

**DECENTRALIZATION OF NATURAL RESOURCES MANAGEMENT:
LESSONS FROM SOUTHEAST ASIA**

**Synthesis of Decentralization Case Studies under the
Resources Policy Support Initiative (REPSI)**

**Yuko Kurauchi
Antonio La Vina
Nathan Badenoch
Lindsey Fransen**

ACKNOWLEDGEMENTS

This paper was produced as part of the World Resources Institute's *Resources Policy Support Initiative* (REPSI). The analysis in this paper is based on case studies conducted by colleagues at the Fisheries Action Coalition Team (FACT) in Cambodia, the Centre for Biodiversity and Indigenous Knowledge (CBIK) in China, Yayasan Kemala in Indonesia, the World Agroforestry Centre (ICRAF) in Thailand, and Hanoi Agricultural University (HAU) in Vietnam. CARE-Thailand, the Department of National Parks, Wildlife and Plant Conservation, and the Program in Sustainable Land Use and Natural Resources at Chiang Mai University also provided support for the case study in Thailand. First and foremost, the authors would like to express deep gratitude to all of the REPSI researchers for their contributions to these case studies. The authors take sole responsibility for the interpretation of the source material in this synthesis.

We would particularly like to acknowledge the role of Anne Marie DeRose, former REPSI Associate, for taking the lead in the regional analysis and managing the partnerships and processes that constitute REPSI activities. This report has also benefited from feedback from many other individuals. The authors are grateful to Mak Sithirith, Pornchai Prechapanya, and Tran Duc Vien for sharing their knowledge and expertise to improve the scope and accuracy of this report. We also wish to thank colleagues Frances Seymour, Jen Lesar, and Jesse Ribot for their invaluable comments and suggestions on the earlier versions of the manuscript, and Mairi Dupar and Fritz Kahrl for their contributions to the early stages of this project.

WRI acknowledges the United States Agency for International Development, the Swedish International Development Cooperation Agency, and the Ford Foundation-Beijing for their generous financial support of REPSI.

Summary

This report summarizes the findings of case studies on decentralization of natural resources management in five Southeast Asian countries—Cambodia, China, Indonesia, Thailand, and Vietnam. It assesses the type and extent of decentralization pursued in these countries and the outcomes that these reforms have produced for vulnerable human and ecological communities. Further, it sheds light on the issue of participation, exploring the status of access and equity in decentralized community-based natural resources management systems. Following these analyses, the authors provide a set of policy recommendations on how natural resources governance reforms should be designed to improve the livelihoods of resource-dependent people and their surrounding ecosystems, while supporting national and regional goals for sustainable development.

I. INTRODUCTION

The World Resources Institute (WRI) has worked with partner organizations in Southeast Asia since 1997 to generate in-depth analysis of long-term strategies that promote sustainable livelihoods for resource-dependent rural communities. This paper is a product of that collaboration, known as the Resources Policy Support Initiative (REPSI). Based on case studies carried out in Cambodia, Indonesia, Thailand, Vietnam, and Yunnan, China, between 2003 and 2005, it provides an overview of decentralization of natural resources management in Southeast Asia.

Prior to initiating case studies, WRI, together with participating partners, developed a common analytical framework to guide the research. This framework hypothesizes that measures are needed in three areas in order for decentralization to lead to sound natural resources management and livelihood security. These three areas, summarized in Box 1, are subsidiarity, accountability, and capacity. The teams applied the framework to their individual study designs and carried out multiple cycles of fieldwork, analysis, and outreach workshops.

Box 1: Case Study Framework

The framework applied to the case studies considered in this paper identifies **subsidiarity**, **accountability**, and **capacity** as key measures for analyzing the status and trends of decentralization policies and practices in each country where research was carried out.

Subsidiarity means that the right powers—to make decisions about natural resources management, to implement and enforce those decisions, and to resolve conflicts over natural resources—are placed at the right levels of government and other institutions. Those who are directly affected by a decision should have a meaningful role in decision-making. To this end, decisions and actions must be taken at the lowest appropriate level, as close to the population concerned as possible (Ribot, 2002). The proper alignment of authority will allow institutions to satisfy national goals while taking advantage of local knowledge and adapting policies to local circumstances.

The principle of accountability dictates that individuals and institutions answer to another party and that consequences for poor performance are enforced. Accountability is important because it encourages decision-makers to be more responsive to the rights and needs of the local constituents and discourages corruption in government. The flows of costs and benefits associated with natural resources utilization and management must be shared among stakeholders in a fair manner. However, amid a lack of transparent and effective mechanisms of information dissemination, consultation, and popular participation, the benefits of natural resource exploitation are often not accessible to the populations

most affected by their use. Moreover, costs are often borne by those who do not share in the benefits. It is therefore essential that both upward and downward accountability exist to create a level playing field for each of the stakeholders involved in the management and utilization of natural resources. Accountability can also lead to the promotion of social justice and social cohesion, which has implications beyond the bounds of natural resources management.

Beyond subsidiarity and accountability, an adequate supply of human, financial, social, and political resources is necessary to achieve successful decentralization. Local officials, institutions, and individuals must have the capacity to implement the decisions they make in order to capitalize on the powers and authority they are given and to truly be held accountable for their role in natural resources management. They must have the capacity necessary to fulfil their responsibilities at each stage of the policy process, including public consultation, information gathering, decision-making, policy implementation, monitoring and evaluation, and conflict resolution. This capacity extends beyond financial resources to include the ability to gather information and assess trade-offs, the technical expertise required for implementation of policies, a staff skilled in outreach to engage communities, cultural sensitivity, and knowledge of the appropriate legal issues.

This paper assembles the information and knowledge gained from the five case studies carried out as part of REPSI in order to reflect on and contribute to the debate surrounding the relationship between decentralization of government structure and natural resources management.

The remainder of the paper is divided into three sections. Section II summarizes the five case studies with respect to the characteristics and extent of decentralization in the natural resources sector identified in the individual countries, focusing particularly on the principles of subsidiarity, accountability, and capacity.

In Section III of this paper, we examine a set of cross-cutting themes and lessons that constitute common points of investigation among the case studies. These include:

- Incomplete or unclear subsidiarity;
- Limited downward accountability;
- Lack of capacity of democratically elected local governments;
- Donor-driven decentralization;
- Limited ownership of and benefit from natural resources by local communities; and
- Inadequate coordination between governmental and non-governmental actors.

Section IV summarizes the key findings of the paper and provides policy recommendations on how to effectively design and implement decentralization so that both environmental and development needs are met.

II. CASE STUDIES

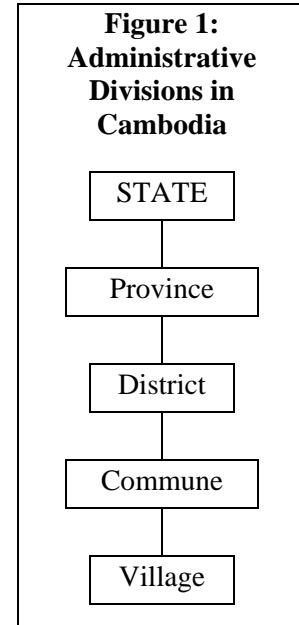
Each of the case studies investigated the effects of shifting natural resources management powers to local governments and rural communities—especially indigenous and ethnic minority communities—that have traditionally relied on forest, land, and water resources for their subsistence and livelihoods. Although each country is at a different stage in the implementation of decentralization policies, they all must deal with pressure stemming

from competing uses for common natural resources, confusion over conflicting policies and/or laws, and socio-cultural diversity.

1. Cambodia

Background

In Cambodia, research was conducted in three communities in Pursat province. Situated in western Cambodia, Pursat is an area of varied topography that ranges from a large upland plateau and rain fed lowland to floodplain adjacent to Tonle Sap Lake. It shares many characteristics with other parts of rural Cambodia, including a rich diversity of ecosystems and ethnic cultures, a high degree of dependence on subsistence farming and fishing among the population, and traditional harvest exchange practices among farming and fishing communities. Ever-increasing external commercial forestry and fishing pressures have strained the traditional system of natural resources management and exchange between subsistence farmers and fishers, with important implications for human and ecosystem well-being (Kingdom of Cambodia, 2002). The Cambodian study addresses the results of SEILA, a pilot government decentralization program, focusing on the linkages between political decentralization and the state of natural resources and local livelihoods.



Policy Setting

Decentralization has taken on increasing importance in Cambodia in the last decade. In 1996, following the 1993 UN-sponsored democratic elections and the initiation of the UNDP Cambodia Area Rehabilitation and Regeneration Project, the government launched a decentralized rural development program called SEILA (a Khmer word for a stone used in the foundation in construction) in selected provinces, including Pursat. SEILA was introduced as an experiment spurred by the international donor community with the aim of better resolving local problems concerning poverty and economic development (Samath et al., 2001). To this end, the national government devolved functions and responsibilities for designing, financing, and delivering public services and development programs from the central level to provincial and lower levels. The success of the pilot initiative led to further decentralization, including the expansion of SEILA's second phase (2001-05) into a nationwide program that, among other activities, supported the first democratic election of commune councils in 2002 (SEILA Task Force, 2000).

