



# Forest Conflict in Asia: A Decentralization Challenge

## Forest Conflict Results from Poor Governance

**I**NCIDENTS OF VIOLENT CONFLICT OVER FOREST resources and forestland are widespread in the developing countries of Asia. Forest conflict undermines attempts to improve governance, fuels corruption, retards economic development, impoverishes rural people, and impairs key environmental functions. Governments and rebel groups in several Asian countries have used tropical timber to bankroll armed conflict, while low-level conflict over forests occurs in most of the tropical developing countries of the region. In some of these countries, politicians and security forces illegally harvest timber to buy political support and fund operations, often using intimidation and violence to overcome resistance from communities that depend on forests for their livelihoods. Unable to protect their forests through traditional community-level institutions, these already poor people become further impoverished.

Forest conflict is clearly a symptom of poor governance. After decades of trying fruitlessly to improve forest governance at the central level, political reformers, civil society organizations, and donors have sought to decentralize<sup>1</sup> management of forests. These decentralization efforts are based on the premise that natural resources should be managed locally to give all users the opportunity to participate in management decisions.

<sup>1</sup> The decentralization concepts used in this paper are based on "An Overview of Decentralization" by Kenneth Ellison, ARD, Inc. under USAID Contract No. AEP-1-00-99-00041-00, General Democracy and Governance Analytical Support and Implementation Services IQC.



## Decentralizing the Management of Forests Present Difficult Challenges

**F**OREST MANAGEMENT PRESENTS A PARTICULAR governance challenge for the following reasons:

- Forests and the land under them are State property in most countries, intended to provide revenues for the central government.
- The use rights of people who traditionally live in and depend on forests are not legally recognized and have not been respected in practice.
- Forests are typically managed by rigid, centralized institutions with legal mandates to control access to forest resources.
- It is relatively easy to harvest timber illegally because expertise and capital requirements are minimal, forested areas are out of the public eye, and timber is easily sold and difficult to trace.

- The productive capacity of tropical forests is easily degraded or lost entirely as the result of mismanagement.
- National political leaders frequently treat forests as a personal resource to buy allegiance or produce cash for political or personal use (the Suharto regime in Indonesia being the most extreme example). Officials of forest management institutions are often caught up in the resulting web of corruption, as are military units who are permitted or encouraged to log illegally.

The results of decentralizing forest management authority have been mixed for the following reasons:

- National political leaders and forestry bureaucrats resist the devolution of forest management authority to lower levels of government. Successful resistance leads to deconcentration rather than devolution of authority.
- Even if forest management authority is devolved, there is a real danger of decentralizing bad governance practices.<sup>2</sup>
- Local government units (LGUs) cannot prevent illegal logging by military units without help from the central government. It is also difficult for LGUs to control the timber industry because it is economically and politically powerful.
- Managing forests is not a typical municipal service such as domestic water supply or garbage collection. Forests are diffuse, valuable, easily liquidated, and invite illegal use by powerful people and criminals.

- There is seldom a local constituency to lobby for good forest management. Forest management authority can be a “white elephant” for LGUs because, although forests are a potential source of revenue, they are surrounded by political issues and require technical expertise and financial resources to manage properly.

- If financial and human resources required for effective forest management are not transferred with legal management authority, or lag in time, a free-for-all ensues in the forests, causing additional conflict with people who live there.

- Management authority is sometimes legally devolved before necessary implementing regulations are in place at the national and local levels, creating a governance void that is often filled by illegal activity.

- It is difficult for LGUs to effectively communicate with forest communities because they have typically been excluded from the political process based on their ethnicity and/or physical distance from political centers.

### **An Alternate Path to Decentralized Forest Management**

**I**N MANY COUNTRIES OF THE REGION, THE IMBALANCE in political power between forest communities and groups seeking to exploit forests has led to the adoption of community forestry laws that put management authority directly in the hands of the communities. Community forestry programs can be costly to administer and are subject to manipulation by government officials, but provide a strong measure of protection for community forest use rights and an institutional link to government. Community forestry has proven to reduce the level of forest conflict experienced by participating communities.

