

Local Level Governance of Natural Resources and the Environment

Briefing note for embassies



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1 Introduction

This briefing note¹ deals with the **governance** of natural resources and the environment in relation to local economic development and equity² in rural areas. Natural resources are a source of subsistence and income for rural people and of revenue for government and elites. The productivity and sustainability of most rural economic activities depend on the state of the environment and on the institutions that govern access and management of the natural resource base. Governance in relation to natural resources and the environment is a relatively new policy area within DMW. Both the national and the sub-national level need to be addressed (DMW, 2006).

The briefing note has a particular focus on the role of sub-national governments in natural resources and environmental governance (NREG) and the following three issues will be addressed:

- The importance of stressing the role of local government in natural resources management and environmental governance, taking into account multi-stakeholder and multi-level processes;
- The influence of the relationship between national policy and sub-national levels of government (also referred to as micro-macro linkages) on local capacities for NREG, thus providing entry points for embassies within national policy frameworks;
- Possible instruments that can be used by embassies to reinforce local governance of natural resources and the environment.

Since the 1990s, support for decentralisation has become part of Dutch bilateral development cooperation and about 20 embassies are currently undertaking activities in this field (Nibbering and Swart, 2008). Embassies are engaged in policy dialogue on good governance, and may be involved in support programmes related to decentralisation or deal with this matter in the context of sector-wide approaches.

In 2007, embassies in east and southern Africa met with staff of the Ministry to discuss the contribution of local governments to social and productive service delivery. This workshop showed that the potential and challenges of decentralisation processes for improving social service delivery (e.g. education, health and drinking water supply) are becoming better understood, including the linkages with public finance management, public sector reform and existing accountability mechanisms. However, there is much less insight into how local governments contribute to local economic development, which includes NREG, in order to promote prosperity and equity. Productive service delivery by local governments is not yet receiving systematic attention either in policy analysis or in interventions. This is the main reason why DMW and DDE agreed to provide more information to embassies on this topic, such as this briefing note.

Productive service delivery by local governments seeks to enhance income generation, employment creation and economic activity among entrepreneurs, communities and employees (van den Boom and van der Wal, 2007). These

services include legislation and regulation for private sector activities; allocation and administration of property rights; land use planning; investments in infrastructure (roads, markets etc.); or encouraging the availability of local business support services. The various services build economic capacity and determine the setting for private sector investments and development. Taxation policies of local governments also affect the private sector (Hilhorst et al., 2008).

Local governments are expected to promote public-private dialogues and collaboration towards Local Economic Development (LED), that is “the process in which partnerships between local governments, community-based groups and the private sector are established to manage existing resources, create jobs and stimulate the economy of a well-defined area” (Helmsing 2001, see also ILO and World Bank on LED)³.

The focus of this briefing note is on one aspect of productive service delivery by local governments – the governance of natural resources and the environment, which provides the basis for sustainable economic development. It explores ways for strengthening the guiding and coordinating role of local government in these matters.

2 Why *local* NREG?

The principle of **subsidiarity** implies that a central authority should perform only those tasks which cannot be performed effectively by a competent lower authority⁴. Subsidiarity is one reason for promoting decentralised management of natural resources and ecosystems as a whole, such as forests, wetlands, grazing areas, and fisheries. Justice in natural resource governance may be another reason. These resources are subject to seasonal and annual variations, which affect composition and availability. This variability is likely to increase under the influence of climate change. Moreover, most of these natural resources are used by a range of groups, who may live locally or come from elsewhere and perceive the resources as *de facto* “common property”. A decentralised form of management creates more room for adaptive and flexible decision-making in response to day-to-day developments. Such a system is likely to contribute to more efficient, equitable and sustainable resource use.

The most appropriate level for natural resource management varies. The area of a forest, a lake or a grazing area may cover the administrative boundaries of several local governments. In other cases, these resources are relatively small in size and are managed by a single village. For managing larger ecosystems, alliances of local governments are required, and legislation to facilitate such arrangements (e.g. *mancomunidades*, *intercommunalité*). Local decisions may have implications for other actors. For example, changes in vegetation cover upstream may cause erosion and flooding downstream, when affecting the hydrology of the watershed, or they impact on water quality, biodiversity, etc. Management of this type of complex ecosystems requires a **holistic** approach, taking into account the various functions of the resource and the different perspectives of actors concerned.