Study Findings¹

Cambodia's traditional state-centered governance system is often cited as an underlying cause of accelerated natural resources degradation (Fichtenau et al., 2002). Internal and external pressures set the stage for the development of Community Based Natural Resource Management (CBNRM) in Pursat province. Initial community forestry and fisheries projects in Kampong Pou and Anlong Raing communes were undertaken with

¹ Based on Sithirith, Honey, and Rainsey (2005).

financial and technical support from local governments, the SEILA task force, and non-governmental organizations (NGOs) as a possible solution to the pervasive issue of conflicts over resources and as an instrument for sustainable rural development. The case studies by the Fisheries Action Coalition Team concluded that CBNRM has had some positive effects for communities and the environment, but that further efforts are necessary on the part of the central government in order for local communities to exert real control over natural resource use.

Under SEILA, villagers in Ansa Chambak commune in Krakor District submitted a proposal to establish a community forestry cooperative and called for the government to reverse a decision to grant resource-rich forest areas to a private logging company that planned to replace the natural forests in the commune with eucalyptus plantations. A series of lobbying campaigns increased the awareness among local government authorities of villagers' long-standing stewardship relationship with the forest, and in response the local government suspended logging operations. Nevertheless, the central government disqualified the community's proposal, claiming that the government holds ownership of the forests, and that there was no clear evidence of human settlement or activity in the assigned concession area. Villagers expressed the belief that part of the reason for the central government's decision to maintain control was that the area was rich in natural resources. The overruling of the local government's decision by the central government shows that subsidiarity was not in play in this case.

Meanwhile, in Kampong Pou, also in Krakor District, villagers were allowed to form community forestry organizations, in an area that was already relatively degraded. The organizations are recognized and supported at the provincial level, receiving guidance on the establishment of by-laws for community forestry from the Forest Administration. Villagers have been able to benefit in the short term—for example, by access to firewood—but their long-term control over the forest is still uncertain, as they have not yet been granted official legal standing.

CBNRM has had similarly mixed results in fisheries. The study found that in Anlong Raing commune, fish catch has continued to decline even after the initiation of a community fisheries project. This is due in part to the fact that illegal fishing and the encroachment of commercial fishing vessels in and around the community boundaries are still commonplace, and the community has limited access to legal recourse against poachers. Limited dialogue and interaction among community groups has also converted the formerly interdependent relationship between farming communities and fishing communities into one based on competition and conflict over shared resources. In Anlong Raing, the success of decentralization is limited primarily by a lack of capacity, particularly in terms of enforcement: while local communities are technically allowed to hold poachers and report them to officials, the fisheries units are far away from the commune, making communication difficult. In addition, villagers fear retribution from poachers, who appear to benefit from cooperation with some corrupt officials.

Overall, the studies found that CBNRM has had some favorable social and environmental impacts in Cambodia, helping local people and governments to better understand their

responsibilities for preserving natural resources. For example, environmental concerns have been explicitly integrated into commune development plans. The formulation of community by-laws, community maps, and joint resources management committees has contributed to the promotion of intra- and inter-village dialogue and cooperation, and has strengthened social cohesion. Furthermore, local indigenous people have acquired many of the skills necessary for effective CBNRM implementation through a series of technical trainings and workshops facilitated by the SEILA task force and non-governmental organizations (NGOs).

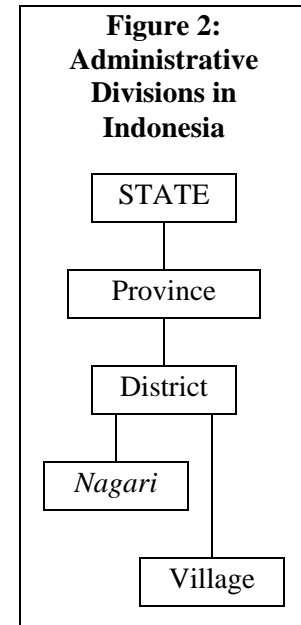
However, the case studies show that the process for establishing CBNRM still needs to be streamlined in terms of coordination between the local and central governments, and criteria for granting community forestry rights—e.g., in degraded vs. resource-rich land—need to be clarified and communicated to communities. An overarching obstacle is that all natural resources, including land, forest, and water resources are by law state property. Despite the issuance of sub-decrees in 2003 and 2005 to provide legal protection for the rights of communities to manage local forest and fishery resources, the central government's understanding and commitment to decentralization for natural resources management has not substantially improved.

The principles of subsidiarity, accountability, and capacity have yet to penetrate the heart of the mainstream governance reform agenda. Democratically elected commune councils, though mandated to protect local natural resources by the Law on the Administration of Communes, are not fully granted resource access rights even within their jurisdiction. Decision-making and administrative responsibilities are instead transferred to less downwardly accountable and less representative regional or local branches of the central government and line ministries. Overlapping responsibilities of multiple agencies involved in community project operation and limited interagency coordination have been roadblocks to the effective implementation of CBNRM. Local people are still not given appreciable say over how to allocate access to and use of natural resources in their community, and there is a concern that the absence of effective legal, administrative, and financial frameworks to complement the community forestry/fisheries initiatives will dismiss the bottom-up, grassroots efforts documented in these studies as an incidental and peripheral activity in environmentally degraded areas.

2. Indonesia

Background

In Indonesia, Papua and West Sumatra, the most advanced provinces in the nation's decentralization process, were selected as case studies to ascertain the extent to which new regional governance and special autonomy laws enhance or hinder CBNRM and poverty reduction. In both Papua and West Sumatra, forests and land have long been at the center of conflicts between concessionaires and locals over the management, use, and protection of natural resources. The Papua study assesses the significance of a special autonomy law to the way Papuan land and forests are exploited and their benefits shared, while the West Sumatra study focuses on the area's legal framework for the rights of traditional customary communities. How authority is devolved to a sub-national level of government and how the role of customary community rights can be incorporated to ensure better accountability are some of the common questions addressed in both Indonesian studies.



Policy Setting

The fall of the authoritarian New Order regime of Suharto in 1998 was followed by the advent of democratic decentralization in Indonesia. In 1999, the national Government enacted Law No. 22/1999 on Regional Autonomy and Law No. 25/1999 on Fiscal Decentralization as part of a broader effort to curb the prevailing corruption, collusion, and nepotism of the Suharto era. Consequently, powers and responsibilities over a large number of government functions were devolved to district and municipal authorities. These include the sectors of health, education, public works, agriculture, communications, industry and trade, labor, capital investment, environment, and land affairs (Silver, 2003). In line with the central government's decision to uphold and strengthen local autonomy, governments at the sub-national level have undertaken policy and administrative reforms in the natural resources sector.

In West Sumatra, the 1999 decentralization laws were accompanied by the formulation of the Regional Government Regulation No. 9/2000. The aim of the regulation is to reintroduce *nagari*, traditional indigenous political units, as the lowest level of government, and to place decision-making authority in their hands. *Nagari* had suffered a severe setback for more than two decades under the uniform village administration system during the New Order regime, which did not recognize customary laws, boundaries, and institutions, and eroded the unity of *nagari* populations (Thorburn, 2000). Since the issuance of the regional regulation, thousands of artificially created villages have been re-merged into hundreds of *nagari*. This "back to the *nagari*" policy is hailed by West Sumatrans as a crucial step toward the resurgence of customary norms and the restoration of property rights over communal lands (McCarthy, 2002; Bebbington et al., 2004). Currently, governments at provincial and lower levels are preparing drafts of new ordinances to define and defend communal land rights. The underlying assumption is that with the legal recognition of a customary tenure system and traditional

resource rights, *nagari* community members will have greater influence on and responsibility in natural resources management (Thorburn, 2002).

Decentralization reforms have taken a different trajectory in Papua, a province that has seen decades of struggle for independence from Indonesia. Aside from the Regional Autonomy and Fiscal Decentralization laws, the central government passed Law No. 21/2001 on Special Autonomy for Papua, whereby the provincial government assumes primary responsibility for all sectors except for foreign affairs. The Special Autonomy Law was seen as a compromise that accommodates the interests of Papuan populations while still remaining within the framework of the Indonesian Republic. In addition to granting autonomy to the provincial-level government, the law also provides for the recognition of *nagari* communities. In recognition of customary rights to natural resources, community-level forestry cooperatives called *kopermas* have been established. Under the *kopermas* scheme, the Provincial Forestry Office allocates *nagari* the rights to hold and manage up to 250 hectares of forest area for one year with possible extension.

Study Findings²

The REPSI case studies in West Sumatra and Papua revealed that the ongoing decentralization process, while opening up opportunities for natural resources conservation and improved livelihoods, has generated a high level of confusion, controversy, and skepticism on the ground. The nationwide Regional Autonomy Law fails to spell out what policymaking authorities and responsibilities belong to which levels of government in the natural resources sector, hampering efforts toward subsidiarity. For example, Article 7 of the law places the authority for natural resources utilization and conservation at the central level, while Article 10 states that the district and municipal administrative units have authority for natural resources management within their territories.

