

Decentralized Governance of Natural Resources

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United Nations Development Programme



Decentralized Governance of Natural Resources

Part 1: Manual and Guidelines for Practitioners

First edition

Prepared by UNDP Drylands Development Centre



Table of contents

Foreword	vi
Acknowledgements	ix
Summary	xi
I. Introduction	1
II. Purpose of the manual	3
III. What is decentralized governance of natural resources?	5
IV. Principles pertaining to the decentralized governance of natural resources	7
V. Initiating and improving the governance of natural resources	11
A. Democracy: A precondition of decentralization	12
B. Analysis of constraints, risks and opportunities	13
C. Mainstreaming the governance of natural resources into the decentralization process	17
D. Information and awareness raising	30
E. Participatory approach and decentralization	31
F. Capacity-building	33
G. Fiscal decentralization: Financing local development	36

H.	Control, checks and balance	38
I.	Monitoring and evaluation	41
VI.	Conclusions	45
Annex 1.	Information resources	51
A.	Key reference materials	51
B.	Agencies providing technical and financial support	52
Annex 2.	Sources of information for preparation of document	53
A.	National reviews	53
B.	Electronic forum on decentralized governance of natural resources	54
Information and case study boxes		
Box 1.	Decentralized governance of natural resources	2
Box 2.	Key parameters relating to democratic functioning, downward accountability and representation	12
Box 3.	Mali: Legal and regulatory context of decentralization of natural resource management	17
Box 4.	Devolution of rights and responsibilities: Matters for consideration	17
Box 5.	China: Overcoming the constraints of a centralized bureaucracy	19
Box 6.	Implementation and enforcement of decentralization laws and regulations	21
Box 7.	Issues relating to institutions	22
Box 8.	Nepal: Developing local self-governance structures	23
Box 9.	Lesotho: The need to support institutional reforms	25

Box 10.	Peru: Integrating natural resource issues into local planning processes	27
Box 11.	Mali: Local development planning guide	27
Box 12.	Mali: Need for capacity-building in data collection and management	30
Box 13.	Criteria for effective participation in the decentralized governance of national resources	31
Box 14.	Main partners in the decentralized governance of national resources	32
Box 15.	Key capacity-building aspects to consider	34
Box 16.	Turkmenistan: Requirements for harmonization of natural resource management	35
Box 17.	Kazakhstan: Need for further fiscal decentralization	37

Foreword

Many countries around the world are engaged in the process of decentralization to enhance governance and growth at local level. In many of these countries a large proportion of the rural population depends directly on natural resources for their livelihoods. These resources are not only vital to their well-being but can generate the financial resources, through taxes, fees and other payments, to run democratic local institutions.

The decentralization of the governance of natural resources is a means of ensuring improved environmental management while increasing equity and justice for local people, including women and marginalized groups. When properly implemented, it strengthens the democratic process by involving local institutions and communities, ensures effective transfer of power to the local level, increases accountability, improves local revenue collection and allows more effective sharing of knowledge for sustainable natural resource management. Decentralized governance for natural resources can thus lead to genuine participation in the development process, greater food security and increased economic opportunities for the poor. It helps raise awareness about the links between democratic processes, local governance of natural resources and alleviation of poverty and hunger.

The UNDP Drylands Development Centre, through its Integrated Drylands Development programme, has provided support to countries to:

- Mainstream governance of natural resource policies and practices into national democratic processes and processes of decentralization;
- Improve knowledge of governance of natural resources through analysis, documentation and dissemination of successful approaches and best practices;
- Strengthen capacities of local institutions and communities to ensure participatory, transparent, accountable, equitable and efficient use and management of natural resources for local development.

The decentralized governance of natural resources has now emerged as one of the main approaches being adopted by many governments for promoting efficiency, equity and justice in the management of natural resources. Policies have been adopted and institutional reforms initiated to facilitate decentralized governance of natural resources around the globe. Most of these efforts are recent, and there is need to continuously gather and analyse lessons learned to better inform policy and to improve the performance of programmes and projects in the governance of natural resources.

This manual is an output of the Integrated Drylands Development programme of the UNDP Drylands Development Centre. It is expected to serve as a basis for learning from experiences and to help practitioners improve on current and future efforts for the integration of governance of natural resources into national decentralization processes.

A handwritten signature in black ink, appearing to read 'Philip Dobie', with a stylized flourish extending from the end.

Philip Dobie
Director
Drylands Development Centre



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the main task of overseeing the entire process, including synthesizing national reviews and facilitating the e-forum discussions.

Any errors relating to technical interpretation or substantive presentations are those of the authors.

Summary

This publication – Decentralized Governance of Natural Resources, Part 2: Experiences and Lessons Learned – has been prepared by the United Nations Development Programme (UNDP) Drylands Development Centre as part of its activities under the Integrated Drylands Development programme.¹ It aims to promote learning from experience to enable practitioners to improve on current and future efforts to mainstream and integrate governance of natural resources into decentralized governance processes. It focuses on lessons learned about risks, constraints and opportunities in the decentralization process, and on the best approaches and practices from the various countries and regions. It also looks at capacity needs for effective decentralization and experiences gained in fiscal decentralization, a necessary source of funding for local development.

The main lesson or conclusion reached is that in countries where decentralization has been embraced as a national goal or strategy and a national policy put in place (for example Bolivia, Ethiopia, India and Senegal), the process of decentralization has proceeded much faster as a result of the institutional and legal reforms that were initiated. In other countries, decentralization has taken place as part of the overall global democratization process (for example China, Kazakhstan and Turkmenistan). In these countries, the process of decentralization has been much slower, and not as effective. Factors responsible for this include sociopolitical influences left over from past centralized systems of governance; weakness or absence of policies, laws and regulations concerning decentralization; and lack of strong and effective central authorities to articulate and enforce decentralization policies, laws and environmental standards.

The review undertaken demonstrated that decentralization involves changes in cultural attitudes, democratic practices and power relations. It is thus a long-term

¹The Integrated Drylands Development programme is a UNDP global initiative. Twenty-three countries in Africa, the Arab States and West Asia have been selected to take part in the programme, which focuses on helping countries to ensure that issues affecting drylands are addressed by macroeconomic policies; to reduce vulnerability to climatic shocks, especially drought, and improve adaptation to climate change; and to improve local governance for natural resource management.

undertaking and should be given time to take root, though in countries where there is already strong conceptual commitment to decentralization, supported by political goodwill, the pace of change may be faster, and the prospects for success good. It is now recognized that it is important to learn from doing, to identify opportunities, good practices and approaches, and to share these with others in order to improve the prospects for wider dissemination.

It must be noted, however, that the review also demonstrated that most decentralization efforts are too recent to have produced significant measurable or observable impacts; all the more reason why any attempts to evaluate the success or failure of the process should be based on clearly established criteria and indicators.

As regards the way forward, the review suggests the need to ensure the existence of an enabling environment. This includes government commitment to decentralization, creation of a democratic culture and associated practices, initiation of legal and institutional reforms and a strong central authority to ensure implementation and enforcement of those reforms. Some of the key areas identified by countries for support from various partners include:

- Support to reforms on national decentralization policy and legal framework, including support to institutional reforms;
- Support to national mechanisms for implementation and enforcement of decentralization policies and laws;
- Capacity-building for management of natural resources (civic education, skills, institution strengthening and marketing);
- Support to information and data collection, monitoring, and the developing of indicators.

Part I

**Manual on Decentralized
Governance of Natural Resources**

I. Introduction

The decentralizing of the governance of natural resources at the country level involves the review of the entire system of national legal and institutional frameworks, and the empowerment of subnational institutions at provincial, district, city, town and village levels. Empowerment involves fiscal, administrative and legal processes. In addition, effective decentralization improves the flow of information and resources between and among various levels of government from national to local and local to national. Effective decentralization requires the participation of all sectors of the population, including the poor, women, young people and ethnic minorities, and the active partnership of a wide range of actors, including national and local government, non-governmental organizations, community-based organizations, private firms and donors.

The decentralized governance of natural resources is one of the key strategies for promoting sustainable management, participatory governance and the equitable sharing of benefits from local resources (box 1). Case studies from around the world suggest that the main obstacles to decentralizing the governance of natural resources include lack of or weak decentralization policies and laws (including fiscal reforms); weak or limited institutional capacity to handle the devolved responsibilities; and, inadequate data and information to facilitate planning and the management of local resources (including fiscal management).

Box 1. Decentralized governance of natural resources

The decentralized governance of natural resources seeks to accelerate the transfer of decision-making powers from the central government to subnational institutions with the aim of enhancing efficiency, equity and justice in the management and use of natural resources to support local development.

Investing in support to democratization processes such as civic education, legal and institutional reforms and capacity-building for local government institutions and communities promises the best returns in terms of impacts.

This manual is organized in sections, as follows:

- I. Introduction, highlighting the role of decentralized governance of natural resources as one of the main strategies for promoting sustainable management and participatory governance and equitable sharing of benefits from local resources.
 - II. Purpose of the manual.
 - III. Definitions of major terms related to the decentralized governance of natural resources.
 - IV. Principles pertaining to the decentralized governance of natural resources.
 - V. The “what” and the “how” (requirements, conditions necessary, opportunities, risks and constraints) of initiating and improving the decentralized governance of natural resources, including case examples from countries.
 - VI. Conclusions.
- Annex 1. Information resources.
- Annex 2. Sources of information for preparation of document.

II. Purpose of the manual

This manual is a practical tool kit to enhance the integration and mainstreaming of the governance of natural resources into country decentralization and democratic processes. It is designed to serve as a tool for creating awareness about the links between governance, poverty alleviation and sustainable development. The main objective is to assist those involved in the development and implementation of strategies and programmes for the decentralized governance of natural resources, taking into account lessons from past experiences and best practices. The manual attempts to highlight some of the risks, constraints and opportunities to be aware of when designing and implementing decentralized governance components in natural resource management programmes and projects. The manual is intended for use by the following target groups:

- Programme managers and natural resource management experts from national and international institutions who design and implement programmes and projects on decentralized natural resource management;
- National and local institutions and policy and decision makers (including national and local authorities, local non-governmental organizations (NGOs), civil society organizations and local community groups) who have a stake in matters relating to land resource tenure and access to and use of natural resources;
- International development agencies that provide both technical and financial support to natural resource management programmes. These include multilateral and bilateral agencies and international NGOs;
- Practitioners involved in the training and civic education of local communities and institutions working with natural resources, and those involved in the implementation of decentralized natural resource management policies and programmes;
- Educational and research institutions involved in teaching, assessment, monitoring and evaluation, and gathering and documenting data and information;
- Private sector entrepreneurs and enterprises (for example timber companies and tour operators) whose businesses depend on local natural resources.



III. What is decentralized governance of natural resources?

As used in this manual:

Natural resources include non-renewable resources such as minerals, fossil fuels and fossil water; and renewable resources such as non-fossil water supplies, soil, biomass (forests, grazing resources), marine resources, wildlife and biodiversity. This study focuses on renewable natural resources.

The governance of natural resources refers to the process of formulation, articulation, administration and implementation of policies, legislation, regulation, guidelines and norms relating to ownership, access, control, rights, responsibilities and practices for the sustainable management of natural resources at local or national levels.

Local governance comprises a set of institutions, mechanisms and processes through which citizens and their representative groups can articulate their interests and needs, mediate their differences and exercise their rights and obligations at the local level. It requires partnership between national and local governmental institutions, civil society organizations and the private sector for participatory, transparent, accountable and equitable service delivery and local development. It necessitates the empowerment of local governments with authority and resources and building their capacity to function as participatory institutions that are responsive and accountable to the concerns and needs of citizens. At the same time, it is concerned with the strengthening of grass-roots democracy and empowerment of citizens, communities and their organizations (such as community-based and non-governmental organizations) to participate as equal partners in local governance and in the local development process.

The decentralized governance of natural resources at the country level refers to the process of transferring some of the decision-making powers and responsibilities (fiscal, administrative, legal and technical) from national to subnational institutions at provincial, district, city, town and village levels. It implies capacity-building for management of natural resources. The level of decentralization will differ from one

country to another, and the degree of decentralization may be different for different resources within a country, according to the prevailing socio-economic, ecological and political conditions. In this regard, therefore, it should be noted that decentralization is a relative notion, and that it does not mean the removal of central authority but rather the distribution of powers between central, state, provincial and local institutions, taking into account the subsidiarity principle (see next section).

Kenya and **India** present a model of decentralized governance of forest resources whereby both the central government and local governments and local communities have a stake in decision-making and benefit sharing in forest management. These are models of joint management (or co-management) of natural resources.

Nepal's community forestry programme presents another model whereby the management responsibilities for natural resources, including the benefits, is vested in the communities, and central authorities have no role other than technical backstopping. This is a more complete form of decentralization.

The above definition of the decentralized governance of national resources implies that the governance system was fully centralized in the first place. This may be so, and is true for most countries that were under some form of colonial rule or were under totalitarian regimes. However, various levels of decentralization exist in all countries, and this manual discusses the process of increasing decentralization and achieving the optimum balance between central and local authority.

IV. Principles pertaining to the decentralized governance of natural resources

For decentralized governance of natural resources to be considered democratic and efficient it needs to conform to certain key principles:

Equity and justice. Decentralized governance involves participation of all stakeholders in decision-making regarding ownership, access to and use of resources. The aim is to ensure that there is equity and justice in the sharing of both the responsibility for and benefits from the decentralized governance of natural resources. The principle requires that all stakeholders' rights (including intergenerational and off-site stakeholders' rights) to natural resources are legally recognized and legitimized, and that there is effective and quick recourse if such rights are abused or if stakeholders default on their responsibilities. Respect for the principles of equity and justice is expected to reduce potential risks associated with decentralization, such as the marginalization of some groups (for example pastoralists), or the elite in society taking advantage of the less fortunate members. Having representative local decision makers and institutions that are accountable to the people (and not only to the government) is crucial to equity and justice.

Empowerment. This refers to the transfer of decision-making and implementation responsibilities for the management of local resources, both institutional and fiscal, to subnational institutions. True empowerment must include capacity-building (including civic education and management skills) to allow local institutions and communities to perform their assigned responsibilities effectively.

Accountability. The first aspect of accountability refers to local decision makers being answerable and accountable to the people as a mechanism for securing greater equity and justice. Officials who are elected (and hence subject to removal by election if they perform poorly) are expected to be more sensitive to the rights and needs of local communities. The second element of accountability involves the relative independence of local decision makers from central authority. Local decision makers are more likely to be concerned about the sustainable management of local resources than remote

central authorities. Also, insecurity and lack of continuity can result in situations where local representatives are accountable only to central government officials and are subject to removal by them. The domain of security of rights and accountability must be established in law and protected through representation and recourse in order to ensure sustainability. Accountability in decentralization can be facilitated through an adequate flow of information, participatory decision-making, clear policies, and rules and procedures for decision-making and the management of financial resources. The means of verification include transparency in reporting and independent audit and evaluation processes.

Transparency can be defined as the appropriate, reliable and timely flow of environmental, economic, social and political information to all stakeholders. This is the hallmark of democratic decentralization and can be achieved through sharing of information up and down the administrative hierarchy as well as horizontally among various local institutions and individuals.

Subsidiarity refers to the principle that higher levels of government should have a subsidiary function, performing only those tasks that cannot be performed effectively at a more immediate or local level. In the decentralized governance of natural resources, it is expected that decision-making at a given governance level will be limited to issues that cannot be managed at the next lower level without compromising the interests of other off-site stakeholders (as might occur, for example, in decentralization of river basin management to sub-basin level). The subsidiarity principle requires the development and adoption of rules to guide the division of decision-making, implementation and enforcement of regulations, and dispute resolution among levels of government and among institutions at each level. These rules are necessary safeguards to security of power transfer and facilitate accountability.

Sustainability. The demands placed upon natural resources by people for their various social, economic and other needs should be met without reducing the capacity of those resources to provide for future generations. Sustainability requires institutions, including local institutions, to be able to continue to operate independently and in the long term.





V. Initiating and improving the governance of natural resources

Most countries already have a decentralized system of governance of natural resources, consisting of:

- A system of centrally controlled institutions including environmental authorities, sectoral ministries (for example forest, water, agriculture, wildlife), commissions and parastatals;
- A system of local government and administration (regional and provincial councils and assemblies, district councils, county councils, municipalities), community-based organizations, resource user groups and the private sector. These are usually regulated by central government through various acts or executive orders administered by specific government ministries.

Decentralization seeks to accelerate the transfer of decision-making powers from the central government to subnational institutions with the aim of improving efficiency, ensuring sustainable and equitable decision-making, and promoting sustainable management and utilization of resources. Local government institutions and administrations in many countries have very limited powers, and the legal and institutional frameworks of these local institutions contain little reference to the governance of natural resources.

The transfer of powers for the governance of natural resources to the local governance system involves the integration of natural resource governance mandates and responsibilities into processes of local and subnational decision-making, planning and implementation, and the empowerment of the respective institutions so that they can carry out these functions effectively. This chapter examines the requirements and conditions necessary for enhancing the decentralized governance of natural resources, including the constraints, risks and opportunities.

A. Democracy: A precondition of decentralization

By definition, decentralization involves the empowerment of local communities through the devolution of political, administrative, legal, fiscal and other powers from the central government down the geopolitical hierarchy to local levels in a country. Its purpose is to increase capacity for local self-governance through “popular grass-roots participation in the planning, implementation, monitoring and achievement of those services which go to improve the living conditions of the people and the orderly, fair and balanced development of the whole country concerned”. Decentralization thus embraces the central elements of democracy – transfer of power to and accountable representation of the people in the governance of local resources. Other elements of democracy embedded in the decentralization process include transparency, accountability, equity and justice. There can therefore be no true decentralization in the absence of democracy (box 2).

Box 2. Key parameters relating to democratic functioning, downward accountability and representation

- *How is the democratic process structured in theory and in practice (types of democratic institutions, how they are set up, how they operate, the power transfer and distribution system)?*
- *What is the role of the constitutional and legal framework?*
- *What are the provisions for ensuring participation of women and other marginal sections in the constitutional and legal frameworks?*
- *What is the level of representation for these groups in decision-making committees or bodies?*
- *What obstacles are presented by the resistance of elites and others with vested interests in the current regime of control?*

An important consideration in democratic decentralization is the efficiency and transparency with which popular elections of representatives to the national and the various subnational institutions are conducted. This can be engendered by the freedom of association and expression assured in most constitutions. However, in many nominally decentralized countries democracy is weak and existing cultural patterns allow power over resources to be easily captured by political elites and through clan, tribe or economic structures. Democratization and decentralization often require an evolution of current cultural norms that can be a threat to, and are therefore resisted by, powerful elites. Ultimately, a political system works effectively only where it is trusted.

There are many cases around the world where citizens lack trust in their nominally democratic institutions. In contrast, locally adjudicated processes of natural resource use, even where they are completely independent of national government support, are often trusted even where local culturally accepted elites retain control.

B. Analysis of constraints, risks and opportunities

1. Need for an enabling environment

Three main forces have been driving the process of decentralization of the governance of natural resources across the globe:

- The global decolonization and democratization movement since the 1960s;
- The call for greater community participation and equity in natural resources for sustainable management that emanated from the 1992 United Nations Conference on Environment and Development (Earth Summit) in Rio de Janeiro, Brazil;
- The macroeconomic and institutional reforms under way in many countries in search of greater efficiency and accountability.

To date, some countries can claim significant progress towards success in decentralization. These include Bolivia, Ghana, India, Mali, Senegal and Uganda. Characteristics shared by these countries include:

- All have adopted decentralization as a national policy built into their constitutions;
- All have undertaken institutional, legal and fiscal reforms to create an enabling environment for the decentralization of natural resources;
- Most of the national decentralization initiatives are complemented by strong capacity-building activities to empower subnational and local institutions to perform their responsibilities effectively.

From the review of the decentralized governance of national resources in the above countries, it is clear that certain other conditions must exist in addition to a democratic culture and practices if the decentralization process is to succeed. These include the government's commitment to and political will for decentralization; a well-organized civil society ready to engage in public service delivery and increase the awareness of

local communities of their rights and obligations; and a strong central authority to ensure implementation and enforcement of reforms, which should include government support in building technical capacity and maintaining that capacity at local level.

2. Constraints

Countries have embarked on the decentralization process with varying degrees of success. Based on case studies commissioned by the Drylands Development Centre of the United Nations Development Programme (UNDP), and the contributions of experts from around the world through an e-forum and a literature review, the following are some of the main constraints to effective decentralization:

- Weak or absent decentralization policies with appropriate fiscal, legal and regulatory elements, and the unwillingness or inability of central authorities to articulate and enforce decentralization policies, laws and environmental standards;
- Resistance within central authorities to giving up some of their powers of taxation and financial management. This is a natural reaction in governments with entrenched cultures of authoritarian rule. In other situations, government departments and institutions view the transfer of power as a step towards downsizing and, in extreme cases, the taking away of opportunities to benefit individually;
- Difficulty of decentralizing decision-making due to the multiscale nature of ecosystem processes. For example, in most countries the political boundaries determining the jurisdiction of local government (district or council) do not coincide with resource boundaries, which are managed (often in a fragmented fashion) by lower levels of government, community-based organizations or water, forestry or pastoralist user groups. In such cases there is an inbuilt element of conflict because of differing interests about resource use. The situation further worsens when the patronage of a resource is vested in nearby villagers and the user claim is granted to distant villagers. Application of the equity principle becomes more challenging under such conditions;
- Sociocultural resistance to change, particularly on such issues as gender and equity. In some cultures, the participation of women in development remains curtailed by cultural practices that deny women equal representation to men. Similarly, access to resources such as land and services (for example education) favours men in most societies. This constrains the opportunity for accountable representation in local institutions;
- Limited capacity for planning and implementation of strategies related to natural resources or for financial management within local institutions,

- including budgeting and planning for local development;
- Lack of or weak mechanisms for the sharing of benefits (particularly in respect to representation) to ensure transparency and accountability;
- Inadequate data and information to facilitate planning and budgeting at local level. In most countries, the issue of inadequate analytical capacity to collect national-level data for development planning is already manifest. At subnational level, demographic, social, economic and fiscal data are needed for the design and planning of local development;
- Limited institutional capacity of central authorities and local institutions to ensure effective monitoring of fiscal management of taxes and revenues, potentially leading to corruption and mismanagement;
- A multiplicity of sectoral policies leading to conflict in the management of local resources. For example, agricultural policies may conflict with wildlife conservation policies in the same geographical area.

3. Risks

In addition to the constraints outlined above, decentralization carries with it potential risks:

- Inequitable distribution of natural resources where there is no clear, transparent and accountable system promoting justice and equity;
- A possibility of extensive corruption, political patronage, or rich and influential people taking advantage of poor and marginalized groups. Pastoralists are particularly at risk of being marginalized in most situations where they share resources with sedentary communities because of their mode of livelihood. The consequence is that elites and rich people capture most of the power and derail the decentralization process, worsening inequalities;
- Conflict between clans, ethnic groups and other interested entities is a major risk where there is no strong law, ethic or authority to ensure equitable sharing of resources;
- National and global interests are equally at risk in the absence of a strong and trusted central authority and where principles of subsidiarity are not in place.

4. Opportunities

Notwithstanding the above constraints and risks, democratic decentralization is recognized as one of the key strategies for promoting the efficient and sustainable management of natural resources, participatory governance and the equitable sharing of benefits from local resources. In countries where this has been effectively achieved,

decentralization has served as a vehicle for creating local ownership of resources. This has proved to be an incentive for their sustainable management. When accompanied by effective fiscal decentralization, the revenues from local resources can be an important source of funds to effect local development. Other opportunities of decentralization include:

- Ensuring rights to ownership of, access to and sustainable use of natural resources by local communities;
- Promoting the use and conservation of local and indigenous knowledge for the sustainable management of natural resources;
- Strengthening local development processes through the equitable sharing of benefits and revenues accruing from management of local resources;
- Building trust and transparency between local and national authorities for the sustainable management of natural resources;
- Ensuring greater participation in mainstream development by the majority of people from all sections of society, including women, the poor and the marginalized, making the government directly accountable to them;
- Empowering local communities to derive benefits from their resources, increasing their sense of resource ownership, and redressing issues of social exclusion and discrimination that have been the root causes of armed conflict in many countries around the world;
- Creating opportunities for capacity-building in natural resource management for local communities;
- Promoting the democratization process where this has been identified as a national goal.

Decentralization offers the opportunity to transfer rights and responsibilities for the management of natural resources to local institutions and communities, with a possibility of greater sustainability and accountability. Resource tenure has important implications for decentralization. For example, the failure of most forestry projects and programmes in Africa and elsewhere has been blamed on lack of ownership of the initiatives by local communities due to retention of primary responsibility for management of forestry resources by the central authority, who were often ignorant or neglectful of the valid development needs of local people.

C. Mainstreaming the governance of natural resources into the decentralization process

1. Policies, laws and regulations

The enactment of a national decentralization policy and legal framework, usually within the national constitution, indicates a national commitment to decentralization and also provides a framework for the allocation of the necessary resources and mechanisms to facilitate it. It also provides the framework within which decentralization can take place by setting out the necessary laws, regulations and mechanisms for power sharing between the various levels of government (boxes 3 and 4).

Box 3. Mali: Legal and regulatory context of decentralization of natural resource management

In Mali, numerous laws and regulations have been adopted to transfer responsibilities over natural resource management to local authorities. A decree of March 2000 related to land states that local authorities have an asset base comprising public and private real estate and movables. By law, local authorities are responsible for the management, proper use, development, conservation and protection of the ecosystem resources of their districts. They are called upon to devise plans to develop, inter alia, the forestry, agriculture, pastoralism, wildlife and fisheries sectors. For each resource, specific texts (laws and decrees) define the conditions of its use and management. Most recently a law has been passed on the pastoral charter, specifying the basic rights of pastoralists.

Decentralization texts formalize power sharing in natural resource management. However, they do not adequately define the modalities and rules governing the sharing, and related by-laws are lacking. Efforts are currently being made to fill these gaps.

Box 4. Devolution of rights and responsibilities: Matters for consideration

The nature and extent of rights and responsibilities devolved to local organizations require consideration of a number of variables, including which resources are included, whether sale is permitted, what policing rights are given, whether resource conversion is permitted, whether full marketing rights are conferred, what responsibilities are given, and how much autonomy is given in day-to-day management. As regards security and clarity of tenure, consideration should be given to whether control of a resource is granted by law (more secure) or by executive order (less secure); also, are there conflicts with other existing laws?

Along with policy reform is the need for institutional reforms. Local and national institutions (for example parliaments, district councils, village committees) serve as the primary mechanisms for power transfer. When the responsibility for decision-making and management of local resources (including fiscal management) is transferred to subnational institutions, it is necessary to strengthen administrative and fiscal procedures within those institutions to accommodate the added responsibility. Experiences from most countries suggest that institutional reforms take time, and that the implementation of these reforms takes even longer. Furthermore, legal reforms can happen relatively quickly but fiscal reforms are more often delayed and fiscal responsibilities transferred only grudgingly, given their perceived association with the reins of power. The main driving force for institutional reforms is therefore the willingness of central authorities to let go of their power. Other factors associated with successful decentralization include the need for accountability and transparency, and the recognition of the subsidiarity principle in environmental legislation (box 5).

At the centre of institutional and legal reforms is the tendency of modern law to favour central authority over local institutional law (often customary law) that addresses ownership, access to and use of land and land resources. Modern legal code has often been superimposed on traditional means of allocating rights to land, water and other resources. As a result, local institutions and communities lack responsibility and feel alienated and marginalized, and are less likely to actively protect or sustainably use resources. This has often been the case with forestry resources. Recent reforms in most countries towards joint or participatory forest management now aim at addressing this issue. Institutional and legal reforms need to respect and incorporate positive elements of customary law as the surest way of pre-empting conflicts relating to land and resource tenure. Reforms that affect the local management of resources should therefore start with thorough studies leading to an understanding of how local resource use is currently managed. This will reduce the risk of conflict between customary law and received law and provide a solid foundation of knowledge on which to base reforms that may have to mediate between customary and received systems.

Box 5. China: Overcoming the constraints of a centralized bureaucracy

China is a socialist country with a planned economy that is currently undergoing profound reforms. By the Chinese constitution most natural resources, including water and land, are allocated to the nation of collectives. Most forest resources are state or collectively owned; only a small percentage is owned by individuals. There is also no unified organization in charge of natural resource management. Many government ministries, including those for land resources, forests, agriculture, grasslands and marine resources, have been given the responsibility to manage natural resources at the central, provincial and county levels of government. In addition, there are 13 laws that address natural resource management and over a hundred related administrative rules and regulations have been enacted.

