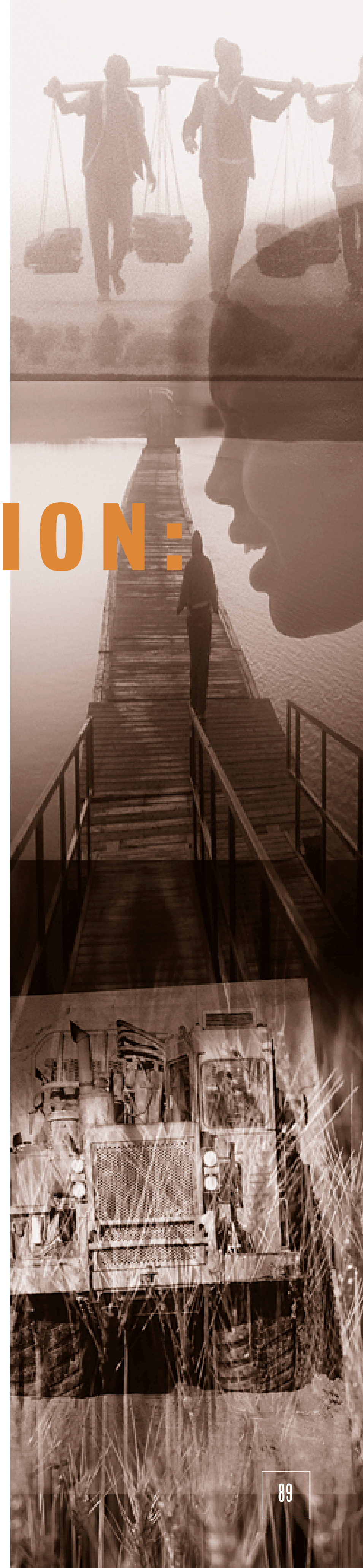


DECENTRALIZATION: A LOCAL VOICE

One key to smarter environmental management at the community level is to tap the ideas and energies of the community itself. In theory, the people who live closest to a natural resource stand to be most affected by its loss or alteration. They have a material interest in managing their environment sustainably. That's why *decentralization*–the steps that many central governments are taking to give regional, municipal, and local institutions responsibility for some public sector functions, from forest management to the provision of waste disposal services–is an important development in environmental governance.

How Can Decentralization Help Environmental Governance?

Decentralization—the transfer of powers or responsibilities from a central government to local institutions—goes directly to the question of who gets to make decisions about natural resources. Decentralization can make environmental decision-making more accessible to communities and their representatives, in turn increasing the relevance of those decisions and the likelihood they will be implemented. But decentralization can also occur in ways that leave the status quo—central government dominance of decision-making—largely unchanged, with little benefit to the environment or local empowerment.

For most of the world's citizens, having a significant voice in public decision-making would be a new experience (Ribot 2002c:5). Many African, Asian, and Latin American countries inherited centralized government systems from the nations that colonized them and maintained this emphasis on central government decision-making after they achieved independence. As a consequence, local governments–who have the means to bring decision-making closer to people–have often lacked the autonomy and resources to develop into competent, efficient, responsive institutions (Smoke 2000:3).

Recently, several waves of decentralization in developing and developed regions have provided opportunities for local governments to better respond to citizen concerns within frameworks of national environmental and natural resource policy (see Box 5.1). Central governments have often found it hard to enforce some policies–such as grazing allocations, fishing quotas, and restrictions on forest use–because of resistance at the community level to centrally imposed mandates. Under the right conditions, decentralization can bridge this gap by creating ways for local people to negotiate mutually acceptable environmental goals with state authorities.

But decentralization doesn't eliminate the central government's role in resource management decisions. Total control over natural resources at the local level is rarely a recipe for environmental success. Communities themselves can decimate resources out of desperation or ignorance, or through corruption or short-term profit-seeking.

Also, while natural resources such as forests and minerals are located in specific communities, their management has wider effects. These include downstream impacts on water supply, regional air pollution, global climate change, and biodiversity loss. Local communities may overlook these concerns or be incapable of addressing them adequately. For this reason, natural resources require the active oversight of many levels of government across many spatial scales (Larson 2003a:6).

Accordingly, the goal of decentralization should be to achieve an appropriate level of local input within a solid framework of national environmental policy. Effective local institutions are needed to negotiate community concerns with national authorities who represent the interests of society at large. Regional and national regulations and democratic processes should also help ensure that all those with a legitimate voice or concern about resource use get to participate in decision-making. The challenge lies in finding the right mix of local and national powers and responsibilities to achieve sustainability.

What is Decentralization?

Decentralization is the process where a central government relinquishes some of its management responsibilities or powers to a local government, local leader, or community institution.

About 60 developing countries are currently undertaking some form of decentralized natural resource management (Agrawal 2001:208; Ribot 2002b:1). At least in developing countries, the status quo prior to decentralization reforms is usually a central government with the power to make most major decisions about natural resources or land use. Commonly, central governments set the framework for environmental governance at the provincial, district, and local levels. For example, a conservation agenda for a park or reserve will frequently be made by a national parks service or a state wildlife conservation department–agencies operating at some distance from the actual resource and the people who rely on it for employment or subsistence. National forest ministries often assert legal authority over forest ownership and use policies. These determine who has access to forests, what timber resources are harvested, how revenues are used, and how well rules are enforced.

In most cases, all that is left to local governments or communities is the management of natural resources that are of little commercial value. For instance, a community may get to decide how to harvest non-timber forest products such as latex, mushrooms, rattan, or bamboo for household consumption, or how to allocate local fishing resources. In contrast, central government ministries tend to reserve the right to allocate timber, mining, or fishing concessions, provide hunting licenses, or manage tourist parks–all sources of significant revenue (Kaimowitz and Ribot 2002:5). Local authorities and citizens also may have little say when it comes to the siting of polluting industries and heavy infrastructure such as mines, airports, or roads, even though the pollution, noise, and traffic they create are felt locally.

Decentralization reforms can begin to break down such centralized–and sometimes highly exclusionary–decision-making systems in various ways. Reforms can range from grants of only small additional responsibilities to a subnational government, to significant empowerment of local leaders and previously underrepresented groups in major policy decisions or management. The powers that are typically decentralized to municipal or local institutions vary widely, ranging from regulatory and fiscal powers, to enforcement, and even some judiciary powers (see Box 5.2).

The local institutions that are granted these new decision-making powers also vary, and can include (Dupar and Badenoch 2002:3; Ribot 2002b:4–5):

- elected local authorities, such as a mayor, a town or village council, or a planning commission
- agents from government ministries of the environment, forest, wildlife, or other natural resources
- elected or appointed user groups, such as agricultural cooperatives or wildlife management groups

(continued on p. 92)

Box 5.1 Tracing Decentralization in Developing Countries

The first in a recent wave of decentralizations swept developing countries in the late 1980s and early 1990s and was not specific to natural resources. Central governments were seeking to cut their budgets and find creative responses to economic crises. They hoped to transfer some planning and service delivery functions to local governments. Donors were eager to underwrite the experiment. Concerned about the grim fiscal problems of developing countries, lenders such as the World Bank pressured them to improve their administrative and fiscal performance and boost efficiency as a path to achieving economic growth. They advised governments to find new ways to administer costly programs ranging from healthcare, to education, to natural resources and parks management. Decentralization seemed a promising means for accomplishing these goals and went hand-in-hand with market liberalization.

Decentralization's potential to enhance political stability by satisfying citizen demands for greater participation is also attractive (World Bank 1999:107–108). Governments in South Africa, Uganda, Sri Lanka, Ethiopia, Bosnia-Herzegovina, and Colombia are among those adopting decentralization in an attempt to promote greater unity and gain grassroots support in the face of emerging geographic and ethnic divides (World Bank 1999:108). Sometimes decentralization enables governments to undercut political power in troublesome regions. For instance, the Indonesian government has deliberately empowered districts and municipalities rather than provinces because separatist tendencies run strongest at the province level (Resosudarmo 2002:3).