The situation is even more complicated in Papua, because the Regional Autonomy Law conflicts with the province's Special Autonomy Law—with regard to forests, for example, the former places control over licenses and permitting for forest use at the district or city level, while the latter places the same powers at the provincial level. Actors at each level interpret the policies to suit their own interests, creating political tension among different tiers of authorities who are vying for control over the same resources in the same jurisdiction.

There is also a divergence between the rhetoric of restoring customary rights and changes that actually take place. *Nagari* communities still face deep-seated political and financial impediments that hinder their ability to exercise legal rights over their traditional lands and resources. Of the four communities surveyed in Papua province, for example, only two *kopermas* were formed in a democratic and participatory manner, actively involving the customary community residents in decision-making as members of the *kopermas* management board. The other two *kopermas* were established and controlled by individuals from outside the community, without prior or ongoing consultation with local constituents. In addition, a lack of capital, technology, and expertise in forestry, coupled

² Based on Kartodihardjo (2005), Patay (2005) and Warman and Rachmadi (2005).

with the high cost of concession licenses, has remained an obstacle to forest management and exploitation by the *kopermas*. Since their inception, most *kopermas* have relied on external logging companies or other investment bodies to meet project-related needs. A strong resentment has formed among *nagari* community members in areas where outsiders and elites have taken control over local natural resource management, excluding the community from information, decision-making, and benefit flows.

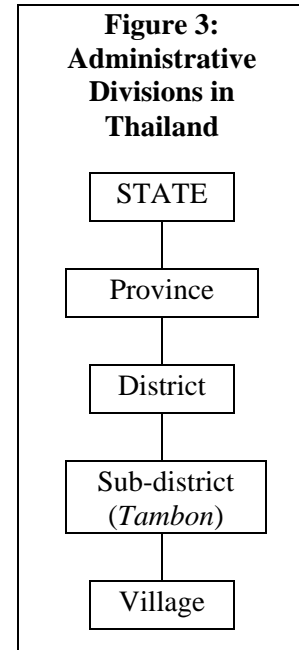
A similar phenomenon is seen in West Sumatra, where new decentralization laws and policies at the provincial and district levels have also given discretionary powers to *nagari* governments. Despite power lying at a local level, the study found that downward accountability was lacking, as decisions issued by the local government and *nagari* representatives were often not in line with the needs and aspirations of the communities. The interpretation of provincial laws at lower levels of government is also a challenge—in Solok District, for example, land governance laws drawn up by different agencies were found to conflict with each other, delaying their passage. In some cases, district-level ordinances have been passed, but *nagari* have protested the policies because of a lack of participation in their formulation. Thus, even where decision-making power has been passed from the provincial level to more local government bodies, communities themselves do not appear to have a strong voice in decision-making.

The Indonesian case studies show that while the country has made some progress in decentralization, more work is needed to strengthen subsidiarity, accountability, and capacity. The lack of subsidiarity is demonstrated by conflicting policies that place the same powers at both local and higher levels. It appears that in the face of this confusion, very little local decision-making over natural resources management is effectively carried out. Capacity—in terms of financial resources, information, technological skills, and the ability to enforce regulations—is also limited. While *nagari* in Papua have legal control over their forests through the *kopermas*, the studies showed that *kopermas* board members had insufficient training in forestry and other relevant skills to manage the forests themselves, so control was passed on to private companies, which created resentment in the broader community. Finally, accountability needs to improve for the decentralization begun in Sumatra and Papua to successfully safeguard the environment and community livelihoods. In the absence of clear policies dictating responsibility, it is unclear who is accountable to whom—and thus far, it appears that local populations are not in a position to demand accountability to their interests.

3. Thailand

Background

In Thailand, research was conducted in the Mae Chaem watershed of Chiang Mai province, which is well-known for its ecological and ethnic diversity. Although much of the biologically rich, forested landscape in the Mae Chaem watershed has protected area status, the people who live in the area do not sufficiently benefit from the ecosystem services the watershed provides. The penetration of market forces into the region in conjunction with rather weak institutional structures has contributed to negative outcomes, such as the loss of local knowledge of agro-ecology and traditional farming practices, unsustainable agricultural expansion, and frequent conflicts between upstream and downstream ethnic communities over access to land, forest, and water resources. Deep-rooted suspicion and mistrust among ethnic communities is one of the most formidable problems facing Mae Chaem. The Thai study examines the roles and practices of local stakeholders in watershed governance. These stakeholders include *Tambon* Administrative Organizations (TAOs)—partly locally-elected and partly state-appointed government bodies at the sub-district (*tambon*) and township levels—and community-led natural resources management networks.



Policy Setting

Thailand has undertaken an ambitious experiment of democratic decentralization, strongly supported by the New Constitution of 1997, which mandates popular participation in decision-making and the devolution of powers to localities. Major outcomes of this reform process include the establishment and empowerment of more than 8,000 TAOs. Evidence of TAOs' empowerment is seen in their freedom to raise local revenues, issue local regulations, formulate and carry out development planning, and to implement these plans. In upland areas such as Mae Chaem where the majority of the population relies directly on land, forest and water resources for their livelihoods, TAOs nominally assume responsibility, alongside national and regional authorities, for natural resources management in their territories (Buch-Hansen, 2003; Pragtong, 2000).

Equally significant in the Mae Chaem decentralization process is the enhanced involvement of civil society in the form of people's organizations—called *prachakom*—in natural resources planning and management. A wide variety of *prachakom*, ranging from government-led agricultural cooperatives to informal clan-based ethnic groups, are being created to meet locally perceived needs and priorities that TAOs and other governmental agencies cannot fully address due to jurisdictional limitations and resource constraints (Wittayapak and Dearden, 1999). Of particular note among the numerous *prachakom* are the watershed management networks—inter-village conflict resolution and prevention mechanisms extending beyond ethnic and *tambon* boundaries—formulated in Mae Suk and Mae Khong Kha sub-watersheds.

These two watershed networks, while sharing some similarities, are quite different in their ethnic make-up and orientation. The Mae Suk watershed network was established among Hmong, Karen and Thai ethnic groups in response to decades of severe upstream-downstream friction over the use and protection of water and other common property resources. The Mae Khong Kha network is ethnically less complex, comprising mostly members from Karen communities and a few Thai people, but is unique in that it is a future-oriented network; they are not facing immediate upstream-downstream conflict. The watershed management networks of Mae Suk and Mae Khong Kha play an important role, covering gaps between state, market, and community governance systems and creating new space for dialogue, exchange, and cooperation among local actors.

Study Findings³

Thailand's governance reforms have resulted in the shift of many important political powers, including those relating to natural resources management, to local levels, and an increased involvement of stakeholders in decision-making. A few suburban, resource-rich, populous regions with a broad tax base benefit from such new administrative and fiscal arrangements. However, the case study found that many rural TAOs have limited revenue sources, which affects both capacity and accountability. Mae Chaem watershed, for example, is a national protected area, and farmers carry out agricultural activities in state-owned protected areas without legal land tenure. TAOs are therefore unable to collect tax revenues from local communities. This limits their financial resources and overall capacity; as rural TAOs tend to prioritize economic development and poverty alleviation, few resources are allocated to natural resources conservation. In the absence of sufficient resources, some TAOs have become dependent on subsidies from the central government, to which they are then held accountable.

Another challenge is on-the-ground coordination, both within and between local governments and NGOs. The jurisdiction of TAOs does not necessarily correspond to watershed boundaries, nor does it reflect the distribution of ethnic populations, and an effective mechanism among TAOs to exchange information and work together to solve issues of common concern has not been created. While *prachakom*—particularly the watershed management networks—are crucial to filling in gaps between state, market and community governance systems, little effort has been made to date to facilitate dialogue and partnership between government and these groups.

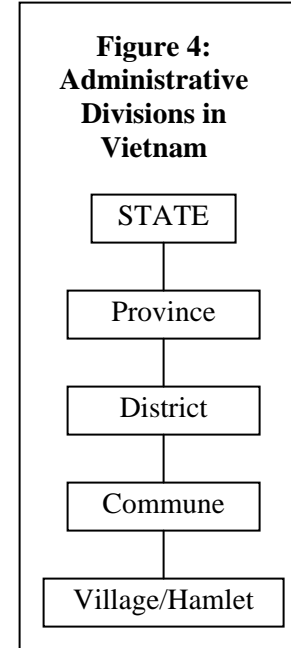
Overall, the case studies show Thailand's decentralization process to be quite successful in establishing appropriate subsidiarity in watershed management. Local governance bodies have been established and, to some extent, empowered to make decisions in their jurisdictions. Further, bottom-up organization has taken place to address gaps in natural resource management left by official government structures. However, the proliferation of groups seems to have generated confusion among parties, and greater coordination is necessary in order to facilitate information exchange and activities that meet common goals. Improvements are also necessary in relation to capacity, which is insufficient within TAOs, and, related to this, accountability in some cases remains toward the central government, rather than local communities.

³ Based on Preechapanya et al. (2005).