Despite this administrative complexity, many programmes have been set up to implement sustainable natural resource management policies at national and subnational levels, including the Green Great Wall programme and programmes related to the reversion of farmland to forest and grassland, soil conservation in the Yellow River and Yangtze River valleys, control of water pollution in the Huang He River and Lake Tai, basic farmland protection, combating desertification, construction of natural reserves, and implementation of China's Agenda 21 at national and local levels.

At present it is difficult to decentralize the governance of natural resource management due to China's collective tenure system. China has, however, implemented a household responsibility system that has proved to be one of the most effective reforms in resource management. For example, periods for which contracts for land use are signed have been extended from 3–5 years to 15 years for farmland, 30–50 years for grassland, and even up to 70 years for forestland. Issues of water user rights are still being resolved.

Some measures that have been identified as having the potential to improve natural resource management include:

- *Implementing laws that relate specifically to natural resource management and raise public awareness of the importance of natural resource protection;*
- *Establishing property rights for natural resources and promotion of the idea that natural resources are priceless assets for the Chinese people;*
- *Permitting natural resource assets to be traded;*
- *Improving natural resource management systems, for example by setting up a unified and powerful organization for natural resource management in order to strengthen coordination between ministries and between administrative units (of particular importance to the governance of water use);*
- *Strengthening capacity-building in natural resource management, including through technical training at different levels (from central government ministerial level to provincial, county and grass-roots levels) and in different sectors (forestry, water resources, grassland, marine);*
- *Introducing advanced instruments and techniques for natural resource management through international cooperation.*

2. Implementation and enforcement of laws and regulations relating to decentralization

Decentralization involves power transfer from the centre to the periphery, and from the rich to the poor (box 6). There will always be the potential for resistance to the implementation and enforcement from line ministries who stand to lose their control over the management of natural resources and from powerful elites, including in the private sector, who could lose current monopoly advantages.

Experience from around the world indicates that the implementation and enforcement of laws and regulations pertaining to decentralization are only feasible where certain conditions exist. These include:

- Putting in place a national decentralization policy (preferably as a provision of the constitution);
- Setting up the necessary environmental legislation to transfer the authority for management to the appropriate level, according to the principle of subsidiarity;
- Ensuring that capacity-building is an integral part of the overall decentralization process.

Capacity-building is imperative. The implementation phase can be held hostage where local institutions lack fiscal, technical and other management skills, or in instances where the central government imposes restrictive management requirements that local institutions are powerless to argue against.

Box 6. Implementation and enforcement of decentralization laws and regulations

Certain factors encourage implementation and enforcement of decentralization laws and regulations:

- *A strong central government authority to monitor and enforce minimum environmental standards;*
- *Agreement on application of the subsidiarity principle to environmental management in order to ensure the transfer of sufficient discretionary powers;*
- *A democratic culture, coupled with civic education on rights and obligations;*
- *Clear and secure power transfer to local communities to enable local people to protect their resources.*

The spontaneous or forced democratic and structural reforms in process in most developing countries present a good opportunity for the implementation and enforcement of decentralization laws and regulations, which may have been pronounced but not implemented due to resistance from powerful quarters. However, evidence indicates that decentralization processes that have been driven by political economy arguments seldom include provision for the decentralization of management of natural resources. It is vital, therefore, that the authorities responsible for such resources develop policies that embrace their decentralized management.

3. Institutions

Traditional social institutions and authorities exist in most countries and have well-established governance structures for the articulation of customary laws that establish interpersonal relations, rights of property use and protocols for access to and use of resources. The power base is generally vested in the clan or tribal chief or religious leader, supported by a committee of elders. A strong commitment to traditional religious beliefs and taboos ensures compliance with resource management values and systems (box 7).

Box 7. Issues relating to institutions

Several issues need to be taken into account when considering the role of local institutions and organizations in decentralized governance structures:

- **Nature of local organization.** *Is it an arm of government (for example a municipality, county council or district council), or a separate but representative body (members by virtue of location, such as the local community group), or limited membership (for example a user group or cooperative society)?*
- **Scale of local organization.** *What is the physical and social size of the local organization? Do boundaries of control coincide with boundaries of ecosystem processes, use and users?*
- **Nature of nesting or role of higher-level bodies.** *Which body, what powers? What is the accountability of higher bodies to lower-level ones, or level of transparency in their functioning?*

Under communal land ownership individuals do not have permanent possession of land but are granted rights by the village leaders to farm or graze particular patches of land for a certain period. In the case of agricultural communities, the land may be reallocated every few years.

The structure of traditional governance and practices, lifestyle, resource management rules and norms are transmitted effectively from one generation to the next. Customary rules and regulations on land tenure and access and use of resources (trees, grazing, water, wildlife) have functioned well in the past when human and livestock populations were low. They can still serve as a platform for developing community-centred rules and regulations for management of natural resources under secular legal systems.

One major constraint with traditional or customary authorities is that they are for the most part ethnically based, and most have inbuilt gender imbalances. These are therefore often riddled with tension and practices that are biased against non-ethnic members of the community, particularly when it comes to accountable representation.

Another problem is that customary systems of resource management tend to operate most effectively under subsistence regimes of resource use and find it difficult to adapt to external commercial market systems, constraining marketing opportunities for products derived from natural resources and thereby narrowing the scope for community members to change their livelihood strategies.

However, it is a mistake to assume that customary systems of governance are moribund and out of date. Close examination reveals that they are in essence dynamic, and have evolved over time to adapt to the changing conditions of the community. It is a challenge for decentralization processes to retain the dynamism of local systems and not lock people into inflexible laws and regulations (box 8).

Box 8. Nepal: Developing local self-governance structures

Nepal is a landlocked mountainous country in South Asia based, since 1990, on a constitutional monarchy and multiparty parliamentary democracy. Of its 24.1 million people, 80 percent are rural. The economic well-being of Nepal is very closely bound to its natural resources – arable land, water, forest areas and protected reserves. The dependence on subsistence agriculture and lack of economic opportunities put continuous stress on the natural resources. The Local Self-Governance Act of 1999 is the main legislation on decentralized local governance through devolution of authority from the centre to the local level.

The Local Self-Governance Act envisions developing the capacity of local government and empowering local communities and their institutions for participatory bottom-up planning, democratic decision-making, addressing gender and equity concerns, developing partnerships and creating economic and service opportunities locally. It defines the district development committee as the higher level of local government and the village development committee and the municipality as the lower levels of local government.

The act includes the following components:

- *Provision for revenue sharing between local and central governments and among local governments themselves;*
- *Provision for elected representation at all levels of the government and representation of village development committees and municipalities on district development committees;*
- *Authority given to local bodies to generate and mobilize resources and implement plans;*
- *Promotion of accountable and transparent local leadership;*
- *Promotion of the private sector as service providers;*
- *Legally prescribed participatory bottom-up planning and recognition of local government associations;*
- *Mandatory allocation of 20 percent of seats at the ward level to women and provision for women and disadvantaged groups in the executive committees at all levels of local government.*

Box 8. Nepal: Developing local self-governance structures (continued)

The functioning of local government, however, is greatly hindered by the lack of horizontal accountability of the line agencies (which operate directly under the chain of command of the concerned central ministries) to the local government. Tasks and jurisdictions are not clearly allocated between central and local government, nor do they follow the principles of subsidiarity. As a result, there is a marked difference between assigned and perceived roles among the stakeholders at the local level. Although local governments are mandated to generate resources and implement local development plans they are still highly dependent on the budget allocation from the centre.

Modern social institutions and authorities comprise the institutions of the central government, which is the custodian of written legislation, secular laws and practices. In a good number of countries with decentralized governance, the central government retains the absolute constitutional and legislative power for the acquisition of land and the rights to certain resources where this is deemed to be in the national interest.

Countries with federal systems of government (for example India, Ethiopia and South Africa) have federal states as the first level to which responsibility for management of natural resources is transferred. Subnational administrative structures and hierarchical orders differ from one country to another and include provincial authorities, district authorities, county councils, municipalities and, at the lower levels, village councils and committees. Non-state local institutions may include community-based organizations, NGOs and resource user groups such as cooperatives and associations. Whatever the administrative structure, it is essential that decision-making bodies are representative of the people, accountable to the people, and transparent in their decision-making processes (box 9). It is also important that they have secure powers (under the principle of subsidiarity) if they are to be effective and free from intimidation. Unfortunately, experience indicates that government ministries and departments are usually reluctant to transfer significant powers to elected local officials, including powers over environmental planning and fiscal management.

Box 9. Lesotho: The need to support institutional reforms

National and local institutions (parliaments, district councils, village committees) serve as the primary mechanisms for power transfer. Experiences from most countries suggest that these have been undergoing reforms to accommodate democratic and participatory principles. Institutional reform, however, is an ongoing process, and there is need for continuous learning and refinement to identify and overcome shortcomings.

Lesotho is a small country with a total area of 30,300 square kilometres and a population of 1.96 million. It is a constitutional monarchy with the king as the head of state and an elected prime minister as the head of government.

The 30 or so legislative instruments governing the use and control of natural resources in the country are fragmented, duplicative, inconsistent and lacking in clear definition of institutional responsibilities. Issues tend to be addressed from a narrow, sectoral perspective and lack an integrated, holistic vision. Repeated problems arise in the relationship between statutory laws and traditional laws, and it is not always clear which are to be followed and when. Sector-specific laws have also perpetuated the problem of overlapping legislation, where several laws may relate to a single resource and an identical situation, resulting in clashes in sectoral interest. Gaps often exist where primary law provides for secondary legislation such as regulations and guidelines to consolidate its principles, and these have either not been formulated or are inadequate.

In 2004, the Government of Lesotho amended its 1997 Local Government Act. It established the functions to be delegated to local authorities. The act also defines the relationship between the central government and the local authorities; the relationship between the different tiers of local authorities; and the functions that are delegated to the local level. Under this act natural resource management functions that have been delegated to and are to be performed by community councils include the control of natural resources (for example sand, stones) and environmental protection against pollution); land and site allocation; minor roads (also bridle paths); grazing control; water supply in villages (maintenance); and burial grounds (Local Government Act 1996, Second Schedule).

The extent of decentralization has been limited, however, by provision for central government to continue performing certain functions, due to the perceived lack of capacity of local authorities. Nor does the law clearly indicate the allocation of responsibilities between central and local government for those functions that have been decentralized. In addition, while the law provides for local authorities to control those natural resources that each relevant ministry has listed for decentralization, there are some nationally important natural resources, such as water and minerals, that may not necessarily be decentralized. At this stage, it is not yet clear which ones they are.

Box 9. Lesotho: The need to support institutional reforms (Continued)

A further complication arises from the fact that most of the functions to be undertaken by local authorities, especially natural resource management, are traditionally the domain of the chiefs, although to increasingly reduced levels. Fearing the loss of more power, especially to their traditional rivals the local authorities, the chiefs may mobilize support to defy the new authorities.

Other factors that have hindered the pace and success of decentralized management of natural resources include:

- *Various versions of decentralized governance have been introduced in the country at different political stages, both pre- and post-colonial;*
- *There is a lack of definition of responsibilities for natural resource management, and dispute resolution arrangements are unclear;*
- *The legal instruments for decentralized natural resource management, as well as being many and fragmented, are inadequately enforced;*
- *There is insufficient capacity for national and decentralized environmental coordination;*
- *Awareness is lacking of environmental and natural management policies and strategies at national, subnational and community levels, resulting in a lack of support for their implementation;*
- *Communities and decentralized local structures are insufficiently involved in planning, implementation, monitoring and evaluation systems and procedures;*
- *Gender issues receive inadequate attention;*
- *The traditional principles and practices of land management and conflict resolution that ensured transparency and compliance have largely been eroded.*

4. Integrating natural resources into local development planning processes

In most countries, the lowest local unit of development planning is the district. This level can be higher or lower for different countries according to the structure of society. The challenge in decentralizing governance of local natural resources is to ensure that issues and concerns relating to such resources are integrated into the district or subdistrict development plans so that these can receive the priority they deserve (boxes 10 and 11).

Box 10. Peru: Integrating natural resource issues into local planning processes

In Peru, local governments have a new instrument to integrate natural resource issues into planning processes: the concerted development plans and their participatory budgets. These plans are prepared in a participatory manner using SWOT (strengths, weaknesses, opportunities, and threats) analysis to consider issues affecting local human development, including its relation to the environment. Government has made the development of these plans a prerequisite for accessing public funds administered by the Ministry of Economy.

The responsibility for integrating natural resource management into local institutions falls on the local institutions, which often lack human, technical and financial resources. The district planning process should therefore address the need for additional resources to enable district authorities to build the capacity to include the environment in concerted development and other plans.

Box 11. Mali: Local development planning guide

The methodological approach to local development planning used by Mali has three phases:

- *A preparatory phase during which emphasis is placed on the training of officers elected to local planning authorities, the development of a code of conduct for elected officers and the definition of priorities for development in relation to the responsibilities of the national authority on one hand, and national, regional and local priorities on the other hand;*
- *An effective planning phase that comprises seven steps: information gathering, sensitization of populations, identification of problems, their analysis at the community level, consultations between community leaders in accordance with the law, participatory planning of programmes, and validation of the plan and its delivery to communities during village meetings;*
- *Implementation of the economic, social and cultural development plan (PDESC), including the definition of modalities for the monitoring and coordination of actions and their implementation, evaluation of the development plan and transferring lessons learned into the next planning cycle.*

5. Gender mainstreaming

According to the UNDP Environmental Mainstreaming Strategy (updated June 2004), gender mainstreaming is “the systematic integration of gender equality objectives into policies, programme formulation, monitoring and evaluation and the establishment of good practice”. Decentralization of the management of natural resources requires equity and justice, including gender equality.

Gender mainstreaming in decentralized governance of natural resources requires integration of gender equality objectives into decentralization policy, including its environmental component. The real challenge, however, lies in implementation and enforcement, particularly where sociocultural norms and practices favour men, who are usually the main decision makers. The mainstreaming of gender equality objectives in decentralized governance of natural resources must go beyond institutional reforms to include transparent and accountable representation of women in decision-making bodies at all levels.

Special attention should be given to traditional and customary decision-making institutions, which for the most part have inbuilt gender imbalances. The issue of gender equality must be an integral part of programmes on civic education and awareness raising for decentralization, designed for and targeting these institutions. It is vital to concentrate on gender mainstreaming at the points where decentralization policies are implemented. Even if a country has adequate national gender legislation it often happens that national legislation is not applied at the local level, where traditional and cultural norms may be in conflict. Those responsible for decentralization have a specific and important role to play in ensuring that gender equity becomes a reality.

6. Integrating cross-border, regional and international agreements and conventions

The benefits of natural resources are not constrained by political boundaries, and resource within one country may provide benefits for neighbouring countries or may have global significance. Cross-border issues relating to rights of ownership to, use of and access to resources have been major sources of conflicts between states and are often the subject of agreements designed to ensure equitable access to and use of such resources, especially water. Conflicts also arise between states when herders from one state move across national boundaries in search of grazing and watering for their animals, particularly in times of drought.

In the recent past, the world has established international conventions, treaties and processes to improve the management of global public environmental goods, for example the United Nations Convention to Combat Desertification, Convention on Biological Diversity, and Framework Convention on Climate Change; the Forest Principles of the Rio Declaration on Environment and Development, 1992; the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and the Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat.

The responsibility for cross-border and global issues relating to natural resource management, and relevant bilateral or multilateral negotiations, must necessarily belong to central government, but local government should be involved in implementation and monitoring. It is important to resolve issues of responsibility and finance where responsibility for national or international goods is devolved to the local level. Generally it will be appropriate for funds to be transferred from international or national sources to compensate local institutions for the management of resources that have supralocal benefits.

7. Dispute and conflict resolution

Disputes and conflicts are inevitable outcomes of the changes in decision-making processes that come with decentralization. There will be disputes arising from changes in the distribution of resources, and challenges arising from decisions relating to investment, land use priorities or instances of unfair representation.

The central government is responsible for establishing the decentralization policy and the regulatory and institutional frameworks for the management of natural resources. In this respect, it has the responsibility for putting in place the mechanisms for the resolution of disputes and conflicts. In most countries, this is in the form of an official adjudication system comprising, for example, land boards, courts, high courts and courts of appeal, including the constitutional court. In most countries there are alternative dispute and conflict resolution mechanisms designed to supplement but not replace the judiciary. These include customary mechanisms such as courts of elders, village committees chaired by chiefs, kadi courts and other local arbitration systems. Modern innovative systems include the vigilance committees established at municipality level in Bolivia to oversee the implementation of decentralization.

Under normal circumstances, each subnational institution is expected to operate within its own particular jurisdiction and according to its assigned responsibilities. The powers and responsibilities within each level are expected to be complementary to those at

other levels. However, long-term or large-scale issues may arise that are beyond the scope of a specific subnational institution. This may require the intervention of an institution higher up the hierarchy to serve as a disinterested arbiter.

D. Information and awareness raising

The need for transparency in decentralized governance requires that information (socio-economic, fiscal and political) is collected, documented and disseminated at all levels for use in decision-making, planning and implementation of natural resource management. It is equally important that the decisions made at various forums are shared up and down the governance hierarchy and communicated to all stakeholders for information and to give the opportunity to those who wish to comment, differ or seek recourse, as appropriate.

One of the most important interventions in increasing possibilities for effective participation of local institutions and communities in decentralized governance of local resources is civic education to encourage local institutions to exercise their powers without fear or favour. Increased awareness of rights and obligations will in turn generate demand for the government to honour its obligations and respect its commitments to the transfer of specific powers to local institutions.

Information sharing and awareness raising promote transparency and accountability and can be achieved through various means, including print media, radio, television and public meetings. There is also a need to translate this information into local languages in order to reach as many people as possible. Information and communication technology is also a means of increasing the capacity of subnational and local institutions to adequately handle the added responsibility for managing local natural resources (box 12).

Box 12. Mali: Need for capacity-building in data collection and management

One of the major objectives of the national policy on environmental protection in Mali is the fight against poverty through the promotion of natural resource improvement and protection of the living environment. Reliable location-specific data are needed, collected with sufficient frequency to allow trends to be monitored. Indicators of results and impacts are however not yet available; national and local institutions have not been able to develop archive storage systems containing complete series of data, and there is a need for additional resources to support the national system of environmental information management.

E. Participatory approach and decentralization

Participation refers to the direct involvement of local communities in decision-making processes, priority setting, planning and implementation of natural resource management programmes and projects. Empowering local communities through civic education is critical; this will enable them to participate effectively in the decision-making process and ensure that their representation in local institutions is democratic and independent. In addition, civic education can increase citizens' knowledge of their rights and obligations and those of higher-level institutions, raising the likelihood of compliance. Equally important is the need for awareness and environmental education to empower communities and local institutions to make informed choices and priorities with regard to the management of local resources (box 13).

Box 13. Criteria for effective participation in the decentralized governance of national resources

The effectiveness of participation in the decentralized governance of national resources can be gauged by application of the following criteria:

- *Local community representatives to local and subnational institutions are democratically elected;*
- *Local communities and resource user groups were involved in the development of by-laws and regulations for management of local resources;*
- *All key stakeholders and marginalized groups are equitably represented in the local committees for the management of natural resources;*
- *Civic education and awareness raising are an integral part of the decentralization process.*

Democratic decentralization aims to increase popular participation in local decision-making processes. This can be achieved through transparent and accountable representation of the people in the various local institutions responsible for decision-making. It can also be assured through application of the subsidiarity principle to environmental governance, awareness of rights and obligations among the population and respect for the constitutional rights to freedom of association and expression. Participation is essential if decentralization is to be democratic; approaches designed to assess and improve levels of participation include participatory rural appraisal and diagnosis and design methodologies. True participation in decentralization must ensure that the local and subnational institutional decision makers are representative of and fully accountable to the local community.

The decentralization process requires the building of partnerships between the many actors with different roles and responsibilities at different levels of the governance chain. These include:

- Central government;
- Subnational authorities (regional or state, provincial, district, county council, village committees);
- Community-based organizations, resource user groups, NGOs;
- The private sector;
- The media;
- Development partners (bilateral and multilateral donors, the United Nations system, international NGOs).

Partnerships are a necessary means of improving the delivery of support needed to effect democratic decentralization of the governance of natural resources. Partnerships offer the opportunity for forging a common vision and approach to decentralization, broadening the knowledge base through sharing experiences and pooling resources from different sources for coordinated support to decentralization initiatives. The potential multiplicity of actors requires particular consideration to be given to issues of coordination, transparency, accountability and clear definition of the roles and responsibilities of the various partners, supported by appropriate incentives (box 14).

Box 14. Main partners in the decentralized governance of national resources

Role of central government. *This includes establishing policy, regulatory and institutional frameworks for sustainable resource management and environmental performance; formulating land reforms; decentralizing environmental responsibilities and funding to subnational governments and user associations; and defining a predictable share of revenues and channelling funds to local governments.*

Role of local government. *Decentralization involves the transfer of discretionary environmental powers and regulatory functions to local government. This includes establishing enabling policies, by-laws, services and infrastructure to facilitate management of local natural resources; defining the accountability mechanisms and financial procedures for collecting and utilizing revenue and taxes from natural resources; defining local priorities for resource use in the context of local development planning; and mobilizing civil society institutions to participate in natural resource management. The devolution of greater environmental powers to local governments is expected to improve their power and legitimacy by providing both the revenue and the power to make decisions about resources that affect the daily lives of their people. Secure power transfer following the principle of subsidiarity will greatly help local governments play their role effectively.*

Box 14. Main partners in the decentralized governance of national resources(cont'd)

Role of non-state institutions. *Such institutions include local community organizations, civil society associations and the private sector. As the primary stakeholders in local natural resource management, these groups can play a major role in influencing decision-making processes related to the management of local natural resources. Civic education and awareness raising to enhance understanding of their rights and obligations is critical to their being effective in this role.*

Development partners. *Donors and international NGOs can support the decentralized governance of natural resources process. Traditionally, donor communities work with central government. The challenge therefore is to reform their rules of engagement with countries to accommodate direct involvement with local institutions and communities. These could borrow experiences from NGOs who traditionally work directly with local communities.*

F. Capacity-building

One of the main contributions to effective decentralized governance of natural resources is the capacity of local institutions to effectively take on new responsibilities relating to resource planning, management and development. Experiences from Bolivia, Ethiopia, Mali, and Senegal suggest that municipalities, local councils and resource user groups lack the expertise, personnel and financial resources to deal with resource management issues and fiscal matters. In addition, experiences from India and Kenya and many other countries with joint or participatory forest management initiatives indicate that rural communities need to enhance their management and organizational skills. As described in section E above, civic education is an important tool for capacity-building.

The review of experiences in decentralized governance of natural resources in several countries suggests three levels of capacity development needs:

1. Capacity-building for local governments

The overall objective is to ensure the capacity and efficiency of subnational institutions through:

- Skills training for technical services, including development planning, resources and fiscal management;
- Civic education for local governments and institutions, focusing on their authority and their obligations to the people;
- Institutional and management skills required to foster decentralized governance, including leadership skills;

- Institutional strengthening of capacity to collect and synthesize data and information needed for development planning and for facilitating decision-making at local level.

2. **Capacity-building for local communities and community-based organizations**

The main need is for civic education to inform people of their rights and obligations with respect to the decentralized governance of local resources. This can be achieved through:

- Public forums such as chiefs' village meetings (barazas) and other community and municipality gatherings;
- Print media, radio and television;
- Writing new laws in clear and accessible language, and translating new legal texts into local languages.

3. **Capacity-building for resource user groups**

Local non-state actors in decentralized governance of natural resources include grass-roots organizations, NGOs, civil society associations, and the private sector (individuals, companies and cooperatives). These have key roles to play in decision-making in the management of local resources. To do this effectively, they need civic education on their rights and obligations, and training in skills in resource management and participatory techniques (box 15).

Box 15. Key capacity-building aspects to consider

Aspects of capacity-building requiring consideration in decentralization initiatives include:

- *What kind of fiscal arrangements have been made to support the local organization's efforts? Are resources raised locally, granted from the government, or raised from aid agencies and channelled through particular project structures?*
- *What kind of capacity-building activities (for example awareness building about people's rights and responsibilities, training of members) are needed?*
- *What about institutional strengthening – what institutions, what support?*

Some of the main constraints to capacity-building for decentralized governance of natural resources include:

- Inadequate formal education on the part of most staff and officials of local institutions;
- Lack of or inadequate financial resources allocated to capacity-building;
- Capacity-building given insufficient priority in the design of most decentralization initiatives.

In Mali this problem has been effectively addressed by including capacity-building as part of the national strategy for decentralization. Two capacity-building programmes (technical backstopping and fiscal decentralization) were launched and aimed at local and provincial institutions. In many other countries, there is a need for further capacity-building for the decentralized governance of natural resources (box 16)

Box 16. Turkmenistan: Requirements for harmonization of natural resource management

Turkmenistan gained its independence in 1991 and has since developed a national strategy for natural resource management, though decentralized governance of natural resource management remains a challenging task.

Presently, harmonization of natural resource management in Turkmenistan requires the following:

- *Capacity-building, in particular through training, including civic education to inform people of their rights and obligations, and to raise awareness of reforms, representation, justice and services. The analysis of existent capacity for natural resource management has revealed three main gaps: access to environmental and legislative information in order to raise awareness of the rights and obligations of natural resource users; managerial expertise at the national, regional and local levels; and methods and technologies for the rational use of natural resources;*
- *Increased knowledge of legal issues associated with land tenure, such as terms of land leases and terms of contracts with agricultural service organizations. The adoption of national codes on land and water in October 2004 brought into higher profile the need for clarification of laws relating to natural resource users;*
- *Training local land users and local government personnel in the agricultural and nature conservation structures at the local and regional levels through field seminars, with the help of teaching manuals and brochures in appropriate language and oriented towards the needs and interests of their direct users;*

Box 16. Turkmenistan: Requirements for harmonization of natural resource management(Cont'd)

- *Improved managerial skills of decision makers and personnel, increased awareness of rights and obligations among direct resource users, and strengthened scientific and technical bases of the institutions involved;*
- *Improvement in monitoring and evaluation systems for natural resources.*

Generally Turkmenistan has a well-developed legislative and institutional system relating to natural resource management. It is now important to secure grass-roots participation through stronger enforcement of existing laws and programmes.

G. Fiscal decentralization: Financing local development

Fiscal decentralization in the governance of natural resources refers to the devolution of power (from central government to local institutions) to collect, manage and use revenues and taxes from natural resources for local development purposes. Fiscal decentralization offers the opportunity to empower local institutions and communities so that they have a real say in formulating priorities and approaches to local development. It also offers an opportunity to improve the efficiency of the management of financial resources and helps build trust and accountability in relations between local institutions and central authorities. However, few countries have national policies on devolution of responsibility for budgeting and revenue collection to subnational institutions (states, district or county councils, municipalities), often because central authorities are reluctant to give up their powers relating to taxation and financial management.

Experiences from fiscal decentralization in Bolivia, Cameroon, Indonesia, Mali, Peru, Senegal and Zimbabwe point to various constraints that contribute to ineffective decentralization of fiscal responsibility. These include:

- Limited capacity for financial management and execution in local, regional and national institutions, including budgeting and planning for local development;
- Lack of or weak laws and procedures setting out the roles, responsibilities and arrangements for the collecting and equitable sharing and distribution of revenues from natural resources;
- Inadequate data and information to facilitate planning and budgeting at local levels;
- Limited institutional capacity in central authorities and local institutions for ensuring effective monitoring of fiscal management of taxes and revenues, encouraging corruption and mismanagement.

Experiences from most countries indicate that fiscal decentralization lags behind decentralization of general responsibility for natural resource management. In a number of countries fiscal decentralization has taken place piecemeal, targeting specific areas such as forests, wildlife resources and eco-tourism. More successful fiscal decentralization goes hand in hand with institutional reforms for decentralized governance of natural resources and recognizes the principle of subsidiarity, making provision for the transfer of powers to collect and use taxes and revenues from local resources, and putting in place mechanisms and procedures for the sharing of benefits (box 17).