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<sup>2</sup> See “Avoiding the Decentralization of Bad Governance ANE Region: Approaches” by James T. Thomson, ARD, Inc. under USAID Contract No. AEP-1-00-99-00041-00, General Democracy and Governance Analytical Support and Implementation Services IQC.

## How Can USAID Programming Reduce Forest Conflict?

**U**SAID MISSIONS IN ASIA CAN CONTRIBUTE TO reducing forest conflict by supporting the following key elements of a conflict management framework:

- Laws and institutions designed to allocate forest resources and forestland rationally and equitably to promote development, uphold the rights of forest dwellers, and protect the environment.
- A system of participatory land-use planning and forest zoning through which explicit tradeoffs can be made among competing uses.
- A means to legally assign control over forest resources and forestland through recognition of traditional ownership systems, community forest management agreements, land title to individuals and communities, or commercial concessions.
- A transparent means to enforce allocation decisions and hold all stakeholders accountable, including politically powerful people and the military.
- A means to mediate conflicts informally or through the judicial system. Judges must be impartial and trained to adjudicate natural resource conflicts.

Other governance-related steps to avoid and reduce forest conflict include:

- Empower forest people to understand and demand their rights to forest resources and land. This is facilitated if procedures are simple and legal recourse is accessible to poor people.
- Develop behavior change communication programs directed at people involved in forest conflict and who are responsible to reduce or eliminate it.
- Encourage civil society groups to use political means to advocate for sustainable forest management and the rights of forest communities.

- Discourage self-financing by military and police forces and assist governments to reduce corruption.
- Help LGUs adopt participatory decision-making procedures along with transparency and accountability.



**INDONESIA RAPIDLY DEVOLVED** authority for many government functions from the central level to district governments in 1999 in response to political pressure that had built up during the highly centralized Suharto regime. Responsibility for managing natural resources,

including forests, was transferred to the districts in the decentralization legislation. The provisions of a forestry law passed in the same year contradicted the decentralization law, retaining authority for granting commercial timber concessions at the central level and providing for community management of forests under some circumstances. District officials ignored the forestry law and used their new authority under the decentralization law to issue timber harvesting permits, often within existing logging concessions. Some village leaders also began selling harvesting rights or organized villagers to harvest timber themselves. Two levels of government and communities were attempting to manage the same forests without consulting each other.

In Indonesia, a poorly conceived and hastily executed attempt at devolution of forest management authority led to an increase in logging, more corruption, less revenue capture by any level of government, and a huge increase in conflict among the loggers and with forest communities. The impact of the conflicting laws was exacerbated by the slow transfer of forestry staff to district governments, insufficient funds to manage the forests, and very slow development of implementing regulations that spelled out the role of each level of government. To complicate matters, Indonesian military units continued logging illegally, adding a deadly dimension to the already complex forest conflict scenario.

The municipal government of the city of Balikpapan provides a decentralization success story to counter this otherwise gloomy picture. Over the past few years, municipal authorities have gone to great lengths to manage and protect the watershed of the Sungai Wain River, the source of much of the city's water. The USAID-funded Natural Resource Management Project supported this decentralized management effort and facilitated the involvement of civil society organizations.



**Forests in the Philippines** are heavily degraded after decades of over-harvesting, both legal and illegal, leaving a legacy of conflicts with forest communities, particularly Muslim minority groups on Mindanao island.

The Philippines is further along than most Asian countries in devolving powers to LGUs under the 1991 Local Government Code, passed in reaction to the centralized Marcos regime. Ultimate legal authority to manage forests still rests with a national government agency despite the fact that LGUs have otherwise been given broad responsibility for natural resource and environmental management. The government has adopted a Community-Based Forest Management program, although procedures for granting community use and tenure documents under this program are inconsistent, open to political manipulation, and do not necessarily eliminate conflict with other users.

The USAID/Philippines Mission and the USAID Asia and Near East Bureau jointly sponsored a workshop on natural resource-based conflicts in May 2004, facilitated by ARD, Inc. Participants developed innovative approaches to reducing conflicts over natural resources, and a senior government official pledged to take action to decentralize efforts to reduce conflict.

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