In many places, sophisticated but informal management systems sustain productivity, regulate competition and prevent conflict over resource use. However, these locally-recognised systems of rights and responsibilities are not necessarily acknowledged in formal legislation.⁵ When *de jure* management control over such resources has been transferred to the central state, customary authorities try to uphold informal management systems, since they will be the first to experience the consequences of overuse, degradation and conflict. However, their efforts are undermined in cases where central authorities overrule local management decisions. In such situations, trust between government officials and local resource users is low. The capacity of local institutions to regulate resource use may also be undermined by growing pressures on natural resources (for example by demographic changes, market demand for environmental goods) and the unravelling of social capital. Common property regimes may erode into "open access", leading to what has been called the "tragedy of the commons" (Hardin, 1968; Ostrom and Field, 1999).

In response to the disempowerment of local resource users in managing their resource base, initiatives to promote participatory natural resource management by local communities have emerged. In these approaches, local users' awareness and knowledge of ecosystems as well as their vested interest in sustaining resources are acknowledged. They participate in decision making on resource management and are responsible for implementation. This recognition of local knowledge represents a paradigm change; thus far policy makers have tended to hold local users responsible for resource degradation. These participatory initiatives have produced locally-accepted agreements on regulating resource use, but they were seldom institutionalised in policies and legislation: they were merely tolerated by government. As a consequence, enforcement of agreed regulations becomes difficult, since communities have no formal power to penalise trespassers.

3 Why aim for a stronger involvement of *local governments* in NREG?

In contrast to most community institutions for managing natural resource use and the environment, local governments have a legal status and are part of government administration. The proliferation of local governments and their growing discretionary space and downward accountability are an opportunity for strengthening decentralised management of natural resources (Hilhorst, 2008).

However, some communities may regard local government structures as an imposition on their existing customary institutions. In order to be effective, local governments need to **reconcile legitimacy with legality**. They have to welcome participation and collaborate with existing organisations and structures, including customary authorities. This requires councillors and staff to be willing to and capable of operating in non-hierarchical, collaborative relationships.

Local governments deal with an array of issues and demands; NREG may not be their first priority. Local government development plans are unlikely to start from an environmental perspective. They also tend to have limited specialist

knowledge among their staff and need to call on external capacities supplied by sector ministries, or hired expertise such as consultants. In addition, increasing tax collection is often a major concern for governments. Taxes and levies on natural resource use such as on firewood, timber and grazing lands are all potential sources of revenues. Short-term interests in increasing tax revenues are not necessarily balanced with long-term interests in sustainable resource use. Local governments may not realise that NREG is a condition for economic growth, and that in the long run, a well-managed natural resource will generate more revenues in the form of income and taxes.

NREG involves **multiple stakeholders**. Donor agencies need to be aware of their influence on local interactions and power relations through the politics of choice and the effects of recognition. Naturally, the structures that agencies choose will receive more resources and support, gain in visibility and become stronger in local policy arenas. Agencies can support local government or choose “parallel” organisations, such as local line ministry offices, NGOs, customary chiefs, private corporations, or user committees that are directly involved in actual management of natural resources. However, when these organisations overtake the responsibilities of elected local governments, they run the risk of draining local administrations of authority and resources, thus undermining their legitimacy (Ribot, 2008).

The capacity of all actors to work in collaborative partnerships and networks is important for governance outcomes. In line with subsidiarity principles and building democracy, it seems best that local governments focus on overall management of agreements, equity, ensuring adherence to contracts, and monitoring fulfilment of commitments. Actual implementation may be delegated or contracted out by local governments to user committees⁶. Local user committees and associations are often perceived by communities as being more effective, legitimate and transparent with respect to natural resource management. Together, these committees, associations and other organisations working on NREG can push local authorities to respect their mandate and improve performance.

