDPs) and Nationally Determined Contributions (NDCs) under the Paris Agreement. These provide high-level statements from national governments that

<sup>56</sup> UNDESA, 'International Law: Decisions of the GA and CSD' (1997), [www.un.org/esa/sustdev/sdissues/intl\\_law/law\\_decisions.htm#19th](http://www.un.org/esa/sustdev/sdissues/intl_law/law_decisions.htm#19th), accessed 24 May 2024.

<sup>57</sup> UNDP, 'Institutional and Coordination Mechanisms: Guidance Note on Facilitating Integration and Coherence for SDG Implementation' (2017).

<sup>58</sup> UN, 'The Future is Now: Science for Achieving Sustainable Development' (2019).

can guide policy directions and priorities for decision-makers at national and sub-national governments.

On a policy level, one of the more significant challenges is ensuring that these high-level statements are mainstreamed and addressed in sub-national decision-making mechanisms and that governance structures are in place to capture complex issues that do not neatly fit within the responsibilities of one departmental agency or portfolio. The increasing sectoral specialisation of the modern state limits the scope of actions that different actors can take to address sustainability issues. Sustainable development problems often transcend administrative divisions, territorial jurisdictions and the traditional division between the economic and political domains.

To illustrate this issue, developing countries face significant difficulty in building a highly skilled, scalable workforce that can implement sustainable development projects, given the complexity of addressing this issue in a coordinated way. There are several reasons why developing countries continue to face barriers in creating a skilled workforce, each highly specific to individual country's circumstances. But overarching issues include long-term migration patterns towards developed countries (or 'brain drain')<sup>59</sup> and poor credit ratings that prevent project proponents from undertaking sustainable development projects in the first place.<sup>60</sup> Improving workforce coordination and creating a skilled workforce base is one solution to address this issue, but it requires both short and long-term policies across several different government departments and agencies to be actioned. This includes improving the mobility of the existing workforce through steps such as mutual recognition of vocational training or formalisation of existing experience<sup>61</sup> to long-term policy action such as improving education and vocational training opportunities for young workers and improving the visibility and transferability of workers' hard and soft skills so that they can effectively participate in the labour market.<sup>62</sup> Targeted support that improves the attractiveness of developing country economies to potential employees, such as providing transport options, housing or healthcare,<sup>63</sup> further underscores the cross-institutional and complex nature of the measures needed to address barriers to effective sustainable development implementation.

<sup>59</sup> See JH Aarhus and TG Jakobsen, 'Rewards of Reforms: Can Economic Freedom and Reforms in Developing Countries Reduce the Brain Drain?' (2019) 22(4) *International Area Studies Review* 327; F Docquier, O Lohest and A Marfouk, 'Brain Drain in Developing Countries' (2007) 21(2) *The World Bank Economic Review* 193.

<sup>60</sup> OECD, 'Bottlenecks to Access Sustainable Development Goals Finance for Developing Countries' (2023), [www.oecd.org/g20/oecd-g20-bottlenecks-sdg-finance-developing-countries.pdf](http://www.oecd.org/g20/oecd-g20-bottlenecks-sdg-finance-developing-countries.pdf), accessed 26 October 2023.

<sup>61</sup> SK Misra, 'Skill Development: A Way to Create Skilled Workforce for Strong and Sustainable Growth' (11 October 2016), [ssrn.com/abstract=2883735](https://ssrn.com/abstract=2883735), accessed 26 October 2023.

<sup>62</sup> D Lam and A Elsayed, 'Barriers to Labour Market Efficiency in Low-Income Countries' in D Lam and A Elsayed (eds), *Labour Markets in Low-Income Countries: Challenges and Opportunities* (Oxford Academic, 2021).

<sup>63</sup> *ibid.*

Improving policy coherence and coordination amongst several government departments and actors requires the next step beyond establishing a framework that outlines a high-level direction to be achieved at a national level. In this respect, transparency and accountability is critical. Governments must have a strong incentive to ensure that they take responsibility for issues that do not neatly fit into their portfolio responsibilities and are encouraged to act and create cross-departmental agencies, taskforces and action committees that are responsible for and can report on complex policy issues and address the barriers towards effective sustainable development implementation. Improving cross-institutional collaboration must also occur on both horizontal and vertical scales, that is, between government agencies and different levels of government from the sub-national to the national. Whilst national governments can take the lead in establishing policy leadership and direction on contentious issues, genuine engagement with local government is vital to inform the substantive content of sustainable development policy and allow decision-makers to identify specific barriers towards effective implementation.