Box 17. Kazakhstan: Need for further fiscal decentralization

The republic of Kazakhstan is located in the middle of the Eurasian landmass and has a population of about 15 million. The country has included environmental goods and services in its tax code. Fees are paid for the following:

- *Compensation for environmental pollution;*
- *Land use;*
- *Use of water resources (basically surface water);*
- *Exploitation of fauna;*
- *Use of natural resources;*
- *Benefits from protected natural areas.*

Unfortunately local authorities are not allowed to fix tax rates, determine bases for taxation or collect revenues. Only land tax is an exception. Local representative bodies, on the basis of land zoning conducted in accordance with national land legislation, have rights to increase or decrease land tax rates prescribed in the tax code. The lack of fiscal decentralization is not only hampering the collection of revenues and taxes but also hindering the proper management and use of financial resources to support development process.

Even with institutional reforms on fiscal decentralization in place, lessons from Mali and elsewhere point to the need to ensure that capacity-building for financial management, including financial monitoring and accounting, are in place.

The main argument in favour of decentralization of responsibility for revenue and taxes from natural resources is that it provides local institutions with financial resources for local development. More importantly, it provides an incentive for better management and control of illegal exploitation of resources. The counter-arguments are that local institutions do not have the requisite capacity to manage such responsibilities. Most governments already do provide local development funds to be managed by local institutions. Most local institutions already collect and manage taxes and revenues

from markets, local products (for example sand and livestock) and administrative services, which many use directly for local development initiatives. Thus the argument on lack of requisite capacity is overrated and is often used to delay the transfer of fiscal responsibilities to local institutions for the management of natural resources.

H. Control, checks and balance

Control in the decentralized governance of natural resources refers to the process of establishing standards and targets, monitoring and ensuring that actual decision-making powers are transferred to the target subnational institutions. It also entails taking the necessary measures to remedy deficiencies. Control goes hand in hand with checks and balances. Other benefits of control include:

- It improves decentralization efficiency;
- It develops a common decision-making culture (transparency, accountability, equity and justice);
- It assists the application of participatory and democratic decision-making approaches in the governance of local natural resources.

1. Organization of decentralization control structures

The form, structure and degree of power devolved to various levels of the decentralization system differ from one country to another depending on the political and socio-economic systems, both of which are a function of historical and cultural evolution in the country. There are countries with a federal system of government (for example Ethiopia, India and South Africa), with states having overriding decision-making responsibility for environmental management; and unitary states (such as Ghana, Kenya and Turkmenistan) where ultimate authority for environmental management rests with the central government. Below these central authorities are the subnational and local representative institutions to which decision-making powers for the management of local resources are transferred (councils, district assemblies, municipalities). There are also community-based organizations, NGOs and resource user groups to which responsibility for management of specific resources are transferred (for example water user groups, joint forest management committees).

2. Control procedures and processes

There are three main assumptions in the establishment of effective controls:

- The decentralization of the governance of natural resources is nationally driven (rather than externally driven, for example by donor conditionalities);
- The transfer of decision-making power to subnational levels includes a role for the central government (rather than abdication of all powers);
- The decentralization of the governance of natural resources is desirable as it increases the democratization of governance and leads to more efficient, sustainable and equitable decision-making, implementation and management of natural resources.

Based on the above assumptions, it is clear the central government has the ultimate responsibility to ensure that the necessary controls, checks and balances are in place at all stages and levels of the process. Three main aspects of decentralized governance of natural resources call for attention in this regard:

- The nature and extent of rights and responsibilities to be devolved to each level will differ from country to country, and requires careful judgement by the central authorities. The key challenge is to ensure security, clarity and sustainable transfer of power, taking into account the principle of subsidiarity. Some powers are transferred under the law and are considered secure; others are transferred under executive order and may be less secure;
- The internal rules of local governance are intended to ensure efficiency, equity and sustainability, and pertain to how access to resources is allocated between various stakeholders, how benefits from resources are shared, what kinds of constraints on resource use are imposed and how fair returns to those who actually participate are ensured. The local institutions, through democratically elected representatives, are responsible for developing norms and guidelines. The central government has an important role to play in setting the minimum environmental standards for management of resources. Both the judiciary and traditional and customary practices and laws provide the bases for checks and balances as appropriate, and as mechanisms for conflict resolution;
- Democratic functioning, accountability and representation in local institutions are particularly crucial in ensuring equity and justice. One of the key issues is ensuring transparency in the electoral processes for the respective local institutions or committees through by-laws and guidelines (set up by the local institutions or resource user groups). Another is the

need to ensure that decision makers in local institutions are accountable to the people and not only to central government authorities. The citizens' democratic culture, coupled with the existence of subsidiary legislation, serve as mechanisms for checks and balances.

3. Norms and guidelines for managing natural resources at local level

Traditional and customary rules and regulations for the management of local resources exist in most countries. The practice and application of these have usually been superseded by modern institutional norms and regulations (formal regulations, conventions, standards of conduct and rules governing management of local resources) formulated by the different responsible central government departments. These have been designed and developed for the most part without consultation or consideration of the local communities, and do not take into account traditional or customary norms.

The decentralized management of natural resources involves co-management of resources by the central government authorities and the local institutions and communities. This requires the development, by all key stakeholders acting in partnership, of new sets of norms, guidelines and regulations, which serve several purposes:

- They give local institutions and communities the opportunity to participate in rule making and to express their concerns and interests, thus enhancing their sense of ownership of the resource;
- They serve to clarify the roles and responsibilities of the various stakeholders in the management of resources;
- They function as a mechanism for ensuring transparency and accountability;
- They provide a basis for monitoring and evaluation;
- They provide the operational framework for local institutions and communities;
- They create or improve incentives for resource management by establishing transparent systems for taxation, revenue collection, charges and revenues.

Kenya, India and Peru are examples of countries where norms and guidelines for participatory (joint) management of forest resources have been initiated in recent years. In Peru every protected area has set up a management committee for this process.

In the case of communal reserves, the national legislation on protected areas has called for the establishment of an administration contract executive body, to include representatives of local inhabitants. This body will be responsible for establishment of the norms and regulations for the co-management of protected areas.

4. Environmental standards

Environmental standards are rules, laws and regulations established by the central government for ensuring the protection and conservation of environmental integrity for the national good and conformity of the country to international treaties and protocols. They are a necessary complement to decentralization reforms because they define the boundaries and the freedoms of local discretionary action. The responsibility for environmental standards is usually vested in a central authority, which is expected to be independent of day-to-day government interference.

I. Monitoring and evaluation

Monitoring and evaluation of the decentralized governance of natural resources is essential to inform understanding in order that lessons learned may be applied in further policy and implementation processes. The aim should be to answer key questions on the decentralized governance of natural resources. Such questions could include:

- Has decentralized governance of natural resources been effective in ensuring that actual decision-making powers are transferred to the target subnational institutions?
- Has it significantly contributed to more efficient, accountable and equitable sharing of benefits from local natural resources, benefiting local communities?
- Has it been effective in generating financial resources for local development?
- Has it contributed significantly to environmental sustainability?
- Has it had a positive impact on the livelihoods of local communities?

1. Process

A participatory evaluation approach is recommended, given the democratic prerequisite and the qualitative nature of most of the issues relating to decentralization. This approach requires that local stakeholders, local institutions and other stakeholders

are made members of the review and evaluation team and proactively participate in the design of the review process, generating and sharing information during the preliminary analysis and follow-up. The issue is to ensure transparency and accountable representation of local communities in the review process.

2. Performance indicators

The following indicative checklist of performance indicators is proposed as a guide in the review and evaluation of decentralized governance of natural resources:

(a) Issues relating to policy, laws and regulatory frameworks:

- Existence of decentralization policies and laws at national level;
- Institutional reforms (land tenure and ownership, devolution of responsibility for governance of natural resources to lower levels);
- Changes in fiscal policies and procedures relating to collection and accountability of taxes and revenues from local natural resources;
- Number of local norms and guidelines for managing natural resources.

(b) Issues relating to local institutions:

- Number of community-level institutions and their involvement in decentralized decision-making processes for the governance of natural resources;
- Environment committees established and functioning within local institutions;
- Assessment and mapping of capacity-building needs and the strategy being implemented.

(c) Issues relating to capacity-building:

- Percentage of national budget allocated to civic education and skills training for local institutions;
- Number of workshops and seminars intended for fiscal management or other aspects of natural resource management.

(d) Issues relating to fiscal decentralization:

- Income from revenue and taxes from natural resources contributing to the development budget for local institutions;

- Percentage increase in revenue and taxes from natural resources;
- Percentage of annual budget allocated by local governments to the management of local resources.

(e) Issues relating to data and information:

- Number of local institutions with statistical units linked to national data sets;
- Annual reports on natural resources compiled;
- Number of local institutions connected to the Internet or having web sites;
- Quantitative targets set (to be reached in a given year).

(f) Issues relating to implementation:

- The degree of integration of natural resource issues into local development planning processes, local or district development plan containing a section on environment;
- The degree of application of the subsidiarity principle (particularly as it relates to decision-making);
- Local governments with a portfolio of projects for the management of local natural resources that are an integral part of the local development planning process.



VI. Conclusions

The decentralized governance of natural resources is one of the key strategies for encouraging sustainable and equitable decision-making and promoting efficiency, sustainable management, participatory governance and equitable sharing of benefits from local resources. In countries where this has been effectively achieved, decentralization has served as a vehicle for establishing local ownership of and rights to use of resources, acting as an incentive for their sustainable management. When accompanied by effective fiscal decentralization, the finances that are gathered can be an important source of revenue to effect local development. Other benefits of decentralization include:

- It ensures rights of ownership to, access to and sustainable use of natural resources by local communities;
- It promotes the use of local and indigenous knowledge for the sustainable management of natural resources;
- It strengthens local development processes through equitable sharing of benefits and funds accruing from the management of local resources;
- It builds trust and transparency in relations between local and national authorities for sustainable management of natural resources;
- It builds the capacities of local communities for the management of natural resources;
- It promotes the democratization process where this has been identified as a national goal.

Some countries have embraced decentralization as a national goal or strategy and have put in place a national policy (for example Bolivia, Ethiopia, India, Mali and Senegal). For these countries, the process of decentralization has proceeded much faster as a result of the institutional and legal reforms that were initiated. In other countries, decentralization has taken place as part of the overall global democratization process (for example China, Kazakhstan and Turkmenistan). In these countries, the process of decentralization has been much slower, and not as effective. Factors responsible for this include sociopolitical influences left over from past centralized systems of governance;

weakness or absence of policies, laws and regulations concerning decentralization; and lack of strong and effective central authorities to articulate and enforce decentralization policies, laws and environmental standards.

Democratization should and must be an absolute requirement before embarking on a decentralization process. Only in a democratic environment can one expect meaningful institutional reforms, transparency and accountability, the central elements of decentralized governance.

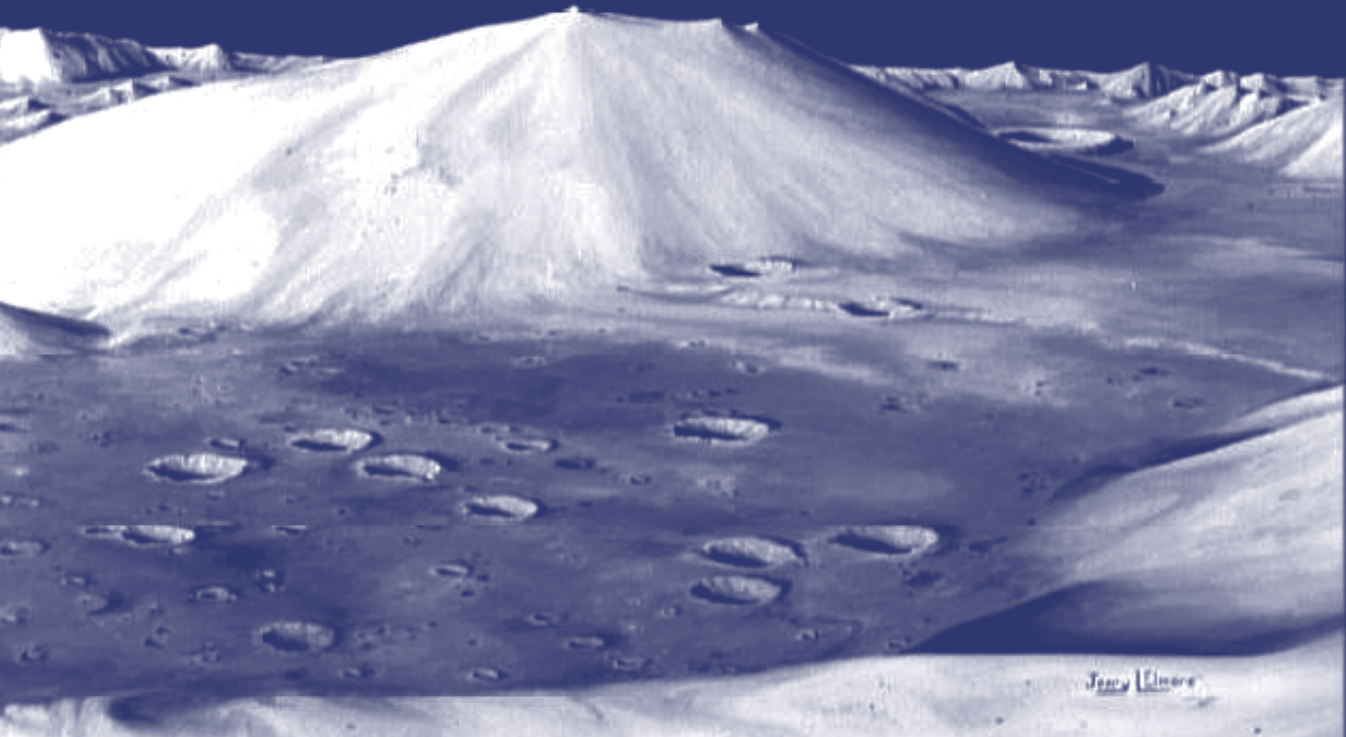
Decentralized governance of natural resources requires central government support and positive action in terms of policy and institutional reforms. A strong central authority within the government is needed to guide the decentralization process:

- To formulate and spearhead the implementation of the necessary legal and institutional reforms (for example establishment of minimum environmental standards);
- To design and mobilize support for the strategy for decentralized governance of natural resources (sequencing, identification of strategic subnational institutions, identification of the nature and degree of powers, including fiscal) to be transferred and to whom; identification of capacity needs for the various levels;
- To install a system of checks and balances, including ensuring the allocation of resources (human and financial) for implementation, coordination, and monitoring and evaluation.

Awareness raising, civic education and skills training is essential for subnational institutions and communities to make them aware of their rights and obligations and to prepare them for the decision-making responsibility with respect to the governance of natural resources. Inculcating a democratic culture is a central element of civic education.

Government, development partners and NGOs can assist the decentralization process through support to various activities, including:

- Advocacy and awareness raising through the creation and dissemination of information packages, knowledge networks, consultations and workshops;
- Capacity-building and institutional strengthening by developing tools and methodologies for mainstreaming and providing expertise and advice;
- Legal and institutional reforms by producing policy briefs and providing advisory services, for example on minimum environmental standards;



The earth is rich in natural resources for human well being. It is our responsibility as human beings to avoid turning our planet into a moon-like habitat



Photo Credit: NASA

- Improvement of the knowledge base, data management and monitoring through support to research and by developing indicators, collecting baseline data and documenting lessons learned;
- Building of community capacity to understand and negotiate land and resource ownership, access and user rights;
- Empowering and strengthening local community and institutions through training, civic education and awareness creation;
- Support to reforms on decentralization initiatives;
- Assisting local government bodies in defining and formulating local development plans incorporating budget estimates;
- Help in defining regulations that transfer appropriate fiscal powers and resources to local authorities.

Fiscal decentralization (giving responsibility for revenue and tax collection to local authorities) should be an integral part of the decentralized governance of national resources to provide finance for operations associated with the management of local resources and for local development, thereby serving as an incentive to local communities to take on the additional responsibility. Such empowerment of local authorities is essential to ensuring efficiency and accountability in fiscal management at this level.

Clearly, there is need for continued support to the decentralized governance of national resource programmes and projects by development partners. The challenge is to provide support to the right kind of decentralization, namely that which includes a shift towards governance that has the objectives of sustainability, equity and democracy; that is statutory and citizenship based; that grapples with political economy at all levels; and that is multisectoral and inclusive.

Other opportunities for funding the decentralized governance of national resource activities at country level include:

- (a) **National governments.** Government direct funding for implementation of the decentralized governance of national resource initiatives is generally small and is expected to remain so. Nevertheless, this contribution should be insisted upon, particularly as it signifies national ownership and commitment.
- (b) **Development partners.** Funding of decentralized governance of national resource programmes will require contributions from UNDP and other development partners. These include:

- Bilateral agencies;
- The Bretton Woods institutions (World Bank and International Monetary Fund);
- Regional banks, for example the African Development Bank, Asian Development Bank, Inter-American Development Bank;
- Multilateral organizations, for example the International Fund for Agricultural Development, United Nations Environment Programme, Food and Agriculture Organization of the United Nations);
- Secretariats of the global environmental conventions (United Nations Convention to Combat Desertification, Convention on Biological Diversity and Framework Convention on Climate Change);
- NGOs, for example the World Conservation Union (IUCN), World Resources Institute, and World Wide Fund for Nature (WWF).

The aim is to interest target partners, starting from the concept level to formulation and implementation phases.

(c) Innovation. UNDP country offices, UNDP Drylands Development Centre and the Global Environment Facility are already working closely with national governments and other partners to explore the possibilities of building new partnerships and strengthening existing ones. Opportunities include:

- Trust funds for rural development, for example in Kenya;
- Sourcing from regional and international initiatives, for example the New Partnership for Africa's Development (NEPAD) and the Nile Basin Initiative;
- Sourcing from foundations, for example the Turner Foundation;
- Private sector.



Annex 1. Information resources

A. Key reference materials

Bonfiglioli, Angelo. 2004. Lands of the Poor: Local Environmental Governance and the Decentralized Management of Natural Resources. United Nations Capital Development Fund. www.uncdf.org.

Coulibady, Amadi, and Thea Hilhorst. 2004. Implementing Decentralization in Mali: The Experience of Two Rural Municipalities in Southern Mali. International Institute for Environment and Development Drylands Programme. www.iied.org.

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Yilmaz, Serdar, Jozsef Hegedus and Michael E. Bell, eds. 2003. Subnational Data Requirements for Fiscal Decentralization: Case Studies from Central and Eastern Europe. World Bank Learning Resource Series. www.worldbank.org.

B. Agencies providing technical and financial support

International Institute for Environment and Development. www.iied.org.

United Nations Capital Development Fund. www.uncdf.org.

United Nations Development Programme. www.undp.org.

UNDP Drylands Development Centre. www.undp.org/drylands.

World Bank. www.worldbank.org.

World Resources Institute. www.wri.org.

Annex 2. Sources of information for preparation of document

This document is a synthesis of information drawn from three main sources: literature review; review of experiences and best practices from selected countries; and experiences and contributions gathered from individual experts through an e-forum.

A. National reviews

As part of this study, the Drylands Development Centre commissioned national studies in 12 selected countries in different regions to undertake national reviews of experiences and best practices in decentralized governance of natural resources. Identification of the countries took into account the variability and diversity of experiences with governance issues, and was intended to illustrate the diversity of experiences based on regional differences. The following countries were selected:

- Africa: Ethiopia, Ghana, Lesotho, Mali, Senegal;
- Asia and the Commonwealth of Independent States: China, India, Kazakhstan, Turkmenistan;
- Arab States: Iran, Morocco;
- Latin America: Bolivia.

The national reviewers collected information from various sources, including published and unpublished project reports, interviews with officials from local and national institutions, and their own expertise on decentralized governance of natural resources. To facilitate the process and ensure a common approach to the studies in all countries detailed guidelines were prepared identifying the specific indicators and governance issues to be studied and assessed.

B. Electronic forum on decentralized governance of natural resources

During the months of December 2004 and January 2005, the Drylands Development Centre conducted an electronic forum on decentralized governance for natural resources, involving 78 participants from various countries and regions. The forum provided an opportunity for participants to express their views and share their knowledge and experiences on the theory and practice of decentralized governance of natural resources with a view to enriching the information coming out of the national reviews. The e-forum focused on the following themes:

- Risks, constraints and opportunities in the decentralization process;
- Capacity-building for decentralized governance of natural resources;
- Financing local development from taxes and revenues levied from managing local natural resources.

Part II

Experiences and lessons learned



Table of contents

Summary	vii
I. Introduction	1
II. Methodology	3
A. National reviews	3
B. Electronic forum on decentralized governance of natural resources	4
C. Literature review	4
III. Experiences from countries in decentralized governance of natural resources	7
A. Africa	7
1. Ethiopia	9
2. Ghana	16
3. Lesotho	24
4. Mali	29
5. Senegal	36
6. Other countries	44
B. Asia and the Commonwealth of Independent States	47
1. China	47
2. India	51
3. Kazakhstan	55

4.	Turkmenistan	58
C.	Arab States	62
1.	Morocco	62
D.	Latin America	68
1.	Bolivia	68

IV. The way forward 71

A.	Guiding principles and approaches to decentralization of governance of natural resources	71
B.	Areas where countries have expressed needs	72

Annexes 79

Annex 1. Glossary of key terms 79

Annex 2. Country specific case studies 81

1.	China: Conversion of Farmland to Forest project	81
2.	Ethiopia: Integrated Forest Management project, Adaba-Dodola	83
3.	Ghana: Administration and management of Gbawe Kwatei family customary land	85
4.	India: Community-initiated decentralized governance	87
5.	Lesotho: Strengthening the National Environment Secretariat	89
6.	Mali: Improvement by the peasant organizations of Kita circle forests	90
7.	Morocco: Rural development in mountainous areas of Al Haouz province	93
8.	Senegal: Community Management of Natural Resources project	95
9.	Turkmenistan: Community-Based Natural Resource Management project	99

Annex 3. Lessons on decentralization from other sources 103

1.	National review documents	103
2.	World Resources Institute documentation	103
3.	Lessons from UNCDF	104

Boxes

Box 1. Ethiopia: Woreda councils	10
Box 2. Ghana: Capacity needs for natural resource management at local level	22
Box 3. Lesotho: Decentralization of natural resource management functions by ministry	26
Box 4. Mali: Responsibility of local authorities in financial resource management	34



Summary

This publication – Decentralized Governance of Natural Resources, Part 2: Experiences and Lessons Learned – has been prepared by the United Nations Development Programme (UNDP) Drylands Development Centre as part of its activities under the Integrated Drylands Development programme.¹ It aims to promote learning from experience to enable practitioners to improve on current and future efforts to mainstream and integrate governance of natural resources into decentralized governance processes. It focuses on lessons learned about risks, constraints and opportunities in the decentralization process, and on the best approaches and practices from the various countries and regions. It also looks at capacity needs for effective decentralization and experiences gained in fiscal decentralization, a necessary source of funding for local development.

The main lesson or conclusion reached is that in countries where decentralization has been embraced as a national goal or strategy and a national policy put in place (for example Bolivia, Ethiopia, India and Senegal), the process of decentralization has proceeded much faster as a result of the institutional and legal reforms that were initiated. In other countries, decentralization has taken place as part of the overall global democratization process (for example China, Kazakhstan and Turkmenistan). In these countries, the process of decentralization has been much slower, and not as effective. Factors responsible for this include sociopolitical influences left over from past centralized systems of governance; weakness or absence of policies, laws and regulations concerning decentralization; and lack of strong and effective central authorities to articulate and enforce decentralization policies, laws and environmental standards.

The review undertaken demonstrated that decentralization involves changes in cultural attitudes, democratic practices and power relations. It is thus a long-term

¹The Integrated Drylands Development programme is a UNDP global initiative. Twenty-three countries in Africa, the Arab States and West Asia have been selected to take part in the programme, which focuses on helping countries to ensure that issues affecting drylands are addressed by macroeconomic policies; to reduce vulnerability to climatic shocks, especially drought, and improve adaptation to climate change; and to improve local governance for natural resource management.

undertaking and should be given time to take root, though in countries where there is already strong conceptual commitment to decentralization, supported by political goodwill, the pace of change may be faster, and the prospects for success good. It is now recognized that it is important to learn from doing, to identify opportunities, good practices and approaches, and to share these with others in order to improve the prospects for wider dissemination.

It must be noted, however, that the review also demonstrated that most decentralization efforts are too recent to have produced significant measurable or observable impacts; all the more reason why any attempts to evaluate the success or failure of the process should be based on clearly established criteria and indicators.

As regards the way forward, the review suggests the need to ensure the existence of an enabling environment. This includes government commitment to decentralization, creation of a democratic culture and associated practices, initiation of legal and institutional reforms and a strong central authority to ensure implementation and enforcement of those reforms. Some of the key areas identified by countries for support from various partners include:

- Support to reforms on national decentralization policy and legal framework, including support to institutional reforms;
- Support to national mechanisms for implementation and enforcement of decentralization policies and laws;
- Capacity-building for management of natural resources (civic education, skills, institution strengthening and marketing);
- Support to information and data collection, monitoring, and the developing of indicators.

I. Introduction

In most developing countries, the national economy is dependent on the natural resource base. At subnational levels also, rural development and sustainable livelihood depend on the exploitation of natural resources (land, water, forests, grazing lands and the biodiversity resource). The sustainable management of natural resources is therefore a central element of the national development strategy for these countries. Increasingly, it is being shown that decentralization of management of natural resources to the lowest appropriate level – state, district, municipality – can significantly increase the chances of their being developed sustainably and equitably.

The political and cultural environment (formal and informal policies, laws, norms and practices) plays a key role in determining ownership of, access to and use of resources, and is thus a crucial factor in the sustainable management of natural resources. Formal elements of this environment include the role of the state in establishing and enforcing policies, laws and regulations, regulating markets, and levying taxes. Informal elements include gender roles in marriage, inheritance practices, customary laws of ownership, and management of and access to resources such as land and water.

Experiences from several countries also indicate the important role played by the institutional environment in determining the success of decentralized management of natural resources. For example, sustainable management of natural resources is more likely to result if local communities and institutions are involved in the formulation and implementation of local programmes and projects centred on those resources, due to the incentives derived from responsibility, empowerment, and the flow of benefits directly to the community.



II. Methodology

A Governance of natural resources concerns the systems of ownership and control determining access to and use of resources. The hierarchy of decision-making this implies is influenced by a wide range of factors, including the sociopolitical characteristics of a country, the institutional framework and degree of devolution of decision-making, the nature and types of natural resources involved, and the land use systems in operation. This complexity of arrangements makes it difficult to capture what constitutes good governance and which factors most encourage it. Accordingly, the UNDP Drylands Development Centre commissioned a review in 12 countries in Africa, Asia and Latin America and the Caribbean with the aim of capturing and documenting the experiences and lessons learned from a variety of sociopolitical contexts in an effort to identify practices and approaches most encouraging to good governance.

This document is a synthesis of information drawn from three main sources: a review of experiences and best practices in the governance of natural resources from selected countries; experiences and contributions from individual experts through an e-forum; and a literature review.

A. National reviews

As part of this study, the Drylands Development Centre commissioned national studies in 12 selected countries in three regions to identify, analyse and document best practices, lessons learned and experiences in mainstreaming governance of natural resources into decentralization and democratization processes. Identification of the countries took into account regional and national differences in order to ensure capture of a diversity of experiences. The following countries were selected:

- Africa: Ethiopia, Ghana, Lesotho, Mali and Senegal;
- Asia and the Commonwealth of Independent States: China, India, Kazakhstan and Turkmenistan;
- Arab States: Morocco;
- Latin America: Bolivia.

The national reviewers collected information from various sources, including published and unpublished project reports and interviews with officials from local and national institutions. This was supplemented by their own expertise on decentralized governance of natural resources. Detailed guidelines identifying the specific indicators and governance issues to be studied and assessed were prepared to facilitate and ensure a common approach to the studies in all the countries.

B. Electronic forum on decentralized governance of natural resources

During the months of December 2004 and January 2005, the Drylands Development Centre conducted an e-forum on decentralized governance of natural resources, involving 78 participants from various countries and regions. The forum provided an opportunity for participants to express their views and share their knowledge and experiences on the theory and practice of decentralized governance of natural resources with a view to enriching the information coming out of the national reviews. The e-forum focused on the following themes:

- Risks, constraints and opportunities in the decentralization process;
- Capacity-building for decentralized governance of natural resources;
- Financing local development from taxes and revenues levied from managing local natural resources.