4 Entry points: National policy influence on local NREG

Ultimately, NREG policies will be judged on the extent to which they strengthen local capacities to manage and use natural resources in a sustainable way, and enhance justice in natural resource governance. Policies addressing NREG have to accommodate the following principles:

- The **ecosystem** is the point of departure, which may not be identical to administrative boundaries;
- **Sustainable** resource use and no mining of assets;
- **Subsidiarity** of management;
- **Equity** with respect to access and even affirmative action – where access to natural resources is contested, marginalised groups may lose out.

The focus of this section is on the decision and actions required at the national level for making NREG legal and feasible at the local level.

4.1 Political decentralisation reforms

This briefing note assumes that elected and empowered local governments exist in rural areas. Such presence is a relative new phenomenon in a number of countries and the product of political decentralisation. This is defined as the transfer (or devolution) of authority and resources from higher to lower levels of government.⁷ Political decentralisation may result in more local autonomy in planning, programming and spending resources. Unlocking this potential requires a repositioning of central government away from implementation, while concentrating on setting policies, providing guidance, informing, supervising, inspecting and arbitrating. Oversight by central government is required to ensure that the rule of law is respected. It is also the responsibility of central government to ensure that natural resources and biodiversity are safeguarded, in accordance with national policies and international commitments, as well as to prevent exclusion and social injustice in the name of local autonomy.

The growing discretionary space for local governments may give new impetus to territorial planning⁸ and offers opportunities for NREG (EC, 2007). What is possible depends on the balance between mandate and responsibilities versus the resources and authority actually transferred. The outcome determines local governments' capacity to act.

Local capacity is also determined by the extent to which deconcentrated levels of ministries collaborate with local governments. Incentives may be needed to encourage ministries and departments to work in partnership with local governments. Responsibilities for natural resources and the environment are located in various ministries and agencies (agriculture, livestock, forestry, water, environment, waste management, land administration, land use planning, development planning, finance and local government).

The number of governments pursuing institutional reforms towards decentralisation is increasing. Countries embark on political decentralisation for a number of reasons. These include an improvement in the effectiveness and efficiency of service delivery by reducing transaction costs, and better integration of local needs and aspirations into local decision making. This may also increase equity and efficiency. Other reasons are a more enabling environment for local development; modernising the operation of the state; and expanding democratisation. Political decentralisation may create openings for improving governance in terms of more space for citizen consultation and participation, while the increased proximity may facilitate information exchange and improve transparency. Political decentralisation reforms take many years and pass through several stages. It can be a politically charged process. Moves towards more decentralisation may be followed by trends towards recentralisation. Devolved competences may be constrained later on, such as by earmarking funding and strict and detailed management requirements, which leave limited discretionary space for decision making.

Political decentralisation has passionate supporters and opponents; debates may easily become normative. From a NREG perspective, it is more worthwhile to

take a **context-specific and pragmatic approach**, while linking up to choices of the partner country – although not in an uncritical manner (Nibbering and Swart, 2008). Whether local government is more equitable and significant for poor and marginalised people depends on the quality of local leadership and the ability of local organisations to express their expectations, and to engage effectively.

Political decentralisation does not automatically lead to better governance. Local government councillors and officials are not necessarily acting transparently and in the interest of all citizens. Power without accountability breeds corruption and exclusion, and this is also true at the local level. Local governments are just as prone to entrenched norms and values that reduce political participation – for women, young people or minorities, for example – as other politicians and government staff. Local governments have to deal with political pressure and commercial interests. There are potential risks of party political struggles intruding upon the management of local affairs; local governments are also vulnerable to co-opting by local élites, clientelism and corruption. Better governance is about transparency, multiple forms of accountability, responsiveness and equity. Local governments need to adhere to accountability as an obligation, while citizens, their organisations and the private sector have to voice their concerns and be willing to hold local government to account.

Despite this range of challenges, political decentralisation has transformed the rural institutional landscape in a number of countries, where for the first time rural communities have been given legal powers to work on local priorities and develop potentials. These new prerogatives offer opportunities for promoting sustainable economic development and improving NREG. Finally, although the focus of this section is on the relationship between local government and central government over the transfer of authority and resources, management of natural resources requires a multi-level approach. The role of the meso-level – the region, province, or department – in bridging the micro-macro gap is equally important.