Some countries have specifically used decentralization as a tool to deepen grassroots democracy. Uganda sought to recreate its government in a way that was responsive to citizens and would revitalize local governments after years of repressive rule (Smoke 2000:8–9). In Thailand, which has embarked on some of the most ambitious decentralization reforms in mainland Southeast Asia, political parties sought to strengthen their support in rural areas by increasing the voice of rural constituencies (Dupar and Badenoch 2002:11). Bolivia's 1994 Popular Participation Law devolved a number of responsibilities to municipal governments, including some related to local land use and planning. The intention, at least in part, was to give communities, local farmers, and indigenous groups a greater role in government (Contreras-Hermosilla and Rios 2002:3).

From the mid-1990s onward, a second form of decentralization became popular thanks to the efforts of numerous donor agencies. Many of the policies and programs in this second wave were targeted at specific environmental and social sectors, rather than at local democratization more broadly (Manor 2002:1). They were intended to pinpoint particular environment and development challenges. For instance, donor agencies supported the establishment of river basin committees in Thailand (Pantana et al. 2001:34–37) and forest and wildlife management committees in Uganda (Namara and Nsabagasani 2003:17).

Today, decentralization is the centerpiece of policy reforms around the world. Some 95 percent of democracies now have elected regional and local governments, and countries everywhere are devolving administrative, fiscal, or political powers to tiers of governments below the national level (World Bank 1999:107). All but 12 of the 75 developing and transitional countries with populations over 5 million claim to be transferring political powers to local government units (Dillinger 1994:1; Agrawal 2001:208).

- local members of a political party apparatus
- local, national, or international nongovernmental organizations (NGOs), and
- traditional leaders, such as local chiefs, defined by local custom.

In short, decentralization can describe a variety of changes in who makes decisions about natural resources and how those decisions are made: A central government may grant some control over fisheries or tracts of state land to a local government, along with responsibility for infrastructure, such as water supply, sanitation, and irrigation. An agricultural agent, employed by the national government but based in a field office, may be allowed to issue rules on resource access for a tract of land, such as grazing permits. A central government may grant locally appointed bodies responsibility for surveying and leasing forest land to households. Or it may empower a nongovernmental organization (NGO) and a community group to jointly set hunting quotas for elephants in a wildlife preserve.

Sometimes governments transfer responsibility over resource use to a private owner or enterprise–the process known as *privatization*. In Uganda, traditional forest users are being given outright ownership rights to many forests that were previously in the public domain–effectively privatizing them–in the name of decentralization (Ribot 2002c:7). However, privatization is not a form of decentralization (Dupar and Badenoch 2002:32; Ribot 2002a:v). Privatization removes decisions about nature from the public arena and transfers them to actors who may have less of a stake in environmental protection and equitable access to natural resources than public representatives do (see Box 5.3).

Effective Democratic Decentralization

Ideally, decentralization reforms help balance central government oversight and regulation with local input and empowerment. Done well, this effort should bring government closer to the people and increase opportunities for citizens to take an interest in public affairs because it devolves power to the local

Box 5.2 Defining Decentralization

What Are the Different Kinds of Decentralization?

There are a variety of ways in which a government can cede or share power over natural resources and the environment with other stakeholders, including local government agencies, nongovernmental organizations (NGOs), and even the private sector. These include:

Political or democratic decentralization: The central government transfers decision-making power and financial resources to elected representatives of people at regional or local levels. These local representatives gain significant discretion in making decisions and rules about resource use within prescribed limits.

Administrative decentralization (also called deconcentration): Central government ministries transfer some functions to regional or local outposts, perhaps by moving personnel to a particular location or assigning new responsibilities to staff in those branch offices. Deconcentration may bring services closer to citizens, but generally preserves the hierarchal relationship between central offices and field staff. It therefore does not necessarily increase the voice or involvement of citizens in resource management and government decisions.

In co-management arrangements, power over and responsibility for natural resources are shared between the government and local users. A local agency of a forest ministry working in partnership with village representatives or representatives from a resource users group would be one form of co-management. Government agencies and local groups may work together closely, but not necessarily as equals.

Community management programs include higher levels of discretionary authority and empowerment at the community level than do co-management programs. In cases of community management, a local group typically manages the resource under contract with a government agency. For example, an NGO might serve as guarantor of the community's ability to manage the resource. Systems of community management are often based on traditional institutional structures, such as local chiefs or councils, and may reflect traditional community tenure arrangements. Examples include community self-help groups working on agroforestry in Ghana and water management in Kenya.

What Powers Does Decentralization Involve?

Decentralization involves the transfer of several different types of administrative and political power from a central authority to a local institution:

The power to create rules or modify old ones—for example, to set land use and zoning rules, or to decide what kinds of trees can be harvested in a forest, or what days certain users can fish in a specified area.

The power to make fiscal and revenue decisions—for example, the power to levy fees at the entrance to a park, to set waste management or water treatment fees, or to decide how to spend revenues raised from hunting fees from a game preserve.

The power to implement rules and ensure compliance—for example, to penalize a factory for excess emissions, or to and municipal level. Particularly in developing countries, opportunities to have meaningful input in resource use and decision-making are likely to decrease mutual suspicion and enable all major groups to participate in managing the shared environment on an equal footing (UNEP 2002:409). Decentralization should also benefit the environment and improve equity in natural resource management because it can tap local knowledge of the environment and bring a better appreciation of local people's needs. In addition, local groups are more likely to respect resource decisions made with local input (see Box 5.4).

But achieving decentralization's potential depends largely on how the reforms are designed and implemented (World Bank 1999:109). To best benefit the environment and improve equity in resource management, four minimum criteria must be met:

- Decentralization must result in a transfer of meaningful powers–including fiscal powers–to a local institution.

- The institution to which power is transferred must be representative of the local populace in its diversity–not just elite interests–and have a broad knowledge of local natural resources and people's dependence on them.

- The local public must be able to hold the institution accountable through elections, hearings, or other democratic means.

- Fiscal and regulatory incentives must be in place to promote sustainable management of natural resources over the long term.

Meeting all four criteria is not easy.

Perhaps the biggest hurdle is assuring the accountability of those to whom authority is transferred. Accountability implies taking responsibility for the decisions one makes. The key question is whether the local government body or organization to which a central government devolves power is accountable to the local community. In other words, will they have to answer to the people immediately affected by their decisions?

(continued on p. 96)

sanction townspeople who cut trees in a communal forest without permission, or hunt wildlife without a permit.

The power of adjudication—the right to resolve conflicts and oversee negotiations over resource use and rules.

Apparent decentralization can also occur with no real transfer of "powers"—just a transfer of responsibilities. For example, a local NGO or local government might inherit the responsibility to implement decisions and enforce rules made by the central government, but not the power to assign fines or make any rules of its own. This transfer of responsibilities without complementary powers does not result in true local control.

Who Is Involved in Decentralization?

The central state: Includes presidents, ministers, ministry personnel, and members of national assemblies. They define which powers are transferred from the central government, and to whom. Typically, one or more agencies with specific responsibilities for local government oversight may be particularly involved in decentralization, such as a Ministry of Local Government, Ministry of Home Affairs, or Ministry of the Interior.

Regional, district-level, or local institutions: Includes local branches of central government ministries, elected local governments, NGOs, traditional authorities, and community groups and cooperatives. These institutions or individuals receive power over the environment through decentralization reforms. For example, a country might create a new institution at the local level, such as a forest council made up of villagers. Or, a central government may grant new responsibilities to existing institutions, such as village, city, municipal, or district councils; town committees; county governments; watershed management boards; or village development committees.