4. Vietnam

Background

The upland forests of Vietnam have long served as a life-sustaining source for a wide range of ethnic groups, providing them with essential resources of income, fuel, food, medicines, and construction materials. However, forest cover has declined dramatically over the past few decades due to a variety of immediate and underlying causes, such as wars, steep population growth, unplanned agricultural clearance, and development of a market economy. The research team in Vietnam focused their studies on three upland indigenous communities, including a Thai ethnic minority community located in Chieng Hac commune in Son La province, northwestern Vietnam; and two communities, one populated by the Thai ethnic group and the other by the Khomu ethnic group, in Xa Luong commune in the north central province of Nghe An. The study compares the implementation of forestland allocation laws and related policies in areas with different ecological settings and ethnicities. In particular, it assesses the role of local institutions, community participation, and benefit sharing in forest management.



Policy Setting

Among a number of landmark policy reforms undertaken to address deforestation and forest degradation, of critical importance in terms of decentralization are Decree 02/CP and Decree 163/ND-CP. Decree 02/CP was enacted in 1994 to allot land with standing forest and barren land to organizations and individuals for fifty years or longer for forestry purposes. The forest recipients were granted land use certificates indicating their land use rights. Decree 163/ND-CP was issued in 1999 to complement Decree 02/CP by adding provisions that allow forest recipients to lease their allocated land. As the decrees delegate full authority for implementing and enforcing the forestland allocation program to the provincial government, local authorities' administrative and financial autonomy is restricted.

However, a number of provincial decisions and instructions were signed to facilitate the participation and contribution of lower tiers of government in forest management (Sikor, 2001). For example, forestland allocation boards were established at different administrative levels. The boards bring together representatives from broad segments of society, including government officials, community leaders, and technical experts, with the aim of fostering horizontal collaboration and enhancing systematic implementation of forest management plans. There are also efforts to foster vertical coordination and transparency. District boards assume responsibility for overall implementation of forest allocation policies, with guidance from the provincial government. Commune boards disseminate information from higher levels of government on project sites—size, location, geographic characteristics, land cover, and forest patterns—and allocation processes to forest recipients through multiple channels, including radio, newspaper, television, internet, and face-to-face communications. Commune boards also help

higher-level government authorities and local resource users reach consensus regarding land allocation and operational plans. Consultation meetings organized by the commune boards provide local people with the opportunity to ask questions and give direct feedback and ideas on the plans to provincial and district government officials.

*Study Findings*⁴

The current wave of decentralization reforms in Vietnam holds considerable promise for natural resources conservation and upland community development. Most importantly, the introduction of transparent and participatory decision-making mechanisms can help prevent confusion and turmoil. Villagers have witnessed a reduction in problems such as unequal access to resources and discrepancy in land size between maps and reality, which had arisen frequently in the past as a result of miscommunication and mismanagement. In order to compensate for the economic losses attributable to forest conservation policies, the forestland allocation boards allow local farmers to practice rotational shifting cultivation in certain parts of the allocations and have encouraged them to adopt new and advanced agroforestry technologies. It is expected that greater tenure security and livelihood support will strengthen communities' capacity for land management and improvements.

However, the tide of the central government's intervention in local implementation of the forest policies has not yet receded enough to allow for the effective application of the subsidiarity principle. The central government dictates detailed uniform guidelines regarding which portion of communal plots is to be used for reforestation, what land-use methods can be adopted, and which tree species are planted, with little regard for specific local conditions such as geographic features or traditional local knowledge and practices of resource management. This incomplete decentralization holds true for budget issues as well. Funds for forestland allocation activities are controlled at the provincial level, while actual implementation is carried out at the district and commune level. This has resulted in delays of allocation and issuance of land-use certificates, as well as budget shortfalls.

As part of the forestland allocation process, meetings were held to inform villagers of their rights and opportunities related to the program, as well as to give feedback, raise problems, and work with authorities to adjust policies to better suit their needs. These meetings are a positive first step toward participatory government, but the case studies found that villagers still had incomplete information about forest policies and in some cases continued unsustainable forest resource exploitation.

The policy reforms have had varying results in the three case study communities. For example, geographical proximity to the market, better understanding of the market economy, and fluency in the Kinh (Vietnamese) language have enabled the Thai ethnic group in Huoi Tai hamlet to shift quickly to, and gain profits from, the new forest management system. There has been a marked increase in the number and variety of forest resources and in economic well-being in Huoi Tai since the introduction of cash

⁴ Based on Vien, Quang, and Thanh (2005).

crops and soil enrichment techniques and the shift from swidden agriculture to settled cultivation.

Meanwhile, far from the district center, the Khomu ethnic minority group in Na Be hamlet, Xa Luong commune, and the Thai community in Xieng Huong hamlet, also in Xa Luong commune, continue to produce food primarily for household consumption rather than switching to production for the market. The Khomu in particular have been socially and economically marginalized in the transition to a market system. Villagers' dependence on subsistence swidden agriculture and local forest products, and their inability to extract forest resources and expand agricultural land and livestock holdings under the scheme of forest allocation policies, has led to higher rates of food insecurity and growing levels of illegal forest resources exploitation. Local government in the area is small and does not have sufficient resources to invest in monitoring, patrolling, and sanctioning on a long-term basis. Low salaries and the absence of trained workers have resulted in a delay of forestland allocation and a lack of follow-up services, such as extension and marketing support, demanded by land recipients (Sikor, 2001).

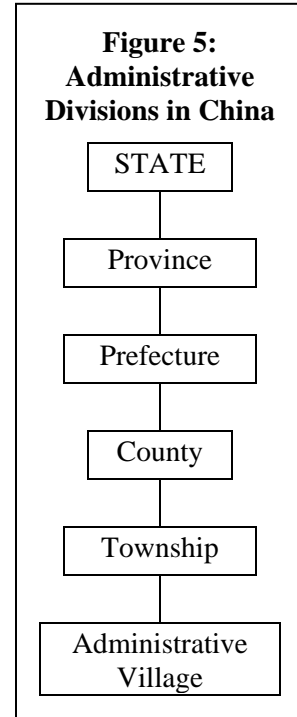
Ensuring downward accountability and popular participation has also proven difficult in Na Be hamlet. Due to unfamiliarity with the Kinh language, local farmers do not take an active part in decision-making processes or voice their interests and needs to the forestland allocation board. Responsibility for the preparation of project applications, communication with government agencies and the forestland allocation board, financial oversight, and other on-the-ground decisions are entrusted to traditional hamlet leaders. This leads to a concern that the power, information, and monetary resources transferred from the governments and the boards may remain unduly in the hands of elite groups in the communities. Under these circumstances, some villagers even gave allotted forestland back to the government because the reforestation objectives of the central government are at odds with livelihoods objectives of local populations.

The case studies indicate that while government reforms have made it possible for some parts of society to improve their well-being, decentralization is not yet complete. Because forest policies are dictated by the central government, allocation and management are not fully responsive to local natural, economic, and cultural conditions, nor downwardly accountable. In addition, the capacity of local authorities to carry out the policies is limited due to incomplete fiscal decentralization, and the capacity of individual households to manage their allocations is hampered by lack of information. The authors of the case studies recommend a more complete decentralization that places power and capacity at a more local level and is more focused on people's livelihood in order to make a greater contribution to poverty alleviation and natural resource conservation.

5. China

Background

In the Yunnan province of China, researchers conducted a study in the Nan-e sub-watershed in Menglong township of Xishuangbanna prefecture. The Nan-e River is the third largest river in the prefecture in terms of water discharge. The Nan-e sub-watershed, where the elevation varies from 800 to 2,000 meters, covers a total area of 2500 square kilometers, and is endowed with rich and diverse forest ecosystems. The sub-watershed includes five administrative villages, where three ethnic minority groups—the Hani, the Blang, and the Dai—reside. Xishuangbanna provides an interesting setting for studying the impacts of decentralization on natural resources management because of its dramatic policy and institutional reforms and subsequent rapid changes in land use and cover over the past several decades. The Yunnan study examines the decentralization process in the forest sector by addressing how decisions are made at different levels regarding forest-to-agricultural land conversion and vice versa; how local institutions respond to higher-level policy decisions; and how decisions at all levels, and subsequent actions, affect local livelihoods and ecosystems.



Policy Settings

An experiment in decentralization took place in China with the landmark introduction of the Household Responsibility System in the early 1980s. As a part of economic liberalization reforms, the system leased communal agricultural lands, such as paddy fields, to individual households, later broadening the policy to include forestlands (Dupar and Badenoch, 2002). Responsibilities for land use decision-making, such as where forestlands were allocated, how long the contract was to last, and who would benefit from the sharing scheme, were devolved from central and provincial to county, township and administrative village governments (Xu and Ribot, 2004). More recently, in 1998, the central government enacted the Village Organic Law, enabling villagers to elect their own leaders and village committees, the lowest level of government responsible for natural resources management and other local affairs.

Notwithstanding the general policy move toward greater local control over natural resources, the central government has continued to resist decentralization, as evidenced by the introduction of two policies during the past decade: a logging ban and the Sloping Land Conservation Program. The logging ban was imposed on a large scale on the mountain watersheds in Southwest China in the wake of extensive flooding of the Yangtze River in 1998. The Yunnan provincial government, in compliance with the state's ban, launched the Natural Forest Protection Programme (NFPP), which prohibited or restricted commercial logging in natural forests. The Sloped Farmland Conversion Programme was publicly announced in 1999, mandating the conversion of farmland to forest or grassland on slopes of greater than 25 degrees.