4.2 Policy framework for devolving NREG

Local-level NREG is only sustainable when grounded in **legislation and national policies**, particularly those addressing the environment, natural resources and decentralisation. This ensures that local governments are sufficiently empowered to deal with NREG-related challenges. The formal mandate of local government with respect to NREG varies amongst countries. Responsibilities related to environmental pollution, waste management and land use planning are devolved often to local governments. Land use planning in particular can be an important tool for NREG, assuming that the instrument is user-friendly, has legal effect and will not be limited to technical uses. The transfer of responsibilities over the allocation and management of land and natural resources is much slower. Often, central government and ministries continue to control priority setting, planning, budgets and the deployment of human resources.⁹

This slow pace of devolution may reflect the strength of forces which seek to preserve the *status quo* around control of land and natural resources.¹⁰ There will

be resistance when these resources play an important role in power relations and are an opportunity for financial gain, which in turn may have a severe impact on the quality of governance. Illegal logging, for example, causes environmental damage, deprivation of assets, revenue and taxes for forest-dependent communities, and for local and national governments. In addition, the illegality context provokes corruption, which demoralises and undermines trust in government officials and structures; unfair competition damages the development of honest enterprises (Pye-Smith, 2000). Local governments need to bargain collectively with central government to ensure that they are granted the rights they need to manage the environment and natural resources, and that the rights they have been granted in law are transferred to them in practice (Ribot, 2008).

Another reason for the slow pace of devolving responsibility for the management of natural resources is central government's doubts about local capacities to manage natural resources in a sustainable way. The following sequence can be followed for devolving powers related to natural resource management progressively to local government, while addressing concerns over local capacity and risks to the environment, and minimising the risk of provoking conflict and resistance (Ribot, 2004).

- Transfer additional funding with all centrally mandated obligations.
- Establish environmental subsidiarity principles to guide the transfer of sufficient discretionary powers.
- Transfer powers *before* requiring demonstration of capacity; First transfer decisions and powers that are unlikely to incite violence or lead to environmental damage.
- Transfer political decisions related to allocation of access and benefit distribution *before* transferring highly technical resource management decisions.
- Transfer finance and revenue-raising powers before transferring management obligations.
- Establish minimum environmental standards, which specify the minimum requirements for the use and management of the natural resource base. Standards need to be simple and restricted to essential protections so as to "maximise" local discretion and the space for local democracy.

4.3 Rights over land and natural resources

The local willingness to invest in the sustainable management of natural resources depends on the **security of rights** to access that resource and benefit from the produce (Shyamsunda et al., 2005). NREG at the local level frequently concerns *de facto* common pool resources and often the legal position of local institutions regulating access and management is weak. This insecurity of rights will affect local capabilities to regulate resource exploitation and possibilities to improve the value of products.¹¹

Several countries have decided to provide more legal security to customary systems of land use, but these tend to focus on cultivated lands. Instruments used are registration and certification, and local governments may play an

important role in this form of land administration (and may also use the system for taxation purposes). However, when efforts to secure farmland are not accompanied by measures to protect rights to collectively used natural resources, then these initiatives may provoke more degradation. When feeling insecure by growing demand for land to government from migrants and investors, for example, communities may decide to convert their forest lands into farm land in order to secure their rights.

Governments legally own over 70% of the world's forests on behalf of their citizens¹². However, the way central government agencies perceive their stewardship role is changing, partly in response to the growing value of land and natural resources such as timber, firewood, and minerals. These resources are increasingly sought after by national and international investors who aim to seize opportunities presented by rising prices for land, food, biofuels and timber (and perhaps even for carbon sequestration and nature parks – see Alden Wiley, 2006). Often these investors request that central government agencies or ministers allocate large tracts of land which are now used for rainfed farming, grazing or which concern wetlands and forests. These lands are regarded as free lands at the central level; local governments and user groups are generally not consulted. When such requests are granted, often existing legislation is bypassed. Legislation and policies to protect the environment such as environmental impact assessments are not applied, raising concerns about respect for the rule of law. There are also concerns about the transparency of contract negotiation, the lack of involvement of local communities, the correct informing of parliament, oversight of the conditions of the concessions and transparency of revenue use.

