



Experiences and Lessons of Decentralization in the Forestry Sector

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Forest Trends



Decentralization in the Forestry Sector

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

Malaysia

Brazil

Nigeria

Canada

Russia

India

United States

Bolivia

Indonesia

Nepal

The Difference between Federal Governments

- Federal Governments: distribution of responsibility between central government, state and local govts. (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

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Assignment of authority and responsibility

Assignment of Authority, Responsibility, Financing

- 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

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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

Participation and Links

- Government-Civil Society
- Government-Private Sector
- Links between Government Structures
- Decentralization in Stratified Societies

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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