These centrally designed policies, which fail to address the complexity of mountain environments and the heterogeneous interests of ethnic communities, have put many indigenous people living and farming in upland areas in a dilemma between conservation and subsistence needs. Uncertainty caused by frequently changing state forestry policies has prompted many farmers to opt for the short-term benefits of cutting forest allocated to them. The intersection of two opposing policy trends—one gradually shifting decision-making authority away from the center toward institutions that are closer to the everyday needs of local people, and one calling for the implementation of the state’s blanket policy—creates a situation of tension, characterized by both serious constraints and promising opportunities.

*Study Findings*⁵

As elsewhere in the province, a series of forest policy reforms had significant impact on the livelihoods of the indigenous communities in the Nan-e sub-watershed, which have traditionally practiced swidden agriculture as a major source of employment and income. The shift from collective land ownership to the individual household responsibility system has permitted an increase in small-scale production, but has also delivered a blow to the forests and biodiversity. In order to solve the problem of forest degradation on a larger scale, the county government decided to expand the scope of the NFPP to include secondary fallow forests with high environmental values. However, there is often a stark conflict of interests between the NFPP and lower-level agricultural extension and development initiatives. Because of the lack of vertical coordination, for example, the county government’s effort to convert agricultural land that has long lain fallow to protected forestland is increasingly at odds with the Menglong township-initiated agricultural support project, which aims to expand agricultural productivity by supplying tea seedlings to local farmers.

With regard to the principles of subsidiarity, accountability, and capacity, village committees, though democratically elected, face difficulties in functioning as downwardly-accountable actors due to insufficient transfer of powers and limited capacity. They serve largely as implementing agents of central mandates under the direction and supervision of local branches of the central government. The research team could not find a single case in the study site in which the village committee had negotiated the implementation of the NFPP to protect local interests—for example, to secure local farmers’ property rights to agricultural land. Moreover, the mechanism of compensation for farmers’ loss of livelihoods as their agricultural lands are taken out of production is far from clear and practicable. The result of these constraints is that swidden farmers grow crops repeatedly without leaving the land fallow to prevent forests from regenerating and being designated as protected areas. Continuous cropping without a fallow period has rapidly depleted soil fertility.

A recent logging agreement between the downstream Dai village and the upstream Hani village is another example that casts doubt upon local authorities’ leadership and natural resources management capacity. In this case, the customary village leaders struck a deal

⁵ Based on Jun (forthcoming).

to cut timber in the protected area, where logging is prohibited, for the purpose of rebuilding a temple. They received a logging permit *informally* from the township-level forestry authority without consultation with or consent from the village committee.

This case highlights the marked discrepancy between the legal framework for decentralization and its implementation. The roles and responsibilities of village committees enshrined in the Village Organic Law are poorly understood and the lines of jurisdiction between elected village bodies and other agencies operating at the local level are ill-defined. This allows village leaders, in collusion with centrally appointed agents, to exert disproportional influence over local policy processes, while other village committee members do not yet enjoy an appropriate share in decision-making. Amidst the lack of subsidiarity and accountability, key environmental decisions are often made based on the personal values and motivations of individual leaders, rather than to protect local dwellers' rights over the collective forest or to maintain the long-term health of agroforestry ecosystems. The unstable political environment in Nan-e watershed, where the political powers delegated to local institutions can be easily dominated by a single elite or taken away by outside forces, poses a serious threat to decentralization.

III. COMPARING EXPERIENCES: CROSSCUTTING THEMES AND LESSONS

The five case studies illustrate the wide-ranging changes and challenges confronting Southeast Asia as a result of decentralization in relation to natural resources management. The outcomes associated with decentralization in Cambodia, Indonesia, Thailand, Vietnam, and China are highly varied: some are beneficial while others are detrimental to long-term human and environmental well-being. Although there are major differences in decentralization experiences among the countries resulting from their unique political, economic, and social conditions, it is possible to draw some general lessons that cut across geographic lines. A comparison of the case studies revealed the following common themes: 1) incomplete or unclear subsidiarity; 2) limited downward accountability; 3) lack of capacity of democratically elected local governments; 4) donor-driven decentralization; 5) limited ownership of and benefit from natural resources by local communities; and 6) inadequate coordination between governmental and non-governmental actors.

Incomplete or unclear subsidiarity

Decentralization, as it is occurring in Southeast Asia, is a complex and dynamic process undertaken in an environment of political struggle between central and local interests. As the case analyses indicate, there has been an important shift in political, legal, and institutional settings in recent years that paves the way for redefining the roles of central, regional, and local authorities and for streamlining governmental operations. The success of decentralization, however, is hampered both by incomplete subsidiarity, often due to a reluctance of central government to relinquish power and influence from the center (Conyers, 1990; Brunner et al., 1999; Ribot, 2004), as well as unclear subsidiarity, wherein laws and regulations from different levels—and even at the same levels—overlap and conflict with one another.

The gap between decentralization discourse and practice is prominent especially in the natural resources sector, which is one of the largest sources of income and an important contributor to national economic growth in many countries of the region (Larson, 2002). Despite growing evidence that the traditional top-down approach has failed to respond to local needs and achieve sustainable development, many powers remain with the central government. In Cambodia, for instance, the central government promulgated a set of decentralization policies and programs, but seemed to perceive local governments and communities as lacking the capacity and ability to make appropriate decisions about resource protection and utilization. Community forestry/fisheries projects without legal support from central government, as is the case in Komgpong Pou commune in Krakor District, are mostly limited to some of the least accessible and productive areas and can be easily thwarted by outside concessionaires.

Problems in the central-local power balance in the natural resources management arena are less prominent, but still present, in other countries. Decentralization laws and policies in Thailand, Vietnam, and China acknowledge that local government authorities shall assume, or share with the central government, the responsibility for natural resource use and protection. In reality, however, central intervention in the implementation of national strategies on the ground is strong and the domain of local discretionary power in this sector is restricted. In Vietnam, for example, the result of tight central government oversight is that some upland communities are reluctant to enforce the new forestland policies, because these guidelines are not suited to local realities and could jeopardize the traditional livelihoods of indigenous people.

Overlapping and conflicting laws and regulations are also a common impediment to the success of decentralization policies. In Indonesia, for example, although the Regional Autonomy Law devolves a wide range of public service delivery functions to local authorities, it does not specify where legal responsibility exists with regard to natural resources management. Furthermore, a number of new laws and regulations have been passed in the last few years that contradict the guidelines of regional autonomy articulated in the Regional Autonomy Law. The ambiguity and co-existence of contradictory laws has led to growing confusion, competition, and duplication among different tiers of government, taking away the very rights over natural resources granted to local authorities in the Regional Autonomy Law. The studies in Tonle Sap region in Cambodia and Yunnan province in China also cited the failure to adopt consistent regulations and rules in the natural resources sector at every administrative level as a formidable barrier to real change on the ground.

Limited downward accountability

Accountability depends on whether decentralization occurs as deconcentration or devolution. Deconcentration occurs when powers and resources are conferred on lower administrative units of the state apparatus that remain upwardly accountable, while devolution occurs when authorities are representative of and accountable to local populations (Dupar and Badenoch, 2002; Ribot, 2001; Ribot, 2004). Our comparative

analysis demonstrates that to date, decentralization in Southeast Asia has been structured in large part as deconcentration.

An illustration of this is the case of Yunnan province in China, where the ongoing administrative reform process leaves wide room for intervention by lower levels of central administration (Miller et al., 1996). Village committees are unable to serve the farmers' needs and concerns and resist deconcentrated agencies' intrusion into local control of forest and agricultural lands. Likewise, in Cambodia, locally-elected commune authorities have little political influence to stand up to centrally-appointed, upwardly-accountable entities. Although they have better access to information about the local context, commune councils are not given the right to determine how to manage and protect local land, forest and water resources nor are they allowed to initiate their own policies within their administrative jurisdictions. In this context, decentralization creates a new issue instead of solving the original problem, by transforming the conflict between the central and local government to one between local units of the central ministries and local government (Romeo and Spycerelle, 2003; Xu and Ribot, 2004).

Lack of capacity of democratically elected local governments

A striking trend identified across all five studied countries is the limited capacity of local governments. The ability of local authorities to deliver good service to their constituencies depends on whether adequate human, financial, technical and institutional resources are transferred and developed (Miller et al., 1996; Eaton, 2001). However, typically, the smaller and more rural an area is, the less likely it is that the local government has sufficient working capital, expertise, and taxable resources to perform their assigned duties in natural resources management properly, such as detection of harmful agricultural practices and monitoring of illegal resource-grabbing. Even if administrative and fiscal powers are devolved to authorities who are accountable to their local constituents, these authorities will achieve little in the way of conservation and sustainable development unless they have the corresponding capacity to exercise their responsibilities effectively (Badola, 2000; Lai et al., 2000; Lutz and Caldecott, 1996). The gap between decentralization and local governments' leadership is still substantial.

