
Guest editorial: Climate change accounting, reporting and accountability by governments, not-for-profit organisations and charities – Is climate equity approach a way forward?

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1. Introduction

Climate change now constitutes the greatest threat to humankind. The catastrophic impacts of climate change on lives, livelihoods and ecosystems, as well as in promoting inequalities and social injustice, are well documented in the extant literature and the reports published by international organisations (Nyberg and Wright, 2022; Mall *et al.*, 2019; Munang *et al.*, 2013; Upadhaya *et al.*, 2021; Perkiss, 2024). The poorest families and communities in developing countries have experienced the biggest casualties of climate change in the form of extending poverty, injustice and racism (see, e.g. Agyemang *et al.*, 2024). The World Bank's data delineate the fact that the livelihoods of more than 750 m South Asians have been affected in the last two decades due to the climate-triggered extreme weather that has now become a new normal [1]. According to the UN (2019), climate change is pushing 120 m more people across countries into poverty by 2030 and ushering in an era of "climate apartheid" characterised by economic havoc, unprecedented displacement of poor and vulnerable populations and the rise of climate refugees (see also Perkiss and Moerman, 2018; Perkiss, 2024; Agyemang *et al.*, 2024). For instance, a study by Perkiss and Moerman (2018) outlines the risk faced by a number of Pacific Islands due to the rising sea level and their possible disappearance, although their contributions to carbon emissions are minimal.

Despite global awareness and several international initiatives starting from the adoption of the UN Framework Convention on Climate Change (UNFCCC) in the early 1990s to the adoption of the Kyoto Protocol in 1997, the Paris Agreement in 2015 and continued development of ambitious climate plans (i.e. Nationally Determined Contributions), achieving the climate goals and targets has proved to be far more ambitious (Upadhaya *et al.*, 2021). Enormous monetary commitments have been made, mainly to developing countries, by Western nations and international organisations as part of mitigating the consequences of climate change. For instance, at COP 29, the financial commitment to developing countries was tripled, from \$100 bn to \$300 bn annually by 2035, claiming that such increased resources are vital in protecting lives and livelihoods [2]. With such unprecedented financial commitments, the transparency and accountability of climate finance have increasingly become a global concern, giving rise to a need for strengthening climate accounting and reporting by governments at different levels.

Although some initiatives made by organisations such as the IPSASB and the PEFA to introduce standards and climate tagging codes and facilitate climate-supportive PFM reforms (Adhikari *et al.*, 2023; IPSASB, 2022), only recently have public sector accounting researchers started to focus on issues relating to climate accounting, reporting and accountability in greater depth (Baker *et al.*, 2023; Nyberg and Wright, 2022; Liu *et al.*, 2017; Bryan, 2022). While some scholars have highlighted the need for enlarging public resources and the scope of budgeting to address climate-triggered challenges (Gilmore and St. Clair, 2018; Irawan *et al.*, 2012), others have called for cross-disciplinary research in public sector accounting, referring to climate change as "grand challenges" and "wicked problems"



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(Leoni *et al.*, 2021, p. 1307; Barbera *et al.*, 2024). It is perhaps unsurprising that the traditional and hierarchical models of public service delivery fall short in tackling such wicked problems as these challenges are intertwined with diverse stakeholders' values and interests and shaped by contextual uncertainties, thereby requiring cross-sector and multi-level governance systems (see, e.g. Kim *et al.*, 2025).

More importantly, new modes of governing, including dialogic and agonistic approaches (Brown, 2009; Brown and Dillard, 2015), together with digitally enabled mechanisms for discharging accountability (Grossi and Argento, 2022), have been brought into the agenda for the public sector to address such wicked problems. For instance, a study by Boswell *et al.* (2023) demonstrates the unprecedented rise of national climate assemblies, as well as the attempts to make them more interactive through innovative design. In addition, notions such as "publicness (Steccolini, 2019)", "co-production and its varied modes" (Loeffler and Bovaird, 2019; Barbera *et al.*, 2024), "localised-led development" (Hopper *et al.*, 2009; Wickramasinghe *et al.*, 2026) and "accountee-ability" (Steccolini, 2025) have been brought forth in discussion. This recent development highlights how NPM-driven accounting and performance measurement systems have constrained the scope and potential of public sector accounting. It also suggests that these tools have largely failed to deliver public value and broader forms of accountability to society, the natural environment and future generations.