C. Literature review

This report has benefited from consideration of a large number of documents and reports, both published and unpublished. Those of particular relevance to the substance of the report are:

Bonfiglioli, Angelo. 2004. *Lands of the Poor: Local Environmental Governance and the Decentralized Management of Natural Resources*. United Nations Capital Development Fund. www.uncdf.org.

Coulibady, Amadi, and Thea Hilhorst. 2004. *Implementing Decentralization in Mali: The Experience of Two Rural Municipalities in Southern Mali*. Issue Paper No. 127. International Institute for Environment and Development Drylands Programme. www.iied.org.

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III. Experiences from countries in decentralized governance of natural resources

Over the last four decades most developing countries have embarked on some form of decentralization of the management of natural resources, either through deliberate policy decisions or as part of the general global trend towards democratization. This section examines the experiences from several countries in selected regions of the world, with each country piece structured as follows:

- (a) Overview;
- (b) Status of decentralization of governance of natural resources;
- (c) Risks, constraints and opportunities;
- (d) Capacity-building;
- (e) Fiscal decentralization;
- (f) Lessons and challenges.

A. Africa

General observations

Experiences of decentralization of natural resources reported in this section come mainly from West Africa (Benin, Ghana, Mali and Senegal), the Horn of Africa (Ethiopia) and Southern Africa (Lesotho).

Most colonial administrations in Africa were highly centralized, characterized by a top-down command and control approach with very limited opportunity for local community participation in decision-making. Decentralized systems of

governance have taken root mainly in the post-independence period, spurred on by the trend towards democratization, bringing with it greater transparency and accountability.

Three former French colonies in West Africa, Benin, Mali and Senegal, are examples of positive experiences in decentralized governance of natural resources. In Mali, which became independent in 1960, the government established a national policy for decentralization in 1977 and immediately embarked on institutional reforms, which have gone a long way towards facilitating the transfer of responsibility for the governance of local resources to local communities, municipalities and other local authorities. Similarly Senegal, with its tradition of democracy and the rule of law, has had a national decentralization policy for over 30 years. The government has undertaken major institutional reforms aimed at decentralizing governance of local resources to lower levels of government (regions, departments, wards and rural communities). Senegal attributes its success in decentralization to efforts in capacity-building for local institutions, placing financial and human resources at their disposal.

In most other countries in Africa (for example Ghana and Lesotho), constitutions provide for decentralized local governance but the central government retains most control over decision-making as regards tenure and access to and use of natural resources (mainly through government ministries, parastatals and commissions). Under this regime, the process of decentralization has allowed only limited opportunity for the involvement of local communities in the management of natural resources.

In most countries in Africa, there is considerable ambiguity in the land tenure situation due to the existence of traditional land use rights (exercised through traditional chiefs) and modern system of governance (exercised through elected officials). Customary laws remain interwoven with modern laws and practices (examples include Ghana, Lesotho, Mali and Senegal). This presents a double-edged sword in the context of decentralization. On the one hand there is an existing store of traditional knowledge and practices at local level, which can underpin modern systems of decentralized governance. On the other hand the traditional baggage of sociocultural biases, for example relating to the role of women, and the potential for capture of resource management by the elite and the perpetuation of corrupt practices, can severely hamper the decentralization process.

This is illustrated in the case of Mali, where management of land tenure was transferred to local mayors, but the government had to withdraw this responsibility due to corruption and mismanagement. As regards problems arising from the marginalization of certain groups, a study carried out by the Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel (CILSS) points to the potential for conflict arising from the marginalization of pastoralists inherent in most land tenure negotiations involving sedentary communities. In Kenya, for example, the traditional land tenure system of the Maasai community is frequently in conflict with modern centralized land tenure systems.

1. Ethiopia

(a) Overview

Ethiopia, with its federal system of governance along democratic lines, presents a good example of the application of the subsidiarity principle. The highly decentralized system has clear delineation of powers throughout the hierarchy – federal, national regional state, *woreda* (district) and *kebele* (subdistrict) – with responsibility for the management of natural resources allocated accordingly, with federal government having overall executive and judicial powers relating to international matters and issues affecting more than one state. Elective institutions are responsible for exercising power at their respective levels. Accountability and transparency are ensured through democratic election of officials, with the requirement that membership at each level includes representatives from the subsidiary level (representative and downwardly accountable representation along the hierarchical structure).

(b) Status of decentralization of governance of natural resources

The decentralization measures taken over the last 15 years are extensive. The transition from a unitary to a federal state is a major transformation of the governance system from central control to one that distributes and devolves political power to the national regional states, which are themselves autonomous political entities with legislative, executive and judicial powers. Decentralization has also taken place within these states to district (*woreda*) and subdistrict (*kebele*) levels, where new local self-government bodies with their own institutions of political representation have been established.

The new states are entrusted with powers and responsibilities for planning, implementing, regulating and monitoring the sustainable utilization of land, water, forest and wildlife resources based on overall federal policies and laws. New regulatory and line organs have been established for this purpose. Similarly, new district-level counterpart offices have been established at the woreda level, accountable to the newly established councils (box 1). These bureaus and agencies now have the mandate and responsibility to carry out planning, implementation, regulation and monitoring and evaluation of natural resource management activities, including rural water supply schemes, soil and water conservation, and management and regulation of state forests and protected areas and parks within their jurisdiction.

Box 1. Ethiopia: Woreda councils

The woreda councils are the highest bodies of state authority within the woredas. They are accountable to the national regional state governments hierarchically and are subject to the policies, laws, regulations and directives of the national regional state and federal organs. Subject to such accountability, their mandates include taking decisions on and preparing socio-economic development programmes and work plans. They have the power to prepare natural resource management plans and to implement policies, laws and regulations and directives on natural resources issued by the national regional states.

Below the formal government structure, diverse new or reformed community institutions have emerged, as the decentralization policies and laws give them recognition as important institutions of self-help. These include representative associations of rural workers, women and young people, as well as specific activity-oriented associations of, for example, water users, forest dwellers and artisanal miners. The development and application of by-laws has become an important means of creating natural resource management rights and duties for members of communities and ensuring good governance at decentralized levels. Along with the creation of the policy on institutions, legal measures to decentralize powers and responsibilities for management of natural resources have been put in place.

The management of forest resources has become decentralized. What used to be the responsibility of the central government has now become the responsibility of the national regional states. These are exercising their responsibilities and mandates through the newly created bureaus and, further down, their counterpart offices. Forest legislation emphasizes participation, co-management and benefit

sharing by communities in the management of forest resources. This has created opportunities for communities to organize and involve themselves in forestry development and has encouraged tree planting on individual homesteads. Communities living in and around state-managed protected forests and parks are also granted access to the resources therein through various arrangements made between local government authorities and the respective communities. This allows them to practise such activities as bee-keeping and to harvest forest products such as grass and fruits. In addition, top-down designation of forest and wildlife areas as state forests or parks has been discarded in favour of consulting with and obtaining the agreement of communities living in and around the designated areas.

Even though land redistribution has not been abandoned, in principle such an undertaking cannot now be exercised under reformed land administration legislation without consulting with the concerned community institutions and receiving their ultimate approval. Water rights administration still remains essentially a federal prerogative. Resource development activities such as water supply and micro-irrigation development within the jurisdiction of the national regional states are their responsibility. However, the role of local authorities has changed and is continuing to change as the power relationship between the organs of self-government and communities changes due to the decentralization process.

The decentralized approach today is radically different. Policy and legal requirements promoting devolution of government functions to local-level authorities, participatory decision-making and the empowerment of community institutions have provided an enabling environment where local authorities and communities are exercising decision-making powers as regards natural resource management, either jointly or separately.

The decentralization of natural resource management has entailed the need for partnership between local authorities and communities in decision-making, planning and implementation processes. The policy and legal framework requires local authorities to work in partnership with community institutions, which have received recognition as effective mechanisms for the planning, implementation, monitoring and evaluation of local-level natural resource management instead of continuing the top-down unilateral approach of the past. Local authorities still have major decision-making roles to play in the provision of technical assistance and extension services, financial support to community efforts and ultimate

responsibility for ensuring the implementation of natural resource management guidelines.

Indicators of the effectiveness of the decentralization process in Ethiopia include:

- The reforms made to the Land Law have improved security of land tenure to the extent that soil and water conservation structures can be planned and constructed by community members on communal and individual holdings and maintained with improved effectiveness;
- There has been an overall increase in biomass as associations are encouraged to develop community forests and individuals to plant trees on other public lands through long-term lease arrangements;
- Community involvement and participation are being emphasized, for example in conservation and rehabilitation programmes and projects run in state-owned forests and parks in partnership with local governments, bilateral donor agencies and NGOs;
- Encouraging natural resource management results are being recorded, for example the involvement of farmers in participatory integrated programmes related to agricultural production, health and education carried out in partnership with NGOs;
- The dynamic farmer-based approach to conservation in the Plant Genetic Resources project, implemented under the auspices of the Institute of Biodiversity Conservation, promotes in situ conservation of crop genetic resources at local levels. The indigenous knowledge of farmers is being preserved with the formation of crop conservation associations with their own crop gene banks and botanical gardens;
- Community institutions are increasingly taking over local-level water development through the formation of water user associations, which operate and maintain water supply and micro-irrigation. They collect charges for the services provided, which are in some cases being used to finance other community needs.

Ethiopia's experience with devolution of power to lower levels of governance is less than 10 years old and therefore still at an early stage. Nevertheless, two main constraints have already emerged: the limited capacity of local and community institutions to handle the responsibilities assigned to them; and the lack of a strong central (federal) authority to ensure coordination, environmental standards and performance appraisal.

(c) Risks, constraints and opportunities

The national government's commitment and political will constitute a major opportunity for decentralization in Ethiopia. Some constraints exist, however, including:

- Failure to fully establish institutional mechanisms prescribed for the conscious and systematic implementation, monitoring and review of the environmental policy of Ethiopia could lead to lack of a strong linkage between natural resource management policy and strategy formulation at federal and national regional state levels and development planning at local community level;
- The weakness of existing natural resource management institutions resulting from the lack of human, technical and material resources.

Ensuring that natural resource management institutions in general and local-level government and people's institutions in particular have adequate strength and resources to carry out effectively their newly acquired powers and responsibilities remains one of the biggest challenges. The professional, technical and administrative human resources they require can only be met if all stakeholders (government, civil society, private sector) take concerted action.

(d) Capacity-building

The government has recognized that lack of capacity is a constraint to development at all levels, particularly at the local community level. As a result a new Ministry of Capacity-Building has been established to address the various capacity deficiencies related, for example, to technical and managerial knowledge and skills. For long-term sustainability, the formal education system has been reformed in Ethiopia to make it more attuned to meeting the needs for skilled and professional human resources at all levels, including in the rural sector. Various levels of technical schools are being built to produce people skilled in such areas as carpentry and masonry and in the maintenance of rural technologies (such as water handpumps and wheelbarrows). In addition, farmers at community levels are being given the skills training required to rehabilitate, maintain and enhance the natural resource base within their community, and to undertake agricultural practices that increase productivity. Furthermore, there are community skills training centres at the local level, though they are often underresourced and thus unable to fulfil their objectives. While the upgrading of the educational qualification for development

agents in Ethiopia to diploma level can be seen as a significant step in assisting the transmission of knowledge to farmers and pastoralists, there is no doubt that these agents would perform more effectively if skills training centres were endowed with adequate resource materials.

(e) Fiscal decentralization

Fiscal responsibility has undergone some decentralization and operates at three levels – federal, regional and district (woreda). Federal and state governments share revenue (tax, royalty) collected from large-scale mineral, gas and petroleum operations. Revenue from land tax and royalty from forest resources belong to the states and the municipalities under them. Visitor and user fees from wildlife parks also belong to the states. Revenue from large-scale mining is collected by the federal government, which transmits 50 per cent of the collected amount to the states. The other revenues from natural resources are collected by the state revenue agencies with the cooperation of district and subdistrict (kebele) organs. Responsibility for accounting rests at the federal and state levels. State-level accounting entails the state controlling the utilization of the budgetary allocations to the districts. The districts are required to keep adequate accounts of the use of such budgets. Due to lack of capacity in systems management some of the less-developed states in Ethiopia are faced with fund management problems, which have in some cases been exacerbated by misappropriation. The federal government has sought to help such regions by providing staff skilled in financial management and accounting, pending the development of these essential capacities at all levels within the states themselves.

Overall domestic taxes, duties and other sources of revenue, including financial assistance from bilateral and multilateral sources in the form of grant aid and loans, make up the government's budget at federal and national regional state levels. The national regional states have the power to levy and collect taxes and other duties on any source of revenue reserved to their jurisdiction and to prepare and issue their own budgets and implement them accordingly. For example the Amhara National Regional State constitution itemizes about seven revenue sources that are solely taxable by the state, including royalty from forest resources.

In addition, the national regional states also share with the federal government business profit, personal income, sales and excise taxes generated from development enterprises jointly established; sales and other taxes derived from business profits of companies and dividends due to shareholders; and income tax derived from large-scale mining and petroleum and gas operations and

royalties on such operations. The national regional states also receive federal subsidy for financing shortfalls in their development budgets. How much federal subsidy each state receives is determined according to a formula developed and agreed upon by the Council of Federation, which takes into account the needs of the less-developed members of the federation. The national regional states are accountable to the federal government concerning use of the subsidies. The woreda-level budget consists of grants from the national regional states and any other revenue that they may generate on their own, based on the power they have to levy their own revenue.

One of the strategies specified in the national environment policy as a means of empowering the local level is authorization for all levels of organizations to raise funds locally from the use of natural resources to fund the development, management and sustainable use of those resources. While the utilization of grants is subject to the national regional states' supervision and control, funds generated from their own sources are theirs to freely utilize. They approve their own budget.

(f) Lessons and challenges

The decentralization policy has provided opportunities for communities to manage the natural resources to which they have sole access through a system of community holding of forest and grazing areas. This allows them to make decisions on the management aspects and the manner of utilization of wood, grass and other natural resources in such areas, both as a means of satisfying the needs of their members but also as a means of generating cash from the sale of such resources.

Partners such as local authorities and NGOs willing to work with community-based organizations can now take advantage of the opportunity presented by decentralized natural resource management to use existing community-based institutions or promote the establishment and capacity-building of new ones. It is possible for members of the community to be organized into activity groups, with their own by-laws, which can be linked to the peasant associations for the purpose of strengthening their legal status.

2. Ghana

(a) Overview

Ghana, a republic with a population of just over 20 million, is located in West Africa. It is bordered to the south by the Gulf of Guinea, which forms part of the Atlantic Ocean, to the north by Burkina Faso, to the west by Côte d'Ivoire, and to the east by Togo.

The natural ecosystem is characterized by highly biodiverse flora and fauna, much modified by anthropogenic forces. Its spatial variation from semi-arid savannah (64.9 per cent of land area), through a mosaic of semi-humid forest-savannah (3.5 per cent, though probably a gross underestimate given the accelerated deforestation) to humid forest proper (27 per cent, over a third in reserves), is closely associated with the semi-arid, subhumid and humid tropical climates.

Ghana is richly endowed with natural resources, including:

- Land suitable for agriculture, which forms the backbone of the mainly rural economy;
- Minerals such as gold, bauxite, manganese and diamonds, which vie with cocoa as the leading foreign exchange earner;
- Forests, a source of hardwood, and another significant foreign exchange earner;
- Surface water, notably held in the artificial Lake Volta, which is a major source of hydroelectric power;
- Fisheries, forming the basis of the economically significant fishing industry.

A large proportion of the country's population subsists directly or indirectly on its natural resources. With an estimated annual population growth rate of 2.6 per cent, pressure on the resources is increasing. Sixty-five per cent of the population is rural, with rain-fed agriculture the predominant occupation nationally.

The main source of authority regarding use and governance of natural resources is the 1992 constitution, which makes provision for:

- An executive body, headed by a popularly elected president as head of state, in whom is vested public lands and all mineral resources, whose government exercises control over other strategic natural resources,

notably forests, and who has authority over public appointments, finance and other national assets;

- A system of decentralized local government.

Poverty remains pervasive in Ghana despite a high literacy rate and the rich natural resource endowment. Over 31 per cent of the people live below the poverty line, unemployment stands at 11.5 per cent, and the doctor:population ratio is 1:14,752. The mortality rate is estimated at 10.2 per 1,000, life expectancy at about 57 years and per capita gross domestic product at \$390. Ghana is counted among the most heavily indebted poor countries of the world.

A still overly centralized, rigid, bureaucratic and often confused system of natural resource governance and management has not been effective in combating poverty and underdevelopment, prompting articulation of the national goal of “accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment” (Ghana poverty reduction strategy 2003). In the medium term, the vision of the government is to transform the country into a middle-income nation where the people live in harmony with their natural environment, deriving optimum benefits through sustainable use of the country’s rich natural resources.

(b) Status of decentralization of governance of natural resources

Ghana has a long-standing record of policies and strategies related to natural resources and the environment. Decentralization involves the empowerment of local communities by devolution of political, administrative, legal, fiscal and other powers from the central government down the geopolitical hierarchy to the local level. Its purpose is to increase capacity for local self-governance through “popular grass-roots participation in the planning, implementation, monitoring and achievement of those services which go to improve the living conditions of the people and the orderly, fair and balanced development of the whole country” (Ghana decentralization policy 2003).

The institutions involved in natural resource management at the local level in Ghana are of two main types:

- Traditional institutions with authority vested in chiefs, family heads, and spiritual or religious heads who hold the land and other natural resources in trust for communities of owners in accordance with customary principles;

- Organs of the modern state or government, which operate in accord with English or Western principles.

Contemporary local government in Ghana is rooted in the pre-colonial era, when it was founded upon diffused ethnocentric native states, operating through the indigenous institutions of chieftaincy and spiritual authorities. Advised by councils of elders, the secular and spiritual heads appointed by succession rather than by election, the native local governments performed religious and judicial functions as well as purely administrative ones, including administration of land resources and of community services.

Governance was thus diffused rather than centralized, consistent with the thrust of modern administrative decentralization that seeks governance at the local level through devolution of power from the centre to peripheral local communities.

The pre-colonial diffused pattern of administration remained essentially the same from the time British sovereignty was extended to southern Ghana around the middle of the 19th century up to about the middle of the 20th century. Throughout this period, the British followed a policy of indirect rule to govern the country. This native administration policy provided a statutory basis for the continued exercise of local government functions by the local chiefs, with minimal involvement by the colonial power. In effect, therefore, local government continued to be discharged primarily by the local chiefs and their councils of elders. The wide-ranging functions of these traditional authorities included customary, constitutional, political, administrative and judicial functions, as well as legislative functions involving powers to enact by-laws. In subsequent years there has been a systematic erosion of the powers of chiefs by the transfer of many of their functions to organs of the central government, specifically local councils and government departments.

From about 1988 efforts aimed at achieving more effective decentralization through local government were intensified, a process formalized as an article in the 1992 constitution affirming that “Ghana shall have a system of local government and administration which shall, as far as practicable, be decentralized”.

The new decentralization policy seeks to accelerate devolution of powers from the central government to regional coordinating councils and district assemblies. Through its various organs – the ministries, departments and so on – the central government is required to plan, monitor and evaluate overall policies and programmes at the national level, for implementation by the district assemblies. Coordination with the central government is through the regional coordinating

councils, which are also charged with ensuring coherent functioning of the various district programmes. All these functions are technically backstopped by the National Development Planning Commission, which additionally plays a coordinating role.

Presently, the administrative powers of chiefs remain considerably diminished from those of the pre-colonial era. However, the current constitution guarantees the institution of chieftaincy, which favours the maintenance of traditional culture and holds prospects for more decentralized governance of natural resources at the local level. Thus the traditional local administrative authority is empowered and mainstreamed in a more pragmatic manner.

The largely popularly elected district assemblies have, to a large extent, performed as a “forum at the local level for people to discuss and agree on the development problems of their locality, identifying the underlying causative factors and deciding on the combined actions necessary to deal with them”. However, the following factors constrain the development and impacts of the democratic decentralization process:

- Slow devolution of administrative authority, which is reflected by the fact that the government departments responsible for natural resource management and certain other administrative functions still do not report directly to the assemblies, but to their central headquarters located outside the districts;
- Weak financial and human resource capacity of the local government apparatus;
- Dependence of the institution of chieftaincy upon government patronage;
- Excessive control of key local natural resources by the central government;
- A confusing hierarchy of administrative authorities characterized by functional overlaps and contradictions and by overcentralization of major administrative decisions and services at Accra, the national capital.

The government continues to dominate appointments to and in other ways control national institutions charged with management of natural resources, which are centrally important to the livelihoods of local communities. Traditionally, however, the land and other natural resources associated with it are owned communally by people having a common descent or owing allegiance to a symbol of collective

authority, for example the "stool", personified by the chief or family head, in whom the allodial and customary freehold titles are vested. In the capacity of custodian and in consultation with family elders, the traditional head administers the resources on behalf of the group of owners, with the individual members having the right of free use. Superimposed on this traditional system is an exotic modern English or Western system of resource tenure based on contract rather than kinship, which permits the modern state to override powers of natural resource access. As a result the tenure of resources is now pluralistic, namely traditional and modern or exotic.

An overview of natural resource governance reveals that, on the whole, the devolution of power to the people at the local level through district assemblies has advanced local self-governance and the process of development from the grass roots. Minimizing the risks, removing the constraints and more effectively harnessing the opportunities associated with decentralization would enhance the prospects of moving the process forward.

(c) Risks, constraints and opportunities

Risks

- Distraction from the challenge of nation building by reverting to inward-looking government along parochial ethnic lines;
- Existence of a large number of fragmented local government geopolitical areas that are both unwieldy and financially costly to administer;
- Continued popular perception among local communities that the manner in which natural resource concessions are administered by the commissions does not adequately cater for their interests, and that it rather marginalizes and exploits them, risking intensification of popular social resistance;
- Dependency syndrome associated with the reliance of the decentralization process upon external funding and other forms of bilateral and multilateral support;
- Reliance of local traditional chiefs upon central government patronage, creating a similar dependency syndrome and stifling their initiative.

Constraints

- Loss of knowledge and enterprise of local communities due to the continued tendency of central government organs responsible for natural resource management to operate independently of the district

assemblies and local traditional authorities. In addition, functional overlaps and contradictions characterize the centralized government administrative structure, leading to confused bureaucracy and wasteful governance;

- Failure to explicitly define the environmental mandate of the district assemblies, which does not encourage these to address the growing threat of environmental degradation;
- Continued domination of key natural resource management appointments of regional importance by the central government, threatening democratic governance;
- Inadequacy of district assemblies' financial resources, technical and managerial staff, equipment and logistics;
- Inadequacy of pay and other incentives for staff of the district assemblies;
- Absolute centralized powers of the state, which have been used extensively, to acquire land, often without adequate compensation for the victims and without adequate sensitivity to local concerns and conditions. Related to this is the high level of illiteracy and ignorance of modern concepts of governance among local communities.

Opportunities

There are opportunities that, if explored and properly utilized, hold promise for minimizing risks and constraints and thereby advancing the decentralization process. These include:

- A manifest popular interest in democratic governance;
- The principle embodied in the constitution that guarantees peoples' right to natural resources;
- Existence of policies to facilitate and enhance management of natural resources;
- The district assembly system, which offers a forum for democratic natural resource governance;
- The still intact traditional institution of chieftaincy, which offers further opportunity for decentralization;
- The Land Administration project, which offers an opportunity for streamlining the whole process of resource administration, with mainstreaming of local communities;

- The growing popularity of community-based organizations and other NGOs, which provide a medium for mobilizing human resources for capacity-building and other activities moving towards decentralized natural resource management;
- Introduction of a system of competitive bidding and other free market mechanisms for natural resource governance;
- The decentralized district assemblies common fund;
- The goodwill of government and of bilateral and multilateral agencies and the associated prospects of attracting more support from them for the decentralization process, especially in the area of capacity enhancement;
- The discretion and flexibility allowed to district assemblies in generating and applying funds.

Box 2. Ghana: Capacity needs for natural resource management at local level

There are three main areas of capacity needs for effective natural resource management at the local level in Ghana: human, physical or infrastructural, and financial.

The human capacity need is both quantitative and qualitative. Within the government administration, especially at the district level, there is a general shortage of competent technical and managerial personnel. Among the local communities, illiteracy, ignorance and cultural inertia underlie a widespread lack of awareness of natural resource regulatory laws and mechanisms, and of sustainable ways of managing natural resources. A solution, as demonstrated by various natural resource management programmes, lies in training through formal and informal education. This can draw on the local resource management knowledge and the experience of the Ministry of Education, and requires introduction of incentives to attract competent personnel into local government administration. Awareness creation among the illiterate could be increased by use of audio-visual materials based on local symbols and language.

Office space, transportation and information technology facilities are also inadequate. A solution lies in an externally backed phased developmental programme that, as far as possible, makes use of local resources.

Underlying the inadequate human physical resources is financial limitation. To overcome this would require more astute financial administration involving elimination of waste, more efficient use of available resources, more rational formulation and application of budgets, and promotion of a culture of safeguarding public property.

(d) Capacity-building

A major constraint to capacity-building is the loss of knowledge and enterprise of local communities as they are increasingly marginalized by the way that the government organs responsible for natural resource management still operate independently of the district assemblies and local traditional authorities. Box 2 describes the main capacity-building requirements.

(e) Fiscal decentralization

The provision for a district assemblies common fund under the 1992 constitution and the District Assemblies Common Fund Act of 1993 guarantees financial support for the assemblies, amounting to at least 5 per cent of national revenue, for development at the local level within districts. A district assemblies common fund administrator, appointed by the president with the approval of Parliament, administers the fund. This in effect implies that the administrator is accountable to Parliament and not to the district assemblies.

Mechanisms for ensuring financial accountability and a transparent administration include annual budgets or estimates, keeping of proper account records, and auditing by an assembly's internal audit unit and by the auditor-general, who reports to Parliament.

The financial autonomy and flexibility associated with the provisions of the 1992 constitution appear to be enhancing local governance and development and warrant further support.

(f) Lessons and challenges

- By avoiding concentration of natural resource ownership in a few hands, the traditional communal kinship arrangement whereby Ghanaians have free access to land and other natural resources without a payment obligation goes a long way towards meeting the decentralization principle of equity and fairness. The arrangement, however, creates unsustainable or less than optimum natural resource management because common ownership may not sufficiently motivate long-term land improvement measures by individual members of the landowning group;
- A decentralized system of local government founded upon a blend of traditional and modern precepts together with participatory

approaches holds the promise of enhancing governance and management of natural resources;

- Improvement in natural resource governance is only possible through regulations in an essentially liberalized and decentralized context;
- Unencumbered by controls associated with a highly centralized system of government, community-based associations, such as the farmers' associations set up as part of the People, Land Management and Ecosystem Conservation (PLEC) project, have the potential to encourage management of natural resources and the development process by creating knowledge, mobilizing funds and empowering people in a free, democratic, decentralized political environment;
- External bilateral and multilateral support is necessary to accelerate the process of decentralization for better natural resource governance. However, in order to minimize and not perpetuate external dependency syndrome, it is necessary to target such support at capacity-building in order to promote internally self-supporting local self-governance.

3. Lesotho

(a) Overview

Lesotho is a small mountainous country of 30,300 square kilometres, surrounded by the Republic of South Africa. The country is divided into four ecological zones: the lowlands to the north-west, the Maluti and Drakensberg mountain ranges, their foothills, and the Senqu River valley. The climate is markedly seasonal, with heavy snowfalls frequently occurring in the winter months in the higher mountains, resulting in accessibility problems and loss of livestock. Over 1,200 millimetres of rain per annum are recorded in the mountains, while the Senqu valley and the lowlands to the leeward of the mountains receive about 500 millimetres per annum.

The last population census (1996) indicated a total population of 1.96 million. At an annual growth rate of 2.1 per cent, the present population is estimated at about 2.2 million. However, despite the high fertility rate, the high HIV/AIDS prevalence is expected to play a significant role in moderating the growth rate of the population in the near future.

