



Accounting For Development: Evaluating The Influence Of Accrual-Based Accounting And Governance On SDG 17

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ABSTRACT

This study analyzes the influence of accrual-based accounting implementation and government governance quality on the achievement of Sustainable Development Goal 17 (SDG 17): Partnerships for the Goals. The data cover 153 countries during 2020–2023, obtained from reputable sources, including the Sustainable Development Report, the International Federation of Accountants (IFAC), and the World Bank. Using a panel linear regression approach with unbalanced data, the study examines the relationships between institutional, governance, and economic factors and the success of global partnerships. The findings indicate that both accrual-based accounting and government governance quality positively and significantly affect SDG 17 achievement, highlighting the importance of fiscal transparency, accountability, and institutional effectiveness in strengthening international partnerships. In contrast, differences in economic prosperity across countries do not appear to be a primary driver of global partnership success. These results underscore that institutional and governance factors are key to supporting sustainable development through cross-country collaborations. The main implication is that governments should prioritize institutional reforms, particularly the strengthening of accrual-based accounting systems, as a foundation for building trust, improving program effectiveness, and ensuring the sustainability of international cooperation within the 2030 Agenda framework.

INTRODUCTION

Sustainable development has become a pressing global agenda, given the major challenges facing society, such as poverty, inequality, climate change, and health crises. In this

context, the Sustainable Development Goals (SDGs), agreed upon by the UN in 2015, serve as a strategic guide for achieving social, economic, and environmental well-being simultaneously. Among the most crucial of these goals is SDG 17, which emphasizes the importance of "Partnerships for the Goals." The 2023 SDG report, however, indicates that many developing countries are facing a serious debt crisis, with 37 out of the world's 69 poorest countries currently in or at high risk of debt distress. This exacerbates inequality and restricts the fiscal space of these nations to finance sustainable development. On the other hand, the flow of Official Development Assistance (ODA) did increase, reaching \$206 billion in 2022 a rise of 15.3% from the previous year. However, most of this increase was not directed toward structural development in developing countries; instead, it was used for refugees in donor countries and aid to Ukraine. Consequently, the proportion of ODA to Gross National Income (GNI) remains at 0.37%, far below the global target of 0.7%. As stated by (Kharas & McArthur, 2019), effective and collaborative partnerships are the main key to achieving sustainable development goals, and without such partnerships, much of the progress made could be threatened. This situation indicates that SDG 17, which aims to strengthen global partnerships and enhance the means of implementation for development, is still far from optimal realization. The debt crisis, uneven allocation of aid funds, and unequal access to information underscore the necessity for improved governance and a more inclusive and equitable global strategy in implementing the SDGs, especially in developing countries.

One method that can support the achievement of these goals is accrual-based accounting, which records revenues and expenses when transactions occur, rather than when cash is received or paid. This system provides a comprehensive overview of an entity's financial condition, covering assets, liabilities, and long-term commitments. According to the International Public Sector Accounting Standards Board (IPSASB), the adoption of accrual-based accounting in the public sector can improve the quality of financial reporting, which will subsequently enhance decision-making. The International Federation of Accountants (IFAC) reports that an estimated 50% of global jurisdictions will adopt accrual-based reporting by 2025, signifying a global trend toward better fiscal transparency. Christiaens et al., (2015) state that accrual-based accounting presents information that is more relevant and reliable compared to the cash-based accounting system, especially in the public sector, thereby supporting more informed decisions. Furthermore, Masruki & Hanefah, (2024) indicate that the implementation of accrual-based accounting can improve the level of accountability by presenting more accurate financial reports. The application of accrual principles is believed to enhance the management of assets and liabilities, support more sustainable budget management, and strengthen the integration of sustainability principles into public financial governance. A study by Asrofa et al., (2024) on local governments in Indonesia showed that the quality of financial reporting significantly improved after the adoption of the accrual-based accounting system. This improvement contributes to the transparency and accountability of local financial management, which are two fundamental governance principles supporting the achievement of the 2030 Agenda for sustainable development.