Citizens: Citizens can be affected indirectly—say, through the implementation of new land use rules and access rights, changes in mining concessions, or the creation of new local governments. Or, decentralization may directly involve citizens—for example, through the election of representatives to a local institution designated to manage resource use or through a community-based watershed association. Citizen interests and abilities to participate in natural resource management may vary depending on their gender, age, class, race, religion, professional identity, or the culture of the community.

International donors and development banks: Many multilateral and bilateral donors provide funding for programs, projects, and policies that encourage decentralized governance and strengthen the capacity of local institutions to carry out decentralized responsibilities effectively and efficiently. For example, many programs of the U.S. Agency for International Development (USAID) promote local democracy and government efficiency and transparency, such as the project in El Salvador to modernize the accounting and administration of 28 municipalities and enhance citizen involvement through participatory planning processes and open city council and public budget meetings (USAID 2003).

Box 5.3 Privatization: Can the Private Sector Deliver Public Goods?

Privatization—the sale of public assets such as a state-owned railroad or water utility to the private sector—is common worldwide. No services are exempt: banking, electric power provision, oil and gas production, healthcare delivery, water delivery, education, telecommunications, and transportation services are all frequently privatized by national, provincial, and local governments. Although the trend of privatization began in developed countries in the 1980s, today it is prominent in developing countries as well, where natural resources are often the assets targeted for sale. For example, 40 percent of the $44 billion in revenues that developing country governments raised through privatization in 1999 came from the sale of state-owned petroleum, mining, agriculture, and forest assets (World Bank 2001:183,188).

Governments privatize their assets for several reasons. One is to shed state enterprises that are operating at a loss and draining the government's coffers. Another is the hope that private owners will run the enterprises more efficiently, bringing better service than the state could provide by infusing the enterprise with new capital, improved management practices, and better technologies. However, the decision to privatize can be controversial, particularly when governments propose putting essential services like water delivery and electric power provision into private hands. The worry is that private companies may increase the efficiency of the enterprise, but ignore social objectives in the bargain, such as keeping the cost of water and power affordable, or providing bus service in poor areas.

The Theory of Privatization

Governments and international financial institutions typically promote privatization based on two arguments. First, theory suggests that public officials—politicians and bureaucrats—lack the incentive to run an enterprise efficiently. They can rely on public bailouts if bankruptcy is imminent. Also, there is no market competition or takeover threat as there would be in a typical business, and the public doesn't scrutinize performance as shareholders in a public corporation would (Ram Mohan 2001:4865–4866).

Second, public managers often have to balance contradictory objectives. Efficiency may be sacrificed to increase social benefits such as employment, which may then translate into political support. For example, the poor state of the electricity sector in India has been attributed to public bailouts of bankrupt utilities, political pressure to allow nonpayment of bills, and below-cost electricity prices for politically influential farmer constituencies (Dubash and Rajan 2002:51–71).

Another impetus for privatization is the trend toward decentralization. Privatization proponents frequently conflate the two strategies. In fact, decentralization and privatization have very different effects. While decentralization, done well, can increase public input into local governance, privatization often leads to greater public exclusion from resource decisions, since it shifts ownership—and therefore control—to corporations and other actors that do not have to answer to the public. In the natural resources sector, privatization often incorrectly takes place in the name of decentralization. In Mali, for example, forests are being transferred to local elected authorities—an apparent sign of decentralization. However, these officials are being given the right to sell off the forests, taking them out of the public domain and reducing the public's future role in managing them (Ribot 1995:21).

Critics and Controversy

Critics of privatization question whether its promised efficiency gains are ever realized in practice (Ram Mohan 2001:4870–4871). They also charge that privatizing essential public services such as water and electricity, is fraught with near-insurmountable problems of governance (Hall 2001: 11–16). For example, when politically connected and powerful multinational corporations take over the provision of public services, governments may not be able to enforce competition or appropriately regulate these companies. The result may be higher prices for basic services, a lack of attention to environmental impacts, and a lack of commitment to public goals such as increasing access to water and sanitation services. These, in turn, may evoke a social backlash against privatization.

There are many examples of the controversy that can accompany privatization. Among the most publicized is that of Cochabamba, Bolivia. In 1999, when the city auctioned off its ill-functioning water system as part of this program, it received only a single bid—from a British-led consortium. But the government proceeded with the sale, handing over in the deal not only the water system but also the rights to all the water in the district—including underground water—and guaranteeing a 15 percent annual return on the company's investment (Finnegan 2002:45).

Taking advantage of these terms, the consortium quickly raised the price it charged for water, in some cases doubling water bills (Finnegan 2002:47). This sparked mass demonstrations in Cochabamba and escalated into confrontations with armed police. As unrest grew, the government eventually revoked the contract (on the grounds that the company had abandoned its concession) and rapidly implemented a new national water law that promised public consultation on rates, and provided protection to small-scale water systems (Finnegan 2002:51).

The Cochabamba example and other problem-ridden experiences in Buenos Aires, Manila, Johannesburg, and other cities have convinced some social advocates that privatizing such basic necessities as water is inherently problematic. These advocates suggest that essential services should not be privatized without greatly improved regulation by the state and participation by citizens to ensure that private firms are accountable to consumers and to the public at large (Kessler 2002:4–6, 8–12).

Economic Benefits?

On the other side, many economists believe that, judged on economic grounds, privatization's record looks good. They argue that statistical surveys largely show that it does, in fact, lead to greater efficiency (Megginson and Netter 2001: 345–360). For example, a study in the United Kingdom found that electricity privatization had resulted in a permanent reduction of 5 percent per year in the cost of providing electricity service (Newbery and Pollitt 1997:269).

However, these results are by no means definitive (Ram Mohan 2001:4865). For example, privatization often occurs at the same time as deregulation, and the effects of the two are not easily separated. Economic gains attributed to privatization may just as likely be the results of deregulation and could also reflect other macroeconomic trends, such as general economic expansion.

Most importantly, perhaps, while economists have focused on economic gains, they have not applied equal vigor to understanding whether the efficiency gains they measure are actually distributed equitably among the population (Birdsall and Nellis 2002:3–4). In the United Kingdom, for instance, electricity producers and shareholders captured all the economic gains from privatization, while consumers and the government were net economic losers (Newbery and Pollitt 1997:269). The result of all these factors is a significant gap between the reported economic benefits of privatization and its apparent social costs.

Environmental Implications

From an environmental perspective, the outcomes of privatization rest heavily on initial negotiations between the government and the private company and particularly on the details of the contract drawn between the two. Inappropriate water privatization contracts, for example, might undermine conservation efforts and reduce attention to water quality. Or they might fail to insist on minimum water flows in rivers and streams that are needed to keep aquatic ecosystems healthy (Gleick et al. 2002:iv, 37–38). Conversely, when environmental considerations are factored in at an early stage, privatization has the potential to promote environmental goals. For instance, through a combination of environmental audits, detailed environmental provisions in contracts, and mandated compliance with existing environmental standards, the environmental performance of steel-making facilities in Mexico and Kazakhstan greatly improved after privatization (Lovei and Gentry 2002:63, 69–70).

While the available evidence is limited, experience from the electricity sector suggests that environmental concerns tend to get short shrift in privatization efforts (Dubash 2002:157). A review of recent sector reforms—which often feature privatization of power production and distribution—revealed that technocrats from energy and finance ministries have dominated the restructuring process in the countries studied. Representatives from environment ministries or civil society groups have had little or no voice in the design process, and opportunities to promote environmental outcomes have been missed. For example, Bulgaria's international commitment to reduce greenhouse gases was not factored into the country's electricity reforms, despite the considerable opportunity it had to reduce emissions by providing incentives to upgrade inefficient industrial plants and engage in other energy-saving measures (Doukov et al. 2002:97).