Only 9 per cent of Lesotho's land is suitable for arable agriculture and over 80 per cent of this is found in the lowlands, where it is not used for agriculture alone but also for other human settlement purposes such as housing, commerce, industry and public buildings. Due to poor physical planning compounded by chronic

land tenure problems, urban sprawl and ribbon development along main roads characterize most of the urban centres. There is much intermixture of land uses, with settlements increasingly being established on arable land, further decreasing the area available for agricultural production. As these settlements are often unplanned, they also tend to be overcrowded, lacking space for basic services such as roads, and they are vulnerable to environmental and health problems. While over 80 per cent of Lesotho's population resides in rural areas, poverty and lack of opportunities have contributed to rapid rural-urban migration. Maseru, the capital and by far the largest urban centre, is growing at a rate of 10 per cent per annum.

Lesotho's natural resources include water, wetlands, rangelands, arable land, biodiversity and minerals. Some areas are gazetted as protected areas, nature reserves or reserved grazing areas.

The political system of Lesotho is a constitutional monarchy after the British model, with the king as head of state and an elected prime minister as head of government. It follows a two-tier governance structure including both chieftains and democratically elected representatives.

Legislative authority is exercised by Parliament, which consists of the king, the Senate and the National Assembly. The National Assembly or Lower House consist of 120 members elected under the Westminster-type single member constituency model and one third under proportional representation. The Senate consists of 22 hereditary principal chiefs and 11 nominated members and exercises limited oversight as an instrument of checks and balances on the legislative powers of the National Assembly.

(b) Status of decentralization of governance of natural resources

A review of decentralized management of natural resources within the overall context of the history of local government reflects a difficult past marred by conflicts and power struggles between the leadership structures. Pre- and post-colonial Lesotho has witnessed various versions of decentralized governance, which have produced limited results.

District councils were introduced during colonial rule (Local Government Proclamation number 52) and were empowered with financial authority and authority to create by-laws. However, after independence in 1966, Parliament

promulgated the Local Government (Repeal) Act of 1968, which officially abolished district councils.

Following the 1970 annulment of the general elections and declaration of a state of emergency, the central government appointed district coordinators to head local government at subnational level, while chiefs continued to exercise their traditional authority over maintenance of law and order. The establishment of development committees at district, ward and village levels under the Development Councils Order of 1981 and the Urban Government Act of 1983 gave some power back to local authorities.

A new Local Government Act was passed by Parliament in 1997. However, due to political disturbances in 1998 the new legislation could not be implemented. Amongst other provisions, the act places the control of natural resources, environmental protection and forestry preservation and control under the local authorities. The ministries responsible for natural resource management were

Box 3. Lesotho: Decentralization of natural resource management functions by ministry

Ministry of Local Government: Settlement planning; land allocation; land use planning; management of community lands.

Ministry of Public Works and Transport: Decision-making in prioritization, planning, construction and maintenance of tertiary and access roads, footbridges and pathways; decision-making in the construction and maintenance of airfields.

Ministry of Natural Resources: Water services, management and regulation of potable water to municipal councils; water supply through groundwater, springs and wells to community councils; control of small earth dams and conservation dams; monitoring water quality; issuing permits and licences for small-scale mining of minerals other than precious stones (for example sandstone and crushed stone).

Ministry of Forestry and Land Reclamation: Management of grazing lands; issuing of grazing permits; promotion of local action programmes on water harvesting, soil and water conservation and control of gully erosion through vegetative and management interventions.

Ministry of Health and Social Welfare: Environmental health issues such as water and sanitation, pollution control and management, and rodent control.

Ministry of Tourism, Environment and Culture: Issuance of licences for tourism establishments; production of environmental profiles; pollution control and management; biodiversity conservation; land reclamation.

Ministry of Education and Training: Implementation of environmental education programmes.

involved in the development of a report (May 2004) outlining the functions that would be delegated to the local authorities in accordance with the Government Act of 1997, as amended in 2004 (box 3). The act provides for election of 17 to 21 community councils, each consisting of 9 to 15 elected members per district; rural councils consisting of 37 to 45 members representing each of the community councils within their jurisdiction; 11 urban councils for declared urban areas; and a municipal council for the capital city, Maseru. The Local Government (Amendment) Act 2004 replaced the rural councils with district councils for the 10 districts and the number of community councils was reduced to approximately 130. Natural resource management functions to be performed by the community councils include control of natural resources and environmental protection (including antipollution measures); land and site allocation; grazing control; and water supply in villages (maintenance). The act also defined the relationship between the central government and the local authorities; the relationship between the different tiers of local authorities; and the functions to be delegated to the local level.

(c) Risks, constraints and opportunities

Since the 1998 disturbances, Lesotho has stabilized national security and reinstated democracy, resulting in a representative Parliament. The current preparations to deepen democracy by holding local elections and establishing local authorities of different levels have generally been positively received. It is recognized, however, that if the new system is to function effectively there needs to be a clarification of roles, adequate decentralization of resources (including financial and human resources) and the removal of ambiguities related to which natural resources shall, in fact, be decentralized.

(d) Capacity-building

Further capacity-building is particularly required in two main areas: institutional capacity for planning, implementing and monitoring natural resource management programmes; and capacity for environmental management.

(e) Fiscal decentralization

The new local government structure is expected to be financed by remittances from the central government (dependent on population numbers and poverty rates), by locally generated revenues in the form of taxes, levies and rates, and by donor investments. For the purpose of transparent and accountable financial management, each council will establish a council fund.

The formula for fiscal decentralization is being worked out. This includes the percentage of the national budget, which will be based on the authorities' own development plans, to be subvented to local authorities. A percentage of the district authority's budget will be subvented to subdistrict levels. Deliberations are continuing on how to apportion between central and local government revenue from national resources such as water and minerals.

The local authorities are supported in various areas by bodies such as the district development coordinating committees, which are responsible for coordinating and considering development plans for the districts. District planning units are multisectoral public offices that assist the councils in the development and submission of development plans. District administrators will be representatives of central government at the district level. A local government service commission will be responsible for staff recruitment and service issues; policies and other structures for financial management and procurement; and structures to facilitate exchange of experience amongst different local authorities. Various natural resource responsibilities will be handled by subcommittees of these structures at local level, for example the standing land affairs committee, which will be a subcommittee of the council dealing with land management issues supported by a district land team (Land Bill 2004).

(f) Lessons and challenges

The land tenure system, past and proposed, will continue to have significant bearing on the management of natural resources. The review demonstrates, however, that recent amendments to the Land Act of 1979 complement the new local government scenario.

As the momentum gathers towards the new system of local government that will be ushered in by local government elections, there is a heightened state of anticipation and unease. There is clear anticipation that democracy is on the verge of being deepened yet apprehension persists that unless the lessons of past experiences are incorporated into the new system, and in particular if the lack of trust and power struggles that characterized the two-tier system of traditional chiefs and elected authorities are not addressed, this will not augur well for the future. Ambiguities and lack of clarity have already begun to create uncertainty, and the application of corrective measures is vital during the current pre-election preparatory phase.

A large part of the conflict in Lesotho has been over the use and control of natural resources. For instance, the review has highlighted the land allocation problems and adverse impacts on development that emanate from marginalization of traditional authorities. Separation of roles and responsibilities for natural resource management, and dispute resolution arrangements, do not seem to be clear under the proposals of the new dispensation.

Other important issues that have slowed the pace of decentralized management include the multiplicity and fragmented nature of legal instruments dealing with decentralized natural resource management, and lack of enforcement of such legislative provisions; insufficient capacity for national and decentralized environmental coordination; lack of awareness of environmental and natural management policies and strategies at national, subnational and community levels, and subsequent lack of support in their implementation; and insufficient involvement of communities and decentralized local structures – which equally affects the two tiers of local government – in planning, implementation, monitoring and evaluation systems and procedures.

Other problems include the fact that gender issues are still not mainstreamed into natural resource management and, in particular, women remain marginalized from full participation by legal and cultural impediments; and traditional principles and practices of land management and conflict resolution, which often ensured transparency and compliance, have largely been eroded.

While the present parliamentary configuration is admired for its democratic structure, there are perceptions that major constraints, weaknesses and threats continue to negatively affect the conduct and effectiveness of parliamentary business. As an outcome of the mixed member proportional model, which was used during the 2002 general election, 10 political parties now hold seats in the National Assembly. Notwithstanding this inclusiveness it is a commonly held view that the executive, which holds a large majority in Parliament and monopolizes policy formulation, continues to dominate the business of government in Lesotho.

4. Mali

(a) Overview

Mali has a population of 11.7 million, with a natural growth rate of 3.7 per cent and an average growth rate of 2.2 per cent. Mali's total surface area is approximately

1.25 million square kilometres, of which over 60 per cent is arid. About 46.6 million hectares is agricultural land; of this, approximately 800,000 hectares are under cultivation.

Two development problems in Mali are of particular relevance. First, the rural sector, the basis of the country's economy, is underdeveloped, with very low productivity and a general lack of capital equipment, except in the cotton-growing subsector. There is a high dependence on traditional or obsolete technologies due to a lack of investment and the conservativeness of the rural workforce. This is particularly true of the food crop sector, where increases in output are generally obtained through potentially damaging extensions of cereal acreage rather than through increases in productivity. Second, the low level of education and training among the local population, over 80 per cent of whom are involved in rural production, diminishes the quality of the human resource base and hinders rural development.

Since March 1991, Mali has been involved in a process of democratization and the construction of a constitutional state through the introduction of a multiparty system, and 15 political parties are currently represented in the National Assembly. Malian democracy is founded on the principle of popular representation instituted by the constitution of 28 February 1992. The existence of a relatively open public domain has led to the mushrooming of associations and parties, private media houses and trade unions. Public awareness of civil and other rights has greatly increased, though there is still a need for greater education in the civic responsibilities that attend such rights.

(b) Status of decentralization of governance of natural resources

The key problems related to natural resource management in Mali are a continuous degradation of natural resources, persistent drought and a progressive, rapid and widespread deterioration of the living conditions and environment of urban and rural populations, all in the context of a high population growth rate. Unregulated land settlements, coupled with poor utilization of agricultural techniques, are leading to accelerated soil erosion. This in turn is contributing to increased desertification.

In Mali, administrative decentralization is evidenced by the new local governments: communes, circles, regions and a district, each with some juridical responsibility and financial autonomy in carrying out their duties. Administrative decentralization facilitated the setting up of local government organs in 1999: 707 communal

councils, 49 circle councils and 8 regional assemblies, and 1 district council in Bamako, the capital city.

Decentralization has brought about the redefinition of the role of the state, which has moved away from autocratic control and towards motivation, coordination, arbitration and integration. The current institutional framework governing natural resource management shares control between the state, local authorities and the private sector in accordance with the laws and regulations of the republic, ending the state's monopoly of control over natural resource management, which was considered to contribute significantly to the degradation of natural resources.

The roles of the central government in natural resource management are as follows:

- Development, evaluation and implementation of national policies and strategies;
- Development and enforcement of laws and regulations relating to the protection of resources;
- Advisory support to local authorities on natural resource management;
- Participation in negotiation of international legal instruments relating to natural resource management;
- Collection, analysis and dissemination of statistical data.

In summary, the state carries out two key tasks: monitoring of the legality of organs and acts of local authorities, and advisory support.

At the local level, there are numerous and diverse policy, administrative and technical structures involved in natural resource management. Their functions include the development, planning, execution, coordination, monitoring and evaluation of policies, strategies, plans and programmes. They form either the administrative and regulatory framework for the attainment of the objectives and actions of local authorities or the operational structures for the implementation of resource management projects or actions.

Besides public institutions (state and local authorities), numerous other organizations are working in the area of natural resource management and the protection of the environment, including associations, NGOs, cooperatives, cultural groups, faith-based organizations and private sector organizations. At local level there are also a number of producer and marketing groups.

The distribution of responsibilities between the state and local authorities in natural resource management is as follows. The state determines national policy, strategies and orientations in the area of environmental development and management, conceptualizing and implementing national environmental management programmes and projects. Local authorities develop, implement and follow up their environmental management programmes with reference to national policies and orientations. Economic, social and cultural criteria must be applied in the development of programmes. The transfer of responsibilities from state to local authority is based on a number of principles, including the capacity of the authority to assume those responsibilities.

The transfer of responsibilities to local authorities has, however, been less than effective, and local institutions have often taken on natural resource management. The result has been a diverse system that includes the following management models:

- Traditional management of natural resources by traditional communities;
- State management of natural resources;
- Local management of natural resources through the resurgence of traditional organizational models with modern statutes;
- Co-management of forests classified by the state and riparian communities.

Unfortunately, this diversity of structures has not reduced the degradation of natural resources. The current trend, however, is towards traditional and customary models of natural resource management, as formal laws and regulations have shown themselves to be out of touch with the enduring customs entrenched in the local culture, and are perceived as complex and inaccessible by many of the populations they are meant to serve.

(c) Risks, constraints and opportunities

Efficient and equitable decentralized management of natural resources in Mali is hindered by the following conflicting factors:

- The belief of much of the population that natural resource management should be under the remit of village communities and based solely on customary practices;

- The urgency of local authorities to have natural resource management transferred to them, as a reflection of their autonomy;
- The resistance of the state in general and its decentralized technical structures in particular to transfer such responsibility, because of the perceived advantages they might lose.

Sustainable management of natural resources can only occur if depletion of those resources does not outstrip their reproductive capacities, as is currently the case. Sustainability requires the effective and productive participation of all segments of society, from the state to civil society organizations, and should take into account social, economic, ecological, policy, institutional and legal factors. The administrative framework most suited to such diverse considerations is one based on decentralization to the lowest appropriate level. The challenge in Mali is to overcome the constraints limiting the effectiveness of decentralization, including the continued existence of traditional discriminatory practices that hinder progress towards democratization.

(d) Capacity-building

Capacity-building needs exist at all levels, from state to local authority to community, and include technical, administrative, policy and legal considerations. The needs are individual, institutional and systemic; they are intellectual, material and financial. The satisfaction of these needs requires reasoned choices based on resource availability and potential for synergy of action, consultation and information exchanges at all levels.

In order to build the capacity of local, district and provincial authorities in governance issues, the government has established initiatives in two main areas: technical support (skills and competencies, including information and awareness raising); and institution building, through provision of financial support for the setting up and strengthening of local institutions for governance.

In spite of these efforts, capacity development needs still persist, particularly for local elected officials and communities. These include:

- Reliable statistical data to aid understanding of resources and their dynamics, and to improve monitoring;
- Information dissemination, education, communication, training and organization of meetings;

- Access to data and other resources relevant to decentralized governance of natural resources;
- Training in conflict management and partnership building;
- Development and implementation of a communications programme to educate the community in sustainable environmental management.

(e) Fiscal decentralization

Box 4. Mali: Responsibility of local authorities in financial resource management

The chairs of the deliberating organs (mayor, society council chair and regional assembly chair) are responsible for laying out the local authority draft budget in collaboration with the various work commissions and administrative and technical staff of the communities (general secretaries, revenue and expenditure directors and tax collectors).

After approval by the deliberating organ, the local authority budget is forwarded to the supervising authority. The chairs of the local authorities are the budget directors of their communities. The budget defines the financial operations of a local authority, and governs the planning and authorization of annual revenues and expenditures. An administrative report gives an account of the budget implementation, including a statement of financial transactions during the financial year.

Fiscal decentralization is part of the overall national strategy to empower local institutions, including municipalities, in the governance of natural resources. A law has been put in place setting out the resources that are subject to taxation, and the maximum rates to be applied. As a study by the International Institute for Environment and Development points out, “While municipalities could take certain measures to improve their revenue generation, it is crucial that they receive support from the state, particularly through the transfer of authority and human and financial support.”

Mali has a comprehensive fiscal decentralization code covering taxation and the collection of revenue from natural resources and the application of these funds to local development. Currently, local authorities do not have the management capacity to collect taxes and duties on resources, though the necessary legal authority is in place (box 4).

(f) Lessons and challenges

The population has a clear vision of the need for proper natural resource management because their lives depend on it. They draw management techniques and practices from their social and cultural heritage, which has ensured adequate livelihood in the past, but is now challenged by deteriorating climatic conditions and national population growth (from less than 3 million in 1960 to slightly above 11 million today).

In the meantime there has been a continued degradation of the environment and deterioration of the natural resource base due to a range of complex factors, some climatic (drought, reduced and irregular rains leading to altered ecosystems), some anthropogenic (population increase, inappropriate agricultural systems, deforestation, bush fires).

Decentralized governance of natural resources has also been impeded by several other factors, including the precarious living conditions and levels of poverty among the majority of the people, and lack of effective participation by all stakeholders involved in environmental protection activities. Other issues include:

- A dual system of access to and use of natural resources operates, with the state-imposed system failing to operate satisfactorily and the customary system perceived as legitimate and accessible but prone to abuse, for example in matters of equity;
- Deficiencies in the system of government control over natural resource management has contributed to the deterioration of the natural resource base and the growing impoverishment of rural communities, whose main sources of income are derived from natural resources. Decentralization of natural resource management has emerged as a potential solution, but the pace of change has been very slow;
- A range of systemic deficiencies have contributed to this slow pace of change, including lack of political commitment, a complex and uncoordinated institutional framework, inadequate enforcement of existing rules and regulations, lack of coherence between various projects and programmes, failure to follow up and assess development activities, and lack of capacity to implement activities.

5. Senegal

(a) Overview

The population of Senegal increased from about 3 million in 1960 to over 10 million in 2004. The population growth is estimated at 2.9 per cent in urban areas and 2.1 per cent in rural areas. The urban population is around 50 per cent.

Senegal's total surface area is nearly 200,000 square kilometres. There are about 3.8 million hectares of usable agricultural land, and the average of 385 hectares per 1,000 inhabitants is greater than that for Africa as a whole (86 hectares) or for the world (73 hectares). It is regrettable, therefore, that 2.8 million of the 3.8 million hectares of arable land are degraded. As regards the distribution of useable agricultural space by climatic zone, 437,000 hectares, accounting for 11 per cent of this area, are located in regions with rainfall below 500 millimetres (arid, semi-arid and subhumid dry regions). These comprise the regions of Fleuve, Niayes and Ferlo.

Natural resource management and the protection of the environment for sustainable development have been key components of successive economic and social development plans, with the strategic aims of:

- Promoting good governance and strengthening the rule of law;
- Supporting local development through the furtherance of decentralization and good governance;
- Ensuring sustainable utilization of natural resources and the environment;
- Protecting vulnerable groups by improving their productive capacities and bridging gender disparities.

As regards natural resource management and the protection of the environment, the following priority objectives have been adopted:

- Development of forest resources (sustainable utilization, alternative fuel sources, reduction of losses);
- Protection of the environment and reversal of desertification;
- Protection of plants and animals;
- Protection of marine and coastal environments;
- Targeting of equilibrium between meeting the population's requirements and maintaining biodiversity;
- Development of wildlife resources;

- Improvement of the living environment in rural and urban areas;
- Capacity-building in environmental and natural resource management through training, education, sensitization, and literacy programmes;
- Increase in access of poor populations to alternative energy sources;
- Community management of protected areas;
- Optimization of state interventions in accordance with the environmental code.

Senegal's political system is based on a tradition of democracy and the rule of law. Elections have been held on a regular basis since Senegal gained its independence in 1960, and the mode of devolution of powers is democratic. The country is headed by a president and is divided into 11 administrative regions. Each region is divided into departments, each department into wards and each ward into rural communities. Each rural community is composed of a collection of villages.

(b) Status of decentralization of governance of natural resources

The Senegalese Government's decentralization policy is over 30 years old. Indeed, since 1964, land reform and empowerment of the people in land management and planning has done much to ensure the realization of autonomy and participation. The enactment in 1996 of the law on the communal administrative code enabled the furtherance of decentralization through communes.

Since 1972, when the second phase of decentralization commenced, Senegal has made considerable progress in the design and implementation of policies and the setting up of decentralized institutions (particularly in rural communities). The decentralization of public utilities has increased efficiency in the provision of certain services, and significant progress has been made in territorial government reform.

The second phase of decentralization was characterized by a progressive shift in power from the government to local authorities, especially as regards the management of land belonging to rural communities. Whereas state representatives previously had the right to vote on a rural council's deliberations, giving them considerable influence, they no longer exercise a compliance control on the measures taken by a rural council. Local plans related to development, planning and natural resource management developed by local authorities must be approved by the representative of the state.

Natural resource management and the fight against desertification have become priorities for the government. This is evidenced by the will to ensure more effective community participation through decentralization of natural resource management, and a bill of 1996 effected a significant transfer of responsibilities from central government to local authorities (there are nine areas of responsibility, including natural resource management).

The institutional framework in Senegal comprises the following:

- Centralized structures whose mission is to develop, implement, monitor and evaluate issues related to national resources and the protection of the environment, and develop appropriate national policies (formulated, for example, by the Ministry of Environment and Protection of Nature);
- Ad hoc steering structures, set up as required, based on needs to coordinate the development and implementation of plans, programmes and strategies related to the environment. Their missions and responsibilities are closely linked to those of sustainable technical administrative structures;
- Decentralized structures constituted by local authorities (regions, communes, rural communities headed by the regional council, the municipal council and the rural council respectively);
- Non-governmental institutions active in natural resource management and protection of the environment (NGOs, foundations, associations, the private sector);
- Training and research institutions, consultant firms and other service providers in the area of natural resources and the environment;
- Cooperation bodies (both bilateral and multilateral) active in the management of national resources and the protection of the environment.

Senegal currently has three kinds of decentralized local authorities operating at the same level of the hierarchy: rural communities, communes and regions. The 1996 legal provisions covering the transfer of responsibilities for management of the environment and natural resources stipulate close-quarter natural resource management by grass-roots communities in order to ensure sustainability, and specify the responsibilities transferred to regions, communes and rural communities. Examples of such transferred responsibilities are:

Regions

- Management, protection and maintenance of forests, protected areas and wilderness areas of regional interest;
- Regulation of grazing and other local measures for the protection of nature;
- Management of continental waters, except water courses that are international or national;
- Creation of woods, forests and protected areas;
- Control of bush fires, including setting up firebreaks and early burning;
- Protection of wildlife;
- Distribution of regional quotas for logging between communes and rural communities;
- Licensing and leasing of hunting grounds, following a decision by the rural council;
- Development, implementation and follow-up of regional action plans or frameworks on the environment;
- Development of specific regional emergency responses and risk management interventions;
- Development and implementation of regional action plans on the environment;
- Creation of volunteer groups for interventions in case of environmental damage, especially as regards the fight against poaching;
- Licensing of land clearing following a decision by the rural council.

Communes

- Prior issuance and authorization of any cutting within the communal perimeter;
- Reforestation activities and creation of communal woods;
- Collection of the quota of fines stipulated in the forestry code;
- Waste management, sanitation, pollution and nuisance;
- Protection of underground and surface water resources;
- Development of communal action plans on the environment.

Rural communities

- Management of forests on the basis of a forest working plan approved by the competent authority;

- Prior licensing of any cutting within the rural community;
- Quota of fines stipulated in the forestry code;
- Setting up and running advisory committees for regulating bush fires;
- Notice of licensing of land clearing by regional councils;
- Notice of licensing for the lease of hunting grounds by the chair of the regional council;
- Management of wilderness areas locally;
- Creation of woods and protected areas;
- Creation and maintenance of artificial ponds and retaining reservoirs for agricultural and other purposes;
- Waste management;
- Measures to improve sanitation;
- Development and implementation of a local action plan on the environment.

In order to support local governments in the implementation of transferred responsibilities, the state transferred the necessary means and resources for the normal exercise of these responsibilities and put at their disposal regional development agencies to offer technical support.

(c) Risks, constraint and opportunities

The decentralized governance of natural resources has become an integral component of the governance structure in Senegal. This evaluation has shown, however, that local governments cannot always fulfil their mandates due to certain constraints:

- Lack of precision in the formulation of certain clauses, resulting in numerous interpretations of the prerogatives of elected officials in land matters and natural resource management;
- Poor involvement on the part of elected officials in effectively taking charge of natural resource management;
- Lack of coordination, harmonization and integration of interventions by different actors, particularly support structures for local development;
- Poor communication between rural development actors and other agents;

- A considerable time lag between the creation of regions and the setting up of regional development agencies, hindering the development of interaction between the different levels of local government;
- Lack of expertise within local government, despite arrangements to put at their disposal technical assistance at the level of decentralized services;
- Lack of financial and logistical means for local government bodies to fulfil their responsibilities in the transferred areas, due to difficulties mobilizing finance from the endowment fund and lack of sensitization on natural resource management opportunities, for example logging and accessing revenue from forest products;
- Visible lack of capacity-building of elected officials, despite the number of efforts made in this regard.

The pace of integration of natural resource management into the overall decentralization is limited by several factors, including:

- The human, material and financial means at the disposal of local institutions and communities are far below the real needs;
- There is continued resistance among some local elite who manipulate legislative and regulatory clauses for their personal gain, especially in the area of land management, and who use their power to unfairly acquire resources, including finances;
- The participatory approach is effectively limited by the precarious nature of the living and production conditions in rural areas, giving rise to a tendency to only invest in actions that are profitable in the short term, which constitutes a major constraint for the functioning of a visionary natural resource management policy;
- Slow mobilization of available funds, due to inefficient utilization of allocation procedures and mechanisms, has given rise to a perception among locally elected officers that responsibilities have been transferred to them without corresponding resources for their implementation, devaluing the decentralization process;
- The state continues to exercise its prerogative on the management of certain natural resources (especially forest reserves and national parks), particularly those classified as having fragile and threatened ecosystems. It would seem advantageous for local governments and riparian populations to be more involved in these reserve areas, with a view to sharing the profits from this conservation activity. Government

policy also aims to involve the private sector more in the management of protected areas;

- Women are highly involved in natural resource management activities, such as reforestation and the fight against soil erosion, but remain underrepresented in local decision-making circles, particularly the rural councils. A result is low levels of land allocation to women by rural councils.

(d) Capacity-building

The success of the decentralization policy depends on several factors, including the capacity of local institutions to assume their roles with adequate financial and human resources at their disposal. As Article 7 of the code on local authorities states, such institutions “should have a proper budget and resources” to satisfy local social needs. This, however, remains a challenge.

Building the capacities of local actors for natural resource management should be strengthened through technical, material, financial and organizational support, including:

- Training actors based on their needs, with the aim of strengthening their expertise and negotiation capacities (particularly women, young people and disadvantaged groups);
- Strengthening local democracy and expanding training to all members of rural councils to limit the potential for a minority elite to capture the opportunities available and to encourage equitable absorption of the financial resources available to local governments;
- Supporting and strengthening partnership experiences between actors, including the facilitation and support of exchange programmes and sharing of experiences;
- Encouraging the establishment of local conventions as a framework for local natural resource management;
- Collaboration between local and administrative authorities with a view to integration of local conventions in the official legal corpus;
- Putting into place infrastructure and other structural elements to facilitate realization of responsibilities transferred by the state;
- Revising the legal corpus at both the national and local levels in order to ensure the legality and legitimacy of local natural resource management frameworks and initiatives;

- Greater involvement of local actors and the private sector in ensuring economic efficiency as well as sustainability in the utilization of natural resources.

(e) Fiscal decentralization

Fiscal decentralization has been slow and largely ineffective. Local governments, for example, are still under the financial supervision of the state, with all financial resources channelled through the treasury, including taxes and fees collected from the exploitation of natural resources at the local level.

The exploitation of natural resources gives rise to taxes and fees that are collected by the state. However, the finances disbursed by the state to local authorities is less than the amount of taxes and fees generated at local level, constituting a loss of potential earnings for local authorities and jeopardizing their ability to ensure sustainability in natural resource development. Major problems include:

- Limited responsibility for taxation and revenue collection transferred to local institutions, and lack of clarity in what resources are taxable and what rates are applicable;
- Continued limited capacity in local institutions, in spite of the national training programme;
- Limited awareness of rights, responsibilities, procedures and processes relating to fiscal matters.

As a result of the above, local authorities have limited funds. Given this, local development has become constrained such that decentralization of responsibility for management of natural resources in some regions is considered a transfer of problems rather than of opportunities.

(f) Lessons and challenges

Decentralization constitutes a challenging and positive measure for Senegalese political authorities, giving increased empowerment to local populations and promoting local governance. Within this framework, the transfer of certain responsibilities in natural resource management has been a decisive step towards more sustainable utilization of these resources.

A number of challenges relate to points previously raised: lack of local resources and capacity; resistance to change among the favoured elite; the tension between

the short-term requirements of the majority of the population, particularly the rural poor, and the long-term goals of sustainable natural resource management; the lack of involvement of local actors in the governance of national forest reserves and parks with threatened ecosystems; and the inadequate representation of women in local governance structures.

