Experiences and Lessons of Decentralization in the Forestry Sector

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Forest Trends
Objectives

• Examine the experiences acquired in the decentralization of the forestry sector

• Derive lessons from these experiences that can be useful for the organization of more decentralized governance in the forestry sector
Countries Studied

- Australia
- Brazil
- Canada
- India
- Bolivia
- Indonesia
- Nepal
- Malaysia
- Nigeria
- Russia
- United States
The Difference between Federal Governments

• **Federal Governments:** distribution of responsibility between central government, state and local govs. (districts, municipalities) each with a high level of independence

• **Responsibility and authority commonly find themselves guaranteed by the Constitution**

• **Unit Governments:** sub-national governments are extensions of the central government
Principal Themes

• Principal characteristics of the countries studied

• What are the critical themes and the lessons from the experiences?

• What implications are there in terms of reforms of the governance structures in the forestry sector?
Principal Characteristics of Decentralization in the Countries Studied
Characteristics of the Countries

- There is much variety of decentralization structures.
- Some are old (USA, Canada), others very recent (Indonesia).
- The distribution of authority and of responsibility varies greatly between different levels of government:
  - Indonesia: Districts
  - USA: Federal Government
  - Australia: State
Characteristics of Countries

- Tensions between levels of government
- Dynamic phenomenon, with constant change
- The public forestry administration has limited power within the government apparatus
- The state ownership of forest land is considerable
- Where the government is the main proprietor: public forestry institutions are weaker
- Many government agencies are involved
What Have We Learned From These Experiences?
Forestry Decentralization and Inter-Sectorial Links

• The adequate management of inter-sectorial links is a critical aspect for success.

• Decentralization in the forestry sector has more possibilities for success when there is harmonious decentralization in other related sectors.

• Administrative decentralization, fiscal and political is one of the keys for success, but is difficult to carry out in practice.
Decentralization and Institutional Capacity

- Capacity to manage entities of different levels of government. The necessity of institutional reinforcement
- When institutional capacity is weak, local governments tend to be “captured” by interest groups and local powers
- When forestry decentralization is not bound to a transfer of financial resources, there is a higher tendency to use local forests in an unsustainable way
- Regardless, the financial decentralization without adequate control favors corruption.
Decentralization and Participation

• Participation by civil society and by the private sector is key

• But the government is usually reluctant to involve actors from civil society and the private sector

• In all countries, rural communities are important, but almost always marginalized in decentralization processes

• Some NGOs have had a certain level of success in forcing more active, local participation.
Decentralization and the Local Level of Government

• Decentralization to the third level of government has generally been difficult to reach
  • There is no real authority or responsibility
  • They rarely count on adequate financial resources
  • The second level of Government rarely carries out its role as intermediary
  • Cultural biases, reluctance to lose power
Decentralization Initiatives: What are the Key Factors?
Key Factors

Four large groups of factors:

• Adequate distribution of authority and responsibility

• Transparency in all levels of government

• Adequate links with other sectors

• Institutional capacity
1 Assignment of authority and responsibility
• Parallel Decentralization

• Balance of authority and responsibility in each level of Government

• Guide and control decisions by part of the Central Government

• Clear rules: clear regulatory and legislative framework
Assignment of Authority, Responsibility, Financing

• Transfer of financial resources
• Financial independence from sub-national governments
• Incentives for local governments
2
Responsibility and Transparency
Responsibility and Transparency

• Well-defined authority and responsibility

• Certain tension between different power groups is generally desired

• Transparency
3

Participation and Links
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- Government-Civil Society
- Government-Private Sector
- Links between Government Structures
- Decentralization in Stratified Societies
4
Institutional Capacity
Institutional Capacity

- Knowledge, technical and administrative capacity
- Institutional reinforcement, education, training
- Adequate utilization of knowledge and local capacities
- Promotion of cultural change
- Creation of institutional incentives
Conclusions

• Experiences from 11 countries and their lessons

• Decentralization offers big advantages in terms of governance of the forestry sector

• But it also has big challenges

• If the process isn’t managed appropriately, it can end with a worse situation

• Federal governments seem to be better equipped to face the challenges of forestry decentralization: federalism is important
Discussion Themes

• What are the possibilities of forestry decentralization in Honduras

• Main obstacles, main advantages and benefits

• Possible strategies to face obstacles and solidify benefits