Experience in the electricity sector suggests a more general point about privatization. Economic reforms such as privatization have often arisen in closed processes. In these circumstances, privatization has sometimes been pursued to achieve narrow goals, rather than as a means to a range of public policy objectives including greater efficiency, wider access, better service, and reduced environmental impact. A more open and democratic process of economic governance that allowed for broad debate about the goals of reform would substantially increase the potential for incorporating social and environmental goals into privatization reforms (Dubash 2002:170).

In many cases of apparent decentralization, the answer is no. Ministry staff in a local branch office may answer only to their bosses in the capital city and have little local accountability. The same may be true of a local forestry cooperative, women's association, or NGO that needs answer only to its members, who are only a subset of the community (Agrawal and Ribot 1999:494; Ribot 1999:6).

In fact, a transfer of power to a local ministry, unelected committee, NGO, or similar institution may not bring real empowerment to the local level and thus may not necessarily be a beneficial form of decentralization. On the other hand, devolving power to a democratically elected body–an institution that citizens can hold responsible for its decisions through public hearings or by voting them out of office–can effectively broaden public participation and bring about more equitable natural resource management (Agrawal and Ribot 1999:478–479).

The role of the central government and its relationship to local governments and communities is another critical issue that can determine whether decentralization merely improves government efficiency or actually empowers citizens and engenders real participation. When the central government safeguards its right to make all major decisions or vests only branch offices of the government with authority,

Box 5.4 Why Does a Local Voice Matter?

One reason to think decentralization can lead to more just and satisfied communities is the fact that most people want to have a say in their own affairs. They resent the idea of a distant bureaucracy telling them what to do with their water, farms, or forests. The results of a 1996 study conducted in 14 municipalities in Nicaragua show a passionate support for grassroots environmental control: 65 percent of people surveyed opposed the concentration of resources and decision-making in the central government, and 68 percent believed that municipal governments could do things better. Ninety-seven percent believed the best way to solve problems was through citizen participation (Larson 2002:6).

But theoretically, decentralization reforms can do more than promote efficient government. Carried out in ways that genuinely increase citizen involvement in government and local environmental decisions, decentralization should also benefit the environment and social justice.

Real life experience also shows that decentralization can tap local environmental protection strategies. Communities that have the right to manage their own lands and are given a stake in the outcome of their conservation efforts can be very successful at managing ecosystems. Experience with community-based natural resource management—in which people work collectively to manage local forests, wildlife, or other resources—suggests that when communities are the primary implementers of a protection plan, they are more likely to make the plan work. They see tangible benefits in complying with harvesting rules, allocations of water rights, or other resource management plans. India provides many examples of communities that have adopted self-imposed restrictions on how local forests will be harvested to prevent the resource's destruction (Kothari 2000:3–4). In much of Southeast Asia, community forestry helps mitigate conflicts over use rights, reduce illegal cutting, and stabilize forest cover.

Local governments and community groups also may be more knowledgeable about the natural resources in their area and the demands on them than will the staff of a state or national agency (Ribot 2001:5). For example, the people in the village of Bhaonta-Kolyala and other villages in the Arvari river basin in the Indian state of Rajasthan are regulating natural resource management as a "parliament" because they understand just how essential the forests are for water, fuel, and fodder. They try to manage the area using ecological, rather than administrative boundaries because they view development, land use, cultural, and other processes as interconnected (Kothari 2000:5, 9).

In the same vein, several Indian villages involved in joint forestry management projects with the state have resisted government proposals to create commercial forest monocultures of single tree species. They believe a monoculture won't benefit nature or provide the diverse non-timber forest products they rely on throughout the year (Kothari 2000:11).

By contrast, when government bureaucrats in a central ministry office impose environmental rules or restrict local access to resources, the results are often disappointing. This is especially true when local communities disagree with the national government's strategy and feel excluded from participation in its design (Agrawal 2000:57). People may simply ignore the new rules—especially those that contradict their normal patterns of resource use—and find ways to surreptitiously break them. They may even accelerate their use of a regulated resource, fearing that they will eventually lose access altogether (McKean 2000:35).

When authorities declared a section of South Africa's coast a protected area and barred subsistence mussel harvesters from the resource they had stewarded sustainably for centuries, the harvesters began to gather the mussels secretly at night, damaging the mussel beds in the process (see Chapter 8). Similarly, throughout the 1990s, local fishermen in the Galapagos Islands fought harvest regulations on spiny lobster, sea cucumbers, and sharks that were meant to protect the ecosystem. Frustrated by the government's management process and angered by restrictions on access to the marine resources, the fishermen ransacked research stations, harassed tourists, and killed giant tortoises (Rohter 2000:A1).

the chances of increased local participation in natural resource management are reduced. Lack of secure rights to manage and benefit from natural resource management further diminishes the incentive for people to invest in natural resource conservation and sustainable use.

On the other hand, decentralization that is democratic and empowering does not necessarily come about when central governments simply hand management responsibilities over to local institutions and then step out of the picture. Effective decentralization usually occurs when central governments actively implement the necessary reforms, provide appropriate training for local actors so that they can use their new powers effectively, and defend the rights of marginalized citizens–women, the poor, ethnic minorities–to participate (Larson 2003a:19).

Decentralization Today: Partial Progress

Central governments around the world are beginning to relinquish some important responsibilities over natural resources to local institutions and communities:

- Since 1989, the CAMPFIRE program in Zimbabwe has given rural local authorities some rights to manage wildlife and collect revenues from such activities as game hunting and tourism (CAMPFIRE 2003).

- Viet Nam's 1998 Water Law calls for a more integrated approach to watershed management and has devolved irrigation management rights to local "Commune People's Committees" (Dupar and Badenoch 2002:14).

- In Mali, 1994 regulations give rural communes the right to protect all or part of their forest resources (Ribot 1995:1–2).

- Nepal's 1993 Forest Act legalized "forestry user groups," giving them the right to own the trees, although ownership of the land remains with the state. User groups develop management plans, set prices for forest products, and determine how surplus income is spent (Agrawal and Ribot 1999:483). By June 1997, there were 6,000 user groups managing 450,000 hectares of forests, with another 6,000 waiting for formal registration (DFID et al. 2002:39).

- Thailand's ambitious experiments in decentralized government include granting nominal responsibility for the sustainable management of land, water, and forest resources to new local government entities at the sub-district level called "tambons." Tambons are charged with formulating development plans and funding them based on proposals submitted by villages within their jurisdictions (Dupar and Badenoch 2002:12).

- Guatemala's regulatory framework for forest management grants municipal governments the right to 50 percent of the taxes levied on logging permits, plus subsidies for reforestation. Municipalities are also responsible for establishing environment commissions that work closely with the national agency in charge of the forestry sector to control illegal logging and supervise legal logging, and to develop municipal forestry plans with popular participation (Larson 2003a:12).

- In Honduras, the Law of Modernization and Development in the Agricultural Sector (1992) gave elected local governments the right to make decisions about logging and management plans (including controlled burning, land use plans, the creation of protected areas, and citizen watershed protection projects) for about 30 percent of the country's forests (Larson 2003a:9–10).

These and other decentralization reforms are beginning to change the process of making resource and conservation decisions and reshape the way natural resource management takes place. They promise to have profound effects on who manages, uses, and benefits from nature and on the subsequent impacts on the environment.

To date, however, the results of decentralization have been mixed. Decentralization clearly can be good for environmental stewardship, livelihoods, and local empowerment, but only if done properly–and that is rare. Some of the obstacles to successful decentralization are explored below.