Since decentralization and the transfer of responsibilities in natural resource management with a view to improving governance are now integral components of state policy, it is important to correct these gaps in the legal and institutional framework and to carry out capacity-building at all levels.

6. Other countries

The following African countries – Benin, the Democratic Republic of Congo, Eritrea and Mauritania – were not been part of the study that led to the preparation of national reports on decentralized governance of natural resources. However, valuable inputs from these countries were received during the electronic forum.

(a) Benin

Since the decentralization process started in Benin in 2000, there have been a series of development experiences aimed at creating an appropriate environment to further encourage the process. UNDP has supported several initiatives, including the *Registre Foncier Simplifié*, a project promoting the use of a simplified land occupation and ownership registry, and the *Programme Pluriannuel d'Investissement*, a local multi-year investment programme.

The *Registre Foncier Simplifié* enabled regional committees to prepare maps through aerial photography, helping local authorities to more accurately locate different land uses and properties, including plantations, infrastructure, gardens and wells, and to establish direct linkage with their owners. This enabled local authorities to elaborate a taxation system with an ostensibly fair foundation, and a participatory approach encouraged a high rate of tax collection. The taxpayers were given guarantees that the taxes collected would support the development of their own locality through the *Programme Pluriannuel d'Investissement*. The investment programme has a cycle of 15 years, and involves the elaboration and adoption of an annual budget with the full participation of local communities.

In rural areas, the project has also assisted local authorities in identifying key items that can be subject to taxation for local development and environment protection. The Djidja commune is involved in such an exercise. Djidja is a locality where the rate of forest destruction is high, due to wood consumption and the demands of the charcoal market. The taxes collected on wood and charcoal are budgeted to increase the investment capacity of the commune. Taxes have been also defined for the exploitation of other natural resources, such as stone, gravel and sand.

Another project supported by UNDP and the United Nations Capital Development Fund aims to develop a planning framework that increases local communities' skills and investment capacities to help them stimulate the local economy and reduce poverty through decentralized governance. The initiative is currently active in nine decentralized areas. The elected local councils manage communal resources, and all revenues and expenditures must be reflected in the local budget. The revenue of involved communes are local taxes, local charges and fees received, and revenues from local enterprises and services. Involved authorities are called upon to exercise such responsibilities as planning, financing, implementation, monitoring and evaluation in a number of sectors, including health, education, culture, agriculture, transport, industry and trade, investment, the environment and natural resource utilization, land matters, cooperatives, strategic technologies and conservation.

The Decentralization Law gives them authority and autonomy to manage local resources in the interests of their locality. The law establishes how fiscal resources must be used and what the fiscal balance between the central government and the communes must be, based on the division of functions.

In reality, consideration of the environment is not generally at the forefront of local investment plans, and it will take time to mainstream environmental considerations within the decentralization process. To encourage this the Government of Benin adopted in 2005 a Charter of Environmental Governance, which clarifies the role each actor must play to promote democratic governance in resource management. It also explains how elected local authorities can manage power at local level to favour decentralized management of the environment. Through the Benin Country Programme Action Plan, UNDP is assisting the government to disseminate the charter.

Despite all these efforts, local development and sustainable environment management are still not benefiting as they should from the revenues raised from

local resources. The decentralization process is however, still in its early years, and there is still much to be done to ensure efficient fiscal decentralization and equitable sharing of benefits.

(b) Democratic Republic of Congo

The Democratic Republic of Congo is still in transition towards democracy. Experiences have shown that central authorities are ready to transfer authority for governance of natural resources to local authorities only when the revenues from such resources are insignificant. This highlights the risk associated with decentralization in the absence of a clearly defined decentralization policy, supported by trust and transparency on the part of the government.

(c) Eritrea

Eritrea has been affected by post-conflict human and economic crises and drought, and consequently decentralization of natural resource management is not high on the political agenda. The system of government remains centralized and the political environment is not conducive to decentralization or consideration of the principle of subsidiarity.

d) Mauritania

Important biodiversity resources are threatened by the degradation of Kermour forest, arising mainly from unsustainable exploitation by the local communities. The Manantali and Diama dams on the Senegal River pose additional threats as they reduce the flow of water to traditional agricultural lands, and the irrigated rice monoculture they support has not proved as profitable as intended. The Mauritania-Senegal Biodiversity project was initiated to, among other aims, encourage and improve local community participation in the conservation of biodiversity and the management of local resources. The experience to date, based on an assessment of participation of the population in the management processes, indicates that participation of the local population is constrained by a number of factors, including:

- Limited awareness of co-management rights;
- Restricted levels of partnership and the lack of concerted and negotiated vision for the process;
- Inadequate economic incentives for sustainable management of forestry resources.

The main lesson that emerge from this analysis is that the co-management process must involve:

- A concerted social campaign to communicate and explain the management process, roles, responsibilities and rights;
- Initiation of subsequent activities that generate income while encouraging conservation efforts;
- Creation and strengthening of institutions for management that are compatible with the local institutional dynamic.

B. Asia and the Commonwealth of Independent States

1. China

(a) Overview

The People's Republic of China has a population of more than 1.3 billion people, with a natural growth rate of 6.95 per cent in 2000. In 2002, there were about 28.2 million people (about 3 per cent of total rural population) below the poverty line. The total land area is about 9.6 million square kilometres.

(b) Status of decentralization of governance of natural resources

China is a socialist country with a planned economy, currently undergoing decentralization reforms. Based on the constitution, most natural resources belong to the state, and all land is owned by the state or collectively. The government is therefore the main actor in decision-making in the management of natural resources. This is effected through policies, laws and regulations and through programmes formulated by government ministries and other organs of the state.

There is no unified organization in charge of natural resource management in China. Based on the State Council reform in 1998, there are many ministries associated with natural resource management. The Ministry of Land Resources is in charge of management, planning, protection and rational uses of land and marine resources (Departments of Land Management and Planning, National Bureau of Marine Resources). The Ministry of Agriculture is in charge of agricultural zoning, farmland and grassland use and protection (Departments of Animal and Grassland Management and Rural Management). The State

Afforestation Administration is in charge of forest management, forestation, forest protection, desertification control and endangered wildlife protection (Departments of Afforestation, Resource Management and Wildlife Protection, National Desertification Management Centre). The State Environment Protection Administration is in charge of management of pollution control, natural reserve management and construction (Departments of Pollution Control and Nature). The Ministry of Water Resources is in charge of water resource management, water resource planning and soil and water conservation (Departments of Water Resources and Soil and Water Conservation).

Provincial and county levels of government are similar in structure and pattern to central government, with departments or divisions for natural resource management in land, water, forest, grassland and marine resources. Even at community level, there are agencies in charge of land, forest, water and grassland management.

After more than half a century constructing legal systems for natural resource management, there are now 13 laws relating to natural resource management and more than a hundred administrative rules and regulations for enforcement of those laws. However, decentralized governance of natural resources in China is still in its infancy, and is characterized by:

- Minimum land tenure reforms: Contractual periods for land have been extended from 3–5 years to 15 years for farmlands, 30–50 years for grasslands even to 70 years for forestlands;
- Programmes for civil society participation in sustainable development, including the management of natural resources (public awareness and education);
- On the other hand, lack of specific policy on decentralization of natural resource management, or legal and regulatory frameworks for advancing decentralization.

The overall philosophy on decentralized natural resource management is to be cautious, taking one resource at a time and considering different policies for different resources (land, forests, grazing areas, water and wildlife). Taking inland water resources in the northwest drylands of China as an example, overuse for local development in the upper reaches of the Yellow River has resulted in greatly reduced flows in the lower reaches, and even a complete cessation of flow for over 250 days in 1997. In this case, the central government had to step in to offer

development subsidies to populations in the upper reaches in order to curtail water use and thereby avert an ecological crisis.

Reforms started in the early 1980s; over the last 20 years some progress in the decentralization of the governance of resources has been achieved in the land and forest sectors. Longer land contract durations (see above) have given farmers greater incentive to invest, and a subsidy to local forest farmers aims to encourage soil and water conservation and reduce deforestation.

(c) Risks, constraints and opportunities

The biggest challenge for China (and for most socialist states in transition) is the absence of a democratic culture among its citizens, and the associated lack of awareness of their rights and responsibilities in the governance of natural resources.

The issue of land tenure nevertheless remains a major constraint to sustainable land use in China. Similarly, there is little participatory decision-making and distribution of power between central government authorities and local institutions on issues related to natural resources. This emphasizes the role of democratic reforms as a prerequisite to decentralization.

(d) Capacity-building

Capacity-building is a matter of urgency. At present, natural resource management methods are outdated, at both national and grass-roots levels. Planning, information gathering and monitoring are weak, and advanced methodology for natural management and impacts assessment are not in place.

(e) Fiscal decentralization

As part of a process of reform initiated in 1979, a programme of fiscal decentralization has introduced a tax-sharing system between central and local governments and increased local governments' autonomy in determining their expenditure structure. However, local governments tend to invest in industrial projects rather than less-profitable rural development programmes, and fiscal decentralization is yet to have a marked positive impact on natural resource management.

(f) Lessons and challenges

China has many laws and regulations on natural resource management, but they are generally not well implemented. Officials are often more concerned with their own standing than with implementation of the law, and people's awareness of their rights and obligations regarding natural resource development is low.

The present tenure system in China has caused some problems in natural resource development and management. Based on the constitution and related laws, most of the natural resources belong to the state or collective, making it difficult to devolve management and leading to a governance vacuum in many regions and sectors, resulting in serious land degradation (including desertification) associated with deforestation, overgrazing, overuse of water resources and unregulated collection of forest resources for fuel and herb medicines.

Changes to the tenure system cannot take place within the short term, but property rights (for water resources, forest resources and even land resources in the countryside) can be established and could be traded off by market.

The management of different natural resources in China has been attached to different ministries or institutions, and there is no unified and powerful organization for natural resource management. This has caused coordination problems at institutional and regional levels, and between upper and lower reaches of rivers (in such areas as water use and pollution). A harmonized and powerful organization for natural resource management is needed, or much more needs be done in coordinating the activities of ministries, provinces, regions or river reaches.

Reforms are needed in natural resource management:

- To implement laws strictly and to raise public awareness regarding protection of natural resources;
- To establish natural resource property rights and increase awareness of the value of natural resources, opening up the possibility of trading natural resource asset rights in the market;
- To perfect systems for the management of natural resources and to set up a unified and powerful organization to assist coordination among ministries, provinces, regions and reaches;
- To strengthen capacity-building in natural resource management, which include technical training at different levels (central government, ministerial, provincial, county, grass roots), in different sectors (forestry, water resources, grassland, marine), and using different approaches

and channels (training, workshops, television, newspaper, radio). Some advanced instruments and techniques should be introduced for natural resource management through international cooperation.

2. India

(a) Overview

India had a population of approximately 1.05 billion in July 2003. The total land area of the country is 3,287,590 square kilometres. India is conventionally divided into 15 agro-climatic zones. Of these, almost 45 per cent can be considered as falling in the arid, semi-arid and dry subhumid category. The predominant land use is agriculture at 60 per cent, followed by forests at 19 per cent. Sixty-four per cent of the country's population is dependent upon agriculture as its source of livelihood. Other important livelihoods directly dependent on natural resources include animal husbandry and fishing.

India is a sovereign socialist secular democratic republic, the largest practising democracy in the world. The constitution is federal in structure, laying down the division of power between the centre and the 28 states and 7 union territories, and recently further down to a three-tier system of panchayati raj institutions at the substate level.

(b) Status of decentralization of governance of natural resources

Although some attempts towards decentralized governance were made during the setting up of the country's constitution in 1950, the emphasis of the first four decades after independence was clearly on centralized control and management by various arms of the central and state governments. The 1990s, however, saw significant thrust being given to decentralized management of natural resources.

Efforts to decentralize the management and governance of natural resources in India have taken different trajectories. One form of decentralization is administrative, through partnerships between line departments and user groups set up around a particular resource. Such initiatives are to be found in forest management, canal irrigation, tank irrigation and watershed development. Terms commonly applied to such administrative forms of decentralization include joint management, co-management and participatory development.

An alternative form of decentralization is political and involves broad-based devolution of all developmental and natural resource-related governance. This was introduced after the 73rd Constitutional Amendment of 1992, which institutionalized three tiers of local government (the panchayati raj system) at district (usually called zilla parishad), block (various local names, including taluk panchayat, panchayat samiti, mandal praja parishad) and village levels (gram panchayat), collectively called panchayati raj institutions.

A third type of decentralization initiative is a bottom-up form, whereby community-level and civil society actors set up their own systems of community management of natural resources at the village level. There are also in existence some traditional systems, such as cascades of irrigation tanks, in pockets of the country.

In summary, the approaches to decentralized governance of natural resources in India can be categorized into three types:

- State-initiated partnerships, including joint forest management, participatory irrigation management (canal and tank) and participatory watershed development;
- State-initiated devolution (essentially under panchayati raj);
- Civil society-initiated approaches, which are highly localized and may include both efforts initiated by local communities themselves, including traditional systems, and those of NGOs.

The 1992 amendment also added to the constitution the 11th Schedule, which enumerates the powers and functions of the various local-level institutions. This schedule specifies 29 areas over which the lower-level (panchayati raj) institutions have jurisdiction. As regards natural resources, the relevant areas listed in the 11th Schedule are agriculture, land improvement (including reforms, consolidation and soil conservation), minor irrigation, water management and watershed development, animal husbandry, fisheries, social forestry, minor forest produce, drinking water, fuel and fodder, non-conventional energy sources, health and sanitation. The amendment casts a constitutional imperative on all the state governments to come up with appropriate acts detailing the devolution of functions, defining the functionaries and setting up funding arrangements for these three tiers. They were also supposed to amend such existing sectoral laws as the Irrigation Act, Forest Act and Land Revenue Act, in order to bring the allocation of functions in line with the Panchayati Raj Act.

All states have since passed the necessary Panchayati Raj Acts, and at least two rounds of elections to these bodies have been held since 1993 in most states. So, a system of decentralized governance has been in place in India for a decade now. There is some variation from state to state in both the design and the operationalization of panchayati raj institutions, especially since the Kerala and West Bengal governments set them up much earlier.

India is an example of a country where decentralization has been fully accepted both in law and practice, including fiscal decentralization. The review in India points out however that decentralization is a long-term process and a lot more needs to be done. The overall experience is that decentralization does not mean complete handing over of resource ownership. It is the devolution of an adequate set of rights and responsibilities within a framework that permits autonomy on a day-to-day basis, while leaving significant tasks, such as initial boundary identification, regulation and conflict resolution, to higher state organs. In other words, decentralization is seen as a process of moving from highly centralized governance to an appropriate multi-layered governance system. However, experience in India also shows that decentralization is not just about transferring or devolving certain (existing) rights and responsibilities from one institution to another, but also involves changing mindsets about the nature of governance.

(c) Risks, constraints and opportunities

On the face of it, the motivation behind the 73rd Amendment and the Panchayati Raj Acts that followed it is clear; creating democratic and decentralized levels of government and handing to them as many functions and powers as possible. In reality, however, the motivation is limited to decentralizing developmental activities rather than enabling democratic self-governance at the substate scale. Even though all states have passed the required legislation, the details of laws and their implementation leave much to be desired.

An example of the government itself bypassing the spirit and the letter of the 73rd Amendment is the setting up of forest development agencies for channelling of all Tenth Five-Year Plan funds for afforestation from the central government. These agencies are set up in each district, and are entirely controlled by the Forest Department. The local conservator of forests is the president of the village forest council, with a secretary at the level of deputy conservator. Presidents of village forest councils constitute the general body (though they cannot elect these office bearers). Forest development agencies have been modelled on the lines of the district rural development agencies and constitute a parallel structure for fund

flows and planning that completely bypasses the panchayati raj institutions. Clearly, the commitment to genuine panchayati raj is missing not only at the state level but also at the centre.

(d) Capacity-building

The primary experience in India is that state governments have initiated training and institutional strengthening initiatives but not much awareness building has been carried out at community level. This remains a constraint.

(e) Fiscal decentralization

Fiscal responsibility and power is transferred on a selective basis. For example, water committees have no fiscal powers while forest protection committees can use funds from sale of forest products for local (village) development activities. Local panchayati raj institutions generally get funding from the state government and central government either as tied funding (for specific activities) or untied resources to use according to local priorities.

(f) Lessons and challenges

Many of the points highlighted here have been made in various evaluations or assessments or studies of individual programmes. The reasons why they have not been adopted go beyond ignorance or bureaucratic inertia and into the political economy of development; it is no surprise that bureaucracies with a 150-year history of colonial and statist governance might be unwilling to part with control over resources. This unwillingness extends to other levels of the governance system; the states that are vociferous in their criticism of the centre for lack of devolution are often those that are most reluctant to devolve some of their own powers to district- and subdistrict-level panchayati raj institutions.

A larger issue is the contradiction between the idea of decentralized governance of natural resources and the simultaneous espousal of a model of development that is based on industrialization, globalization and privatization. This contradiction has emerged sharply in the recent attempts to draft a national environment policy for India. A state that wants to encourage industrialization and foreign direct investment in, for example, mining or privatization of forest lands for commercial plantations is unlikely to want hundreds of tiny gram anchayats to have their say in the matter of granting mining or plantation leases in forest or common lands. Indeed, there are numerous cases where the 73rd Amendment has been violated when granting such permissions. The same is true when parallel developmental

programmes (such as local area development programmes) are sanctioned by Parliament or state legislatures. Indeed, these cases lead one to the conclusion that the lack of operationalization of these provisions is because of a conscious policy on the part of the states to keep development-related resource decisions in their own hands.

At the local level, village and hamlet communities in India are highly heterogeneous in their cultural identities and occupations and hierarchical in their social and economic organization. This poses an enormous challenge to any effort that seeks to truly democratize decision-making. This also points to the need for judicious campaigning, capacity-building, monitoring and incentive creation from higher levels of the state (while avoiding a patronizing approach towards local institutions). Thus, building a movement for decentralization from state to village has to go hand in hand with building a movement for giving voice to marginal communities and marginal concerns (such as environmental concerns) within village politics.

Finally, it must be borne in mind that the local-level desire for decentralized resource governance is not as clear cut as is sometimes portrayed. The long history of centralized control and patron-client politics militates against an immediate acceptance of decentralized governance at the bottom, because people are used to having the larger state take care of their resources. Movements in favour of decentralization will require careful nurturing. Also, as livelihood strategies diversify and industrialization increases, the role of natural resources in subsistence and livelihood becomes (or seems to become) fuzzier or more distant, and the constraints imposed by natural resources seem less binding. Mobility of household members, especially if it is voluntary, means less opportunity or time for the face-to-face negotiations that collective action theoretically requires. This will not diminish the importance of reforming the system of natural resource governance, but will certainly complicate the task. It also calls for an increased integration of natural resource governance with economic and social development planning as a whole.

3. Kazakhstan

(a) Overview

The Republic of Kazakhstan is located in the middle of the Eurasian landmass. Extending over a territory of 2,725,000 square kilometres, it is the second largest

republic of the former Soviet Union and the ninth largest country in the world. Several natural zones are located in this territory: forest (6 per cent of the territory); steppes (28 per cent); semi-desert (18 per cent); desert (40 per cent); and high mountains at the southern and eastern borders (8 per cent). The republic borders Russia to the north and north-east, China to the south-east and Turkmenistan, Uzbekistan and Kyrgyzstan to the south.

Kazakhstan has nearly 15 million inhabitants (1999 census), 56 per cent of whom live in urban areas. Since 1991, the population has decreased by almost 1.5 million people, due to the social and economic crisis that has produced migration and lower fertility rates. The average population density is 5.5 people per square kilometre. Kazakhs compose the majority of the population (53.4 per cent), although Russians account for a significant minority (30 per cent). The former capital, Almaty, remains a financial, business and cultural centre, with a population of 1.13 million. Astana, the new capital, has a population of 319,000 and is growing rapidly. Kazakh is the official language, but is used co-extensively with Russian.

In Kazakhstan, there are 14 oblasts (regions), two cities with special status and 84 other cities, 39 of which are of national and oblast subordination. Other elements of the administrative hierarchy are rayons (districts), city districts, towns and rural counties.

(b) Status of decentralization of governance of natural resources

Kazakhstan gained its independence from Russia in 1991 and is thus still in transition, undergoing structural and institutional reforms. The constitution, adopted in 1995, made Kazakhstan a unitary state, a principle that determines its organizational structure. The constitution recognizes the rights of local self-government. Bodies of local public administration include the local representatives (of oblasts, rayon and city maslikhtas) and local executive bodies (oblasts, rayon and city akimats and rural akims).

Administrative-territorial division is the organizational, legal, social and economic basis for the system of local government. The administrative-territorial structure in Kazakhstan is distinguished by its traditional division into administrative units of equal status. According to legislation, all rayon, city and oblast administrations (akimats) have equal powers, regardless of their economic potential, population

or size. Exceptions to this rule are Almaty and Astana, whose representative and executive bodies are assigned broader powers by specific laws addressing the status of these cities.

Kazakhstan is divided into the following tiers of local government:

- Third (oblast) level, which includes the local state administrations: executive and representative bodies of 14 oblasts and two cities, Almaty and Astana;
- Second (rayon) level, which includes the local state administrations: executive and representative bodies of 160 rayons and 79 cities of rayon status;
- First (rural) level, which includes the local state administrations: executive bodies of villages (auls) and rural counties.

The Law on Local Public Administration in Kazakhstan was finally passed in January 2001. This law enumerates the major obligations and limits applying to local representatives and executive bodies.

Kazakhstan has a highly centralized system of public administration. The central government therefore plays the central role in the management of local resources, with little responsibility delegated to local representative bodies.

(c) Risks, constraints and opportunities

Given the highly centralized system of governance, there is very little decentralization of governance of natural resources in Kazakhstan, nor is it explicitly identified as a national goal in the constitution. Local representative bodies have little voice in decision-making regarding local resources; nor does the law confer any fiscal responsibility for tax or revenue collection to local authorities.

Local government representatives at all levels are appointed from the top. Correspondingly, representatives are accountable to the persons who designated them, and there is practically no mechanism for ensuring accountability of local authorities to the population. Despite the fact that the constitution recognizes the right to establish local self-government, no adequate law relating to local self-government has been enacted over the last decade. Accordingly, no institution of local self-government operates in Kazakhstan.

The key constraints in Kazakhstan are therefore the lack of legal and institutional reforms or of a democratic culture, two of the basic requirements for decentralization of governance of local resources.

(d) Capacity-building

Given the lack of real decentralization, capacity-building needs relate mainly to national-level awareness raising of the possible economic and other advantages to be gained from a well-managed programme of decentralized governance of natural resources.

(e) Fiscal decentralization

Local authorities in Kazakhstan have little fiscal independence; they cannot fix tax rates or determine a base for taxation. The only exception is the land tax, which local representative bodies have the right to increase or decrease on the basis of land zoning projects conducted in accordance with the land legislation.

(f) Lessons and challenges

In Kazakhstan, absence of the political will necessary to carry out real reforms at the local level impedes establishment of a legislative base capable of ensuring policy, legal and institutional reforms.

4. Turkmenistan

(a) Overview

Turkmenistan is one of the new States within the region of Central Asia, formed in 1991 after the disintegration of the former USSR. The total population is nearly 5 million, over 90 per cent of whom are Turkmen. The average annual population increase is 6.2 per cent. The total land area of Turkmenistan is 49.1 million hectares, with agriculture accounting for 40.3 million hectares.

Turkmenistan is a secular and land-locked state situated in the belt of subtropical deserts and semi-deserts, and as a result experiences severe water shortages. Management of natural resources is accordingly given primary importance in the national strategy of the country.

More than 53 per cent of the population lives in rural areas practising subsistence agriculture, which is a main user of water and land resources. Production targets

for agriculture and livestock breeding are set by the government through action plans developed for every executive and monitoring agency in the field of natural resource management. Even though land users and livestock tenants can express their opinions through the local self-governing body (the gengeshi) and the local administration, the overall management of water and land resources is regulated by the national government.

In order to outline the strategy for natural resource management in the country, the National Environmental Action Plan was developed with the participation of various stakeholders and endorsed in 2002. The plan may be considered a guide to practical actions aimed at realization of state environmental policy, securing the rational management of natural resources and protection of the environment. Domestic measures related to the environment take place within the context of international cooperation, including the ratification of United Nations environmental conventions and programmes and the implementation of several development projects with the support of international agencies.

(b) Status of decentralization of governance of natural resources

As a young democracy the country is still undergoing institutional reforms, which include some decentralization of the management of natural resources. The Cabinet of Ministers carries out the overall governmental management of natural resources, which is regulated by 26 laws and normative acts. The Ministry of Environmental Protection and the Ministry of Agriculture are the main authorized interdepartmental bodies responsible for supervision and inter-branch natural resource management.

Together with the horizontal hierarchy of the ministries and state agencies involved in natural resource management at the national level, the vertical hierarchy is represented by the departments of the ministries and state agencies at the level of velayats (provinces), etraps (districts) and farm unions. A local self-governing body or gengeshi functions in each farm union and represents the will of local inhabitants. Even though the land users and livestock tenants can express their opinions through the gengeshi and local administration, the overall management of water and land resources is regulated by the national government.

It is clear from the above that the central government continues to play the lead role in the management of natural resources and that decentralization is seen as part of the overall democratic process and not a national goal. There is still no national policy or legal framework for the transfer of regulatory responsibilities

to lower-level institutions, and the land tenure system remains highly controlled by the central government. The democratic culture among the citizenry is still rudimentary, with little understanding of their rights and responsibilities in the management of natural resources.

Overall, Turkmenistan has a well-developed legislative and institutional basis for natural resource management, and it is important at the present stage to strengthen the enforcement of existing laws and programmes, securing grass-roots participation where possible. For effective decentralization of the management of natural resources, it will be necessary to also put in place enabling legal and fiscal reforms, and undertake awareness-raising and civic education activities to promote a democratic culture among the citizenry. The immediate priority may be, however, to strengthen existing centralized institutions before embarking on a process of decentralization.

Local natural resource management is undertaken by velayat nature protection boards. These are the local structural subdivisions of the Ministry of Nature Protection. The function of local nature protection boards includes the enforcement of regional-level legislation related to nature conservation.

At the local level, non-governmental ecological organizations participate in environment protection and assist in the management of activities related to nature conservation. Many of these – societies of hunters or fishermen, for example – operate and lobby in specific areas. Non-governmental organizations are founded as associations of citizens acting independently on the basis of their statutes. They are officially registered by the Ministry of Justice in accordance with the Turkmenistan Law on Public Associations and have the rights of a person in law, holding their own bank accounts and entitled to own property.

(c) Risks, constraints and opportunities

A number of factors hinder effective management of natural resources. Enforcement of existing laws is poor and prosecution for non-compliance is hampered by the absence of clearly articulated environmental standards or lack of proper equipment to measure, for example, water quantity or water and soil quality.

Another constraint is the instability arising from ongoing reform in the rural sector as Turkmenistan, still in the early stages of democracy, restructures its

economy. Comparatively frequent reorganization in the rural sector causes a certain frustration among local natural resource users, and local administration is often too preoccupied with agricultural production to pay sufficient attention to environmental protection measures.

As regards the country's international commitments, the State Commission on Implementation of Turkmenistan Obligations under Environmental Conventions and Programmes of the United Nations has been set up but it has thus far made little progress in aligning the activities of the relevant ministries and institutions with United Nations conventions and programmes.

(d) Capacity-building

Among other major constraints to improved natural resource management is the poor scientific and technical capacity of institutions. The education system is more geared to the specialist field of environmental protection than to wider consideration of how to most effectively manage natural resources. Capacity-building requirements include improved managerial skills for decision makers and personnel, increased awareness of rights and obligations among the direct resource users, strengthened scientific and technical skills at institutional level, and development of more effective monitoring and evaluation systems to enable responses to natural resource management issues to have a sounder scientific base.

(e) Fiscal decentralization

The responsibility for taxation and revenue collection is still vested in the central government and respective ministries and departments.

(f) Lessons and challenges

Decentralization of governance of natural resources is not a strategic goal of the country. With remnants of a planned economy and a tribally based social structure, Turkmenistan has taken a cautious approach to economic reform, hoping to use gas and cotton sales to sustain its economy. Privatization goals remain limited. Under these transitory economic conditions, decentralization of natural resource management has not been a priority and has received limited budgetary allocation.