A shortage of resources has often led local governments to simply become the eyes and ears of the central government and commercial investors, and unsustainably convert natural resources capital into cash. In Thailand, for example, the majority of rural TAOs have limited leadership, vision, and ability to procure their own revenue and remain heavily dependent on subsidies from central government. As a consequence, despite being locally elected, TAO officials tend to be more upwardly accountable and place a higher priority on economic and infrastructure development than on environmental functions and watershed services. Some local authorities even view decentralization as a threat because it might result in a withdrawal of central government support and the loss of care and guidance that was once perceived under the centralized regime (Hunter 2004).

Donor-driven decentralization

Of fundamental importance in terms of ensuring the sustainability of decentralization is the question of motivations for these reforms. On the one hand, increasing internal

pressure has exerted an important influence on political and legal institutions and structures. On the other hand, governance reforms are implemented in the context of international trends and, therefore, largely motivated by donor interests (Godfrey et al., 2002; Ribot and Oyono, 2005). This has especially been the case in Cambodia, where the strong push and large cash infusion from the donor community have been a compelling reason for the government's professed commitment to decentralization. A dependency on donors and investors also exists in Indonesia (Silver, 2003). These study results raise the concern that the enthusiasm for decentralization might be diminished, notwithstanding a stated government objective to strengthen local autonomy, when the attention of multilateral and bilateral aid agencies turns to other problems and when their financial support for decentralization initiatives shrinks.

Limited ownership of and benefit from natural resources by local communities

The case studies demonstrate that decentralization is more than a formal process of power and resource transfer from central to local governments. The past few decades have witnessed the transfer of control over natural resources from government agencies to non-governmental local resource user groups (Knox and Meinzen-Dick, 2001). A wide array of CBNRM projects, ranging from government-driven initiatives to locally-led conservation efforts, has been developed in Southeast Asia, producing income-generating opportunities and promoting, at least to some degree, a better understanding of the environmental significance of local resources among rural communities (Encarnacion, 2000; Johnson, 2001; Li, 2002).

There are indications of an increase in farmers' cash income and enhanced household food security since the inception of the forestland allocation project in Huoi Tai hamlet in northwestern Vietnam. Another example is the Kampong Pou community in Cambodia, where the community forestry project has proved instrumental in reducing over-harvesting and other wasteful practices, which have long been the leading cause of deforestation and forest ecosystem impairment. The return of forest cover and wildlife as well as improved per capita availability of firewood has been observed.

Despite the manifold accomplishments of CBNRM, the fundamental question remains of how to ensure that CBNRM can truly represent local needs and bring power closer to those who reside in proximity to, and depend on, natural resources. CBNRM does not in and of itself automatically promote equity, justice, and efficiency. One striking observation in the case studies, especially in the countries where democratic local institutions are weak, is that CBNRM is used as a political tool to strengthen the authority of a select number of local elites, including certain ethnic majority groups, village chiefs—usually male—and concessionaires. Individuals and groups in power capture the primary benefits of CBNRM, while limiting the access of others, notably the poor, migrants, neighboring communities, women, and minority groups (Leach et al., 1999; Lutz and Caldecott, 1996; Thorburn, 2002).

For example, in Kerom district in Papua province of Indonesia, the political power to manage the *kopermas* logging license is mostly concentrated in the hands of the small, non-local, self-appointed management board members. Underprivileged people in the

community end up being involved in the *kopermas* initiative only secondarily as labor. By the same token, in Na Be Hamlet in north central Vietnam, customary leaders and elites often serve as intermediaries between local residents—who often face language barriers—and the government. In so doing, they sometimes advocate for their own interests while claiming to represent the entire community. It has become evident that the flow of information and benefits accrued from the new resource management system generally stops at the level of more empowered community members, while the majority of forestland recipients are poorly informed about their legal status, the compensation that they are entitled to, and, in some cases, even the size and location of their forest plots (Johnson and Forsyth, 2002; Vien, Quang, and Thanh, 2005).

Some of the research findings attribute the mixed outcomes of decentralized natural resources management to the absence of clear tenure rights and other incentive mechanisms that foster local stewardship over natural resources (Adger and Luttrell, 2000). The momentum of local mobilization and development is frequently plagued by governments' failure to officially recognize the property rights of local communities and support customary institutions, such as *nagari* in Indonesia and upland ethnic groups in Vietnam.

Communities' efforts for sustainable natural resources management are further impeded, as in Cambodia, when external commercial interests are involved and valuable local natural assets are given in concession to outside industries. In the case of the Papuan *kopermas* in Indonesia, while forestland-use certificates are granted to households, communities, indigenous people, and local organizations, the instrument of tenure is valid only for one year, and is subject to costly logging and reforestation fees. In the midst of tenure insecurity and uncertainty, local people are often skeptical about how long these new local rights will last and are less willing to invest their time, capital, and labor in forest rehabilitation and land conservation (Kartodihardjo, 2005). The absence of local ownership of natural resources leads to an open-access crisis, whereby people over-utilize natural resources in exchange for hard cash, or allow others to do so (Lai et al., 2000; Hanoi Agricultural University, 2001).

Inadequate coordination between governmental and non-governmental actors

In some cases, the challenge lies in bringing a critical mass of players, including government institutions at multiple levels, local non-state actors, and business interests, together to negotiate a common vision and agree on resource utilization and allocation plans (Upreti and Shrestha, 2000). There is a lack of effective channels for communication, mutual understanding, and collaboration among stakeholders. In Yunnan, for example, conflicting interests among village governments, other government agencies, and indigenous groups threatened to derail the implementation of the NFPP and led to high rates of deforestation and unsustainable resource extraction.

The failure to include key interested groups and individuals in the planning and implementation process could sabotage projects aimed at managing natural resources at the appropriate ecosystem scale. It is evident that artificial political boundaries do not necessarily correspond to ecosystem boundaries or ethnic divisions (Wittayapak and

Dearden, 1999; Dupar and Badenoch, 2002). Greater coordination, coherence, and concerted actions that transcend sociopolitical boundaries and encompass diverse interests and perspectives of ethnically distinct groups are needed to maximize opportunities for conservation and livelihood improvements created by decentralization. However, as natural resources conservation issues are considered a lower priority by TAOs in Mae Chaem, opportunities have yet to be realized for government authorities and local *prachakom* to work together in watershed management and fully understand each others' objectives and activities. The absence of mechanisms for developing social capital and an atmosphere of mistrust among stakeholders across multiple jurisdictions provide barriers to shifting the scale of conservation initiatives from sub-catchments to larger ecosystem levels.

IV. CONCLUSION AND RECOMMENDATIONS

This paper represents an effort to better understand the linkages between decentralization and the state of natural resources and local communities, and to identify long-term strategies for natural resources governance that promote sustainable livelihoods and ecosystem conservation for rural communities in Southeast Asia. The five case studies from Cambodia, Indonesia, Thailand, Vietnam, and China demonstrate that, although recognition of the potential of decentralization as a viable option for natural resources management is growing at all levels of society, the natural resources sector reforms have not yet reached their intended level of implementation. There have been only sporadic and intermittent attempts to develop an ideal decentralization structure in compliance with the principles of subsidiarity, accountability, and capacity.

Efforts to devolve decision-making authority over natural resources management to elected local bodies repeatedly encounter resistance from a variety of actors, including higher levels of government, line agencies, and the elite. Upward and downward accountability within and across sectors, jurisdictions, and organizations, both public and private, has yet to be fully established or practiced. There are insufficient human, financial, and political resources at the local level to match the amount of responsibility local governments have been granted under decentralization. All of these issues are inter-related and contribute to the perpetuation of the vicious circle of rural poverty, leading to further natural resources degradation.

These findings reinforce existing research evidence that suggests that decentralization per se is not necessarily a panacea (Dupar and Badenoch, 2002; Ribot, 2002; Andersson, 2004). If implemented without adequate planning, control, and coordination, decentralization reforms could be a counter-productive step serving as a means for the rich and powerful to become ever richer and more powerful at the expense of the poor and the powerless. Decentralization reforms would be more successful vehicles for conservation and poverty reduction if practiced in a democratic, participatory, transparent, and locally-driven manner under stable and clear policy frameworks (Larson and Ribot, 2004). Decentralization efforts in Southeast Asia are still in the nascent stage,

characterized by ‘learning-by-doing.’ Thus, it is still too early to conclude whether the ongoing reforms in Southeast Asia will ultimately be successful.

The true implications of decentralization policies for natural resources management in each of the case studies must be tempered with the understanding that a more consistent and complete implementation of decentralization policies could produce quite different results than those seen in the first few years of the current decentralization initiatives. In addition, there is a continuing need to revisit the issues and reinforce policy recommendations in order to fill the gap between research findings and practice. Potential areas for further research are identified in Box 2. With the key themes and issues identified in the previous sections in mind, we make the following recommendations for policymakers in the region and worldwide to consider in the future.

Box 2: Areas for Future Research

Aside from the policy recommendations, we suggest some future research directions based on our studies that could add to the dialogue on natural resources governance and positively influence the implementation and development of decentralization policies. They include:

- Which powers and functions should be transferred to which level of government and how should multi-level governance be structured?
- What conditions are needed to ensure that locally elected government bodies play a meaningful role in natural resources management?
- How should fiscal decentralization policies be implemented, and what measures need to be taken to minimize negative repercussions?
- What are the effects of the market economy on decentralization processes and CBNRM operations?
- How does the ethnic, cultural, and linguistic diversity of local communities affect the way decentralization of natural resources operates?
- What are the mid- and long-term implications of ongoing decentralization reforms and CBNRM initiatives on local livelihoods and environment?
- What is the most appropriate scale at which to address natural resources governance challenges and what forms of local resource user groups are best suited to different natural resources management issues (e.g., committees, networks, federations)?