The adoption of accrual-based accounting globally is still considered limited and uneven across countries. Although its benefits are widely recognized in enhancing transparency, accountability, and the quality of financial reporting, many governments around the world have yet to fully transition to this accounting framework. A large number of public sector institutions are still unprepared to manage and report financial information in accordance with accrual principles, which are designed to provide a more accurate and comprehensive picture of a government's financial position and economic activities. These principles also play a crucial role in supporting better fiscal planning and fostering more effective partnerships, both nationally and internationally. Based on the 2021 global status report published by the International Federation of Accountants (IFAC), only about 30% of countries have successfully implemented accrual accounting within their public financial reporting systems. An estimated 40% of other

countries are reported to be in the transition phase toward full implementation, while the remaining 30% still rely on traditional cash-based accounting systems. This disparity in the adoption rate highlights the persistent challenges faced by governments in building the necessary institutional capacity, technical expertise, and infrastructure to support the comprehensive implementation of accrual principles in the public sector.

Good government governance heavily relies on fundamental principles such as transparency, accountability, and sustainability. The close relationship between governance and the achievement of the SDGs indicates that effective governance quality significantly influences the realization of these sustainability goals (Balasubramanian et al., 2022). While some countries have successfully implemented good governance, there are still nations facing significant governance gaps, which hinder the effective implementation of governance. One tangible challenge illustrating the obstacles in achieving SDG 17 is the governance gap related to financing and data management in developing countries. The annual funding shortfall of USD 4.2 trillion needed to meet global SDG targets, particularly in low-income countries, is largely attributed to weak fiscal governance, low budget transparency, and limited capacity for adequate data collection (UNCTAD's, 2023). Furthermore, many countries still struggle with low levels of budget transparency, which consequently weakens trust from donors and international development partners (OBS, 2023). The reliance on unstable foreign aid, as noted by the UNDP in its Development Finance Assessment, exacerbates this situation. This phenomenon affirms that without solid governance strengthening in the fiscal, statistical, and accountability spheres, the realization of the global partnerships expected through SDG 17 will be difficult to achieve effectively and sustainably. Conversely, effective governance has been proven to play a crucial role in facilitating SDG achievement through inter-sectoral coordination and transparent reporting (Allen et al., 2018; Biermann et al., 2017)

Thus, this study aims to assess the relative contribution between the economic and institutional dimensions represented here by government governance and accrual accounting adoption in influencing the achievement of this global goal. The initial findings in this research indicate that although GDP per capita generally reflects a country's level of economic prosperity, its influence on the success of building global partnerships is not always significant. This finding suggests that success in realizing international cooperation is more heavily influenced by institutional effectiveness, such as good governance and the use of transparent and accountable financial reporting systems. This aligns with the view of Barbier & Burgess, (2021), who state that cross-country sustainable development achievement is more influenced by institutional aspects than by economic indicators alone. A study by Adoji, (2022) cautions that using GDP per capita as an indicator of sustainable development has limitations, as high GDP does not automatically guarantee strong global partnerships.

Therefore, in this research, accrual accounting adoption and governance quality are tested as main variables, while the log of GDP per capita (lnGDP) is included as a control variable to control for the effect of economic prosperity across nations. Therefore, the research objective is to analyze the influence of accrual accounting and government governance on the achievement of Goals (SDG)17, while considering GDP per capita (lnGDP) as a control variable. Specifically, this research seeks to assess the extent to which accrual-based accounting practices can enhance transparency, accountability, and the effectiveness of development partnerships, while simultaneously evaluating the role of governance quality in facilitating cross-sectoral and global cooperation. The lnGDP variable is included as a control to manage the differences in prosperity levels across countries, allowing the influence of the main variables to be estimated more accurately. With this objective, the research is expected to provide an empirical contribution to the development of public accounting policies, government governance, and the strategy for achieving SDG 17 at both the national and international levels. Consequently, the key question this research seeks to answer is to what extent the adoption of accrual-based accounting and governance quality can drive the achievement of global partnerships, and whether this influence

remains consistent when considering a country's economic condition, represented by GDP per capita as a control variable.

Specific Research Questions:

1. To what extent does the implementation of accrual-based accounting contribute to the achievement of SDG 17, measured through the level of fiscal transparency and accountability across various countries?
2. How does the role of governance quality, measured through a governance index, influence the effectiveness of global partnerships for sustainable development?

