FAO Experience in Decentralization in the Forest Sector

Interlaken Workshop

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Introduction

Decentralization is not an end in itself; it is one of several means being used to achieve priority global development goals. Fighting poverty, hunger and environmental deterioration are just a few of the goals on the world agenda. The intellectual approaches of the leading international development institutions and donors like the World Bank, the International Monetary Fund, the United Nations, the Organisation for Economic Co-operation and Development (OECD), the European Union, the G8 and national governments converge in considering that “quality economic growth” is the overall necessary condition for achieving these goals.

These approaches also converge because, for quality growth to occur, country governments must be capable of ensuring competitive participation in free trade, economic efficiency, and equity and macro-economic stability—in other words, they must be governments capable of practicing “good governance.” In turn, it is considered that good governance starts at the level of communities, people and local government participation. Decentralization is the means to allow for the participation of people and local governments. Securing good governance is a precondition to the quality growth necessary to achieve global development goals. This connection explains the increased efforts made in promoting and supporting the implementation of the decentralization process in developing countries since the beginning of the 1980s. It also explains why these processes have focused first on the political, and then on the fiscal and administrative aspects. The rationale as well as the arguments for and against decentralization and strategies to improve the level of development of countries have been extensively discussed and analysed in the body of literature already published on the subject; they are therefore not dealt with at length in this paper.

Political, fiscal and administrative decentralization exercises are affecting the forest sector and in many cases have raised the need for taking actions that otherwise would never have been considered or would have been implemented more slowly and on a smaller scale. They are consequently the driving force for the current decentralization trends in the forestry sector.

Initial processes to implement decentralization in the forest sector have resulted in a number of requests for technical assistance from FAO’s Forestry Department decentralizing forest and natural resources management. This paper reviews the experience of the Forestry Department in implementing decentralization in Burkina Faso and Mali, summarizing some of the activities undertaken and the main issues and challenges that arise from the experience.

FAO and Decentralization

FAO has recognized the need to support its members with the decentralization process. The Organization also recognizes that “decentralization is a complex process requiring some enabling conditions to be sustainable, especially a strong continuing education program for personnel, ordinary citizens and organizations that are assigned to decentralization functions and responsibilities”. In the forestry sector, FAO—with the support of government members and through the Forestry Department—has pioneered work in community and participatory forestry. This work anticipated many of the principles and premises that sustain decentralization in actual practice and allowed FAO to gain first-hand experience in program decentralization and institutionalization. FAO has also worked on matters relating to decentralization, agricultural policy and decentralized rural development. This work has been carried out under the responsibility of the Policy Assistance Division of FAO’s Department of
Technical Cooperation. The actions of the Policy Assistance Division concentrate on three areas: public institutions, civil society and local government.

**Community and participatory forestry**
In the 1970s FAO joined social scientists and foresters and started to explore how forestry could be used as a resource and tool of rural development as “community-focused forestry.” Following this initial goal, a program was initiated that ran without interruption from the late 1970s until 2002. FAO’s program in community-participatory forestry can be divided into five phases. Phases I and II (1978–1986) were known as *Forestry for Community Development*. Phase I had as goals “to explore what community forestry could offer, [and] why it may be important and to create broad awareness of this new potential.” A major audience was forest policymakers. Phase II, in addition to dealing with the what and why of community forestry, was intended to respond to the how by developing tools, methods and approaches for implementing community forestry. Phase II continued to involve forestry policymakers in an advisory capacity but also provided support to field-level foresters. Phase III, *Forests, Trees and People*, developed between 1987 and 1991, focused on the development, publication and distribution of reports and material in eight countries. The overall intent was to strengthen the “in-house platform” for promoting and backstopping community forestry.

Phase IV of *Forests, Trees and People* began in 1992 and was ended after several extensions in 2002. Its overall action can be characterized as program decentralization. The goal was to ensure that learning about community forestry and its application be based on grassroots input, involvement and needs. It intended to decentralize the efforts for putting community forestry into action and to identify ways for the institutionalization of community forestry and participatory approaches.