4.4 Investing in the productivity of natural resources

Sustainable land use and productivity of natural resources can be improved by investing in soil and water conservation, irrigation schemes, tree planting and so forth. Farmers' efforts to improve their land may need to be accompanied by government action, given the scale of investment required and the time it takes before benefits can be reaped. Local governments can support such initiatives by using **investment funds** for economic development, where available, and by lobbying ministries, programmes, and projects to invest in their area.

Where poverty is severe, so-called **productive safety nets** (forms of food-for-work programmes and labour-intensive public works) can also be used to generate employment immediately, while investing in public works that contribute to more sustainable and productive use of natural resources. The challenge is to make sure that these programmes are well-targeted to ensure that the neediest households benefit and contribute to sound investments that meet local priorities. This can be achieved by working through local governments, while assisting them in local consultation and planning and in targeting, such as has been the case in Rwanda.

4.5 Strategic environmental assessment

Strategic Environmental Assessment (SEA) can play a role in improving environmental governance, and is used at both central and local levels. Local-level SEA may facilitate the integration of environmental sustainability in decision making and strategic planning, and even improve local revenues from collecting taxes. The use of local level SEA can be **mandatory** (as in China, and planned for Ghana) or **voluntary** (as in some eastern European countries). SEA at the local level is used for gathering appropriate information and to promote alignment with national policies (as we have seen in certain districts in Ghana); to bring all stakeholders into the local government planning process, especially weaker actors (Nicaragua); and to enhance insight in the key issues - for example discussions on timber exploitation, ecotourism and use of pesticides (Nicaragua). Local Environmental Action Plans in eastern Europe have enabled better natural resource management and waste management at city level. However, SEA needs to be integrated better into the local planning cycle and more robust legal procedures may be required to back this up.

Inevitably, some environmental changes faced by local governments have to be addressed at higher levels. Support for dealing with environmental challenges will improve via better cooperation amongst local government and good contacts with environmental protection agencies and specialised NGOs. Associations of local governments can assist with strengthening this type of coordination.

4.6 Initiatives around payment for environmental services

Payment for environmental services (PES) is a new (inter)national policy area that aims to link NREG-related issues such as land use, ecosystem management and integrated water resource management to national poverty policies. PES schemes seek to **reward** those whose lands and resources provide environmental services (such as water purification, flood control, breeding grounds for fisheries, carbon sequestration, etc.) with subsidies or market payments from those who benefit. PES schemes are also being developed by the private sector¹³. NGOs are taking the lead in developing REDD (Reduced Emissions from Deforestation and Degradation) policies. REDD should become a mechanism for compensating countries for reducing emissions from deforestation and forest degradation, thus generating a flow of funds for helping preserve rainforests and delivering economic benefits to rural communities. There are also compensation schemes for CO₂ emissions (air travel etc.). A more indirect use of PES principles is by using trade mechanisms, such as certification schemes to promote sustainable natural resource use and procurement.

Arranging payments for benefits provided by forests, coral reefs and other ecosystems is a way to recognise their value and ensure that these benefits continue well beyond present generations. In the case of payments for watershed services, local governments are often involved, particularly in Latin America. However, there is little evidence yet that these PES schemes around watersheds are living up to the high expectations placed on them (Porrás et al., 2008).

Setting up PES schemes requires an assessment of the range of ecosystem services that flow from a particular area, and who they benefit; next an

estimation of the economic value of the benefits to different groups of beneficiaries is needed. The final step is the design of a policy, subsidy, or market to capture this value and reward landholders or resource managers for conserving the source of the ecosystem services. Unsurprisingly, methods for evaluating actual benefits of PES (in terms of environmental goods and services) under different types of land use are subject to discussion. Other challenges include how to integrate PES in economic policy and public finance management; dealing with competing claims, making PES more “pro-poor”, and involve the actual local managers of natural resources.