By answering these questions, this research is expected to provide a significant contribution to academic literature and policy practice, particularly in the context of strengthening institutions and public financial practices to support the SDG agenda.

Figure 1. Conceptual Framework

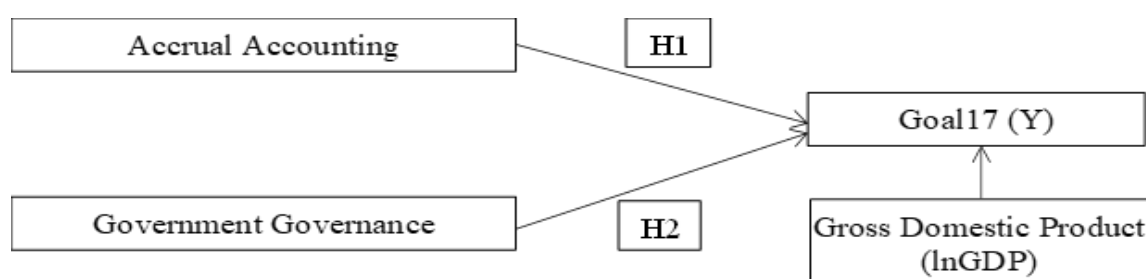


Figure 1 presents the conceptual framework that illustrates the research hypotheses. Designed to investigate the links between essential variables, the framework provides insights into the progress toward SDG 17 and the enhancement of global partnerships. With the adoption of accrual accounting, governments can evaluate financial performance and accountability more precisely, thereby increasing trust and collaboration among various stakeholders.

This provides a solid foundation for building transparent and efficient partnerships, consistent with the principles outlined in SDG 17. Good governance, encompassing aspects of transparency, participation, and accountability, is a crucial element in creating effective partnerships. Strong governance also plays a vital role in strengthening inter-agency coordination, ensuring the appropriate distribution of resources to support various SDG programs.

The framework also includes a control variable Gross Domestic Product (GDP) per capita which reflects a nation's economic context and offers a wider analytical perspective. This variable plays a crucial role in illustrating the economic conditions that might affect partnership levels independently of accrual accounting and governance influences. By incorporating this economic indicator, the analysis can more effectively distinguish to identify the distinct impact of governance quality and accrual accounting on partnership performance, while reducing bias caused by differences in countries' income levels.

Controlling for this factor enables a more precise evaluation of how accrual accounting quality and governance standards directly impact partnership success across both high or low income countries. Overall, this integrated framework provides a systematic method for examining the interaction among institutional control, governance capacity, and economic conditions in advancing SDG 17. Achieving successful partnerships depends on a reliable accrual-based accounting system and transparent, inclusive governance to ensure fair information access and shared accountability toward collective objectives.

LITERATURE REVIEW

The New Institutional Theory (NIT) posits that organizations, including government entities, do not operate solely based on economic rationality or technical efficiency, but also because of the need to acquire legitimacy from their social and institutional environment. According to this theory, organizational practices and structures are shaped by external expectations aimed at enabling the organization to gain legitimacy, stability, and survival (Dimaggio & Powell, 2021).

In the context of the public sector, the adoption of accrual-based accounting can be understood as a form of isomorphism, a process where public institutions align themselves with international norms and practices to gain legitimacy from global stakeholders, such as donor agencies, development partners, and international organizations (Brusca et al., 2013). Countries that adopt the accrual-based financial recording system demonstrate a commitment to transparency, accountability, and good governance, which are highly valued in the SDG context, particularly SDG 17 which focuses on international partnerships for SDG. A similar finding was reported by Adhikari & Mellemvik, (2011), who showed that developing countries are motivated to adopt accrual accounting to meet the demands and expectations of international donor agencies. In relation to the Sustainable Development Goals (SDGs), especially SDG 17, which underlines the need to build and enhance global alliances, accrual accounting plays a strategic role in enhancing the transparency and accountability of public governance. This standard allows for the presentation of financial reports that are more credible and internationally comparable, thereby strengthening the trust of global partners and fostering cross-country cooperation. Therefore, within the institutional theory framework, the practice of applying accrual accounting can be interpreted as an institutional strategy to acquire legitimacy as well as a supporting instrument for achieving SDG 17 through the strengthening of global collaboration based on trustworthy governance.