The Difficulty of Meaningful Power Transfer

Decentralization reforms often enable only limited involvement of citizens in environmental governance. Typically, local governments or community groups are granted some rights, but with limited scope or subject to significant central government oversight (USAID 2002:29). Examples abound:

- In Senegal, 1998 forestry laws grant rural councils the right to manage forests within their jurisdictions. By law, the councils can refuse to permit timber production, or they can assign plots to individuals, cooperatives, or corporations to cut wood according to government-prescribed rules. However, despite these laws, the Forest Service still makes the most critical decision: whether or not a forest surrounding a community will be cut at all. In practice, local populations and village councils cannot forbid commercial use of forests within their jurisdictions (Agrawal and Ribot 1999:2, 18–19; Ribot 2000:478).

- In mainland Southeast Asia, central governments let communities make day-to-day decisions about forest management, but the most influential decisions about land use are retained by the ministries. In Cambodia, for example, the central government sets annual logging quotas for each province (Dupar and Badenoch 2002:15).

- In the Nghe An province in northern Viet Nam, central governments dictate so many guidelines that they leave little scope for local discretion by district officials who have inherited new responsibilities for forest land allocation and management. District officials can only distribute forest lands as smaller parcels to individual households, not in larger chunks to communities as shared lands. This is in spite of local preference for community-owned forests, which can provide whole communities with safety nets during times of poor crop production (Dupar and Badenoch 2002:36).

Sometimes local institutions are granted responsibilities for implementing decisions or administering services, but not the power to generate revenue, for instance by setting fees or levying fines (World Bank 1999:123–124). A local government might be charged with maintaining a water supply system, but lack the fiscal authority to adjust the price charged for water use. In the same vein, central governments sometimes retain the most lucrative fiscal powers—say, the right to assess wildlife hunting fees or the right to allocate revenue from a logging or mining operation—while granting rural community committees or governments less valuable rights to subsistence-scale harvesting, such as the collection of firewood or bamboo. Rarely do local institutions receive substantial discretionary power over the disposition of a resource *and* its economic benefits.

Central government reluctance to devolve real decision-making power is based in part on the assumption that local populations lack the technical or scientific knowledge necessary to husband resources, and do not have the aptitude to learn (Agrawal and Ribot 1999:29; Ribot 2000:477). In addition, central governments often fear losing their own power, or believe local governments to be incompetent (Larson 2003a:19). Of course, problems of local government incapacity are real (see below). But too often, central governments use this as an excuse not to decentralize, rather than address the weakness of local institutions by providing more training for local governments, strengthening municipal associations, promoting fair elections, and trying to increase civic awareness and public participation (Larson 2003a:20).

More enlightened decentralization efforts recognize that many natural resource decisions require no special capacities beyond what local communities already possess (USAID 2002:30). For example, local watershed councils consisting of village residents in the arid northern reaches of the Indian state of Gujarat have shown themselves to be perfectly competent to manage local water resources, which they depend on for survival (see Chapter 8). Experts suggest that decentralization is most likely to succeed if the central government views the technical aspects of management as a partnership to which both the state and citizens contribute. In addition, the central government must be willing to actually seek and incor-

Table 5.1 Decentralization: Pro and Con

Decentralization must be carefully managed to yield good outcomes.

For	Against
• Promotes democracy because it provides better opportunities for local residents to participate in decision-making.	• Undermines democracy by empowering local elites, beyond the reach or concern of central power.
• Increases efficiency in delivery of public services—delegation of responsibility avoids bottlenecks and bureaucracy.	• Worsens delivery of service in the absence of effective controls and oversight.
• Leads to higher quality of public services, because of local accountability and sensitivity to local needs.	• Quality of services deteriorates due to lack of local capacity and insufficient resources.
• Enhances social and economic development, which rely on local knowledge.	• Gains arising from participation of local people offset by risks of increased corruption and inequalities among regions.
• Increases transparency, accountability, and the response capacity of government institutions.	• Promises too much and overloads capacity of local governments.
• Allows greater political representation for diverse political, ethnic, religious, and cultural groups in decision-making.	• Creates new or ignites dormant ethnic and religious rivalries.
• Increases political stability and national unity by allowing citizens to better control public programs at the local level.	• Weakens states because it can increase regional inequalities, lead to separatism, or undermine national financial governance.
• Acts as a spawning ground for new political ideas; leads to more creative and innovative programs.	• Gains in creativity offset by risk of empowering conservative local elites.

Source: Adapted from ICHRP 2002:8.

porate local input on how best to design resource management systems.

Accountability and Representation

Decentralization works best when the central government cedes responsibility for environmental management to an institution that must answer to the people, is subject to enforcement or sanctions for poor performance, and will be obliged to explain or justify its actions.

A good example can be found in Kumaon district of the Indian state of Uttaranchal in the Himalayas. Since 1931, the government has permitted villagers to form nearly 3,000 forest councils, which have the right to formally manage and control nearly one quarter of the forests in the district. The councils are elected directly by villagers. A forest council can be formed when one third of the village population petitions the District Collector, the head of revenue administration in the district. Councils have five to nine members, and all adult villagers are eligible to vote or run for election to the councils (Agrawal and Ribot 1999:481).

Elections are held at periodic intervals in the presence of a Forest Council Inspector, who is part of the Revenue Department. Villagers can attend meetings of the council and lodge complaints about its performance–a timely and specific constraint on the arbitrary exercise of power by council members. In addition, a council member's right to hold office can be challenged if evidence of wrongdoing is available. Councils are also accountable to the district administration for accurate recordkeeping and enforcement of Forest Council rules (Agrawal and Ribot 1999:481–483; Agrawal 2001:208–211).

But the Kumaon experience is far from widespread. As mentioned earlier, decentralization often simply transfers authority over marine areas, forests, or other resources to lower levels of the central government itself, such as a field officer of the forest ministry. In such cases, no local accountable institution that directly represents the citizenry is strengthened. The ministry agent is not accountable to local constituents, only to his or her superiors within the central government. Such reforms may bring decision-making or services closer to citizens, but they will not necessarily involve citizens more deeply in the design of the policies or resource management plans that guide local decisions.

A Dearth of Democratic Institutions

Sometimes decentralization's potential is frustrated by the lack of an appropriate institution to which powers can be successfully devolved. Democratically elected institutions are often considered the best candidates to receive decentralized powers from the central government. Elections give citizens the opportunity to judge the performance of an institution–whether it is a local government or village council. If elected officials cannot justify their decisions, they can be voted out of office (Dupar and Badenoch 2002:3).

However, elections alone do not necessarily ensure adequate representation of citizen interests. In Senegal, for example, rural councils have been granted some power over forest decisions and are elected bodies. Yet, candidates for these councils are selected by political parties, reducing their direct accountability to voters. Accordingly, many villagers feel that the elected councilors represent the interests of these parties rather than the local people (Agrawal and Ribot 1999:20). To make these rural councils democratic would require admitting independent candidates in local elections.

Elections are, therefore, a necessary but insufficient condition to establish the accountability of the local body, whether it is a rural council, NGO, government agency, or municipal government (Crook and Sverrisson 2001:7). Institutions can also offer other means of ensuring that their dealings will be transparent and responsive to the public interest, including (World Bank 1999:122; 2001:1–3):

- Holding deliberations that are open to the public

- Using internal practices that promote accountability, such as keeping open records of decisions and deliberations, using merit-based personnel policies, and requiring that financial records be fully auditable, and

Nicaragua: Decentralization Without the Power of the Purse

In 1990, Nicaragua created elected municipal governments. Reforms to the municipalities law in 1997 granted local officials important responsibilities for managing their territories in general, including natural resources. However, local governments were not given control over most income-generating aspects of natural resources, such as the right to enter into contracts for logging, mining, and fishing. These rights are reserved for the central government.