Increasingly, concerns have been raised about the need to strengthen resources and PFM mechanisms to address inequalities, injustice and disparities that have been further intensified by the impacts of climate change. Such discussions on inequalities and social disparities are perhaps not new to public administration and public management scholars, as these have been central to the notion of social equity, one of the fundamental pillars of public administration (Guy and McCandless, 2012). The four dimensions of social equity – access, procedural fairness, quality and outcomes-have been extensively drawn by these scholars to analyse prevailing inequalities, as well as to measure to what extent social equity has been achieved and/or why it has failed to emerge.

The aim of this special issue is two-fold. Firstly, despite a growing interest in exploring how the public sector can contribute to climate change initiatives, the existing literature has yet to conceptualise and extend our understanding of climate accounting, reporting and accountability in the public sector, one of the most notable wicked problems facing contemporary societies. This is also reflected in a recent study by Kaur *et al.* (2025), which highlights that research on Sustainable Development Goal (SDG) accounting and reporting practices of public, non-profit and hybrid sectors still remains in its infancy. Secondly, the existing literature on social equity budgeting (SEB) has mostly focused on inequalities and injustice associated with race, ethnicity, gender and other intersectional disadvantages. Issues of climate justice and climate apartheid have rarely been central to these studies, delineating the need for integrating the concept of "climate equity approach" into SEB. In summarising the key findings of the accepted papers, we demonstrate how this special issue advances these two aims.

2. Key issues and gaps in the existing literature

The dual role of the public sector in climate-change management – as a role model demonstrating responsible environmental leadership and a central architect of the institutional frameworks that govern sustainability has been outlined in prior work (Kaur *et al.*, 2025; Cappellieri *et al.*, 2025). Building on this dual role, a plethora of literature has highlighted the important role that public sector entities, not-for-profit organisations and charities can play in making citizens and stakeholders aware of sustainability and climate change-related challenges and mobilising collective responses by engaging with them (Cappellieri *et al.*, 2025). Gilmore and St. Clair (2018) state that proximity to local contexts is of paramount importance in executing climate action as it enables public authorities to draw on local knowledge to identify context-sensitive mitigation opportunities and to assess and respond to evolving climate adaptation needs.

While the literature discussing the climate disclosures by governments, apart from climate tagging and budgeting, is limited, a number of studies have highlighted carbon performance by several public sector entities (see, e.g. [Kaur et al., 2025](#)). Suggestions have been made that disclosing and managing carbon performance are likely to enhance organisational decision-making and transparency in the public sector by facilitating more targeted emissions reduction efforts and strengthening stakeholder reputation and attractiveness ([Townsend and Barrett, 2015](#); [Saha et al., 2021](#)). Resource constraints, however, appear to be one of the key obstacles in improving the climate performance of many entities operating at different government levels and charity organisations. Addressing climate change and formulating effective climate responses requires substantial and long-term investment across multiple years, which has led many of these entities to prioritise short-term spending over long-term strategic investment ([Gilmore and St. Clair, 2018](#)). Many public sector entities, particularly smaller ones, have therefore performed as less “carbon-ready” in terms of implementing meaningful mitigation actions and discharging accountability. For instance, [Zeppel \(2013\)](#) has argued that carbon leadership is concentrated primarily within larger metropolitan councils, whereas smaller organisations remain comparatively less prepared to engage in climate initiatives.

The introduction of relevant climate-related regulations, such as the SDGs, the Task Force on Climate-related Financial Disclosure (TCFD), the International Accounting Standard Board (ISAB) S2 guidelines, or local guidelines such as the National Greenhouse and Energy Reporting (NGER) Scheme in Australia, has often been presented as a positive development, influencing both the extent and quality of climate disclosures and performance across different types of public sector organisations ([Liu et al., 2017](#); [Ehalaiye et al., 2025](#); [Kaur et al., 2025](#)). However, only a few studies have explored in detail climate accounting, reporting and accountability within the public sector and knowledge gaps therefore persist in both field-level practice and the theoretical understanding of how climate considerations are embedded, measured and governed in the sector ([Haque and Irvine, 2018](#); [Ehalaiye et al., 2025](#); [Kaur et al., 2025](#); [Saha et al., 2021](#)). This limited insight and underdevelopment is perhaps concerning given the sector’s crucial role in shaping effective climate responses and preserving the lives and livelihoods of poor and vulnerable communities.