Theory of Good Governance: The implementation of good government governance is essential to the sustainable development agenda. One of the specific goals of the SDGs is SDG 17: Partnerships for the Goals, which addresses the importance of strong and integrative global cooperation in achieving sustainable development objectives. Therefore, the Theory of Good Governance serves as a theoretical framework that explains how the substance of governance contributes to the achievement of SDG 17.

This theory was developed by international institutions such as the (WORLD BANK, 1992) and the United Nations Development Programme (UNDP, 1997), which define good governance as government practices that reflect accountability, transparency, participation, the rule of law, effectiveness, and inclusivity. According to the UNDP, (1997), good governance is not only vital for the internal effectiveness of the government, but also becomes an external legitimacy requirement for a country to be accepted as a credible partner in global development forums. This is reinforced by the WORLD BANK, (1992), which states that good governance is the main foundation of sustainable development and a key determinant of success in forging international partnerships.

Good governance ensures that resources obtained from both domestic sources and foreign aid are managed accountably and transparently, thereby increasing trust in establishing global partnerships. Countries with high governance index scores tend to be better positioned to attract development investment, receive support from other nations, and actively participate in multilateral forums. Therefore, the Theory of Good Governance emphasizes that the success of global partnerships heavily depends on the quality and legitimacy of the public institutions involved.

Several studies have analyzed the impact of accrual accounting and the role of governance in achieving the SDGs (Abhayawansa et al., 2021; Alaoui, 2024; Awalia et al., 2024; Faradila & Andi Furqan, 2024; Manes Rossi et al., 2024). These studies indicate that the success of SDG achievement is highly dependent on the implementation of accrual accounting which strengthens transparent and accountable recording systems, and enhances sustainability reporting, which in turn supports the implementation of good governance. This significantly influences the achievement of SDG 17. However, although many studies discuss the relationship

between accrual accounting and governance, there is still a lack of focus on how the two can significantly support each other. When these two elements operate in alignment, the impact is efficiency in resource allocation, more accurate budget management, and more accountable reporting of development progress. Abhayawansa et al., (2021) affirm that strong public accountability and governance are essential for creating social value and supporting SDG achievement. Manes Rossi et al., (2024) show that the effectiveness of state financial management has a direct impact on the government's ability to meet SDG targets. Furthermore, Faradila & Andi Furqan, (2024) found that the comprehensive implementation of accrual accounting, combined with corruption control, can significantly enhance government effectiveness. Awalia et al., (2024) indicate that the synergy between financial reporting systems and good governance principles supports the successful achievement of sustainable development goals. Alaoui, (2024) emphasize that public governance and the implementation of New Public Management (NPM) principles contribute significantly to SDG achievement by improving policy coordination, accountability, and efficiency in the delivery of public services. Despite various studies examining the interrelation between accrual accounting, governance, and SDG achievement, there are still some research aspects that need to be addressed. One key aspect is the lack of focus on how accrual accounting and governance can mutually and significantly reinforce each other in strengthening SDG achievement, particularly SDG 17, which emphasizes global partnerships. In previous literature, besides focusing on accrual-based accounting and government governance quality, economic indicators such as Gross Domestic Product (GDP) per capita are often used as a primary parameter to evaluate national development success. GDP per capita is frequently interpreted as a reflection of a country's economic capacity and fiscal strength in supporting the sustainable development agenda. Within the framework of this research, the GDP per capita variable is included as a control variable to gain a more comprehensive view of the extent to which economic factors may influence the achievement SDG17 , which centers on strengthening global partnerships.

Hipotesis Result

Although not many studies have explicitly tested the direct relationship between the adoption of accrual-based accounting and the achievement of SDG17, a number of studies indicate that accrual accounting plays an important role in supporting global development partnerships by increasing fiscal transparency and accountability. A study by ACCA & IFAC, (2020) emphasizes that accrual-based financial reporting allows governments to convey relevant and reliable information to international partners, thereby strengthening cross-country trust and collaboration. Similarly, analyses by Moretti & Youngberry, (2018) show that the adoption of accrual-based accounting practices is often driven by the need to acquire legitimacy from donor agencies and international organizations, which are key actors in global partnerships. Furthermore, studies in (Breuer et al., 2023; Sundarasan et al., 2025) highlight that a strong financial reporting system, based on accrual principles, supports the supervision of SDG implementation in a more systematic and measurable way.