Finally, lessons have to be learned from existing benefit sharing systems to enhance the effectiveness and governance. Such schemes exist around timber royalties and often involve local governments, villages and even customary chieftaincies. They are managed by sector ministries or the ministry of finance. Challenges remain with royalty recovery, transparency of resource management and disbursement, accountability mechanisms, and whether local managers of natural resources actually receive their share and invest in maintaining the resources.

5 Instruments

5.1 Knowledge management

The context analysis of the multi-annual strategic plan (**MASP**) of the embassy is likely to include an assessment of the state of natural resources and the environment, its implications for economic development and other effects on security and governance. In addition, a track record will be available at those embassies that have selected NREG-related sectors. Embassies may decide to undertake a deeper analysis of the institutional context for NREG (e.g. **sector SGACA** - strategic governance and corruption analysis), to better substantiate the selection of entry points in national policy frameworks and identify partners. Such an analysis explores in more detail governance aspects related to natural resources and the environment, and identify drivers of change.

Given that governance in relation to the environment and natural resources is a relatively new policy area, knowledge management, innovation and research is important for DMW and for embassies. Also, partner countries may need to strengthen local research and knowledge management capacity to ensure that policies are rooted in country-level experiences. Moreover, partner countries need to build and maintain capacity to analyse the effects for NREG of policy initiatives and assess the opportunities offered by new global environmental policies (e.g. PES schemes, FLEGT (Forest Law Enforcement Governance and Trade), REDD, sustainability criteria for biofuel, international conventions on biodiversity, climate change, etc.).

Embassies may consider facilitating long-term partnerships between local research institutions such as NGOs and academia and Dutch knowledge institutes, and facilitate access to training opportunities (such as via NUFFIC). At the embassy level, policy development on NREG benefits from pooling knowledge

and research, joint strategy development and division of labour amongst development partners, as is happening in Ghana, for example.

5.2 Policy and political dialogue

Matters related to the policy context for local level NREG can be raised in policy and political dialogues with the government of partner countries. Natural resources and the environment are clear domains for **diplomacy**, as issues related to control over land and natural resources are often politically sensitive. The interests are considerable, as land-related matters touch also upon issues of belonging and heritage, not to mention rural livelihoods.

From time to time embassies and development agencies may be in a position to be a catalyst in promoting wider consultation, to help to balance powerful vested interests, and encourage respect for the rule of law. Currently, policy decision making is not always evidence-based or transparent, and may contradict prevailing legislation to protect the environment. A related entry point is by encouraging partner countries to respect international treaties which have been signed by the partner country.

5.3 Support for policy development and implementation

A number of ongoing support programs by embassies may touch upon issues that influence the setting for local NREG, such as programmes in support of decentralisation; public sector reform; public finance management and fiscal decentralisation; judiciary reform; land policy and administration; environment; rural development; rural private sector development; renewable energy (biofuels). Matters related to local NREG can be accentuated and discussed in policy dialogues.

Encouraging policy alignment and harmonisation is another area where embassies can contribute. The linkages between decentralisation policy on the one hand and natural resource management, environmental protection and land administration on the other are an obvious entry point. Public finance management mechanisms (taxes, levies and royalties) can be assessed with respect to their possible effect on natural resource use, whether positive or negative.

Embassies can also decide to contribute actively to conducive policy contexts for local NREG. This may include providing assistance to the partner country in clarifying and strengthening the role of local government on matters concerning the environment and sustainable use of natural resources. Support programs may focus on the revision of the legal framework, decrees and procedures, implementation, and (participatory) monitoring. Occasionally, support for pilot projects to improve policy implementation by testing alternative approaches in different contexts can be considered (Lund, 2006). Such pilots need to be accompanied by solid analysis, documentation and communication to ensure that appropriate policy lessons are drawn.

When embassies are engaged in sector support programmes related to natural resource and the environment, indicators related to local NREG can be included in a performance assessment framework.