With specific reference to sustainability accounting and EAR, improving coherence and coordination is required at all steps of the policy-making process. Having a cross-institutional body which is responsible for complex sustainable development implementation problems allows it to address information gaps, interrogate and oversee the collection of data and other inputs required to make policy, and to collaborate with local agencies to ensure that data and information flows remain relevant and fit for purpose. Vertical integration also allows agencies to improve their capacity to gain datasets and obtain inputs with sufficient granularity to make ecosystem services assessments valuable.

## VII. Creating Polycentric Governance and Dispersing Centres of Power

Decision-makers and government are made up of people who make mistakes. However, creating a polycentric form of governance that actively engages multiple stakeholders to test, challenge and improve policy-making creates an environment that can improve the delivery of sustainable development policy and its outcomes. Whilst actively engaging community and external feedback adds to the complexity of the policy-making process, this reduces the downstream costs associated with policy failure or the need to undertake further supplementary action to address the policy issue. Fostering genuine engagement and participation is also vital for policy-making post-implementation, where feedback from the community, industry or non-government organisations can provide valuable insight for further improvement and evaluating program effectiveness.

Dispersing centres of power also requires an independent judiciary that can uphold the rule of law and create certainty in executive or legislative

decision-making. Not only does an independent judiciary improve the accountability and transparency of government and help address issues such as corruption, but an effective judiciary can also act as a conduit in implementing the latest developments in international environmental law into domestic contexts. Further, this creates a regulatory regime that is more predictable and creates a system where conflicting interests can be managed. Nevertheless, to ensure that a judiciary remains effective and interrogates decisions based on EAR and environmental accounting, specialised courts that are staffed with jurists with sufficient knowledge in EAR practices are required. Developing supporting practices such as shared technical assessments between project proponents and complainants also presents good practice by reducing unnecessary litigation on highly technical issues, which adds cost burden and reduces access to justice opportunities for community groups.

## VIII. Conclusion

From its inception to current practices, sustainable development has been shaped by numerous global agreements and protocols. Various strategies, laws and policies have been devised and executed at international, regional and national levels to balance social, economic and environmental needs. Implementing sustainable development, particularly in the Global South, is challenging due to its multifaceted nature, demanding collaboration across public and private sectors on local to global scales. Unlike economic growth, which focuses on converting natural capital to human capital and emphasises market efficiency, sustainable development aims to improve the quality of life without harming the environment.

Sustainable development's overarching goal is a future marked by economic prosperity, the absence of extreme poverty, resilient communities and no human-induced environmental degradation. This framework integrates economic, social and environmental goals over time. Practically, regions and countries craft and execute policies that balance these goals, employing governance principles and using scientific and ethical methods for inclusive development. Modern policy practices embrace principles of Environmental Accounting and Reporting (EAR) and sustainability accounting.

As highlighted in this chapter, beyond technical limitations, there is a governance challenge. Effective EAR requires robust governance structures capable of addressing intricate policy issues. Without such structures, achieving evidence-based policy-making, particularly in resource-constrained developing nations, becomes challenging. Owing to the cross-border nature of sustainable development challenges, it is vital for all nations, both developed and developing, to collaborate on solutions, such as environmental and climate change policies. For developed nations, this also presents a chance to tap into emerging markets and potential economic benefits.

Successful policy outcomes hinge on integrating the sustainable development process and the efficacy of relevant institutions in overcoming political, economic and legal hurdles. Collaboration across various sectors, stakeholder engagement and adherence to good governance principles are essential for legitimising development results. Hence, Goal 16 of the 2030 Agenda is pivotal for realising sustainable development objectives efficiently.

Beyond merely formulating policies, the real test for developing countries lies in achieving seamless integration in policy-making and making informed choices. Cross-institutional entities, such as task forces, will be vital. It is also crucial to foster a multi-stakeholder governance environment. For EAR and sustainability accounting, this means enhanced industry, community and stakeholder engagement during the policy formation stage, supplemented by a judiciary proficient in EAR and sustainability accounting which is able to review decisions effectively.