A major factor, particularly in the area of water resource management, is the deficiency of water for irrigation needs. The Amudarya River, the main water source in the country, provides agricultural fields with irrigation water through a highly divaricated network of irrigation canals, the efficient functioning of which depends on proper maintenance and operation of the whole complex system. Presently, the Ministry of Water Economy defines the annual norms of irrigation water for each velayat according to the annual water discharge figure, crop production plans and climatic conditions. Under such a centralized system, it is unclear which functions of water resource management could be decentralized to etrap (district) level.

At the level of farm unions an element of decentralization exists in the form of a local self-governance body, the gengeshi, which is officially entrusted with the management and control of land and water resources within its borders (with the exclusion of granting lands in private ownership). The members of a gengeshi are mandated by the villagers to express their needs and opinions on the village development plan, and can therefore submit their proposals to higher administrative levels. At the same time, gengeshi can manage land and water resources only within the norms and limits set by the Ministry of Agriculture and the Ministry of Water Economy.

C. Arab States

1. Morocco

(a) Overview

Morocco, a country that owes much of its wealth to its two maritime facades and its natural and geographic diversity, covers an area of 710,000 square kilometres. The country's population is approximately 30 million inhabitants, with an average density of 42.25 inhabitants per square kilometre. The population growth rate in 2002 was 1.6 per cent. In Morocco, poverty is mainly a rural phenomenon; according to the World Bank, in 1999, more than a quarter of the population living in rural areas was poor, compared to a tenth in urban areas. Two serious consequences of this are the negative impact of disadvantaged rural populations on natural resources, and substantial rural-urban migration, which has been accentuated by the droughts that Morocco has been experiencing.

The country's economy is mainly based on services (38.6 per cent of gross domestic product), and industry and mining (30.3 per cent). Morocco, which aims to achieve food self-sufficiency, is still experiencing difficulties in launching real growth in the agricultural sector, which only represents 14.2 per cent of gross domestic product.

(b) Status of decentralization of governance of natural resources

Morocco is a kingdom state with two levels of hierarchical territorial government:

- A decentralized level composed of seven economic regions;
- A decentralized level composed of nine administrative regions or wilayas- (Grand Casablanca, Rabat-Salé, Agadir, Fès, Meknès, Tétouan, Oujda, Laâyoune and Marrakech). The nine wilayas include 22 prefectures, further divided into 43 provinces and 1,544 communes, of which 1,297 are rural and 247 are urban.

Decentralization policy in Morocco has been in place since the 1960s but it was only in the early 1970s that the first relevant law was adopted. Various factors have encouraged the process, including the accruing social pressure brought about by the opening up of local decision-making and management processes, and, more recently, the need to respond to the reduction of budgetary resources and to proceed with a longer-term restructuring of the economy.

The first law on decentralization was passed in 1973, giving regions and communes the status of territorial communities. Two constitutional reforms were then instituted in 1986 and 1992. All these measures have increased the responsibilities of the decentralized bodies that perform consultative, decision-making, implementation and follow-up roles at the level of provinces and communes.

The process was, however, not completely operational, as the decentralized bodies did not receive sufficient resources to assume and carry out their new roles and prerogatives. The reality is that these territorial bodies only have a small degree of autonomy in the utilization of the resources allocated, since they are under the supervision of the Ministry of Interior.

A coherent process of decentralization to local and regional levels requires real commitment to the delegation of powers and the distribution of responsibilities between central administrative departments and regional bodies. Following the

principle of subsidiarity, the central authorities should only retain missions and prerogatives that have national scope.

In Morocco, several institutions work on various aspects relative to the sustainable utilization of the environment and natural resources. The Department of Environment of the Ministry of Land Use Planning, Urban Planning, Water and the Environment plays an important role in the development and formulation of national policies, the evaluation of the state of the environment, legal reforms, education and sensitization.

The Department of Environment acts as a coordinating centre for the United Nations Convention on Biological Diversity. In this regard it coordinates policies and initiatives in the areas of biodiversity and natural resources with other ministries, institutions, local governments and interested organizations, including NGOs.

In recent years, a framework for concerted action and consultation for local development in Morocco has been set up with a view to attaining better governance in natural resource management. Institutional mechanisms within this framework include:

- The creation of the National Environmental Council brings together all partners and actors involved in local development (ministries, local governments, industrialists, NGOs, universities). The council was restructured in 1995 to include the sustainable development dimension. Its key mission is to promote environmental protection, while laying particular emphasis on conservation of the ecological balance of the natural environment, the improvement of the living environment and conditions of citizens and the inclusion of environmental concerns in the economic and social development process, with a view to realizing the objectives of sustainable development;
- The creation of a ministerial department in charge of environment in 1992. This is currently based in the Ministry of Land Use Planning, Urban Planning, Water and the Environment. The mission of this department is to give impetus to the transversal integration of the environmental dimension in the activities of various ministerial departments.

(c) **Risks, constraints and opportunities**

For almost 10 years, the state has encouraged the emergence of a participatory approach towards development, though supportive institutional development has

been lacking. As regards water and soil conservation, for example, for many public stakeholders participatory action is reduced to a simple financial contribution by agricultural operators to assist conservation activities, giving the impression that the actual objective is decreased public expenditure rather than a real initiation of credible and responsible institutions representative of public interests.

The promotion of participatory action in the area of water and soil conservation supposes the existence of community structures and institutions, yet numerous problems hinder the creation and vitalization of those very institutions. For example, populations in areas that are undergoing erosion are generally a disadvantaged class characterized by poverty and illiteracy. Also, the progressive transfer of managerial powers from the administrative body to community structures requires a progressive and educational approach as well as the rehabilitation and empowerment of rural populations.

The land system in Morocco is characterized by two parallel regimes that play complementary roles. The first governs land ancestral practices that are inspired by Islam law, according to which rights are enshrined and authenticated by acts of adulation. The second, land registration, was instituted in 1913, and is characterized by public and evidentiary force of registration in the land register. In the process numerous ancestral conflict management mechanisms were abandoned and traditional modes of management of space and society, and by extension natural resources, became questioned. In fact, as is the case with other Arab countries, the Moroccan rural area is still characterized by the presence of a certain traditional social organization that has been in existence from time immemorial.

Regarding the gender dimension, women's participation is considered as essential in all poverty reduction and development strategies. The recognition of the role of women by the public authorities was evidenced by the adoption of the family code in Parliament in January 2004, which is a great step towards the consolidation of women's rights. Nevertheless, women are still underrepresented in various administrative, legislative, associative and private bodies.

(d) Capacity-building

Capacity-building activities involve implementation of the participatory approach on the ground, the promotion of partnerships and the grouping of synergies of actors at different levels with a view to optimizing local human and financial resources. In addition, the interventions of various subprogrammes strengthen and promote the use of sustainable agricultural techniques.

The subprogrammes, on sustainable agriculture and promotion of the participation of civil society in sustainable development, are part of a wider programme of support for environmental protection, natural resource management and the promotion of renewable and alternative energy, and were initiated in 1999 by UNDP and the Government of Morocco. Related projects have experimented with a profit-sharing dimension with a view to building capacity through community mobilization, including setting up a flexible fund system to encourage enabling actions and help create a climate of trust among the concerned populations. This was achieved through the implementation of priority actions identified with populations in response to their socio-economic needs.

(e) Fiscal decentralization

The financial challenges in the area of fiscal decentralization are directly linked to devolution and integration, notions that are still theoretic and very rarely applied at national, regional or local levels. The consequence of the lack of political will to institutionalize the process is a real funding bottleneck. For example, according to the first article of the Communal Charter of 2002 local governments have financial autonomy, but they do not currently have sufficient means to take charge of their own development. The issue of funding rural development seems to be a major hurdle that needs to be crossed for a real development process to be effective at the local level.

External funding remains an important source of finance at the local level. The World Bank, for example, funded the development of a master plan for protected areas (under the Ministry of Agriculture). It also funded the development of two national parks. In terms of environmental conservation and natural resource management, Morocco has access to funding from such international organizations as UNDP, the World Bank and other bilateral organizations, including the German Agency for Technical Cooperation (GTZ) and the United States Agency for International Development (USAID).

(f) Lessons and challenges

The analysis of constraints and problems linked to natural resource management has revealed that development of the partnership dimension is paramount if improvements in local and national governance are to be achieved. This includes interaction between rural communities, institutional stakeholders and civil society actors, and the establishment of mechanisms for access to information, particularly at the local level. Rural development and natural resource management

programmes implemented in the past 10 years have undoubtedly contributed to improving these partnership frameworks. Where concrete synergies have been created among stakeholders, more significant social and economic impacts have been attained and have resulted in greater success in the sustainable use of natural resources.

While greater application of human and financial resources is required in order to ensure the effective participation of local actors, success in this area is also related to the durability of the institutions created, as evidenced by the sustainability and ownership of investments committed. This participation cannot be disassociated from necessary efforts in sensitization through close relationships with the population, advocacy and capacity-building of stakeholders. These are key elements on which programmes should be placing more emphasis. For example, participatory programmes on watershed use and reclamation of bours, supported by UNDP since 1996, show that the addition of capacity-building and advocacy elements to partnerships can enable, through ownership by local actors, the mobilization of additional resources at the national and local levels and from other international cooperation agencies.

However, evaluation of the knowledge and lessons learned from some comprehensive programmes reveals that most of the actions realized have been those that did not pose a problem in terms of acceptability and participation, for example construction of watering points, electrification and development of seguias (irrigation canals), and therefore provide few lessons for governance in natural resource management.

Processes relating to local governance strategies for natural resource management should be progressive, including the implementation of income-generating activities, job creation and other initiatives aimed at improving the living conditions of rural communities. In this way a climate of trust is created, facilitating the eventual ownership of actions for the restoration of the natural environment and sustainable development of natural resources by local actors. These enabling actions should, however, only serve as a lever for integrated actions involving improved coordination between local stakeholders and decentralized departments, in order to avoid sectoral approaches that contribute to even more programmes on sustainable development and unsustainable utilization of natural resources. A local planning approach, through douar (rural village) development plans, should be closely linked to the national planning process.

The mobilization of rural populations is recommended for the achievement of improved governance in natural resource management but should not distract from the role of public authorities in rural development. Delegation of responsibilities to local institutions may be encouraged but they often still lack sufficient capacities, and resources allocated on the basis of limited project cycles remain paltry. They also do not have the necessary mandate to give significant consideration to social and economic components of integrated rural development programmes that include access to drinking water, electricity, and access to basic social infrastructure, which would enable rural populations to take into account the environmental aspects of development.

One of the obstacles to improved governance in natural resource management lies in the administrative centralization that is still present, as well as the rigidity of centralized procedures, despite a legislative and institutional framework that is suited for decentralized management by territorial and local authorities, as is stipulated in the communal charter. With the drawing up of state-region contracts new decentralization perspectives for natural resource management are being defined, though territorial authorities should be encouraged to be more actively involved in the mobilization of local financial resources and alternative means of decentralized cooperation. This implies greater flexibility in institutional and financial credit set-ups for programmes geared towards decentralized natural resource management.

Despite efforts made to improve coordination between the various departments involved in supporting sustainable development and integrated natural resource management policies, there is still considerable sectoral compartmentalization. Administrative reforms are needed if true local management of natural resources, involving full ownership of land conservation initiatives by local development actors, is to be achieved.

D. Latin America

1. Bolivia

(a) Overview

Bolivia is a relatively large country of 1.1 million square kilometres, about twice the size of France. The population is about 8.5 million, with very low density and

a growth rate of about 2.4 per cent. About 83 per cent of the population live in 107 municipalities, of which only 19 have populations over 50,000. In Bolivia “municipality” means city, town or rural area. The country has 37 ethnic groups and 10 language families, making it difficult to manage the territory from the capital and increasing the need for a decentralized system of governance.

Bolivia is rich in various natural resources, including natural gas, land and water, which can be a source of conflict. Ranked by biodiversity, it is one of the top 10 countries in the world.

The poverty incidence is relatively high. Official figures rate 58.6 per cent of the population as poor, on the basis of housing, water, sanitation, fuel, education and health. Gross domestic product per capita is \$2,460 per annum.

(b) Status of decentralization of governance of natural resources

Bolivia is implementing real decentralization of power and financial resources to municipalities. The Law on Popular Participation of 1994 decentralizes authority to the municipalities, gives authority to local actors and grants powers of decision-making and participation in certain elements of administration of state financial resources (though, at the start of the process, this was accompanied by a certain misuse of funds, with municipalities investing in, for example, inappropriately expensive vehicles). Indigenous groups, peasant communities and neighbourhood groups play a prominent role in decision-making, for example as regards investment priorities.

The decision-making process and distribution of power between central government and local authorities is based on a set of rules and procedures, and the provision of incentives to municipalities. For example, in forest management, the central government provides incentives aimed at discouraging deforestation, including tax rebates. An important principle of the decentralization process is the application of local knowledge to the management of local resources. Traditional modes of use of assets such as water, including communal and open access, are preserved, and local management is an incentive to user solidarity.

(c) Risks, constraints and opportunities

A major problem in Bolivia is the implementation and enforcement of rules and regulations relating to management of natural resources. One of the main reasons for this is lack of capacity, with many local institutions lacking awareness of correct management and planning techniques. For example, many districts

and prefectures have not developed strategic development visions, as stipulated in the rules and regulations related to decentralization.

d) Capacity-building

In spite of the wide powers transferred to the municipalities, in practice they remain ineffective, and capacity-building at all levels is required. Key issues include lack of qualified personnel for planning and fiscal management, and little real institutional capacity for planning and implementation.

(e) Fiscal decentralization

Fiscal decentralization is built into the Law on Popular Participation. It allows for the management of natural resources at the local level to generate revenues, which should be used for local economic development. The expected impact of this is the empowerment of the poor, particularly the indigenous populations; it also serves as an incentive to municipalities to conserve the environment. The challenge, however, is again to build capacity for ensuring effective management of these local resources and fiscal management for local development.

(f) Lessons and challenges

- Bolivia has established various principles for the integration of the management of natural resources into the national agenda. However, these have not yet been properly applied to or reflected in natural resource management on the ground;
- Under the Law on Popular Participation, all sectoral and institutional planning at the local level should integrate participatory approaches. Participation is, therefore, an instrument of planning established by law. However, levels of real participation are still low, though the role of grass-roots organizations is increasing;
- Sustainability is an important principle of governance of natural resources. Bolivia suspended all forest exploitation for five years in 1990 in recognition of its unsustainability. In the same year an environment fund was established. The Environment Law was passed in 1992, and the world's first Ministry of Sustainable Development was established in 1993. The state has adopted sustainability as a concept that orients national actions and is part of its structure and norms. This is seen as the way to generate income and employment based on environmental services and the use of local natural resources;

IV. The way forward

A. Guiding principles and approaches to decentralization of governance of natural resources

- Ensure that decentralized governance of natural resources is supported by government commitment and political will. The decentralization process needs to be country and people driven and not externally motivated or part of donor conditionalities.
- Be wary of the rhetoric of participation, decentralization and good governance being used by governments and donors to attract funding for natural resource management projects and programmes. There is great need for rigour in the use of these terms, particularly as the situation on the ground often does not correspond to the conceptual language. Associated with this is the need to encourage rigorous analyses and evaluations of ongoing natural resource management programmes to understand fully their impacts and shortcomings, and to give such analyses a voice in various forums and platforms.
- Focus support on the right kind of decentralization. Namely, that which includes changes in the objectives of governance towards sustainability, equity and democracy; which is statutory and citizenship based; which grapples with political economy at all levels; which is multisectoral; and which leads to multilayered governance.
- View decentralized governance of natural resources not as a project or programme but as a radical change in the system of governance that requires a change in mindsets at all levels. Investing in support for democratization processes such as civic education, legal and institutional reforms and capacity-building for local government institutions and communities promises the best returns in terms of impacts.

B. Areas where countries have expressed needs

1. **Support for reforms to national decentralization policy and the legal framework**

Such support could improve capacity to put in place laws, regulations and mechanisms for power sharing between the various levels of governance.

China

The present tenure system (collective or state ownership of land) is not conducive to decentralization. Legal and institutional reforms should aim to:

- Encourage strict implementation of laws and raise public awareness of the need for protection of natural resources;
- Institutionalize the economic value of environmental protection, establishing natural resource property rights and enabling market trading of those rights;
- Improve natural resource management systems by setting up a unified and powerful organization for natural resource management, able to coordinate the activities of ministries, provinces, regions or river organizations.

Turkmenistan

Currently, decentralization of natural resource management is not a strategic goal of the country. With the remnants of a planned economy and a tribally based social structure, Turkmenistan has taken a cautious approach to economic reform. Support to institutional and economic reforms should therefore be a priority before decentralized governance of natural resources can take place.

2. **Support for institutional reforms**

National and local institutions (parliaments, district councils, village committees) serve as the primary mechanisms for power transfer. Experience from most countries indicates that these have been undergoing reforms to accommodate democratic and participatory principles. Institutional reforms, however, are an ongoing process, and there is need for continuous learning and refinement to identify shortcomings. Examples from selected countries follow.

Ghana

- Key central government institutions need to be accountable to district assemblies;
- The environmental mandate of the district assemblies needs to more explicitly defined;
- Continued domination of key natural resource management appointments by the central government does not encourage democratic governance and needs to be reviewed.

Ethiopia

- There is a need for institutional reforms due to the failure to fully establish institutional mechanisms prescribed for the implementation, monitoring and review of the national environment policy, which has led to a lack of strong linkage between policy and strategy formulation at federal and national regional state levels and activity planning at local community level.

Lesotho

- The progress made since the 1998 disturbances to consolidate the principle of democracy needs to be reflected in processes related to political, administrative and financial decentralization;
- There is a need to assess how the two-tier system of governance of natural resources (customary and modern) can be modified so that it is conducive to successful natural resource management and sustainable development;
- The Law Reform Commission must accelerate its work on gender issues, particularly the marginalization of women, which prevent communities making full use of the economic opportunities presented by natural resource management.

India

- Reforming local and state-level institutions (panchayati raj institutions) is essential if decentralization of governance of natural resources is to be effective. Supporting a few progressive state governments to pilot such approaches may be a feasible strategy;
- There is a need for rationalization of the often complex and conflicting laws related to natural resource governance in order to put in place sound enabling legislation. Again, state-level pilot projects might be the best way forward.

3. Support for national decentralization policies and laws

Morocco

One of the bottlenecks obstructing decentralized governance of natural resource management lies in the administrative centralization that is still present, as well as the rigidity of centralized procedures, despite a legislative and institutional framework that is suited to decentralized management by territorial and local authorities.

Kazakhstan

The constitution recognizes “right and actual capability of self-government bodies to regulate a considerable part of public affairs and to manage it, acting under the laws, on their own responsibility and in the interests of the local population”. In practice, this does not happen: authorities have little accountability to the general public, and community involvement requires stimulation in order to improve provision of public services. The absence of political will to carry out real reforms at the local level impedes establishment of the legislative base necessary for such reforms.

Despite the fact that the constitution recognizes the right to establish local self-government, no adequate law on local self-government has been enacted over the last decade. Accordingly, no institution of local self-government operates in Kazakhstan. Implementation and enforcement of existing laws must therefore be the starting point.

4. Capacity-building for management of natural resources

Capacity-building in civic education, skills, institution strengthening and marketing for local communities and institutions is a prerequisite for decentralization (including for fiscal decentralization). Key areas of concern include:

- Limited capacity for financial management in local institutions, including budgeting and planning for local development;
- Lack of or weak mechanisms for sharing of benefits (particularly in respect to representation) to ensure transparency and accountability;
- Inadequate data and information to facilitate planning and budgeting at local level;

- Limited institutional capacity in central authorities and local institutions to ensure effective monitoring of fiscal management of taxes and revenues, opening the way to corruption and mismanagement.

Ethiopia

Ensuring that natural resource management institutions in general and local-level government and institutions for the people in particular have adequate capacity and resources to carry out effectively their newly acquired powers and responsibilities remains one of the biggest challenges. The professional, technical and administrative human power they require needs to be met. This can only be achieved if all stakeholders (government, civil society, private sector) take concerted action to tackle and solve this constraint.

Lesotho

As regards the involvement of communities and other local-level structures:

- The greatest challenge is to have the patience and commitment on the part of both the government and development partners to let the people lead and fully participate in processes of natural resource management, harnessing latent knowledge and information;
- To facilitate this, laws and other legal documents written in the local language must be available and accessible, coupled with a concerted public information campaign.

Senegal

Building of technical, material, financial and organizational capacities of local actors could be strengthened through:

- Training of actors based on their needs, with the aim of increasing their expertise and negotiation capacities (particularly women, young people and disadvantaged groups);
- Reinforcing local democracy and extending training to all members of rural councils to avoid a minority group of local elite capturing resources and opportunities and making more likely the distribution of resources according to principles of equity.

5. Support for data collection, monitoring, and development of indicators

Mali

One of the major objectives of the national policy on environmental protection is reduction of poverty through the promotion of environmental protection and sustainable use of natural resources. Performance indicators on follow-up activities, results and impacts are lacking, and require the collection of reliable spatial data over regular time intervals. A national system of environmental information management, with properly archived and accessible data, is a priority.





Annexes

Annex 1. Glossary of key terms

Natural resources include non-renewable resources such as minerals, fossil fuels and fossil water; and renewable resources such as non-fossil water supplies, biomass (forests, grazing resources) marine resources, wildlife and biodiversity. This study focuses on renewable natural resources.

Sustainable management of natural resources is maintenance of the services and quality of the stock of natural resources (natural capital) through utilizing renewable resources at rates less than or equal to the natural or managed rate at which they regenerate, and optimizing the efficiency with which non-renewable resources are used, subject to substitutability between resources and technological progress (IUCN Sahel Studies, 1989).

The governance of natural resources refers to the process of formulation, articulation, administration and implementation of policies, legislation, regulation, guidelines and norms relating to ownership, access, control, rights, responsibilities and practices for the management of natural resources at local or national levels.

Local governance comprises a set of institutions, mechanisms and processes through which citizens and their representative groups can articulate their interests and needs, mediate their differences and exercise their rights and obligations at the local level. It requires partnership between national and local governmental institutions, civil society organizations and the private sector for participatory, transparent, accountable and equitable service delivery and local development. It necessitates the empowerment of local governments with authority and resources and building their capacity to function as participatory institutions that are responsive and accountable to the concerns and needs of all citizens. At the same time, it is concerned with the strengthening of grass-roots

democracy and empowerment of citizens, communities and their organizations (such as community-based and non-governmental organizations) to participate as equal partners in local governance and in the local development process.

The decentralized governance of natural resources at the country level refers to the process of transferring some of the decision-making powers and responsibilities (fiscal, administrative, legal and technical) from national to subnational institutions at provincial, district, city, town and village levels. It implies capacity-building for management of natural resources.

Mainstreaming governance of natural resource management refers to the process of integrating natural resource governance concerns and issues into the local and national decision-making, planning and implementation processes. The aim is to ensure that these concerns receive the consideration and priority they deserve during the formulation, articulation, administration and implementation of policies, legislation, regulation, guidelines and norms, and of programmes and projects for the management of natural resources.

Livelihood is the means for securing the necessities of life so that individuals, households and communities make and sustain a living over time, using a combination of social, economic, cultural and environmental resources.

The land tenure system is the system of laws and regulations governing land and resource ownership, access and user rights. Natural resources are generally owned or administered by the highest sociopolitical level (the tribe, the ruler, the government), and rights of access and use are then decentralized down the hierarchy to lower levels of social organization (provincial, district, village, community and individual household levels). The lowest social level for ownership and control determines the rights to access and use of the resources.

Participation in natural resource management is the direct involvement of local communities in decision-making, priority setting, planning and implementation of natural resources management programmes and projects.

Integrated management recognizes the need for a holistic approach to land use planning. Essentially, the system must involve the key stakeholders for land use in all sectors (agriculture, forestry, water, livestock, wildlife, etc), and take into account the various opportunities and constraints related to land use, including the institutional environment. A linkage with the development planning process is essential.

Annex 2. Country specific case studies

1. China: Conversion of Farmland to Forest project

Relevance

This case study demonstrates the risks associated with zero involvement of local farmers in decision-making in a centralized system of governance.

Project profile

The Conversion of Farmland to Forest project started in 1999, following the floods of 1998. It aims at increasing the national forest cover to improve the environment. The project plans to return 5.3 million hectares of farmland to forest or pasture in 10 years (the project end date is scheduled for 2010). It began with pilot activities in Shanxi, Shaanxi and Gansu provinces in the first three years. In March 2000 it was extended to 17 provinces.

Target activities

These include planting trees and grass on 8 million hectares of barren land or mountain in 25 provinces. When the project ends, a total of 74 per cent of farmland with a slope degree of over 25 per cent in the upper reaches of the Yangtze River and Yellow River and 46 per cent of desertified farmland is expected be returned to forest.

Implementation approach

The planning and implementation is carried out by a special office set up in the State Afforestation Administration, with sub-offices set up in each province and

county in charge of planning, provision of technical interventions, quality control, sharing of benefits and monitoring.

The government pays the farmers to give up land for tree planting through a grain subsidy to households: 1,500 kilograms per hectare in north China and 2,250 kilograms per hectare in south China (Yangtze River valley). A special seedling subsidy of 750 yuan per hectare is also provided as a one-off payment. The households receive these subsidies only when the area to be planted is prepared and quality standards are met. The form of payment was grain before 2003 and has been transformed to cash since 2004.

Rules and regulations

For successful implementation of the project, a series of national documents and special regulations for conversion of farmlands to forest was prepared by the State Council. These include regulation (2002), policy (2000) and tax policy (2000) on reversion of farmland to forest.

Main results and experiences

The environment has been improved and the forest cover has been increased by 2 per cent. Soil erosion in some regions has been controlled. At Longmen hydrology station on the Yellow River, sediment has been reduced from 448 million tons in 1998 to 235 million tons in 2002. Farmers' incomes have also increased. More than 20 million households with a population of 97 million in the project area have benefited from the subsidy.

Problems and lesson learned

- The grain subsidy in the project has lowered the productivity of cropland in some areas, especial in the Yangtze River valley. In some regions, farmers are not willing to give up their arable land to forest;
- At present the subsidy period is 5 to 8 years; once that has concluded, forest cutting may recommence if productivity falls below that obtained from arable use of the land.

2. Ethiopia: Integrated Forest Management project, Adaba-Dodola

Relevance

Promoting forest dweller associations through decentralized governance of local resources.

Project profile

The project, targeting over 20,000 forest dwellers, commenced in 1995 with the assistance of the German Agency for Technical Cooperation (GTZ). The partners are the government of Oromiya offices at regional and woreda levels, GTZ, peasant associations in the project area and local communities. The project aimed to counteract forest degradation due to human and livestock encroachment.

Target activities

The project strategy was to promote the setting up of forest dweller associations (waldayaa jiraatoota bosonaa; WAJIBs) and guarantee them with rights accompanied by certain responsibilities. The expected outcome was the establishment of self-managed and self-reliant WAJIBs as primary organizations in local forest management.

Implementation approach

Until 1997 enormous resources were spent on a wide range of forest conservation activities, including support for village development, preparation of good conservation rules, awareness raising, patrolling, confiscation, enrichment plantings and area closures. However, the results were generally disappointing. Eventually, an approach was developed in Oromiffa that involved setting up forest dweller associations or WAJIBs. The forest administration and the representatives of each village surrounding the area identified the forest border and divided the forest area into blocks. For each block 30 households were organized into a WAJIB on 360 hectares of land, with each family having a right to 12 hectares. WAJIB members were granted exclusive use rights to wood and other forest products. There are now 19 WAJIBS that take decisions on forest matters independent

from the peasants associations, though WAJIB members are also members of the associations.

Each WAJIB signs a forest block allocation contract with the government, contractually securing the right of settlement in the forest and exclusive user rights for all forest products. The WAJIBs have full liberty to determine the management of their respective forest blocks, based on their internal regulations. In return, the WAJIBs have to maintain the tree cover, be responsible for not allowing more households to settle and pay an equivalent of \$1 per hectare per year on the areas not covered by forest as rent to the government. Of this payment the peasant association retains 40 per cent and the remainder goes to the forest administration. The forest administration has the right to access the forest areas under the WAJIBs and to call WAJIB meetings whenever it deems necessary. It also has the obligation to provide technical and organizational assistance, carrying out tree cover assessment and settlement censuses and defending the interests of the WAJIBs.