5.4 Complementarity

Non-state actors, such as producer organisations, NGOs, and the private sector will communicate NREG-related concerns to their governments. These actors are involved in capacity building and assist local users in claiming rights and requesting more accountability. Associations of local governments and municipalities are key actors in matters concerning decentralisation.

Strengthening the synergy between the work of embassies and civil society, the private sector, local government associations and academia is therefore crucial.

In the Netherlands, the VNG (Vereniging van Nederlandse Gemeenten) plays a strong role in international associations of local governments. The commission for environmental assessments (*commissie MER*) is expert in strategic environmental assessments. A number of civil society organisations specialised in environmental issues (International Union for Conservation of Nature, World Wildlife Fund, Friends of the Earth etc.) engage in initiatives such as FLEGT, REDD, PES and certification schemes. As already indicated above, another element of promoting complementarity is to encourage partnerships with research, training institutions and specialised NGOs.

6 By way of conclusion

This briefing note on NREG has set out the importance for decentralised management of natural resources and the environment for sustainable local economic development and equity. It explained the strategic contribution of local governments to this multi-stakeholder process, and why it matters to strengthen their capacity to act in combination with effective accountability mechanisms. This is where national policies come in and where embassies can make a useful contribution to reinforce local governance of natural resources and the environment.

Resources

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End notes

¹ This briefing note is prepared by DMW with support from the Royal Tropical Institute (KIT) with contributions from Rob van den Boom, Thea Hilhorst and Govert Visser. The briefing note is based on a literature review and workshops organised by DMW, KIT and Aladin; consultations with VNG, ISS, WUR, commissie MER. It is accompanied by a “**resource folder**”, prepared by Kathelijne Smits and available via DMW, containing pointers to sources of information for specific themes such as forest management; water management; agriculture; management of pastures; managing access to land and natural resources; marine resource management ; mining; wildlife; tourism; environmental policy and environmental impact assessment; mainstreaming of sustainable natural resource use.

² Growth and equity is one of the four focus points in the latest policy brief of the Ministry of Foreign Affairs (2007).

³<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTLED/O,,menuPK:341145~pagePK:149018~piPK:149093~theSitePK:341139,00.html>

http://www.ilo.org/dyn/empent/empent.portal?p_prog=L

Most experience with this form of local economic development is gained in urban environments and at the regional level, particularly in Latin America. For example, LED is official policy in South Africa and received much attention in Bolivia (“*municipio productivo*”) (VNG, 2007; Janvry & Sadoulet 2004).

⁴ Subsidiarity is a dynamic process and entails a struggle among multiple levels of political administrative organisations and groups within society (Ribot, 2008)

⁵ To make matters even more complicated, these laws may be perceived locally as inappropriate from an ecological point of view and unjust from a rights perspective.

⁶ Local user committees may need supported to strengthen capacity and structures, and to link up “officially” to local government.

⁷ http://www.cifor.cgiar.org/publications/pdf_files/interlaken/Compilation.pdf

⁸ The recent decentralisation model reintroduces the notion of territorial (regional) planning (*aménagement du territoire*), which should help to place local development planning in a broader spatial perspective. This makes it possible to take into account potential social and economic synergies between urban and rural municipalities and to promote cooperation between different municipalities.

⁹ Even when no authority is devolved, often rural local governments are *de facto* involved in NREG by supporting local agreements or assisting with conflict prevention. Most of these experiences tend to be informal and not well publicised.

¹⁰ Forest laws may contain double standards when requiring stricter management from local communities and small entrepreneurs than from large-scale commercial forestry-based industries.

¹¹ The quality of “wild” or “forest” coffee, a non-forest timber product around which value chains are being set up in Ethiopia, depends on harvesting at the right time – but this has become difficult in practice as forest coffee beans are considered by some (migrant) groups as open access. Those tending the wild coffee plants prefer to harvest the beans green, to ensure having a product instead of taking the risk to wait for the berries to mature.

¹²

http://www.forestpeoples.org/documents/forest_issues/from_exclusion_summ_jul08_eng.pdf

¹³ For example, the Rabobank pilots a project to compensate Brazilian farmers with large landholdings not to deforest in return for carbon credits.