One main result of FAO’s work in community and participatory forestry was in gaining experience in implementing the decentralization of technical assistance program. Another important linkage of such work with current decentralization is the many experiences and tools for improving people’s participation in the planning, decision-making and management of natural resources.

**FAO activities on decentralization related to public institutions, civil society and local government**
In December 1997, FAO hosted a Technical Consultation on Decentralization in collaboration with the United Nations Capital Development Fund (UNCDF), the International Fund for Agricultural Development (IFAD), the German Agency for Technical Cooperation (GTZ), the Swiss Agency for Development and Cooperation (SDC) and the World Bank (WB). This Consultation had the following objectives: first, to draw lessons from a review of research and empirical evidence and reach consensus on the potential and limitations of decentralization for rural development; and second, to identify good practices and principles for the sequencing and design of decentralization strategies.

The Consultation led to the preparation of 18 papers highlighting the capacities and knowledge accumulated by FAO on decentralization and rural development. A number of these papers deal with subjects that are directly related to the forest sector. Although the focus of this Consultation was on rural development, the analyses made are of relevance to decentralization in the forest sector.
Specific FAO Actions in the Forest Sector: FAO’s Approaches for Implementing Decentralization in Mali And Burkina Faso

In Burkina Faso and Mali, FAO is helping to implement decentralization laws. Work is being carried out on responsibilities and functions, the extent and type of resources transferred, and the relationship with the decentralization of other sectors. The final result of this assistance will be designing and launching systems for the decentralized governance of forest resources.

Burkina Faso (Background)

From 1983 to 1987, the country adopted a number of reforms that resulted in a certain degree of territorial and administrative decentralization. More definite action started in 1990 during the preparation of the draft for the Constitutional Law. The constitution approved in 1991 established a territorial organization based on municipalities (collectivités locales). The municipalities are self-managed units under the guidance of councils elected at the local level. Since 1991 Burkina Faso has been taking measures for the structural adjustment of its economy. Market liberalization has resulted in the dismantling of a number of state enterprises, and a more important role has been assigned to the private sector and civil society. In this context, political and fiscal decentralization was launched.

In 1993 the laws regulating the territorial division of the country and the electoral procedure for municipal councils were enacted. By 1995, 33 municipalities were ready to participate in the local elections held that year. The next local elections were programmed to be held in 2000; however, they were postponed until 2003, mostly because of a lack of institutional and human resources capacity at the municipal level.

In 1998 the laws establishing the general orientation for decentralization (objectives, territorial organization, principles for self management of municipalities and the relationship between the state and the municipalities) were enacted; they also established the administrative regulations. The same year the law for the implementation of decentralization was promulgated. This law provided the general guidelines for making decentralization a reality in Burkina Faso, some of which included: 1) progressive implementation of decentralization, 2) application of the principle of subsidiarity, 3) joint transfer of responsibilities and of their associated resources and 4) creation of funds and special support for strengthening the capacities of local government so that they could carry out their responsibilities.

Three organizations arose from these laws: the first was the National Commission for Decentralization (CND, from its French acronym), created in 1993 with the mandate to study the municipalities’ financial situation, analyse the municipal/state division of responsibility and provide capacity-building to local elected authorities and information management of the decentralization processes at national level. As a result of the work and recommendations of the CND, two other organizations were set up: one was a support service for the management and development of municipalities (SAGEDEDOM), responsible mainly for capacity-building to local authorities for the management of municipalities. The other organization was the fund for the development of municipalities, known as FODECOM. The main goal of the fund is to provide financial aid to the municipalities for equipment acquisition and its financial management. Many other structures of smaller scope and level were created in the different ministries for accompanying the decentralization movement. One example is the Unit of Strategies and Methods (Cellule stratégie et méthode, CSM) created within the
Forestry Department of the Ministry of Environment whose main task is to study and plan decentralization in the forestry sector.