Municipal governments have the right to express their opinions prior to central government approval of resource exploitation requests, including both requests for concessions on national lands, and extraction permits on private lands. Up until recently, however, the central government did not always request local government opinion. In addition, a dissenting opinion by local government is not binding and can simply be ignored.

The central government has also failed to transfer sufficient funds to allow local governments to meet their obligations to constituents. In the case of forests, the law mandates that 25 percent of forest license revenues be returned to the municipal jurisdiction in which the logging takes place, but the central government only began to comply with this obligation in 2000, and some communities still claim that they do not receive their full share (Larson 2003b).

- Publicly disclosing how they comply with central government laws, rules, budget constraints, and oversight.

Other mechanisms of keeping local institutions that manage natural resources responsive to the public include availability of legal recourse for citizens, open media coverage of local issues and government proceedings, and monitoring and evaluation of local government performance based on benchmarking and citizen feedback (World Bank 2003:127).

Capacity to Exercise New Responsibilities

Local governments often face serious challenges in handling their new responsibilities for natural resource management. They may need additional staff capacity or skills training to carry out the various aspects of public consultation and transparency required for a sound decision-making process. They may need more capacity to implement and enforce their decisions. For example, a recent analysis of Uganda found that the majority of local government officials have limited levels of education and resources and often do not understand what their new role entails when powers are decentralized to them (Watt et al. 2000:48).

In many cases, local governments also lack the budgets to carry out their new mandates. A recent analysis of decentralized forest management in Latin America found this to be largely true (Larson 2003a:7, 10–11, 14). For example, when Costa Rica granted local municipalities authority over logging in some forests, the new responsibility came with no funding, supervision, information, or technical assistance (Larson 2003a:14).

Identifying sustainable practices at the community level can also present a challenge for local institutions. Central governments or other agencies that promote decentralization should not assume that local people and their representatives necessarily know how to manage natural resources sustainably (Enters and Anderson 1999). Decentralization's proponents sometimes make romantic assumptions about local people's ability to live in harmony with nature and utilize traditional practices to safeguard the environment. But in fact, local people often desire technical assistance from outside the community to improve their agricultural productivity and management of forests, water, and land. Indeed, decentralization's potential lies in empowering communities and their representatives to articulate their priorities, and to draw upon both appropriate local knowledge and suitable outside expertise to realize those objectives. That expertise could come from such diverse sources as government line agencies, international donors or NGOs, or the private sector.

Power Transfer to Elite Interests

Rather than amplifying the voice of the community, many decentralization reforms actually strengthen nonrepresentative local authorities, shifting decision-making power to local elites. This is common in some African countries, where power is often transferred to nondemocratic groups such as traditional chieftains, religious organizations, NGOs, or businesses. None of these is formally accountable to the wider community and may bring only a narrow section of the citizenry into the decision-making process (Ribot 2002c:12; 2003:55–56). An NGO might prioritize the interests of its members, donors, and leadership. A business might emphasize only its commercial interests. Traditional indigenous leaders might be inclined to maintain cultural norms of exclusion of the poor, minorities, or women from participation in local decisions or access to local resources.

Another danger is domination of the local electoral process or local institutions by the wealthiest citizens or business interests (Dupar and Badenoch 2002:46). From Burkina Faso to Cameroon, Mali, and Zimbabwe, there are cases of special interests dominating the governance process while local people's environmental interests are ignored. The same is true in Bolivia. There, municipal governments have gained a larger role in forest management. However, local merchants, professionals, ranchers, and sawmill operators often control the municipal government. Accordingly, they may focus on expanding access to timber royalties, rather than on restricting practices that degrade forests, or pursuing sustainable land use planning (Pacheco 2002:5).

Supporting Better Decentralization

As discussed earlier, whether decentralization successfully promotes fairer and greener governance depends primarily on transferring real discretionary power over resources to local institutions that are accountable to local resource users. This was the main conclusion from a 2002 conference that examined decentralized natural resource management in 15 developing countries in Africa, Asia, and Latin America (Ribot 2002b:1–3).

However, other factors are critical as well—factors that capitalize on the mutual strengths of central government and local institutions and give citizens appropriate incentives for conservation.

A Balance between Central Government Authority and Local Empowerment

As local institutions take on more day-to-day authority for decisions about natural resources, central and regional agencies must guide these efforts, supporting them financially and technically and insisting that sustainability is factored into local management plans. This may involve (Caldecott and Lutz 1998:176; Smoke 2000:20; DFID et al. 2002:31; Dupar and Badenoch 2002:3):

- Developing procedures and standards to help local governments improve operations and increase their transparency
- Facilitating more inclusive public participation processes within local institutions and promoting social equity to ensure that women, the poor, and minorities are not dissuaded from taking part in consultations or serving on councils or committees
- Building local governments' capacity to elicit and guide community participation, and to absorb and respond to the input they receive as a result
- Educating citizens about their responsibilities and their role in making government more responsive
- Dealing with market failures, such as agriculture or water subsidies, that are beyond the control of local governments yet factor heavily in environmental decisions, and
- Balancing local interests with larger-scale issues of biodiversity protection, and drafting national standards for sustainable resource use.

In practice, effectively balancing the power of citizens, local institutions, and regional and national governments is difficult. It may require changes in how these groups traditionally work, manage, or make decisions. Central government officials who are accustomed to making most major

Bolivia: Partial Decentralization's Partial Benefits

In 1996, sweeping policy and institutional changes in Bolivia gave municipal governments and citizens unprecedented authority over their local forests. Among the provisions of the new forestry law (Forestry Law 1700):

- Municipalities are charged with administration of up to 20 percent of public forest lands, which must be used for the benefit of Local Community Associations—groups of traditional forest users, peasant communities, and indigenous populations that depend on the forests within a municipality (Contreras-Hermosilla and Rios 2002:12).
- Municipal governments inherit some financial powers. They also receive 25 percent of royalties from forest concessions and fees from clear-cutting operations (Contreras-Hermosilla and Rios 2002:12).
- Municipal governments are charged with helping to ensure that timber concessions and sawmills comply with forestry regulations.
- The public can become directly involved in forest law enforcement. Private citizens can use a special authorization or warrant granted by the office of the Forest Superintendent (part of the Ministry of Sustainable Development and Environment) to inspect field operations (Contreras-Hermosilla and Rios 2002:11).

Although this move toward decentralized forest management in Bolivia is still in its nascent stages, it is clear that the partial empowerment of local community associations is giving a voice to many people who previously lacked the right to participate meaningfully. Municipal governments are also gaining a stronger role in environmental decisions. But, at least initially, these governments are constrained by legal ambiguities about their powers and a lack of funding to carry out their new duties. The central government's forest superintendents are reluctant to turn logging revenues over to the municipalities, some of which lack technical and managerial capacity to implement forest management plans. By mid-2000, the government had assigned just 560,000 hectares of forests (out of Bolivia's 53 million forested hectares) to 3 of the country's 104 municipalities (Contreras-Hermosilla and Rios 2002:22).

Who is Really Empowered to Manage Nepal's Terai?

Since the implementation of the 1993 Forest Act, villagers living in the buffer zones of protected areas in the Terai, a region in the lowlands of Nepal, have had the right to organize into community "users groups" of farmers, and timber and firewood gatherers. Through the elected leaders of these groups, villagers have the legal right to participate in forest management. Government officials had hoped that this initiative would reduce the level and intensity of conflicts between local populations and park rangers.

In practice, though, users groups mainly participate in activities sponsored by officials in the Department of National Parks and Wildlife Conservation, such as clearing underbrush, delimiting forest areas, and participating in protection committees. Those officials retain control of most decisions about resource management, while allowing local people the right to manage their users groups and harvest some subsistence products from the protected area. Extensive regulations forbid the use of park resources except for a limited period during the year. Villagers and members of users groups can work in the park—maintaining trenches, planting vegetation, and related tasks—but as paid labor, not as participants in the design of any management plans. Illegal harvest of fodder and firewood from the protected areas continues apace, and benefits to locals have changed little since the program began.