Scholars have also outlined the obstacles that are likely to be faced due to the challenges in collecting and reporting accurate and consistent data on climate change and accountability in the public sector ([Kaur et al., 2025](#)). This reflects the absence of well-developed accounting and reporting frameworks in supporting public sector organisations to effectively measure, manage and integrate climate considerations into decision-making and accountability processes ([Gilmore and St. Clair, 2018](#)). Moreover, given that climate data in many developing countries’ governments are derived from their budget and that their limited capacity to execute the development budget largely makes such data unreliable and untrustworthy in decision-making ([Upadhaya et al., 2021](#)). Within these contexts, [Brown and Hoti \(2025\)](#) argue that climate budgeting is most impactful when treated not as an environmental add-on but as a core reform of public financial management, reinforcing the need for practical and accessible evaluation tools to translate climate ambitions into actionable public fiscal strategies. The technical and institutional limitations associated with climate budgeting, accounting and reporting are further compounded by divergent governmental framings of climate accountability. For instance, [Edgar and Stewart \(2025\)](#) state that the Norwegian government constructs climate change as a global challenge requiring coordinated action and shared responsibility, thereby orienting accountability towards international audiences and agreements, whereas the UK central government frames it as a departmental issue, constraining accountability within national administrative boundaries. In this context, the effectiveness of climate governance also depends on how deeply climate considerations are embedded within financial systems and accountability processes.

These challenges are further intensified by persistent social inequalities, as climate impacts remain unevenly distributed, disproportionately affecting vulnerable communities in developing countries ([Perkiss, 2024](#)). The prevailing policy frameworks and dominant

discourses have often failed to adequately recognise or address these structural disparities, raising concerns about “climate apartheid” or “climate injustice” (Perkiss, 2024; Ang *et al.*, 2026). The NPM-led logics and calculative forms of rationality (Guthrie and Grossi, 2025) have continued to shape climate governance, transforming complex social and ecological realities into quantifiable indicators and measuring them through traditional calculative practices (Soares and de Aquino, 2025). As a result, climate governance and accountability mechanisms have continued to emphasise supply-side reporting and managerial control, while marginalising demand-side perspectives, particularly the voices, rights and lived experiences of affected communities. As argued by Perkiss (2024), this may risk perpetuating existing power asymmetries and contributing to forms of environmental and climate racism, as accountability processes overlook those most exposed to climate risks and least able to influence institutional responses.

3. Social equity framework: a conceptual lens for exploring climate change accounting, reporting and accountability

The notion of social equity was conceptualised during the 1970s as the fourth pillar of public administration, alongside the pre-existing pillars of efficiency, effectiveness and economy. This was a response to the long-standing debate over widening societal disparities caused by a failure to ensure fairness, justice and the equitable distribution of public services (Burnier, 2021; Frederickson, 1971). The social equity framework, comprising four dimensions of procedural fairness, access, quality and outcomes, has gained growing importance in recent academic debates on justice-focused accountability and governance (Johnson *et al.*, 2011; McCandless *et al.*, 2022; Svara and Brunet, 2005). Building on the social equity framework and conventional public budgeting theory, scholars have more recently brought forth in discussion the notion of SEB as a normative framework for fiscal decision-making underpinning distributive justice (e.g. McDonald *et al.*, 2024; McDonald and McCandless, 2025). Rather than creating a separate budget, SEB involves “*assessing the equity of a budget’s allocations, incorporating social equity into all levels of the budget process, and restructuring revenues and expenditures in ways that promote social equity*” (McDonald and McCandless, 2025, p. 11). SEB advocates equity-sensitive fiscal decisions by recognising that budgeting is inherently political, negotiable and subjective, rather than purely objective and technical (Chen *et al.*, 2025). In particular, SEB’s underlying assumptions extend the ongoing debate over “who gets what” in public financial management, thereby integrating social equity into budgetary principles. The literature positions SEB as an emerging perspective for budgetary reforms that promote citizen participation (Taylor *et al.*, 2025) and gender responsiveness (Rajib *et al.*, 2026), with an increasing focus on bringing the voices of historically excluded marginalised groups into mainstream fiscal decisions. For instance, participatory budgeting has long been recognised as a democratic governance approach that empowers citizens to participate in fiscal decisions, thereby ensuring distributive fairness and public accountability (Taylor *et al.*, 2025).