Recommendations

1. Develop a clear and adequate understanding of decentralization

A common understanding and vision of decentralization reforms should be developed among those involved in the decentralization of natural resources management as a guideline for measuring the compliance of all activities against the decentralization laws and policies. This includes developing common definitions of relevant concepts (*e.g.*, subsidiarity, accountability, CBNRM); generating a clear view of structure (*e.g.*, decision-making, implementation, conflict resolution, fiscal management, participation, property rights); and identifying influences and interactions between stakeholders and resources. Such shared understanding should be adapted to local realities in a site-specific manner. As is evident in the literature, not only is it impossible to apply a global standard for decentralization, but even within countries there will be no single strategy

that applies to all communities. Decentralization planning and implementation processes should capitalize on the availability of local traditional knowledge and practices. In Vietnam, for example, central authorities will need to rethink forest allocation strategies in the context of local realities, which will require relevant information from the field, as well as adequate consultation with local residents.

2. Implement the principle of subsidiarity and build capacity of local governments

'Real' decision-making and management authority over natural resources must be devolved to the local level, which should best represent and respond to the interests of stakeholders. Decentralization must not be used as a means of extending centrally-controlled bureaucracies to local levels. In order to ensure sustainable implementation of the subsidiarity principle, a fundamental shift in decentralization processes is required from a short-term, donor-driven, and supply-led approach to a long-term, country-driven, and demand-led approach. Central governments, together with the donor community, should continue providing support in building technical, managerial, and financial capacity of local elected authorities so that local governments have both the power and resources to determine and implement local priorities within a national policy framework for sustainable development. The roles of various levels of government also need to be clarified as part of the decentralization process.

3. Clarify and bridge gaps between laws and regulations

Laws and regulations relevant to decentralization and natural resources should be thoroughly reviewed and, where there are overlaps and gaps, modified in such a way as to complement, rather than contradict, each other. All sectoral laws governing forest, water, and land resources need to be consistent with a broader national vision on decentralization. Clarification and simplification of laws will help avoid confusion, duplication, or antagonism, and prevent different levels of government from operating at cross-purposes. Reflecting the uniqueness of local conditions outlined in the previous sections, legal frameworks also need to remain flexible and updated regularly so that they meet changing local needs and circumstances.

4. Improve democratic accountability and transparency

Accountability relationships should be established and maintained in the natural resources arena at multiple levels both within and among governments, local populations, NGOs, and business entities. In particular, local institutions empowered by decentralization must be downwardly accountable to and representative of their constituents so as to bring natural resources-related decisions closer to the people affected by them and avoid conflicts of interest. Open, transparent, and regular discussions are critical in strengthening the partnership between government authorities and local indigenous community members and highlighting key areas where further action is necessary. In cases where a high degree of conflict and tension exists among communities, such as Mae Chaem watershed in Thailand and West Sumatra province in Indonesia, a great deal of time needs to be devoted to building trust and respect among stakeholder groups. At the same time, it is important that decentralization processes include mechanisms to hold local authorities upwardly accountable to national and international environmental standards.

5. Ensure equitable share of the benefits arising from CBNRM

Equity must be mainstreamed into all aspects of CBNRM. This includes, but is not limited to, a just distribution among stakeholders of profits derived from natural resources; fair disclosure of information in a manner that local people can understand; equal provision of resources; and access to credit, training, and other activities of local interest. There is especially a need to protect the access of vulnerable and traditionally marginalized populations, such as certain indigenous groups, women, and poor households, to ‘their’ natural resources. Given geographical, ethnic, and socio-cultural distinctions, a diverse array of options to promote equitable sharing of benefits among resource users can be expected, even within a single country. Tools such as participatory community mapping and establishment of community by-laws have proven to be effective in some areas. A more direct approach, including the formulation of targeted discussion groups, provision of reserved seats in local decision-making bodies, and separate consultative processes, may be required in other areas, where the dominance of the elite and traditional leaders remains intact, so as to increase the voice of marginalized groups in decision-making and extend more development benefits to them.

6. Provide incentive mechanisms to encourage the adoption of sustainable practices

It is necessary to strike an appropriate balance between the interests of local community members who live and work in the areas where the resources are located, and the broader interests of society as a whole. Natural resources management, if planned and implemented with the utmost care and consideration for specific local concerns and perspectives, is more likely to earn the support of local communities, resulting in a greater chance for success in meeting conservation objectives. In order to elicit community involvement in the protection and management of natural resources, governments must foster a better sense of local ownership and control, especially by:

- distributing productive and resource-rich areas to communities for CBNRM purposes;
- recognizing and securing the long-term tenure rights of local communities and customary institutions;
- providing space for communities to develop, adjust, and carry out their own natural resources management plans to meet their specific needs;
- passing greater authority for conflict mitigation/resolution and control of land grabbing, encroachment, and other illegal activities to communities, with support from higher levels of government; and
- placing authority and resources of finance and manpower at the appropriate ecosystem scale (*e.g.*, watershed, customary community, or community network) and coordinating those bodies’ work with that of governments at different levels, including the local level.

The five case studies conducted through the Resources Policy Support Initiative shed light on the role of decentralization in improving natural resources management so that it better protects the environment as well as the livelihoods of local communities. However, as highlighted in this synthesis paper, decentralization has yet to reach its full potential in the study countries due to challenges such as incomplete subsidiarity, unclear or

contradictory policies on natural resources, a lack of downward accountability, and limited capacity to implement policies at the local level.

By beginning the process of decentralization, central governments have taken an important first step toward enabling natural resource-dependent communities to manage these resources for their own well-being. Policy-making is a dynamic process, requiring frequent revisiting, feedback from stakeholders, and modification of laws and regulations. The recommendations above are intended to assist in furthering this process so that local communities can sustainably manage natural resources for their own livelihoods and for society as a whole.

References:

- Adger, W. N., and Luttrell, C. 2000. Property Rights and the Utilization of Wetlands, special issue on The Values of Wetlands: Landscape and Institutional Perspectives. *Ecological Economics*, 35: 75-89.
- Andersson, K. P. 2004. "Who Talks with Whom? The Role of Repeated Interactions in Decentralized Forest Governance." *World Development*, 32 (2): 233-249.
- Badola, R. 2000. Local People amidst the Changing Conservation Ethos: Relationships between People and Protected Areas in India. In *Decentralization and Devolution of Forest Management in Asia and the Pacific*, edited by T. Enters, P. B. Durst, and M. Victor, 187-201. Bangkok: RECOFTC Report No. 18 and RAP Publication 2000/1.
- Bebbington, A., L. Dharmawan, E. Fahmi, E., and S. Guggenheim. 2004. "Village Politics, Culture and Community-driven Development: Insights from Indonesia." *Progress in Development Studies*, 4 (3): 187-205.
- Brunner, J., F. Seymour, N. Badenoch, and B. Ratner. 1999. *Forest Problems and Law Enforcement in Southeast Asia: The Role of Local Communities*. Washington, D.C.: World Resources Institute.
- Buch-Hansen, M. 2002. "The Territorialisation of Rural Thailand: Between Localism, Nationalism and Globalism." *Tijdschrift voor Economische en Sociale Geografie*, 94 (3): 322-334.
- Conyers, D. 1990. Centralization and Development Planning: A Comparative Perspective. In *Decentralizing for Participatory Planning?*, edited by De Valk, P. and K. H. Wekwete, 15-34. Aldershot: Avebury.
- Dupar, M. and N. Badenoch. 2002. *Environment, Livelihoods, and Local Institutions: Decentralization in Mainland Southeast Asia*. Washington, D.C.: World Resources Institute.
- Eaton, K. 2001. "Political Obstacles to Decentralization: Evidence from Argentina and the Philippines." *Development and Change*, 32 (1): 101-127.
- Encarnacion, C. S. 2000. The Role of Community-based Enterprises and Monitoring: Experiences from Biodiversity Conservation Network Funded Projects in the Asia-Pacific Regions. In *Decentralization and Devolution of Forest Management in Asia and the Pacific*, edited by T. Enters, P. B. Durst, and M. Victor, 155-167. Bangkok: RECOFTC Report No. 18 and RAP Publication 2000/1.
- Fichtenau, J., L. C. Beang, N. Sothea, and D. Sophy. 2002. *An Assessment of Ongoing Community Forestry Initiatives in Cambodia: Implications for the Development of a Forestry Extension Strategy*. Phnom Penh: Department of Forestry and Wildlife.
- Godfrey, M., C. Sophal, T. Kato, L. V. Piseth, P. Dorina, T. Saravy, T. Savora, and S. Sovannarith. 2002. "Technical Assistance and Capacity Development in an Aid-dependent Economy: The Experience of Cambodia." *World Development*, 30 (3): 355-373.
- Hanoi Agricultural University. 2001. *Government Policies on Resource Management and Improvement of the Livelihood of Local People in the Ca River Basin, Vietnam*. Resources Policy Brief. Washington, D.C.: World Resources Institute.
- Hunter, C. L. 2004. "Local Issues and Changes: The Post-New Order Situation in Rural Lombok." *Sojourn*, 19 (1): 100-122.