So far, changes in natural resource management have not provided significant incentives to citizens to maintain the resources, or changed the balance of power between the central government and local institutions—some of the hallmarks of true decentralization (Agrawal and Ribot 1999:483–485).

decisions unilaterally and exerting control over local authorities must embrace more local participation–an approach that may meet with bureaucratic resistance (Brinkerhoff and Honadle 1996:26). At the same time, local governments must learn to cope with new demands from citizens for greater accountability and participation.

Many institutions, both at central government and local levels, are ill-prepared for the challenge of citizen participation. An analysis of the forestry sectors in India, Sri Lanka, and Zambia suggests that it is difficult for bureaucrats in the forestry sector to make the transition to more participatory engagement with citizens at the grassroots level. Typically, members of the forestry services in those countries serve as a police force for the forests, preventing illegal harvesting and arresting miscreants. Now, the same bureaucrats must work as part of joint forest management programs, sharing responsibilities with local groups. This is a major shift in their jobs, and requires very different skills (Manor 2002:2).

Citizens must also adapt to make decentralized natural resource management effective. They must be aware of and concerned about the new responsibilities that have been given to their local institutions. They must know what their leaders are doing and hold them accountable. Otherwise, decentralization can actually increase opportunities for corruption or waste, as public officials at lower levels gain new powers without oversight, or are given the power to spend money without accordant responsibilities for revenue collection or budgets (World Bank 2002:108). Mechanisms for effective local oversight must gradually come into play as well, such as third-party auditing of financial records, the development of regional Inspectors General offices, and so on. The involvement of a robust investigative press is also helpful in making local accountability work (Ribot 2002a:29–31).

Decentralization that Respects Ecosystems

Central governments have the responsibility to make decentralized management work at an ecosystem scale. Ecosystems may span many local jurisdictions and serve many communities, each of which may take on some management responsibilities after decentralization. It may fall to the central government to coordinate these efforts, to introduce a large-scale perspective, and to establish mechanisms to resolve conflicts and establish communication networks. Otherwise, decentralization reforms will fail to capture a key potential benefit: the chance to take a larger, ecosystem-based view of environmental management.

China's series of reforms decentralizing management to villages in the Baoshan region of Yunnan Province, for example, have not improved the environment. Villages lack the capacity to address conflicts and competition for natural resources between upland and lowland communities. Nor have government agencies coordinated a plan within watersheds to protect clean water flows–for example, to monitor and limit the flooding caused by upland soil erosion and deforestation (Dupar and Badenoch 2002:33).

Similarly, in Bolivia, municipalities inherited a great deal more power under new forest laws. But many municipalities with abundant forest resources are relatively isolated, with few links to other levels of government. In some watersheds, several different municipalities control forest segments whose management should be coordinated if the resource is to remain healthy. Yet, these jurisdictions continue to operate in isolation (Contreras-Hermosilla and Rios 2002:22).

Transferring the Mandate for Sustainability

The rights and rules detailed in decentralization reforms themselves can provide tremendous incentive–or disincentive–for conservation by local people and institutions. Two incentives for sustainable management are the right of resource access, and the right to the revenue from the resource itself (see below). Local authorities and residents have little reason to help protect a resource that they cannot use or benefit from (see Box 5.5).

But along with rights of resource access, the central government must also transfer some specific responsibilities for resource protection to newly empowered local governments, councils, and users groups. Without some stipulation that they will be held accountable for sustainable development, local authorities may choose to use their new powers for quick resource exploitation and development, particularly in areas where the potential revenue from natural resources is high. Such is the case in Indonesia, where district governments' ability to allocate small-scale timber licenses and cash in on the revenues has effectively opened protected forests to illegal logging (Ribot 2002c:10). Similarly, in China, local authorities rapidly logged timber stands to generate quick cash. By 1998, the central government had to impose a logging ban to protect watersheds from further deterioration, since the highly decentralized policy had failed to do so (Dupar and Badenoch 2002:33, 39).

Donors can help transfer the mandate for sustainability to governments–both national and local–as the World Bank did with a 1992 structural adjustment loan to the Philippines. To promote community-based law enforcement, the Bank included conditions for forest monitoring and enforcement and asked the government to create "Multisectoral Forest Committees." These committees were established at the village, province, region, and national levels and include representatives from local communities, the forest department, police, customs and other state agencies, NGOs, and civic groups. A village committee, for example, tracks activities in and around forest concessions, while a provincial committee tracks shipments of illegal logs between provinces. With support from a World Bank legal team, thousands of people guilty of forest crimes have been apprehended and prosecuted, and almost all large-scale illegal logging has been halted (Brunner et al. 1999:7–8).

Secure Tenure Is Important

Grants of secure tenure over resources are an essential ingredient of community-level conservation. If the central government can easily revoke the rights of resource management or access that it has delegated, citizens have less reason to invest in soil fertility, watershed protection, forest regeneration, or other long-term conservation measures (USAID 2002:22). For example, as farmers make investments in irrigation systems or trees on a parcel of land, the importance of secure, long-term tenure over that specific parcel of land sharply increases.

Without having long-term tenure security embedded in decentralization laws, local authorities or residents may take advantage of a forest, marine fish stocks, or other resources while the opportunity lasts. In Indonesia, for example, local

Brazil's Participatory Budgeting

Some 140 of the 5,500 municipalities in Brazil have adopted the practice of participatory budgeting. The idea is to have community representatives—generally from low-income districts—get together to decide how to allocate a municipality's budget. This may involve determining how much to invest in education, health, water supply, or sewage, or where to locate a new park or what roads to pave. There are also distributive criteria to ensure that poorer areas receive more funding than well-off ones, no matter what the representatives want.

Porto Alegre has used participatory budgeting since 1989. As many as 40,000 citizens participated in public meetings to allocate about half the city's budget in 1999, taking part in several rounds of meetings and debates over 9 months, starting with district-based meetings in gyms and churches. The meetings begin with formal reports by the city government on the previous year's expenditures. Ultimately, through the democratically elected representatives, each district produces rankings of its priorities, such as paved roads, water lines, or beach clean-up. The process has prompted some interesting decisions. In one case, the city turned down the construction of a five-star hotel proposed for the site of a decommissioned power plant, opting instead for a public park and convention hall. Urban service provision has shown some positive signs, too, with sewer and water connections in Porto Alegre increasing from 75 to 98 percent of residences between 1988 and 1997, and the number of schools quadrupling since 1986 (Goldsmith 1999:1–4; Souza 2002:1).

Box 5.5 Namibia's Conservancies: Nature in the Hands of the People

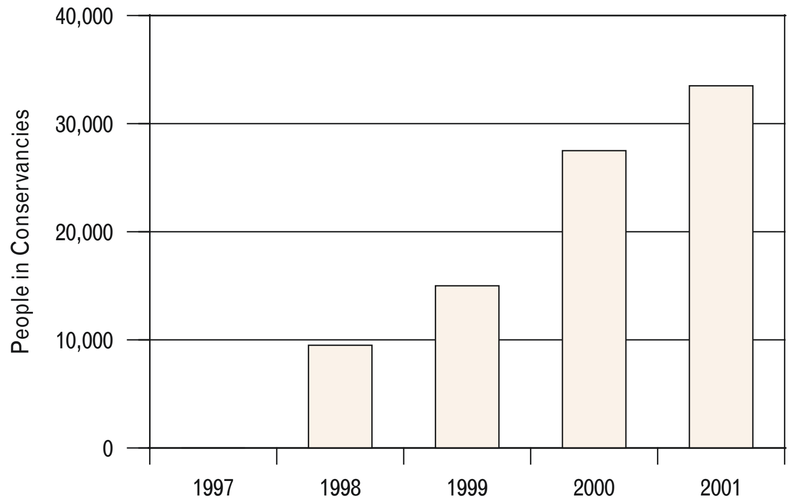
In 1996, the Namibian government began encouraging its citizens to take the lead in managing lands that were owned communally. A landmark policy encourages Namibians to form "conservancies"—legally recognized associations governed by community members who live in designated areas. These conservancies are granted the right to benefit directly from wildlife resources in their particular areas, and are responsible for their sustainable use and management.