Therefore, the implementation of accrual accounting can be viewed as a strategic instrument that strengthens the institutional foundation for building and maintaining global partnerships, aligning with the spirit of SDG 17. Thus, the hypothesis used in this research is:
H1. Accrual accounting has a positive influence on the achievement of SDG 17.

Good government governance is a key element in supporting the realization of the Sustainable Development Goals, which emphasizes the importance of global alliance. Governance, which encompasses the principles of transparency, accountability, participation, and institutional effectiveness, plays a central role in creating a conducive environment for the formation of cross-country collaboration. A study by (Balasubramanian et al., 2022) in ScienceDirect affirms that the implementation of all SDGs heavily depends on a strong and responsive governance structure. Furthermore, a report from the Good Governance Institute

(2021) indicates that responsible political leadership and results-based governance are primary catalysts for building effective development partnerships, as reflected in the targets of SDG 17. Consistent with this, research in Nature Communications by (Chan et al., 2022) emphasizes that the synergy between national governance and international partnerships has a significant impact on overcoming global challenges such as climate change and health crises, and strengthens cross-sectoral and cross-country collaboration.

Therefore, good government governance not only contributes to a country's internal efficiency but also increases its capacity to engage in fairer and more sustainable global development partnerships. Thus, the hypothesis used in this research is:

H2. Government governance has a positive influence on the achievement of SDG 17.

METHODS

The data used in this study were sourced from various reference sources, including the Sustainable Development Report, the International Federation of Accountants (IFAC), the Global Sustainable Competitiveness Index Scores, and the World Bank. This study covers data from 193 countries listed in the Sustainable Development Report during the 2020–2023 period, resulting in a total population of 772 country-year observations. Not all countries had complete data for all research variables, namely the implementation of accrual-based accounting, government governance quality, and economic development indicators. Therefore, a purposive sampling method was applied, including only countries with complete data for the main variables in the analysis. Countries that lacked data for any of the main variables throughout the entire study period were excluded from the sample. After the data cleaning process, the number of observations decreased from 772 to 609 country-year observations. At the country level, from the initial 193 countries, 37 countries were eliminated, resulting in a final sample of 156 countries. The resulting panel data are unbalanced, as the number of countries with available data varies each year: approximately 41 countries in 2020, 40 countries in 2021, 41 countries in 2022, and 41 countries in 2023. This imbalance occurred due to differences in reporting and data availability across countries. To maintain transparency, a list of the excluded countries along with the reasons for their exclusion is presented in the Appendix.

To provide a comprehensive analysis of SDG 17, this study adopts a multiple linear regression approach. The secondary data used were collected from various reputable sources. Performance scores for SDG 17 were obtained from the Backdated SDG Index Dashboard, while data on accrual-based accounting practices were retrieved from IFAC. Data on governance quality and economic variables were obtained from World Bank datasets.

To thoroughly investigate the research objectives and evaluate the proposed hypotheses, this study employs the following empirical model:

$$\text{Goal17} = \beta_0t + \beta_1\text{Accrual} + \beta_2\text{govscore} + \beta_3\text{LN}GDPt + \text{et} \dots \dots \dots (1)$$

This research employs four main variables: Goal17, Accrual, Govscore, and LnGDP. The dependent variable, Goal17, describes the achievement level of Sustainable Development Goal 17, which focuses on partnerships for the goals. The independent variable, Accrual, indicates the degree of accrual basis implementation within the government accounting system, while Govscore represents the quality of governance, including aspects of government efficiency, quality of regulation, and mechanisms for controlling corruption. LnGDP is used as a control variable to adjust for differences in economic size across countries. The logarithmic transformation of GDP was performed to maintain a proportional scale of the data and reduce the potential for heteroskedasticity. Consequently, the influence of Accrual and Govscore on Goal17 can be estimated more accurately without bias from differences in economic capacity. Berikut terjemahan yang tepat dan akademik: An outline of how the variables are defined and measured the variables in equation (1) above can be seen in Table 1 below:

Table 1. Variabel Operationalization and Data Souch

| | Variabel operationalization | Data souch |
|----------|--|---|
| Goal17 | The index score reflects a country's progress in achieving Sustainable Development Goal (SDG) 17, "Partnerships for the Goals." The score is assessed on a scale ranging from 0 to 100, with higher values indicating greater success in meeting the targets of SDG 17. | Sustainable Development Report |
| Accrual | Public sector accrual accounting is evaluated on a four-point scale. Countries receive a score of 1 if they have not implemented either cash or accrual accounting, 2 if they use a cash-based system, 3 if they apply accrual accounting partially, and 4 if they have fully adopted the accrual basis. | International Federation of Accountants |
| Govscore | Each nation's governance performance is quantified on a standardized 0-100 scale, with higher ratings indicating more effective and transparent governance systems. | Global Sustainable Competitiveness Index Scores |
| LnGDP | The natural logarithmic value of a country's GDP | World Bank |

RESULTS

Table 2 presents detailed descriptive statistics for each variable used in this study. The Goal17 variable, representing the achievement of Sustainable Development Goal 17: Partnerships for the Goals, has a mean value of 67.35 with a standard deviation of 9.69, and a range from 41 to 91. These results indicate that, overall, countries in the sample demonstrate a relatively good level of performance in promoting sustainable development partnerships, although considerable differences exist between countries. The Accrual variable, which measures the level of accrual-based accounting implementation in the public sector, has a mean of 2.60 with a standard deviation of 1.01, and values ranging from 1 to 4. As this variable is ordinal, the results suggest that most countries have implemented accrual-based accounting at a moderate to high level, although some countries are still at an early stage or have not fully adopted the system. Next, the Govscore variable, reflecting the quality of government governance, has a mean of 50.13, a standard deviation of 10.04, and a range from 23.4 to 76. These values indicate substantial variation in governance effectiveness and accountability among countries, with higher scores representing better institutional and governmental quality. Meanwhile, the LnGDP variable, representing the logarithm of per capita Gross Domestic Product (GDP), shows a mean of 24.66 with a standard deviation of 2.17, and values ranging from 19.21 to 30.54. This variation reflects significant differences in economic prosperity among the sampled countries, ranging from low-income to high-income nations.

Overall, the descriptive statistics indicate that, although most countries demonstrate relatively good performance in achieving SDG 17 and governance quality, significant disparities still exist across countries in terms of economic capacity and the level of accrual-based accounting implementation. This variation provides a strong basis for the empirical analysis of how institutional and economic factors influence the successful achievement of sustainable development goals.

Table 2. Descriptive Statistics of Variables

| Variaebel | Obs | Mean | Std.dey | Min | Max |
|-----------|-----|-------|---------|-------|-------|
| Goal17 | 609 | 67.35 | 9.69 | 41 | 91 |
| Accrual | 609 | 2.60 | 1.01 | 1 | 4 |
| Govscore | 609 | 50.31 | 10.04 | 23.4 | 76 |
| LnGDP | 609 | 24.66 | 2.17 | 19.21 | 30.54 |

Number of Observation = 609
 Table 1 Exsplains the variable Opertionalization.
 *) In billions of rupiah

Source: Data in stata, 2025

Table 3 The results of the analysis indicate that most variables have a positive and significant relationship at the 1% significance level ($p < 0.01$). The Accrual variable shows a positive correlation with Goal17 ($r = 0.1878$), indicating that the higher the level of accrual-based accounting implementation in the public sector, the higher the country's achievement in supporting SDG17. Similarly, the Govscore variable has a positive relationship with Goal17 ($r = 0.2423$), suggesting that better government governance quality contributes to improving the effectiveness of sustainable development partnerships.

Meanwhile, the relationship between LnGDP and Goal17 is positive but not significant ($r = 0.0174$; $p = 0.6685$), indicating that the level of economic prosperity does not necessarily align with success in achieving SDG 17. Additionally, the correlation between Accrual and Govscore ($r = 0.4343$) as well as between Govscore and LnGDP ($r = 0.4245$) shows a strong positive relationship, suggesting that countries with higher per capita income tend to have better governance and are more prepared to adopt accrual-based accounting systems. These findings demonstrate that institutional factors and governance play a crucial role in supporting public sector accounting reforms and the achievement of sustainable development goals.