- Johnson, C. 2001. "Community Formation and Fisheries Conservation in Southern Thailand." *Development and Change*, 32: 951-974.
- Johnson, C., and T. Forsyth. 2002. "In the Eyes of the State: Negotiating a "Right-based Approach" to Forest Conservation in Thailand." *World Development*, 30 (9): 1591-1605.
- Jun, H. Forthcoming. *Forest Governance in Yunnan: Concept, Frameworks and Research*. Beijing: China Agriculture University Press.
- Kartodihardjo, H. 2005. *Policy Study on Strengthening Communities' Status in Decentralized Natural Resources Management in West Sumatera and Papua - Indonesia*. Jakarta: Policy Yayasan KEMALA.
- Kingdom of Cambodia. 2002. *National Assessment of Implementation of Agenda 21: Progress, Challenges and Directions*. Report presented at World Summit on Sustainable Development in Johannesburg, South Africa, 26 August - 4 September 2002.
- Knox, A., and R. Meinzen-Dick. 2001. *Collective Action, Property Rights, and Devolution of Natural Resource Management: Exchange of Knowledge and Implications for Policy*. CAPRI Working Paper No.11. Washington, D.C.: International Food Policy Research Institute.
- Lai, C. K., D. Catacutan, and A. R. Mercado, Jr. 2000. "Decentralizing Natural Resources Management: Emerging Lessons from ICRAF Collaboration in Southeast Asia." In *Decentralization and Devolution of Forest Management in Asia and the Pacific*, edited by T. Enters, P. B. Durst, and M. Victor, 115-131. Bangkok: RECOFTC Report No. 18 and RAP Publication 2000/1.
- Larson, A. M. 2002. "Natural Resources and Decentralization in Nicaragua: Are Local Governments Up to the Job?" *World Development*, 30 (1): 17-31.
- Larson, A. M. and J. C. Ribot. 2004. "Democratic Decentralization through a Natural Resource Lens: Countering Central Resistance, Fostering Local Demand." *European Journal of Development Research*, 16 (1): 1-15.
- Leach, M., R. Mearns, and I. Scoones. 1999. "Environmental Entitlement: Dynamics and Institutions in Community-Based Natural Resource Management." *World Development*, 27 (2): 225-247.
- Li, T. M. 2002. "Emerging Simplifications: Community-based Resource Management, Market Processes and State Agendas in Upland Southeast Asia." *World Development*, 30 (2): 265-283.
- Lutz, E., and J. Caldecott. 1996. *Decentralization and Biodiversity Conservation*. Washington, D.C.: The World Bank.
- McCarthy, J. F. 2002. "Turning in Circles: District Governance, Illegal Logging, and Environmental Decline in Sumatra, Indonesia." *Society and Natural Resources*, 15 (10): 867-886.
- Miller, K., J. McNeely, E. Salim, and M. Miranda. 1996. *Opportunities and Challenges for Managing Biological Resources Through Decentralization Policies*. Mimeographed discussion paper.
- Preechapanya, P., D. E. Thomas, and N. Badenoch. 2004. *Local Institution Roles on Natural Resources Governance in Upper Northern Thailand*. Chang Mai: Thanaban Kanpim.

- Pragtong, K. 2000. Recent Decentralization Plans of the Royal Forest Department and Their Implications for Forest Management in Thailand. In *Decentralization and Devolution of Forest Management in Asia and the Pacific*, edited by T. Enters, P. B. Durst, and M. Victor, 146-151. Bangkok: RECOFTC Report No. 18 and RAP Publication 2000/1.
- Ribot, J. C. 2001. *Decentralized Natural Resource Management: Natural and Democratic Decentralization in Sub-Saharan Africa*. A summary report prepared for the UNCDF Workshop on Decentralization and Governance in Africa.
- Ribot, J. C. 2002. *Democratic Decentralization of Natural Resources: Institutionalizing Popular Participation*. Washington, D.C.: World Resources Institute.
- Ribot, J. C. 2004. *Waiting for Democracy: The Politics of Choice in Natural Resource Decentralization*. Washington, D.C.: World Resources Institute.
- Ribot, J. C. and P. R. Oyono. 2005. Resisting Democratic Decentralization in Africa: State and Elite Strategies for Holding onto Power. In *Toward a New Map of Africa*, edited by Winster, B., and C. Toulmin. London: Earthscan Press.
- Romeo, L. G. and L. Spycykerelle. 2003. *Decentralization Reforms and Commune-Level Services Delivery in Cambodia*. Case study submitted at the Workshop on Local Government Pro-Poor Service Delivery in Manila, 9 -13 February.
- Samath, S., P. Wallgren, and J. Ojendal. 2001. Addressing Anarchy: Decentralization and Natural Resource Management in Ratanakire Province, Upland Cambodia. In *Institutions, Livelihoods and the Environment: Change and Response in Mainland Southeast Asia*, edited by the Nordic Institute of Asian Studies, 347-385. Copenhagen: NIAS.
- Seila Task Force. 2000. *Seila Program Document 2001-2005*. Phnom Penh: Kingdom of Cambodia, Nation Religion King.
- Sikor, T. 2001. "The Allocation of Forestry Land in Vietnam: Did It Cause the Expansion of Forests in the Northwest?" *Forest Policy and Economics*, 2 (1): 1-11.
- Silver, C. 2003. "Do the Donors Have It Right?: Decentralization and Changing Local Governance in Indonesia." *The Annals of Regional Science*, 37: 421-434.
- Sithirith, M., H. Honey, and P. Raingsey. 2005. *Decentralization and Natural Resource Management in Cambodia: Implications of the Decentralization Process to Date – Case Studies in Pursat Province*. Phnom Penh: Fisheries Action Coalition Team.
- Thorburn, C. 2000. "Changing Customary Marine Resource Management Practice and Institutions: The Case of Sasi Lola in the Kei Islands, Indonesia." *World Development*, 28 (8): 1461-1479.
- Thorburn, C. 2002. "Regime Change: Prospects for Community-Based Resource Management in Post-New Order Indonesia." *Society and Natural Resources*, 15 (7): 617-628.
- Upreti, B. P., and B. P. Shrestha. 2000. Balancing Power in Community Forestry: Decentralization and Devolution of Power. In *Decentralization and Devolution of Forest Management in Asia and the Pacific*, edited by T. Enters, P. B. Durst, and M. Victor, 138-145. Bangkok: RECOFTC Report No. 18 and RAP Publication 2000/1.
- Vien, T. D., N. G. Quang, and M. V. Thanh. 2005. *Decentralization Process and Its Impacts on Livelihoods of Ethnic Minority Groups: A Study on Decentralization*

Process in Forest Management in Upland Vietnam. Hanoi: Hanoi Agriculture University.

Warman, K., and K. Rachmadi. 2005. *Hak Ulayat Nagari atas Tanah di Sumatera Barat - Jejak dan Agenda untuk Era Desentralisasi.* Jakarta: Catur Grafika.

Wittayapak, C., and P. Dearden. 1999. "Decision-making Arrangements in Community-based Watershed Management in Northern Thailand." *Society and Natural Resources*, 12: 673-691.

Xu, J., and J. C. Ribot. 2004. "Decentralization and Accountability in Forest Management: A Case from Yunnan, Southwest China." *European Journal of Development Research*, 16 (1): 153-173.

About the Resources Policy Support Initiative

The Resources Policy Support Initiative (REPSI) promotes poverty alleviation and sustainable development by improving the basis for national and regional decision-making regarding natural resource use in rural communities in Southeast Asia. REPSI was launched in 1997 to provide in-depth policy analysis on specific natural resource management topics. It has since expanded to include analysis on the role environmental governance plays in ensuring sustainable development in the region and, more specifically, in the case study countries. REPSI has also transitioned from an initiative that focuses on research to one that promotes the development, adoption and implementation of best practices and tools for environmental governance. These best practices and tools are at the heart of the initiative's component of strengthening the capacity of local organizations to influence policy through independent research, outreach, and regional exchange opportunities. For more information about REPSI, please visit our website at <http://biodiv.wri.org/-project-229.html>.

About the World Resources Institute

The World Resources Institute is an environmental think tank that goes beyond research to create practical ways to protect the Earth and improve people's lives. Our mission is to move human society to live in ways that protect Earth's environment for current and future generations.

Our program meets global challenges by using knowledge to catalyze public and private action:

- To reverse damage to ecosystems. We protect the capacity of ecosystems to sustain life and prosperity.
- To expand participation in environmental decisions. We collaborate with partners worldwide to increase people's access to information and influence over decisions about natural resources.
- To avert dangerous climate change. We promote public and private action to ensure a safe climate and sound world economy.
- To increase prosperity while improving the environment. We challenge the private sector to grow by improving environmental and community well-being.

In all of its policy research and work with institutions, WRI tries to build bridges between ideas and actions, meshing the insights of scientific research, economic and institutional analyses, and practical experience with the need for open and participatory decision making.