At the municipal level, decentralization laws have established only formal representation for the political party; there are no provisions for representation of civil society. Such an arrangement has obviously not considered the increased importance of civil society at municipal and village level. The responsibilities of the communes cover the areas regarding land management and urbanism, economic development, planning, environment, management of natural resources, health, education and urban services. The territorial organization being developed starting in January 2004 will give birth to more than 300 municipalities.

**Mali (Background)**

The first steps toward decentralization in Mali go back to the 1960s with the laws of territorial organization. These laws created a territorial organization arranged as six layers of nested hierarchical units: region, circle, arrondissement, commune, village and tribe or fraction. Legal dispositions pursuing a strong local participation through the creation of local administrative organs were enacted in 1966. Similar to the forestry laws in many countries, the laws for territorial organization—although sophisticated in their rhetoric—remained mere text, with little effect on the country’s development.

The movement for a higher degree of decentralization took new life in 1990 with the armed revolt in the north of the country. The main demand of the inhabitants of the north, mostly from the Tuareg ethnic group, was a higher degree of autonomy. In 1991, during a national conference with the participation of major local actors, the principles of administrative decentralization under a unitary state were developed. Enshrined in the Constitution (1992), decentralization was supposed to be oriented in two main directions: a) the principle of free self management of the municipalities through councils elected under the conditions determined by the law; and b) the creation of a high council of municipalities with the functions of a second chamber of the parliament, with special rights regarding decentralization and local development. In 1993 the laws and decrees that form the legal framework for decentralization and its implementation were enacted.

At the institutional level the responsibilities for implementing decentralization were given to the Ministry of Territorial Administration through an administrative unit called Mission for Decentralization. After 1998 this responsibility was passed to the President of Mali. The first task of the mission of decentralization was to hold municipal elections and to set up the first group of elected authorities. The first municipal elections were held during 1998 and 1999. These elections marked the launching of political and administrative decentralization in Mali.

The final reform of the territorial administration increased the number of municipalities with right to self management from 19 to 702. The levels of decentralization have also been increased from 1 to 3 (region, circle and municipality).

From 1993 to 2004 the World Bank and other organizations, through four projects, provided US$223 million to Mali in loans and assistance related to decentralization. This sum does not, however, represent the total investment made on Mali on support of decentralization during that period.

**FAO’s Technical Assistance on Decentralization: Burkina Faso and Mali**
The development of a governance system for the combination of three hierarchical levels, 702 municipalities and the responsibilities of the local, central and traditional governments and authorities under a participative scheme is the challenge facing administrative and fiscal decentralization in Mali; this is also the same situation for forestry decentralization. In Burkina Faso a similar challenge has been set for the planning and implementation of decentralized forest resources governance, 13 regions, 45 provinces, more than 300 municipalities, three hierarchical levels and at least three types of authorities.

**Scope**
FAO is assisting in the implementation of approved laws dealing with political, fiscal and administrative dimensions. The response will consist in a system for governance of forest resources covering territorial division; administrative responsibilities and coordination mechanisms at national, sub-national and local levels; identification of financial and physical assets and resources to be transferred; and finally sustainable management of forest resources.

**Objectives and activities**
In both countries the objective of technical assistance is to assist in designing the institutional framework (administrative, fiscal and technical arrangements) for the decentralized governance of forestry resources and in starting to implement decentralized governance. Table 1 describes the main activities of the project.