Table 3. Correlation Analysis of Variables

| Variaebel | Goal17 | Accrual | govScore | LnGDP |
|-----------|-----------|-----------|-----------|--------|
| Goal 17 | 1.0000*** | | | |
| | 0.0000 | | | |
| Accrual | 0.1878*** | 1.0000 | | |
| | 0.0000 | | | |
| Govscore | 0.2423*** | 0.4343*** | 1.0000 | |
| | 0.0000 | 0.0000 | | |
| LnGDP | 0.0174*** | 0.3757*** | 0.4245*** | 1.0000 |
| | 0.6685 | 0.0000 | 0.0000 | |

Number of Observations = 609
 Table 1 explains the variable operationalization.
 *** = P-Value Significant 1%.

Source: Data in stata, 2025

The regression analysis coefficients in the table indicate that the Accrual variable carries a positive value of 1.272 with a 1% significance level ($p < 0.01$), thereby confirming the first hypothesis (H1). This finding implies that a higher degree of accrual-based accounting implementation within the public sector corresponds to greater progress in achieving Sustainable Development Goal 17 (SDG 17), Partnerships for the Goals. The adoption of accrual accounting enhances transparency, accountability, and the efficient utilization of public resources, which in turn fosters stronger and more sustainable global partnerships. The Govscore variable also shows a positive relationship with Goal17, with a coefficient of 0.233 and

significance at 1% ($p < 0.01$). This supports the second hypothesis (H2), indicating that good government governance positively contributes to the achievement of SDG 17. Higher governance quality reflects a more transparent, responsive, and accountable governmental system, providing a critical foundation for building cross-country and cross-sector collaborations. Meanwhile, the LnGDP variable has a coefficient of -0.604 with significance at 1% ($p < 0.01$). This finding suggests that an increase in per capita income is negatively correlated with SDG 17 achievement. This can be interpreted to mean that countries with higher economic levels do not necessarily demonstrate better global partnership performance, as their development priorities may be more focused on domestic needs or reducing dependence on international assistance.

Regarding the regression model, the Adjusted R-Squared value of 0.0813 indicates that approximately 8.13% of the variation in SDG 17 achievement can be explained by Accrual, Govscore, and LnGDP, while the remaining variation is influenced by factors outside the model. The Prob > F value of 0.0000 indicates that the model is overall significant, meaning the three independent variables jointly affect SDG 17. Furthermore, the Mean VIF of 1.32 indicates no multicollinearity among the variables, confirming that the model is stable and reliable. Overall, these results confirm that Findings indicate that the adoption of accrual-based accounting and robust governance systems positively and significantly affect the realization of SDG 17. In contrast, economic prosperity exhibits a negative and statistically significant effect. These findings highlight the importance of institutional and governance factors in strengthening global partnerships to support the sustainable development agenda.

Table 4. Hypothesis Testing Results

| Variable | Expected sign | Goal17 |
|---|---------------|----------|
| _cons | | 67.226 |
| | | 0.000 |
| Accrual | H1 : (+) | 1.272*** |
| | | 0.000 |
| Govscore | H2 : (+) | 0.233*** |
| | | 0.000 |
| LnGDP | (+/-) | -0.604 |
| | | 0.358 |
| Prob > F | | 0.0000 |
| Adj R-Squared | | 0.0813 |
| Obs | | 609 |
| Mean VIF | | 1.32 |
| Number of Observation = 609 | | |
| Table 1 explains the variable operationalization | | |
| *** and * = P-Value significance at 1% and 5%, respectively | | |

Source: Data in stata, 2025

DISCUSSION

This study shows that the implementation of accrual-based accounting (Accrual) has a positive and significant effect on the achievement of SDG 17, supporting the first hypothesis (H1). This finding confirms that improved fiscal accountability and public obligation transparency directly enhance global partner trust and the effectiveness of international partnerships. These results are consistent with previous research, particularly by Benedette Nwali & Ekpete Dame, (2020), which demonstrated that the higher the adoption of accrual-based accounting reporting systems, the greater a country's achievement in establishing effective global partnerships. Accounting plays a key role in achieving the SDGs (Brusca et al., 2013; IFAC, 2016; Makarenko &