Extant work demonstrates not only the failure of public budgeting to respond to climate change vulnerabilities but also the role it has played in exacerbating and reproducing socio-economic inequalities by being “equity-blind” (see, e.g. McDonald and McCandless, 2025; McDonald *et al.*, 2024; Moll *et al.*, 2025). Within this context, SEB can offer a compelling conceptual lens through which to explore the role of public budgeting in responding to climate change, given that climate vulnerabilities are disproportionately distributed across socio-economic, geographical (e.g. developing countries) and demographic boundaries (e.g. women and children). While SEB frames the normative foundation for addressing the critical question of “who gets what”, the emerging climate budgetary concepts, such as green budgeting and climate-responsive public budgeting, together with budgetary tools such as carbon tagging, environmental cost-benefit analysis and climate expenditure tracking, are likely to provide the technical know-how (e.g. Upadhaya *et al.*, 2021). Participatory

budgeting (e.g. [Taylor et al., 2025](#)), for example, can improve transparency in climate policies, encourage environmentally conscious public choices and address localised injustice and energy disparities by linking fiscal decisions to energy justice. For SEB to foster climate-responsive fiscal decisions through distributive justice, which we refer to as the “climate equity approach”, it must be accessible, executed fairly, managed well and produce long-term, sustainable benefits for climate-vulnerable communities (see, e.g. [Svara and Brunet, 2005](#); [McDonald et al., 2024](#); Johnson and Svara, 2015; [Taylor et al., 2025](#); [Rajib et al., 2026](#)).

Despite SEB’s significance and potential to foster climate equity, its practical implementation nonetheless appears challenging. First, although climate budgeting tools and metrics are becoming more advanced, normative assumptions associated with SEB, such as equity outcomes and distributive justice, remain arduous to quantify and implement in the public sector ([Stokan et al., 2023](#)). In turn, SEB tends to be symbolic, lacking robust, measurable metrics and clear implementation guidelines. Second, the inclusion of climate-vulnerable and marginalised communities in formal fiscal policies often remains challenging. Existing institutional capacity, bureaucratic procedures and a lack of transparent, up-to-date data tend to undermine the practical integration and convergence of SEB into climate equity (e.g. [Upadhaya et al., 2021](#)). Finally, the execution of SEB raises questions about the complementarity between efficiency and social equity. Under severe fiscal constraints, the balance between fiscal discipline and economic growth, as promoted by conventional public budgeting, and the distributive justice advocated by SEB tends to create tension among policymakers (e.g. [Stokan et al., 2023](#)). Despite these challenges, SEB has envisaged the possibility of designing an innovative and compelling framework for policymakers, enabling them to revisit and reassess conventional public budgeting by integrating climate equity approaches and translating distributive justice into practice. The importance of giving SEB a climate focus is therefore largely echoed in the public sector.

4. An overview of the selected papers for the special issue

This special issue includes eight papers covering a wide range of topics (e.g. climate budgeting, decarbonisation, sustainability reporting, climate justice and environmental and SDG disclosures), providing further conceptual justification and empirical evidence for the development of a social equity framework for addressing climate change and justice. These papers analyse different types of climate change accounting, reporting and accountability challenges envisaged at different levels of government (e.g. national, state and local), state-owned enterprises, hospitals and not-for-profit organisations (e.g. NGOs) operating across countries. In this section, we provide a detailed summary of each paper selected for this special issue (see [Table 1](#)).

The study by [Zhang et al. \(2026\)](#) investigates how local government budgeting can contribute to greenhouse gas emissions reduction. Drawing on examples from Minnesota, the paper demonstrates how spending on conservation and natural resources is consistently linked to reduced emissions. However, expenditures on culture and recreation appear to have mixed effects (e.g. increase/decrease emissions). The paper emphasises the importance of climate budgeting, highlighting how it can facilitate local fiscal decision-making and support or hinder statewide climate goals. As outlined in the study, climate disclosures can only be meaningful when they are aligned with fiscal expenditures and enable an effective evaluation of the environmental impacts of specific spending categories, such as travel, waste and energy.