The process of establishing a conservancy is straightforward and transparent. Local communities mobilize and register community members, adopt a constitution and by-laws, identify boundaries of management areas, commit to a plan for sustained yield management of wildlife, organize resource monitoring, and agree on a plan for the distribution of benefits (Anderson 2003). The central government approves the establishment of the conservancies and their associated plans, a process that usually takes less than 6 months (Anderson 2003).

Since the late 1990s, this "decentralized" conservancy system has:

- greatly increased wildlife populations, which were previously shrinking;
- increased community income. The wages collected from wildlife tourism have grown from about 500,000 Namibian dollars in 1996 to more than 6 million in 2001 (USAID 2002:14). Benefits are evident in better provision of social services and greater ability of residents to pay school fees;
- increased local participation in resource management. Fifteen conservancies are now registered, involving more than 30,000 people, and more than 35 others are being formed. The number of people participating in decisions, including the very poor, has more than tripled (USAID 2002:14), and
- expanded institutional and technical support for community-based management. For example, the Ministry of the Environment and Tourism has created and staffed a Community-Based Natural Resource Management Support Unit with 29 field officers (USAID 2002:14). This unit can help communities negotiate joint ventures with private sector investors for economic activities such as game hunting and ecotourism.

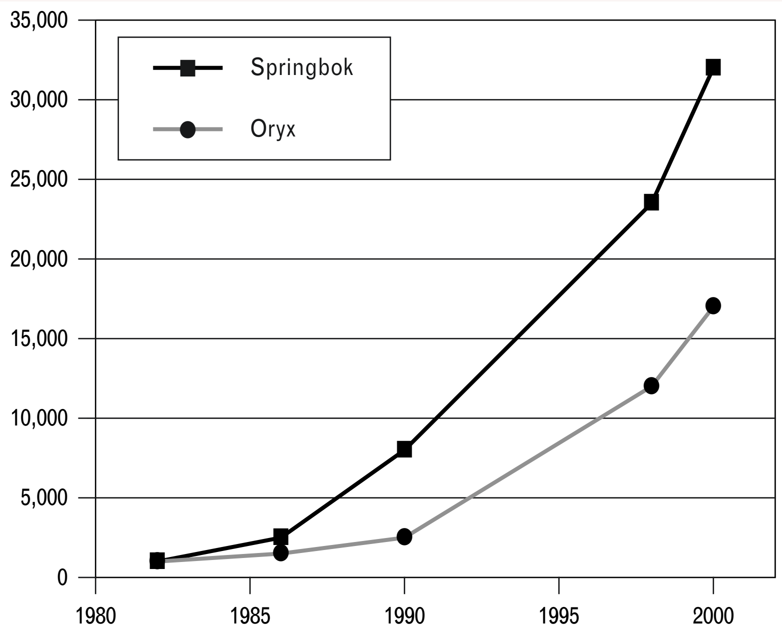
Growing Participation in Conservancies



Source: USAID et al. 2002:14

Increasing Wildlife Population in Conservancies

Springbok and Oryx Numbers



Source: USAID et al. 2002:13

Cambodia: Building Local Management Capacity

In many nations, local governments, NGOs, and community groups lack managerial and technical skills. This makes it difficult to responsibly wield the power over financial and natural resources that true decentralization brings.

In Cambodia, a phased program gradually granting greater levels of control as local governments gain management experience has worked well to build capacity quickly. In the pilot program, which has been tested in a few provinces, local communities are granted a fixed budget allocation from the provincial government to fund development projects. Development committees are established, with representation from both local government and civil society groups, to choose the projects.

At first, the provincial overseers allow only a limited range of projects, which must fall within clearly defined technical guidelines. But flexibility increases over time if communities perform well. In any case, once approved at the provincial level, the projects selected by the development committees become the responsibility of local governments or community groups to design and implement. In time, communities are managing their own multi-year budgets without undue interference. Some provincial-level auditing of how local funds are spent does remain, however, adding a level of continuing oversight. Under these conditions, communities have been able to assume new responsibilities fairly quickly—within a period of just 5 years (Smoke 2000:12–13).

authorities who have been granted access rights to timber stocks are not confident these rights will last, resulting in a heightened level of forest exploitation (Resosudarmo 2002:5).

Encouraging Consultative Processes

Consultative processes–where government representatives and local people join in directed dialogue–can provide citizens with useful opportunities to take stock of local resources and deliberate about production systems and livelihood options together. For example, in the Dak Lak province of western Viet Nam's highlands, farmers have found that the creation of Water Users Associations has catalyzed new discussions about watershed degradation. The associations, which cooperate with local agencies of the central government, have encouraged farmers to view watershed problems more holistically. In working with government agency staff, villagers have increased their own awareness of integrated conservation and development priorities (Dupar and Badenoch 2002:42).

NGOs Can Help

Sometimes NGOs can provide critical incentives for effective natural resource management, the protection of biodiversity, and other local environmental governance challenges. Because of their specialized knowledge, NGOs can offer important information on resource issues to help local officials understand the environmental implications of their decisions. Their networking skills and contacts with international donors can also help link local governments to wider conservation interests, possible sources of funding for environmental projects, and contacts at higher levels of state government that can provide assistance in meeting local goals.

Furthermore, researchers and nongovernmental groups have an important role to play in documenting sustainable natural resource management systems at the community level and debunking policy myths that blame local people for resource destruction. They can also be a critical part of the pressure for real decentralization as they create alliances among donors and civil society to compel central governments to undertake meaningful change (Larson 2003a:20).

The watchful eyes of NGOs add an important level of local oversight to decentralization reforms. Where local institutions ignore conservation interests and public participation, NGOs can press for more inclusive governance and more accountability. In Nicaragua, NGOs have provided that pressure for good governance and attention to environmental interests where local governments have tended to accede to the interests of local elites. In the county of Cua-Bocay, a local NGO organized an alliance of community groups to oppose a mining concession; this convinced the municipal council to vote against the concession. Some NGOs and funders have pressured municipal governments to form Municipal

Environment Commissions to advise on resource management decisions. Nicaraguan NGOs also add their influence in legislative affairs, drafting resolutions and ordinances regarding natural resource management and presenting them to the municipal councils for negotiation and consideration (Larson 2002:7).

Careful and Structured Implementation of Reforms

Decentralization is often implemented haphazardly and hastily in times of financial crisis or political stress, or using a model that has not been tailored to fit a particular region's unique circumstances (Smoke 2000:4). Poorly structured efforts actually threaten both environmental management and equity. In Zimbabwe, for example, the financially strapped central government abruptly stopped funding the maintenance of community-based rural water supplies, devolving this responsibility to the local level. But local communities and district councils were not prepared to take on these management and maintenance responsibilities, and the water supplies deteriorated (Conyers 2002:117). Transferring responsibility over resources carefully and gradually yields better results.

Overall, the case for the environmental benefits of carefully managed decentralization is still being assembled. But enough evidence already exists to reinforce its importance as a supporting condition for equitable and sustainable development. However, key to the success of decentralization is making sure that new local powers are conferred along with the mandate to manage resources sustainably and that this is supported with the resources needed to work out what this means in the local context.