**Strategies**
Since the first discussion at the beginning of the project it has been quite clear that implementation must be carried out progressively in order to avoid a power void. It has also been clear that in-country experience gained through participatory exercises and other activities can be an important starting point for the implementation of decentralization laws. At the lowest level, the decentralization scheme, following the principle of subsidiarity, will be based on village organizations and local knowledge. The goal of decentralized governance will be to improve individual and community welfare and the sustainability of those gains through sustainable forest management.

| Phase I: Situation analysis and first proposal for the decentralized governance of forest resources |
| Description of the administrative system for the decentralized governance of forest resources |
| ✓ Identification of key partners |
| ✓ Inventory of decentralized governance (DG) experiences |
| ✓ Analysis of the administrative system and of the implications for the DG of forests and natural resources |
| ✓ Identification of communes’ assets and patrimony |
| ✓ Description and definition of administrative units as per current legislation |
| ✓ Description of authorities and mechanism for accessing power and relationship with forests and natural resource management |

| Identification of technical responsibilities under the central government |
| Identification of means and resources to be transferred and their mechanisms |
| Identification of technical responsibilities of the state at the regional, provincial and commune level |
| Development of policy guidance for the different administrative units |

| Identification of implications in decentralized governance of forest resources |
| Administrative decentralization |
| Decentralization of forest management (technical aspects) |
| Decentralization of technical support |
| Financial and budgetary decentralization |
| Identification of powers, responsibilities and stewardship |

| Setting objectives and goals for the decentralization of forest and natural resources |
| National level |
| Regional level |
| Municipal level |
**Conclusions**

*Driving forces for decentralization of forests management*

The movement towards decentralization has achieved a general acceptance by governments, donors, and international organizations. In many countries because political decentralization has already reached “maturity,” actions are now being concentrated on fiscal and administrative decentralization. This means that forest resources will more frequently and more directly be involved in the decisions and actions implied by decentralization (e.g. in Burkina Faso, Ghana, Mali, Niger, Sudan and Togo). This situation raises opportunities and challenges using the experiences and knowledge developed with participatory forestry. To make the most of this experience, decentralization needs to be complemented with specialists from the discipline of forestry, particularly those specializing in forestry institutions, forestry economy, and participatory forestry management. This interaction requires improved methods in order more clearly to reveal the implications of and the relationship between forest resources and institutional reforms for decentralized management with the countries’ own national development strategies. In short, partnerships between the socioeconomic groups leading decentralization with those concerned more with the orientation of people’s welfare are the challenges for the forestry specialists facing a strong decentralization movement.

*Civil society participation*

The election of municipal authorities and the establishment of governing body are the means for securing representation for political parties. However, less attention has been given to the creation of mechanisms for the formal participation of civil society organizations in the decision-making process of local governments.

*Recentralization*
A strong attachment to centralized systems exists among staff that have been running the forest administration and who in most cases were trained to run public administration under a top-down approach. Because decentralization is strongly supported politically, open resistance is not frequently expressed. However, special efforts are needed to avoid ending up with schemes that maintain centralized operation merely under new names and structures. Situations in which, for stewardship reasons, the state can take back (even temporarily) responsibilities from the local level should be substituted by mechanisms to deal with emergencies within the limits of decentralization. It is of particular importance to decentralize forestry resources where the stewardship involves many ministries. In the case of Burkina Faso, under the laws of decentralization, at least three ministries are directly responsible for forest resource stewardship: the Ministry of Environment, the Ministry of Territorial Management, and the Ministry of Finance.

**Human resources**

Human resources, as is well known, are a weak point for decentralization in developing countries. In the two cases reported here there is an extremely high need to reinforce and further build institutional capacity. It may be acknowledged that national and international CSOs have been working to strengthen this aspect. However, in the implementation of decentralization of forests, special attention must be given to institutions strengthening at village and municipal level.

The knowledge and experiences of community forestry represent a very special complement for implementing decentralization of forests. The role it can play in the sustainable use of forest resources and rural livelihoods is widely recognized. Furthermore, community forestry “has moved from being largely experimental, pursued on a project and pilot scale to becoming the mainstream for participation of many national forestry strategies.”

**The costs of public goods**

The fact that natural resources are also a national patrimony calls for special norms for the management of the resources and for the payment of the functions carried out by each actor. Should villages be paid for the public goods being derived from their forest management? On the other hand, the interest in financial gains of the communes and village should not damage national interests and the overall wealth of forest resources. There is a need to preserve the national public interest without using it as an excuse for re-concentration.