In their conceptual paper, [Ang et al. \(2026\)](#) provide critical reflections on the limitations of conventional, scientific and technocratic approaches to public sector climate accounting and accountability. Central to the paper lies the argument that the existing global climate change policies and practices have failed to address the socio-economic inequalities and cultural variations that exist between the Majority (also known as the Global South or developing countries) and the Minority World (also known as the Global North or Western or developed

Table 1. An overview of the papers included in the special issue

Papers	Country/ Geographic region	Topics covered	Methodology/Approach/Data
Zhang <i>et al.</i> (2026)	USA (North America)	Local government budgets and GHG (Minnesota)	Quantitative; Regional Indicator Initiative (RII) database
Ang <i>et al.</i> (2026)	NA	Climate justice	Conceptual paper
Van Schie and Budding (2026)	Netherlands (Europe)	Sustainability reporting by Dutch hospitals	Mixed-methods approach
Hosiosky <i>et al.</i> (2026)	South Africa (Africa)	State-owned enterprises and SDGs	Quantitative; Content analysis
Mchembere <i>et al.</i> (2026)	United Kingdom (Europe)	Environmental disclosures by NGOs	Quantitative; Content analysis
Shahib <i>et al.</i> (2026)	Indonesia (Southeast Asia)	Decarbonisation disclosure by local/provincial governments	Quantitative; Content analysis
Ryu <i>et al.</i> (2026)	Portland, Oregon, USA	Towards co-creation: Institutional arrangements in climate participatory budgeting	Qualitative case study; longitudinal fiscal description and systematic textual analysis
Rahardyan <i>et al.</i> (2026)	Indonesia (Southeast Asia)	Towards a greener archipelago: strengthening Indonesia's environmental quality through fiscal transfer	Quantitative; fixed effects models and dynamic system GMM

countries). Drawing on the concept of “climate injustice” and Latour’s (2017) notion of “Down to Earth”, and reflecting on three empirical cases, the paper proposes a framework for climate accounting and accountability, claiming its efficacy in addressing the climate problems faced by countries in the Global South and international agencies.

[Van Schie and Budding \(2026\)](#) have studied the extent to which Dutch hospitals report on sustainability issues and their attempts at aligning with the topics that are claimed to be important in Dutch hospitals. Drawing on ideas from institutional and accountability theories and using a mixed-method approach, the authors demonstrate the extensive focus placed by hospitals on reporting governance themes, whereas environmental issues, which are key contributors to pollution and guided by the Green Deal agreement, have received relatively little attention. Limited use of performance indicators is discernable, although they are considered important. The study has called for the need to use a learning perspective in sustainability reporting, aligning reporting themes with healthcare sector policies.

Following a detailed quantitative content analysis and drawing on legitimacy and stakeholder theories, [Hosiosky *et al.* \(2026\)](#) have analysed the SDGs discourses by the state-owned enterprises (SOEs) in South Africa. The findings of the study demonstrate how the SDGs disclosures provided by SOEs in South Africa have continued to remain largely symbolic, dominated by qualitative narratives and unsubstantial content. The disclosures have offered little insight into the progress of corporate sustainability performance, mainly on social initiatives. Stakeholders have faced challenges in terms of understanding SOEs’ sustainability actions and strategies. Central to the findings of the study is the fact that low levels of accountability and an absence of sanctions result in SOEs deviating from SDGs targets and guidelines. The study has called for the need to develop tools that would enable sustainability strategies to be disclosed to stakeholders, offering clear targets and progress reports and aligning socio-economic and environmental factors with the organisational (SOEs’) mandate.

A study by [Mchembere *et al.* \(2026\)](#) has examined whether UK NGOs have improved the quality and quantity of their environmental disclosures over the years following societal expectations for transparency and accountability. The findings, which are derived through

facilitating a manual context analysis of 35 leading UK NGOs' reports, have been analysed drawing on legitimacy theory. Central to the findings is the fact that both the volume and quality of environmental disclosures by UK NGOs have significantly increased over the years, helping to fulfil their commitment to strengthening organisational environmental accountability. Improved quality was more distinct in numerical and operational discourses, as compared to narrative and policy disclosures. The study shows that NGOs have been able to adopt high-quality environmental reporting practices over the passage of time and, to some extent, fulfil their implicit social contract.