Under the forest block allocation contracts, sanctions apply in the event of certain failures on the part of the WAJIBs, including significant reduction in tree cover, non-payment of rent, the presence of excess settlement and allowing non-members to use the forest. The WAJIBs themselves have further developed their own by-laws so that non-adherence may lead to application of sanctions varying from financial penalties to expulsion from the WAJIB. Private nurseries and tree planting outside the forest are promoted as supplementary measures in order to reduce the pressure on the natural forest.

The success of the WAJIB approach has influenced the Oromiya region's forest management policy. The regional law issued in 2003 has recognized integrated forest management as an important and viable management approach.

Lessons learned

- The Integrated Forest Management project has shown that decentralization of natural resource management can create an opportunity for communities to use their innate capacity, take over the conservation of forests and other quasi-common goods and apply their extensive indigenous knowledge towards appropriate management activities;
- The project demonstrates that decentralization of natural resource management may result in changed relationships between local

authorities and communities. For example, the role of foresters has changed from policing to advising, thus eliminating the need for forest guards;

- The project also shows that democratic decentralization and devolution of natural resource management to local level can result in empowerment of community-based institutions and ensure the participation of local people, an indispensable ingredient for sustainable management;
- Government authorities at all levels need to accept the democratic nature of a bottom-up approach to devolved natural resource management and must be willing to provide the necessary policy and legal measures that secure area boundaries and access to the natural resources within such boundaries for the concerned communities;
- Income-generating activities besides the use of wood are important mechanisms for further reducing the pressure on forests. Diversification (modern bee-keeping, medicinal plants) can provide a wider range of incomes and enable greater absorption of population growth within communities. However, such growth may pose a long-term threat to sustainability without general economic development.

3. Ghana: Administration and management of Gbawe Kwatei family customary land

Relevance

An approach to capacity-building involving institutional support to local decentralized institutions.

Background

A component of the national Land Administration programme, this project seeks to support customary land administration, mainly through establishment of a customary land secretariat, demarcation of customary boundaries, improving security of tenure, and streamlining the process of land acquisition in the customary sector.

A beneficiary of this programme in the pilot phase is the secretariat of the Gbawe Kwatei family. The family owns about 4,050 hectares by customary principles in

the western suburbs of Accra, the national capital, where pressure on the hitherto rural land has grown substantially as a result of urbanization.

Implementation approach

Traditionally, the Gbawe Kwatei family is headed by the gyasetse, the family head, but is ruled by the chief, who acts in consultation with a council of elders and is responsible for the day-to-day administration of the land with the wulomo, the spiritual leader, playing a coordinating role. In a modified arrangement encouraged under the Land Administration programme, there is a land committee headed by the chief acting on behalf of the gyasetse with the support of the Customary Land Secretariat. The secretariat is made up of several staff, including an administrator in charge of public affairs, an information technology officer, an accountant, a planning officer and a land inspectorate officer. The aim of the project is to strengthen this secretariat in order to improve the quality of service delivery in family land management through simplifying processes and clarifying rules and procedures.

Experience

The Land Administration programme sponsored training in basic land law, land title registration procedures, customary land structure, development control, arbitration and alternative dispute resolution mechanisms. This has enhanced the administrative and management competency of the secretariat staff. The provision of an office furnished with computers and other technical equipment under the pilot scheme has further strengthened the service delivery capacity of the secretariat.

Lessons learned

The key lesson learned is that a decentralized system founded upon a blend of traditional and modern precepts, together with participatory approaches, holds promise for improved governance of natural resources and should, therefore, receive priority support in the search for optimal ways of sustainably using these resources for poverty reduction and improvements in livelihoods.

4. India: Community-initiated decentralized governance

Relevance

Example of institutional design and functioning of community forestry systems

Comparison of community forestry institutions		
Factor	Characteristics	
	Orissa forest protection groups	Kumaon van panchayats
1. Nature of local community involvement	Variable: council of elders, youth clubs, forest protection groups, occasionally women's groups	All residents holding certain historical land rights are members, who elect council of 3 to 9 persons, who then elect the president
2. Scale and scope of organization and its control	Ranges from group of households to hamlet, revenue village(s), size 10–100 hectares, initially set up in protected forests/khesra (revenue lands) and later social forestry woodlots	Ranges from one hamlet to several contiguous villages, and 1 hectare to 2,000 hectares. Can be carved out of any kind of forest land within the village boundary and are then formally converted to van panchayats
3. Nature and extent of rights and responsibilities	Forest protection, extraction and sale of firewood, grazing, leaf litter collection, timber for domestic purposes, non-forest timber product rights vary	Forest protection, grazing, extraction of firewood and leaves, plus timber (now curtailed), slates and stones, charging fees for grazing and firewood, power to fine or prosecute offenders; non-timber forest product and resin sale requires the Forest Department's permission
4. Security and clarity of tenure	Old ones set up without legal support, but de facto the control (being on non-reserved forest lands) is fairly secure; later ones set up under village forest rules of Orissa Forest Act 1972 are more secure; enormous confusion and uncertainty after advent of Joint Forest Management (JFM); significant ambiguities and disputes about boundaries	Highly secure, as they were formed under Kumaon panchayat forest rules, 1931. Security declined after JFM orders passed. Disputes over boundaries have increased as older survey settlements became superseded and old records overwritten, lost or inaccessible
5. Role of higher-level bodies	Initially no role; Forest Department role has increased after many forest protection groups formalized under JFM (mostly due to pressure from Forest Department) in last few years	Originally, van panchayat was answerable only to Revenue Department. Since 1976 revision of rules Forest Department control has increased significantly, and overall red tape and interference in van panchayat affairs has increased dramatically
6. Internal rules to ensure efficiency, equity and sustainability	Often thengapalli (voluntary patrolling) or paid watchman, elaborate rules for extraction and penalties for violation, enforcement through social sanctions (because no legal backing). Equity is often limited, especially in terms of who gets excluded (such as poor head loaders)	Generally well-developed and enforced rules and norms regarding firewood collection and grazing, protection, fire control, preventing encroachment, equitable sharing within and across villages
7. Democratic functioning, downward accountability and representation	Varies: many cases of limited or no democracy (because of traditional decision-making structures), elite capture, others more democratic (where local NGOs or youth clubs have been involved). Women's voice limited	Democratic within the limited (landowning) and male membership; in some cases women have begun to participate. Post-1976 revisions concentrated more power in van panchayat president (sarpanch) hands

Comparison of community forestry institutions		
Factor	Characteristics	
	Orissa forest protection groups	Kumaon van panchayats
8. Conflict resolution	No formal mechanism, but district-level forest protection group federations have often played a role	Have recourse to deputy commissioner of Revenue Department, in recent decades this support has been inadequate
9. Fiscal arrangements and financial support	None, till advent of JFM, under which financial support is being offered. However, several forest protection groups were formed after social forestry plantations were created in the 1980s, or have made use of these plantations as well	Originally, no financial support or taxes. After 1976, van panchayat has to share 60 per cent of its income with government; even remaining funds are controlled by subdivisional magistrate or deputy commissioner. Under JFM funds are being offered, while original van panchayat funds remain inaccessible
10. NGO involvement	Some forest protection groups are initiated by local voluntary groups (such as youth clubs) or NGOs. Other larger NGOs have played important role of supporting the groups through publicity, advocacy, etc.	Quite limited
11. Lateral linkages	Have formed several federations of their own, and also recently formed a state-level forum	Have formed district-level associations, and recently a state federation (mainly to deal with the conflict with JFM)

A unique feature of the van panchayats (and some of the Orissa forest protection groups set up under village forest rules) is the simultaneous legal status and tenurial security they get because the land and the institution are simultaneously notified. Equally noteworthy is the fact that the van panchayat system is available on demand, as the concerned authority has to respond to any request received within a stipulated period, call for objections, notify the boundaries and hold a meeting to elect the council members.

This case study serves to demonstrate that community-initiated efforts are of course not flawless in their design. In particular, inter-group conflict resolution is a major issue. However, this in turn points to the need for adequate recognition and higher, state-level support. The contrast between the original van panchayat system and the Orissa forest protection groups clearly demonstrates this. The increasing cases of litigation and conflict in the van panchayats over time (especially after the 1976 modifications to the rules) also show how inadequate or misguided state support and bureaucratic interference can spoil a well-designed system.

5. Lesotho: Strengthening the National Environment Secretariat

Relevance

Strengthening the national authority for coordinated implementation and enforcement of decentralization policy, laws and regulations.

Project strategy

The project sought to address deep-rooted problems of environmental management in the country as a follow-up to the principles of Agenda 21 and the National Environmental Action Plan prepared with UNDP assistance in 1994 after the Rio Earth Summit. The main objectives were:

- Strengthening national capacity for environmental management;
- Promoting the coordination of environmental protection and biodiversity conservation measures;
- Improvement of liaison both within government and between development agencies and NGOs;
- Stimulation of a more dynamic outreach programme of environmental awareness.

The overall project goal was to strengthen environmental coordination at both national and local levels. Specific objectives included:

- Management and coordination capacity enhanced;
- Environmental standards and reporting systems developed;
- Environmental concerns integrated into planning and development processes.

Results and experiences

The project was generally successful, although it experienced some problems:

- A five-year institutional capacity-building plan was produced and costed but did not receive the required funding for implementation;
- Networking and collaborative management was established with research institutions both within and outside Lesotho. For example,

the National Environment Secretariat was instrumental in establishing the Southern Africa Environmental Education Network;

- Some but not all standards were produced.

Problems and lessons learned

Problems included:

- The project was overambitious. Many government institutions did not cooperate and in the absence of legal instruments, the National Environment Secretariat remained toothless. There was a high turnover of experienced staff, impairing institutional memory;
- Low national priority is given to environmental issues, partly as a result of the political disturbances in 1998, which demanded a redirection of attention to stabilization of the situation and a return to democracy. In the meantime environmental issues were aggravated by continued drought, poverty and HIV/AIDS.

Lessons learned included:

- Care needs to be taken to avoid designing overambitious projects and making assumptions about the cooperation of other institutions;
- Effective environmental coordination requires an authoritative institution with a legal mandate and resources to ensure compliance;
- When other seemingly more pressing national priorities emerge environment can become the first victim.

6. Mali: Improvement by the peasant organizations of Kita circle forests

Relevance

Capacity-building and strengthening of local institutions for co-management of local resources.

Project profile

- Target population: 95 villages with a population of 116,342 inhabitants;
- Total budget: 1,400 million FCFA;
- Partners: Malian State, Norwegian Government, UNDP and NORAD (Norway).

Objectives

- Putting in place the necessary conditions for long-term management of forest resources in Kita circle;
- Long-term improvement of the population's incomes and a long-term increase in the number of jobs;
- Strengthening of stakeholders' skills (producer organizations, technical departments);
- Production of duplication tools for the methodology developed by the project.

Identified problems

- Loopholes in forest control, including weak organization in the wood sector leading to unchecked use of resources;
- Heavy pressure on the forests (extension of cotton fields, transhumance herds);
- Resistance from the populations to allocation of large areas for forests in the protected areas;
- Cultivators intruding in classified forests and degradation of the biological diversity.

Intervention strategy and approach

- A participatory approach and upward planning through forest work development;
- Strengthening the institutional capacities of rural forest management institutions (organization, training).

Project activities

The main activities of the project were:

- Organization of the logging sector and reinforcement of institutional capacities through establishment of training services;
- Rational use of forests through fixing of quotas;
- Improvement of people's living environment;
- Capitalization on the project results so that it can be duplicated in other areas of the country.

Summary of main results achieved

- Training of communities in conservation-related activities;
- Creation of 95 cooperatives and 6 unions of wood producers;
- Implementation of a process that will make the wood producer unions self-sufficient;
- Creating controlled rural wood markets (supply on a quota basis);
- Setting up a wood traders and transporters organization (non-operational, however);
- Institutionalizing an annual meeting that will fix quotas and the signing of an annual forestry contract between the Nature Conservation Department and the wood development organizations in conjunction with the mayors and the administration of the locations concerned;
- Equipping forest operators within the framework of the Employment Intensive Investment Programme;
- Setting up forestry seedbeds at village level;
- Reinforcement of forestry control through institutional support in aid of conservation;
- Devising development programmes and management plans for seven classified forests;
- The signing of a contract with the Mali Textile Development Company (CMDT) for the provision of information to the Kita Nature Conservation Department relating to cleared areas and the non-training of cultivators operating out of the cultivation zones in classified forests;
- Completion of the main supply diagram of Kita town;
- Setting up a fund to avail working capital to stimulate wood development activities;
- Creation of a forest investment fund and a village development fund;
- Media innovation, for example production of a documentary on project activities and drama events related to land clearing, experiences of

unexpected bush fires, forest development, the creation of rural wood markets and carbonization.

Key lessons

The participation of the populations in forest resource conservation through legitimate representation recognizes their right of ownership to forest resources. Indeed, only legitimate representation can enable:

- Community compliance with rules, directives and regulations;
- Effective management of conflict between different spheres, for example the forestry and farming communities;
- The development of social dialogue allowing definition of priorities and the proper management of local development through a concerted and consensual procedure.

7. Morocco: Rural development in mountainous areas of Al Haouz province

Relevance

Addressing issues of inequality in local resource development.

Project profile

The project on the Rural Development of Mountainous Areas of Al Haouz province is part of government policy to reduce inequalities between regions and between urban and rural areas. This project was implemented within the framework of the law on the development of rural areas. Project implementation is based on the principles of sustainable development, focusing the strategy on decentralization, integration and participation of the population. The project is based on a participatory approach centred on consultation and a system of partnership.

Project objectives

The general objectives of the project aim at strengthening management and local development capacities of mountain populations so as to improve their income

and to try and ensure food security, while achieving sustainable use of natural resources. Specific objectives are to:

- Strengthen associations' capacities of self-management;
- Improve production conditions, increase and diversify agricultural income of target groups;
- Improve living conditions of populations while facilitating their access to basic socio-economic infrastructure;
- Facilitate in a sustainable way access to financial services by poor populations and particularly women;
- Promote sustainable natural resource management.

Capacity-building and the promotion of local development

Diverse activities relative to this component have as a common factor the implementation of a participatory approach, through the integration of a specific element linked to the advancement of women. In fact, in addition to activities linked to the improvement of living conditions, the project allows for the inclusion of women through specific measures such as functional literacy or prevocational training.

The participatory approach is based on partnership, contractualization and consensus building. Various structures, such as the Provincial Agricultural Division, will benefit from using a participatory approach, for example in involving the different heads of local governments.

Project activities

- Rehabilitation of small and medium hydraulic perimeters, water and soil conservation, increasing the productivity of production systems, pastoral and forestry improvements and strengthening the socio-economic infrastructure;
- Support for financial services and micro-enterprises, aiming to democratize access to credit in rural areas to encourage income-generating activities and the promotion of micro-enterprises while ensuring support for financial services in the vicinity;
- Empowering women, for example through a literacy programme involving over 5,000 women in Al Haouz province. In 2004 activities centred on equipping literacy classes; 32 douars (rural villages) were given classroom equipment for the benefit of 1,209 women and 144

men. The project has also equipped five women's homes for douar associations.

Challenges

The late conclusion of the convention with Crédit Agricole is a hindrance for the start-up of funding of agricultural and non-agricultural microprojects. The pace of project implementation has thus been affected. Furthermore, the absence of an entrepreneurial culture was noted among agriculturalists; many have requested funding for lost equity.

8. Senegal: Community Management of Natural Resources project

Relevance

An approach to decentralization of natural resource management and increased empowerment of populations.

Project profile

The target population comprises 20 rural communities distributed in 7 departments and 3 ecoregions including agriculture, forest and pasture lands. The objectives are:

- To increase private sector revenue through the sustainable exploitation of natural resources;
- To improve agricultural productivity.

The strategy that was put in place by the project heavily relied on the participation of populations in all land planning and management processes and adopted a systemic approach to natural resource management. One of the major outputs of the project was the development of land planning and management plans in selected rural communities. With this in mind, the project implemented an important organizational support programme for capacity-building of grass-roots organizations and rural councillors. Support to populations for the funding of income-generating activities and natural resource management was an important component of the project.

Summary of activities and approaches

After selection of a rural community using certain well-defined criteria, a natural resource management committee was set up, charged with natural resource management in the rural community under the supervision of the rural council.

Each natural resource management committee has representatives elected by peers from various socioprofessional categories in the rural community. They mainly comprise agriculturalist and livestock farmer associations, youth associations, women's groups, craft trades, NGO representatives working in the locality, and subcommittee and rural council representatives. Each committee has approximately 20 members.

The management committee has an indefinite lifespan. Its members are elected for a first term of two years; the following terms last four years. Rural councillors cease being representatives to the management committee as soon as their mandate as rural councillor expires. The management committee has its head office at the community hostel of the county town of the rural community or in any other public premises that the rural council assigns to it. The post of member of the management committee is voluntary.

The main tasks of the management committee are to:

- Promote a natural resource management culture and practices among the populations;
- Inform and sensitize the population on the activities of the project and any other structures charged with natural resource management;
- Accommodate the concerns of the population;
- Develop budgets and work plans;
- Define strategies for natural resource management and facilitate their implementation.

The memorandum of understanding signed between the rural council and the project specifies the commitments of each party.

Main results and experiences

Planning and decentralization process of land parcels: information and sensitization. The main activities were as follows:

- Information and sensitization on the approach and philosophy of the project;
- Census of corporations and the creation of natural resource management subcommittees;
- Selection of representatives of different corporations at the level of management subcommittees and committees;
- Setting up local development committees;
- Decentralized meetings in villages.

Organizational support:

- Setting up organs for natural resource management, such as the Cellule de Gestion des Ressources Naturelles (CGRN);
- Creation of subcommittees;
- Training of municipal council members to build the capacity to manage, plan, implement and follow up activities that they will undertake;
- Development of a land planning and management plan;
- Popularizing the land planning and management plan;
- Opening bank accounts;
- Training in accelerated methods of research and participatory planning.

Process for the development of the land planning and management plans:

- Training of rural council members and support to rural expansion centres (CERP) for participatory diagnosis;
- Synthesis of data from local development committees;
- Selection of sample villages per region;
- Diagnostic survey per village and per region;
- Restitution per village;
- Restitution per region;
- Restitution and approval by the rural council;
- Restitution at the level of administrative districts;
- Finalizing the document.

Identification of developers on a competitive basis: The process of identification of developers with a view to implementing the land planning and management plan begins with the creation of federations, associations (women's groups, economic interest groups) and the identification of individuals.

Implementation of the land planning and management plan would include a number of possible activities, including establishment of plantations, plant production, composting, constructing stony cordons, livestock rearing, building grain stores and millet mills. These activities have allowed the population to increase vegetation cover (including through reforestation), restore degraded land, reduce water erosion, and raise family income levels.

Capacity-building

Training and literacy programmes have enabled beneficiaries to read and write in local languages, and facilitators to seek the means to efficiently run the literacy centres. A communication campaign was carried out based on the information needs of partners, modified by constant feedback. Local structures for programme management and a variety of media (radio, television, print) were widely used during project implementation. Communication activities favoured a better understanding of the project and contributed to the integrated participation of populations in all phases.

Main results

The creation and promotion of rural entrepreneurs has opened new perspectives through involvement of the local and national private sector in decentralized natural resource management.

Lessons learned and perspectives

The setting up of a natural resource management committee as a buffer structure between the project and the population was an innovative element of the project process. This structure charged with the planning of village land, through its composition and functioning, was able to bring added value in comparison with the CERP, which usually receives few financial resources from the state. The CERP was therefore able to benefit from the support of the project by increasing its equipment and building the capacity of its members.

9. Turkmenistan: Community-Based Natural Resource Management project

Relevance

Example of participation of local population in natural resource management in the context of the United Nations Convention to Combat Desertification.

Project profile

The project objective is to combat desertification, seeking solutions to the problems of land degradation and aiming to improve the living conditions of the local population. The methodological approach involves orientation to the interests of the local population and an increase in their potential for self-assistance in resolving natural and social problems.

The main activities of the project include the pursuit of alternative sources of income; the struggle against such environmental problems as moving sands, soil salinization, slope erosion; recovery of forests and degraded pastures; and ecological education and the exchange of experiences. The expected outcomes of the project include an increase of the standard of living of the local population through more diversity of income sources, increased ecological consciousness and adoption of methods of sustainable land tenure by the local population.

The project aims to achieve its goals through adoption of a bottom-up approach involving participation of the local population in planning, realization and assessment of project activities.

Main results and experiences

The activities undertaken by the project were determined using problem analysis and participatory rural appraisal methodologies. Target groups in the local population took part in the analysis of problems and their potential solutions. Experience from the project showed that measures taken that did not involve the local population at all stages of planning proved to be less stable, for example those related to fixation of the moving sands on common lands in the pilot area of Yerbent or improvement of common pastures. Any new measures are now planned in advance and are only undertaken after local-level discussion and evaluation of their appropriateness and feasibility using a number of criteria, including

harmfulness to the environment, likelihood of generating supplementary income for the local population, potential for increased coverage using new methods of education, number of people benefiting from the measure, financial accessibility for the local population, stability and opportunity of experience transfer. Measures being planned at the level of the whole settlement are discussed with the local administration and the local inhabitants.

Areas of impact

The capacity of the local population has been built through educating them in the use of new technologies; simultaneously, the project has made great contribution to the protection of natural resources through ecological education of the local population and a series of specific nature protection measures. Traditional knowledge has been preserved by interviewing local inhabitants and organizing contests among schoolchildren. The project has also moved into the area of access to and control over resources, rendering assistance to the local inhabitants in obtaining and executing land leases, and creating a borehole to obtain water for drinking and for irrigation. In implementation of the project, a great deal of attention has been paid to the principle of equity when distributing material support or when considering the collective opinion of communities.

Lessons learned

A significant lesson was the value of cooperation between the project participants and the local administration. Only after attaining a constructive and mutually beneficial relationship with the local authorities was it possible for participants to implement the measures associated with the utilization of public lands. At the initial stage proper explanation of the project goals and arrangement of priorities were of great importance.

The process of local planning in natural resource management implies, first of all, the process of land use and water use planning. Given the significant state ownership of land and water resources, any local planning of land and water use is undertaken by the local administration. In such circumstances, improved natural resource management can only take place by bringing together local natural resource users and the local administration. The recent Land Law (2004) allows long-term lease of rangelands, offering an opportunity for cooperation between shepherds and farm union administration in the field of rangelands management.

So far as approaches and strategies are concerned several lessons have been learned: the success of measures adopted by the project directly depends on participation of the local inhabitants in their development. Measures are planned more effectively when they involve leaders of community and other target groups at the local level. Working with specific target groups is more effective than aiming at wide coverage of a large group of people.



Annex 3. Lessons on decentralization from other sources

1. National review documents

National review documents on decentralization of governance of natural resources from the 12 selected countries can be found at the UNDP Drylands Development Centre web site: www.undp.org/drylands.

2. World Resources Institute documentation

The World Resources Institute (WRI) has a research programme on decentralized governance of natural resources. The programme, headed by Jesse Ribot, has documented some useful lessons on the topic from around the world, which constitute valuable source material for practitioners on this issue:

Democratic Decentralization of Natural Resources: Institutionalizing Popular Participation and Waiting for Democracy: The Politics of Choice in Natural Resources Decentralization

The documents focus on the need to understand the key actors in decentralized governance; the powers entrusted to them by decentralization policy or law; and the extent to which the policy or law provides for the accountability of those entrusted with power in the management of natural resources. The report also makes some important recommendations regarding the way forward, including:

- Work with democratic local government to strengthen democracy and citizenship and to establish the basic institutional infrastructure of inclusion that can be sustained and scaled up;

- Develop environmental power transfer guidelines to encourage the transfer of sufficient, equitable and secure discretionary powers to democratic local authorities.

The documents are based on case studies from Cameroon, Mali, South Africa, Uganda and Zimbabwe, and are available at <http://pubs.wri.org/pubs>.

3. Lessons from UNCDF

(a) **Green window**

In Mali, the United Nations Capital Development Fund (UNCDF) has experimented with an original approach by providing local governments with a general financial facility aimed at supporting their funding budgets for rural development and poverty reduction, including agricultural and livestock production and water management initiatives. In addition, the project is also testing a pilot action that provides local governments with targeted funds (environmental or green windows) for investments related to the conservation, protection and management of natural resources. The objective of the Support to Local Environmental Governance Fund initiative (Fonds d'Appui à la Gouvernance Environnementale Locale; FAGEL) is to complement the local development fund and focus on environmental investments. For the initial phase, the fund is made available to a limited number of rural communes whose natural resources are particularly threatened and whose environmental problems have severe social and economic impacts. The agricultural and environmental initiatives funded by FAGEL conform to national and regional agricultural guidelines and environmental regulations; are within the scope of local government; correspond to the technical and managerial capacities of local communities and user groups; have a comparative advantage; and are not already carried out by other projects supported by the government or other donors.

(b) **Institutions**

Since 2000, UNCDF has supported two local development projects in Niger: one in the Diffa region of eastern Niger (the Nguigmi Local Development project), and one in the Maradi region of central Niger (the Mayahi Local Development project). Although they began before local governments were put in place, the two projects have helped the government (represented by the Haut Commissariat

à la Réforme Administrative et à la Décentralisation) create and operationalize 13 pilot rural communes (at subdistrict level) with a total population of about 380,000 persons. Each commune has a shadow council composed of informally elected councillors, which paves the way for formal councils (forerunners of formal councils that will be constituted after the elections). Local authorities supervise the preparation and approval of local development plans, which include specific provisions for environment-related investment.

In collaboration with the Permanent Secretariat for Land Tenure, a government body with primary responsibility for promoting the creation of a national institutional framework for land use and natural resource management, the two projects have helped establish experimental tenure commissions in all 13 communes. The aim is for these commissions to bridge the gap between district tenure commissions (composed of representatives of line ministries) and grass-roots user organizations and give local elected authorities greater responsibility for environmental stewardship. The experimental commissions address land-related issues, such as recognizing the land rights of individual users and user groups; titling; verifying the use of attributed lands; informing and sensitizing local people about issues related to renewable productive natural resources and the environment; land and local resource inventories; land demarcation; land use registers; and prevention and management of land-related conflicts. Commune land use committees strengthen the relationships between line ministries and local users and promote the formulation and implementation of coherent land management plans.

(c) Accompanying policy measures

In order to deal with the constraints related to decentralized natural resource management and to strengthen the basic principles of a local environmental governance approach, UNCDF projects include four major components:

- Consolidating formal and informal organizations;
- Promoting regulatory frameworks;
- Favouring interactions between institutional levels;
- Building local environmental capacities.

In natural resource management, the appropriate level for decision-making is determined by the scale of the natural resource system to be managed. For instance, a small grazing area can be managed by a small pastoral community, while large dry-season transhumance areas would need to be managed at larger

institutional levels. A well-defined local environmental governance approach should therefore define which level of government should do what, and determine their spheres of governance. All forms of natural resource management should entail co-management of natural resources inspired by three key principles:

- Subsidiarity. This involves efficient transfer of specific powers to local stakeholders, in a way that does not threaten sustainability. According to this principle, activities should be planned and implemented at the level closest to grass-roots level, on the basis of the comparative advantage of each institution (a higher authority should only act if a lower authority cannot act or has proved its incapacity to do so). The assumption is that lower-level government institutions are likely to be more aware of local environmental priorities and to adjust measures accordingly. It is also argued that a minimum standards approach should complement environmental decentralization, by specifying the boundaries to the domain of local autonomy without restricting discretion within those boundaries;
- Complementarity. Each institutional level operates within its own particular arena, and according to its own responsibilities. According to the principle of “tangled powers”, broader groups may be in a better position to appreciate long-term or large-scale issues than local groups, and be able to act as disinterested arbiters in disputes that cannot be resolved locally;
- Equity. All local stakeholders’ rights to natural resources are legally recognized and legitimized. If this principle is respected it should be possible to avoid one of the risks of decentralization: exacerbating regional differences in income, thereby giving additional advantages to geographical areas that are already endowed with rich or potentially rich natural resources.

(This section contributed by Angelo Bonfiglioli, Senior Technical Adviser, UNCDF, New York: angelo.bonfiglioli@undp.org. His publication *Lands of the Poor: Local Environmental Governance and the Decentralized Management of Natural Resources*, UNCDF 2004, can be downloaded from the UNCDF web site <http://uncdf.org/english/index.php> or purchased through www.amazon.com.)

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