**Unequal endowment of forest resources among municipalities and regions**

The dissimilarity in wealth of resources requires compensatory measures. Some regions have the richest resources and others might have the most serious problems due to degraded or overused resources. To deal with this situation, mechanisms for compensation and assistance to disadvantaged municipalities—especially during the first phase of implementation of decentralization—will be required.

**Financing the public services for sustainable forestry**

Decentralization reforms, especially fiscal, are an opportunity for local authorities to begin to directly manage part of the national budget. In theory, such measures could increase investments in the conservation of the forestry sector. However, because of the many demands and problems faced by local government, there are few chances that new funds will be assigned to the forestry sector as a consequence of fiscal decentralization. Even worse, in some cases, the broadened responsibilities borne by local authorities after decentralization...
might become an incentive for raising more funds and in most cases the main sources of revenues might be forests. This situation could result in an increased cutting of forests.

**Potential negative effects of decentralization**

Decentralization exercises in some cases have also had negative effects, especially when implemented in the absence of adequate mechanisms for accountability and people’s participation. Preliminary examinations of decentralization in the forestry sector have identified a number of situations in which, lacking proper management, decentralization might result in negative effects. For instance, with decentralization there exists the possibility that local elites may gain power and control over local resources. Forest income might be used by local authorities for funding public works like roads and urban infrastructure in order to secure political goals like re-election. The possibility that the number of governmental employees will increase in the decentralized forest administrations cannot be disregarded, because in some countries the number of decentralized units is many times higher than under the centralized scheme. For example, Mali has some 700 municipalities to which forest resources and responsibilities will be transferred. Another reason is that in some countries the government is the main employer, and posts in the public sector are used as a means to pay back the political clientele. Decentralization may also create new situations of financial stress for local government when central governments are not prepared to relinquish part of their traditional revenue at the same time that local governments charged with new responsibilities seek to increase theirs. This results in the increase of taxation on forests which, in turn, stimulates illegal exploitation of timber. The context for forestry decentralization needs to be carefully assessed during the planning phase of forestry decentralization, and the implementation phased accordingly with the evolution of those dimensions.

**Community and participatory forestry**

Community forestry and decentralization share many of the premises that sustain the convenience of transferring power, resources, and responsibilities to people and local government. The knowledge, experiences and lessons of community forestry can serve as an important technical and managerial starting point and complement to decentralization when it arrives in the forestry sector. From a legal and administrative point of view, experiences with community forestry systems like collaborative management are useful models for the designing regulatory frameworks that harmonize formal and customary legal systems. Community forestry experiences are also of great help in developing new regulatory frameworks and institutional structures, and in harmonizing modern government approaches with traditional ones.

Currently the concept of community forestry, understood as “any situation that intimately involves local people in forestry activity”\(^1\) has been changed to the more comprehensive one of “Participatory Forestry,” which now refers to processes and mechanisms that enable those people who have a direct stake in forest resources to become part of decision-making in all aspects of forest management, from managing resources to formulating and implementing institutional frameworks. The participatory-forestry approach can potentially play an important role in influencing and working at the policy formulation level for the decentralization of the forestry sector. Participatory forestry and its body of principles, knowledge, experience and methods can also interact more closely with economic and social analysts to make premises and models, thus providing decision-making power to people in a more effective way. Participatory research also needs to strengthen its methods for providing more hard facts and empirical evidence of the implication of its practice for people’s welfare in quantitative and tangible terms.
Challenges to the discipline of forestry

Important potential gains could be drawn from a partnership between forestry development efforts and the wide movement of decentralization. However, the discipline of forestry will need to provide the theoretical and technical evidence of the relevance of the forest sector to political, administrative, and fiscal decentralization in a way that is understandable to the economists and politicians leading the movement. Greater emphasis needs to be put on documenting results, progress, objectives, goals and targets as points of departure for the analysis of the processes of decentralization in the forest sector.