In their study, [Shahib *et al.* \(2026\)](#) have used a multi-level evaluation of decarbonisation disclosures by Indonesian provincial governments to provide an in-depth analysis of the socio-environmental, economic and governance factors shaping the provincial government's accountability. A central issue was to identify whether reporting reflects proactive governance or has been more of a reactive tool for legitimacy. The study findings show the "accountability gap" between national policy intent and local implementation. Stakeholder pressures and an ecological pressure for carbon sequestration, both of which are key proactive drivers, were relatively absent. In order to close this accountability gap and translate the national policy into meaningful local action (i.e. to achieve the decarbonisation agenda in the local context), the study has called for the need to move beyond the current model of reactive legitimacy, where disclosures are mainly aimed at managing legitimacy rather than driving climate action.

Presenting the case of Portland, Oregon, the study by [Ryu *et al.* \(2026\)](#) has analysed the extent to which public finance institutions, mainly the climate-related earmarked funding mechanisms and participatory climate budgeting and investment platforms, can leverage co-creation, as well as the role of institutional environments in shaping co-creation dynamics in climate budgeting and finance. The data for the study were derived from analysing, amongst others, financial reports, governmental records, minutes, budget hearings and policy documents and the contributions are drawn on adhering to the ideas of co-creation. Central to the key findings of the study is the fact that co-creation in climate participatory budgeting is conditional, bounded and institutionally mediated. Governments can play an important role in designing institutional arrangements to structure co-creation, collaborating with non-governmental actors. The study emphasises the importance of promoting co-creation in climate participatory budgeting as it may enable the expansion of participation without necessarily redistributing power.

Lastly, the study by [Rahardyan *et al.* \(2026\)](#) has explored whether Indonesia's ecological fiscal transfer framework has improved municipal environmental quality, along with the extent to which accountability has contributed to strengthening the impact of intergovernmental transfers on the environmental quality index. Drawing on agency theory and quantitative data analysis, the findings of the study demonstrate how the earmarked and locally actionable transfers have yielded the most reliable environmental returns. The revenue sharing funds and the village funds continued to shape the environmental quality index across specifications with accountability mechanisms put in place. Key findings of the study emphasise the fact that environmental impacts of fiscal decentralisation are to a large extent relied not only on the amount of resources distributed but also on the institutional settings in which government conditions are better translated. This requires developing a replicable governance-conditioned model in which ecological fiscal transfer is treated as a performance regime, ensuring multi-year transfers to audited outcomes.

Overall, these papers have highlighted numerous opportunities for future research in the areas of climate change accounting, reporting and accountability in the public sector, not-for-profit organisations and charities – areas many of which are yet to be unfolded and considered important in translating the emerging public sector governance themes such as publicness ([Steccolini, 2019](#)), "co-production" ([Loeffler and Bovaird, 2019](#); [Barbera *et al.*, 2024](#)), "localised-led development" ([Hopper *et al.*, 2009](#); [Wickramasinghe *et al.*, 2026](#)) and "accountee-ability" ([Steccolini, 2025](#))

5. Conclusions

We launched this special issue with two clear goals – extending our understanding of one of the most striking wicked problems of this generation, climate change, from the perspectives of public sector accounting and auditing, when the latter itself is facing criticisms for excessively prioritising NPM-led tools and measures. The need for extending the scope and significance of public sector accounting and auditing has been on a debate using multiple concepts – publicness, localised-led development, digitalisation, accountee-ability; all of which call for a wider role of public sector accounting and accountability in addressing the issues of social significance, bringing happiness to the lives and livelihoods of populations and extending accountability beyond humans to nature and the future (see, e.g. [Grossi and Argento, 2022](#); [Steccolini, 2019, 2025](#); [Barbera et al., 2024](#); [Wickramasinghe et al., 2026](#); [Loeffler and Bovaird, 2019](#)). In this context, the importance of identifying public sector accounting, reporting and accountability for climate change is far from desirable, but has become an utmost necessity in going forward. The special issue has added to the exiting work on climate accounting, reporting and accountability by public sector entities, not-for-profit organisations and charities delineating how a broader understanding has been developing in these areas, how different aspects of climate accounting, reporting and accountability have been prioritised across different sectors and regions and how new forms of governance and accountability have been emanated, including cocreation and decarbonisation accountability ([Shahib et al., 2026](#); [Ryu et al., 2026](#)). These studies have analysed different aspects of climate change accounting, reporting and accountability, drawing on varied theoretical approaches ranging from “Down to Earth” ([Ang et al., 2026](#)) to “institutional and accountability theories” ([Van Schie and Budding, 2026](#)) and adhering to both qualitative and quantitative methodologies.