Plastun, 2017; PWC, 2017). Within the framework of New Institutional Theory, the implementation of an accrual-based accounting system can be seen as a response to external pressures from international organizations and donor agencies, where legitimacy is obtained through conformity with globally recognized financial practices. government governance quality (Govscore) also has a positive and significant effect, supporting the second hypothesis (H2). This indicates that institutional effectiveness, sound regulations, accountability, and anti-corruption measures play a crucial role in strengthening institutional capacity and supporting the creation of stronger global partnerships. Overall, these two institutional factors complement each other: Accrual has a more direct and measurable impact through fiscal transparency, while Govscore reinforces legitimacy and institutional capacity more broadly, together promoting the achievement of SDG 17. These findings are in line with the studies of (Bisogno et al., 2025; Morales et al., 2025), which emphasize that fiscal accountability and government governance quality are key factors in the successful implementation of sustainable development goals.

Meanwhile, the control variable GDP per capita (LnGDP) shows a negative and significant effect on SDG 17. This indicates that high-income countries tend to focus more on domestic economic development and financial independence, so their attention to global partnerships is relatively lower compared to middle- or low-income countries that heavily rely on international collaboration to close investment gaps. The (UNDESA, 2024) highlights that low- and middle-income countries face large investment gaps that require global partnerships, suggesting that “partnerships” are a more urgent need in certain countries compared to those with high per capita GDP. This is consistent with studies emphasizing the importance of institutional quality and governance in promoting the achievement of sustainable development goals. Research by Barbier & Burgess, (2021) shows that institutional quality and governance have a greater influence on SDG progress than economic indicators such as GDP per capita. They found that countries with effective institutions and low country risk tend to be more successful in building global partnerships and achieving SDG objectives. Similarly, Indriyani et al., (2024) confirm that effective governance and strong anti-corruption measures are vital in supporting SDG success, including in the context of global partnerships like SDG 17. Countries with good governance and low levels of corruption are better able to establish effective international collaborations, strengthen institutional capacity, and maximize the benefits of global partnerships.

Therefore, although GDP per capita serves as a control variable, the negative and significant results found in this study indicate that the achievement of SDG 17 is more influenced by institutional factors and governance quality than by economic factors alone.

CONCLUSION

Accrual-based accounting has a positive and significant influence on the achievement of SDG 17. With a p-value of 0.078, the first hypothesis (H1) is accepted at the 10% significance level. This finding confirms that the implementation of accrual-based accounting contributes positively to the achievement of SDG 17 through the enhancement of fiscal transparency and accountability, aligning with the New Institutional Theory. In contrast, government governance did not show a significant influence in the model used. The control variable, GDP per capita (LnGDP), showed a negative but insignificant coefficient, indicating that the difference in prosperity levels across countries does not directly affect SDG 17 when the main variables are controlled for. This finding affirms that accrual-based accounting practices can increase the effectiveness of development partnerships, whereas the quality of governance may play a more complex role and requires interaction with other factors not measured in this research.

Governments and policymakers can emphasize the implementation of accrual accounting to strengthen international development partnerships. Furthermore, while good governance remains important, additional strategies are necessary to make its influence on SDG 17 more tangible. These could include, for example, strengthening cross-sectoral coordination or institutional capacity.

LIMITATION

The research data is characterized as an unbalanced panel, meaning some countries lack complete data for the entire 2020–2023 period, which may affect the estimation results. Furthermore, the governance and GDP variables were only measured in aggregate terms; specific contextual factors or country-specific policies were not taken into account. Finally, this research only examines SDG 17, and therefore, the findings cannot be generalized to other SDGs.

RECOMENDATION

Based on the findings of this research, it is suggested that future studies consider using more specific governance and accounting indicators, such such as fiscal transparency, institutional quality, or the implementation of public information technology, to capture a more detailed influence on the achievement of SDG 17. Future studies should use more complete panel data and a longer time frame to ensure that the estimations of the Random Effects or Fixed Effects models are more stable and representative. Subsequent research can also expand its focus by including other SDGs or developing multilevel models to explore the interactions among SDGs, as well as analyzing the potential moderation or mediation by international or regional institutional factors, thereby yielding more comprehensive results and providing more precise policy recommendations for governments and stakeholders.

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