The systematic documentation and objective analysis of the effects of decentralization of forest management must be urgently addressed in order to make an early selection of the strategies and methods that could bring better results to people and sustainability. A joint FAO/World Bank initiative could be developed for analysing and identifying strategic issues, at the regional level, for the formulation of forestry decentralization programmes complementary to those already under way in fiscal, political and administrative areas.

Evaluation of current experience

The objectives and assumptions of the benefits of decentralization are clear in economic, political and administrative areas. But in the forest sector, experiences are still too new to draw final conclusions on the effects of the processes of decentralization achieved to date. Many positive and negative effects have been identified, and it is clear that countries need to strengthen their analytical capacities in this area. At the same time, they need technical assistance for decentralization in the same way that they received assistance for political, administrative and economic reforms.

The objectives of decentralization are normally measurable and defined in time for key economic and social aspects, for example economic growth, employment creation and productivity. The same cannot be said for the forest sector, where the objectives of decentralization are less specific or even occasionally unknown. It is necessary to reach the same level of analysis and capacity for design in the forest sector.

1 - Human Development Report 2003; Millennium Development Goals: A compact among nations to end human poverty. UNDP

2- Second generation reforms may be seen as the set of measures needed to enable a country to attain, in a sustained way, high-quality growth”. Michel Camdessus; Managing Director of the International Monetary Fund; IMF Conference on Second generation Reforms, 1999.

3 - “There has been a growing consensus among the leading international development organizations that effective and good governance is crucial for human development”. UNDP Experience in Decentralization, American Planning Association, National Planning Conference; 1998

- “If we are to get the best out of globalization and avoid the worst, we must learn to govern better, and how to govern better together”. We the People; the Role of UN in the 21st Century: Millennium Report of the Secretary-General of the UN, 2000.

- “Approximately one half of UNDP’s resources are now devoted to activities which support good governance”. UNDP experience in Decentralization, American Planning Association, National Planning conference, 1998

- Second generation of reforms, Camdessus

- Washington consensus. John ??

- See “Partnership for sustainable global growth Interim Committee Declaration”; Board of Governors of the IMF 1996.

4 - “Now over 80 percent of developing and transition countries of Eastern and centrals Europe and Former Soviet Union, with widely different political orientations and economic bases, are experimenting with decentralization. Wendy S. Ayres; World Bank staff member, team for Decentralization, Participation and Rural Development., in the Online Sourcebook on Decentralization and Local Development (http://www.ciesin.org/decentralization/). Last accessed 10/11/03.

“While decentralisation or decentralising governance should not be seen as an end in itself, it can be a means for crafting more open, responsive, and effective local governments and for enhancing representational systems of community-level decision-making”. UNDP experience in Decentralization, American Planning Association, National Planning conference, 1998.
Latin America after a decade of reforms. IDB, 1997


Democratic Decentralisation. Operation Evaluation Department, World Bank, 2000


Rationale for decentralisation. The online source book in decentralisation. Contributor: World Bank
Author: Decentralization Thematic Team

The Promise and Limitations of Decentralization, Part 4 by James Manor; Institute of Development Studies; University of Sussex, UK; Technical Consultation on Decentralization; Rome; 16-18 December 1997

Decentralized Rural Development and the Role of Self Help Organizations. Regional workshop held from 4-6 November 1998; Chiang Mai. Thailand; RAP Publication 1999/33.

The Forests, Trees and People Programme (FTPP) began in 1987, as a follow-up to FAO’s first focused programme to promote community forestry—the FAO/SIDA Forestry for Local Community Development Programme (FLCD—1978 - 1986). The Programme has gone through a number of phases: FTPP I (1987 - 1991); FTPP II (1992 - 1995); FTPP II Extension Phase (July 1995 - June 1998); and FTPP III (July 1998 - December 2002). FTPP was executed by the FAO Forestry Department in conjunction with a number of partners, cooperating institutions and individuals in more than twenty countries, FAO, Forest, Trees and People Programme (FTPP); Terminal Report, June 2003.

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