The special issue has been able to reflect on developments taking place in climate accounting, reporting and accountability across countries and sectors such as NGOs, hospitals, SOEs, municipal agencies and other local governments. For instance, the paper by [Zhang et al. \(2026\)](#) has outlined the importance of aligning fiscal expenditures with climate budgeting, whereas [Ang et al. \(2026\)](#) have called for a climate framework that could address the specific climate accounting, reporting and accountability issues being encountered by developing countries. Such is also reflected in the work by [Shahib et al. \(2026\)](#), in which the authors have unfolded the accountability gap of Indonesian provincial governments, primarily in their decarbonisation disclosures and called for more effective climate action, setting up a new model. The importance of setting up appropriate mechanisms for co-creation in climate participatory budgeting is outlined in the work by [Ryu et al. \(2026\)](#). In their work on Indonesian ecological fiscal transfer, [Rahardyan et al. \(2026\)](#) have also called for the need for appropriate institutional settings to ensure the quality and accountability of the environmental index across varied specifications. Moving away from the government levels, the study by [Van Schie and Budding \(2026\)](#) has called for the need to promote a learning perspective in sustainability within hospital settings. [Mchembere et al. \(2026\)](#) have demonstrated that NGOs, operating in developed countries, have made improvements in their environmental reporting practices over the years, given that environmental performance has become increasingly important for their continuity. However, in contrast to NGOs and, as outlined in the work by [Hosiosky et al. \(2026\)](#), the performance of SOEs in developing countries has continued to remain symbolic and has failed to deliver SDG targets. What is common in these papers is perhaps their emphasis on the need for identifying effective mechanisms and institutional settings for climate accounting, reporting and accountability by governments, not-for-profit organisations and charities.

Reflecting on the findings of these studies, our second aim in the paper is to highlight the importance of climate equity approaches, which we argue will enhance the design of climate accounting, reporting and accountability by incorporating a broader range of issues, as outlined in recent studies, and by better addressing climate justice and climate apartheid. Extant work in public administration and public management has outlined a shift towards SEB to deal with wicked problems such as climate change, given the centrality of budget and the

budgeting processes in allocating and mobilising revenues and expenditures and helping public administration functions (McDonald and McCandless, 2025; McDonald *et al.*, 2024). Budget is highlighted as an important tool through which to translate social equity into practices, following the fair process across all phases of the budgeting cycle and engaging with the citizens (Taylor *et al.*, 2025). Although the literature has discussed different variants of SEB, rarely have scholars attempted to contextualise SEB within the climate context (McDonald and McCandless, 2025; McDonald *et al.*, 2024). From a public-sector and governmental perspective, integrating social equity into climate accounting, reporting and accountability may strengthen policy alignment between climate actions and the SDGs. This perspective holds that public sector accounting should serve as a tool for democratic accountability, enhancing transparency for vulnerable communities most affected by climate change (e.g. Ang *et al.*, 2026). A comparative case study by Upadhaya *et al.* (2021) suggests that climate-related public expenditures and SDGs outcomes are highly interconnected, yet they are often addressed separately in public investment policies and financial management systems. This isolation largely prevents governments from accounting for distributive impacts. A social equity framework would address these policy misalignments by emphasising trade-offs, such as prioritising climate investments across sectors in need (e.g. water), and by illustrating how public accounting, reporting and accountability systems can document these interactions. Within broader accounting tools and systems, public budgeting plays a critical role in allocating and distributing resources for climate-prioritised investments (e.g. Brown and Hoti, 2025).

While our discussion mainly focused on extending the SEB debate by integrating a climate equity approach, we strongly believe this special issue will inspire future researchers to explore further and develop the social equity framework that can guide the climate change accounting, reporting and accountability of governments, not-for-profit organisations and charities. As climate change is widely regarded as a distributive concern, with risks, responsibilities and benefits disproportionately allocated across populations, such an approach would enable a broader shift from technocratic environmental measurement towards justice-centred governance (see, e.g. Ang *et al.*, 2026).

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Notes

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Further reading

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