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Central European University in part fulfilment of the
Degree of Master of Science**

**Decentralization and Biodiversity Conservation in Peru: the case of the National
Reserve of Tambopata**

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Budapest

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ABSTRACT OF THESIS submitted by:

Lenin Arturo VALENCIA ARROYO for the degree of Master of Science and entitled:
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The link between Biodiversity Conservation outcomes and Decentralization policies that were widely implemented in Peru since 2002 is centrally important to understanding the governance arrangements and management of the National Reserve of Tambopata (NRT) in the Madre de Dios region, a globally important region in terms of its ecological diversity. This link, however, remains largely unexplored in the literature on the management, conflict and biodiversity outcomes within the NRT and broader region. Faced with the weakness of national political parties, the State-Civil society relations in Madre de Dios have been permanently mediated by unstable linkages between changing local elites, spontaneous social movements and civil society organizations pursuing their respective agendas. As a result, the process of decentralization itself has contributed to a slow reconfiguration and consolidation of local political elites, benefiting indirectly to the emergence of an environmental movement, albeit a movement still in a nascent stage. These dimensions are explored with particular reference to Ostrom's notion of polycentricity in order to illuminate the institutional dimensions that inform these developments.

Keywords:

Decentralization, Biodiversity Conservation, Peru, Madre de Dios, National Reserve of Tambopata, Governance, Polycentricity, Gold mining, Indigenous Rights.

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Source Valencia Arroyo, 2012 (Data and images created using ARC GIS 9.3).

List of Abbreviations

AIDSEP	Interethnic Association of Development of the Peruvian Amazon
BC	Biodiversity Conservation
CAR	Regional Environmental Commission of Madre de Dios
CBC	Community Based Conservation
CBD	Convention on Biological Diversity
CCR	Regional Coordination Council
CONAM	Convention on Biological Diversity
CONAP	Confederation of Amazonian Nationalities of Peru
ENCB	National Strategy of Biodiversity Conservation
FADEMAD	Agrarian Federation of Madre de Dios <i>Federación Agraria Departamental de Madre de Dios</i>
FEDEMIN	Mining Federation of Madre de Dios <i>Federación Minera de Madre de Dios</i>
FENAMAD	Native's Federation of the Madre de Dios River <i>Federación Nativa del río Madre de Dios y Afluentes</i>
GOREMAD	Regional Government of Madre de Dios <i>Gobierno Regional de Madre de Dios</i>
INRENA	National Institute of Natural Resources (Ministry of Agriculture)
LANP	Law of Protected Natural Areas (1997)
LBD	General Decentralization Law
LOGR	Organic Regional Government Law
MC	Management Committee
MD	Madre de Dios
MDG	Millennium Development Goal
MEA	Millennium Ecosystem Assessment
NRT	National Reserve of Tambopata <i>Reserva Nacional Tambopata</i>
RCDP	<i>Regional Concerted Development Plan</i>

SINAMPE National System of Natural Areas Protected by the State

CHAPTER 1: INTRODUCTION

1.1. Background

Decentralization has been one of the central pillars of state reform and democratization discourses in Latin America. Although diverse in contents and results, a variety of decentralization efforts has been carried out in the last 20 years, accompanied by one of the longest periods of democratic stability in the region (Lora 2007, Smoke *et al.* 2006, Montero and Samuels 2004). The process of decentralization has been implemented alongside a suite of policy reforms aimed at liberalizing the economies of the region, attracting foreign investment and promoting economic integration. A visible and central part of these policies has been the pursuit of free trade agreements and economic shift towards an export orientation (Porter 1994; Lora 2007; Mavrotas and Shorrocks 2007).

Peru is often touted as a case study for successful implementation of these policies, exhibiting promising results in terms of poverty reduction, political stability (in terms of uninterrupted democratic elections) and modernization of its economy (World Bank 2008). Part of Peru's growth strategy has been based on the promotion of foreign investment in extractive activities; with the mining sector serving as a central driver of the country's economic growth over the past two decades (IPE 2011). While the economic and social success of the Peruvian case is evident, the full-scale environmental consequences of this development approach remains uncertain.

In this economic context, relatively new institutions of decentralization - the regional governments - have become an important space of intermediation between local populations and economic stakeholders involved in extractive economic activities, taking part in the resolution of conflicts derived from environmental problems and – when favouring the local demands – entering in direct conflict with the national government.

The region of Madre de Dios, located in the Peruvian Amazon and known as the "Peruvian capital of biodiversity", is one case that exemplifies the complexity of the relationship between decentralization and the environmental management of natural resources. Madre de Dios has been exposed in the last ten years to the spread of informal alluvial gold

mining, creating serious problems of contamination, biodiversity loss and deforestation. Despite efforts of environmental groups and government agencies the informal mining activities has expanded affecting ecological areas legally protected, in special the Protected Natural Area of Tambopata.

FIGURE 1: Region of Madre de Dios



Within this context it is important to understand how private and public institutions and civil society actors at the nexus of the environmental agenda and expansion of the mining activities within the National Reserve of Tambopata (NRT) have been affected by the process of decentralization and how the process of decentralization itself has aided or constrained the creation of an environmental institutional framework to promote the sustainable exploitation of natural resources.

The link between Biodiversity Conservation outcomes and Decentralization policies that were widely implemented in Peru since 2003 in this country has remained unexplored within the literature. This link is centrally important to understanding the governance arrangements and management of this vital environmental resource. The Protected Natural Areas represent 14.22% of the Peruvian territory (CONAM 2001) and since the beginning of this century areas like the NRT have been exposed to the expansion of unsustainable economic practices and has been the site of civil conflict. Described as one of the twelve most biologically diverse countries in the world the sheer size of Peru's protected territory and its global ecological relevance expands the importance of exploring the management of this vital environmental resource (Brack 2008). An exploration of the linkage between Biodiversity Conservation and Decentralization policies is thus of paramount importance, offering important insight into the political and policy dimensions of protection and management of natural areas in Peru and beyond.

1.2 Research question

This paper contributes to the existing literature that analyzes *how decentralization processes taking place around the world affects the management of natural resources and in specific the management of Protected Areas in and around areas of resource extraction activity*. The case of Madre de Dios offers an exemplary case of the complexity of managing natural resources in countries with economies highly dependent of the export of raw materials and commodities. The paper endeavors to understand *what this case can tell us about the limits and potentials of decentralization to enhance the sustainable management of natural resources*.

Three main questions guide this paper:

- a. How has the process of decentralization taking place in Peru since 2002 affected the management of the National Reserve of Tambopata?
- b. In what ways has the decentralization process been useful for those actors advocating for the conservation of the NRT (or not)?
- c. Why have actors promoting the conservation of the NRT not been successful enough in keeping mining activities outside the buffer zone of the National Reserve?

To answer these questions we have formulated the following seven sub-questions:

A. The international/national context of Decentralization.

1. What are the main variables explaining the take off of Peruvian decentralization since 2002. (Chapter 3)
2. What are the main features of the decentralization process in Peru (Chapter 3)

B. Decentralization and the management of natural resources in Peru and Madre de Dios.

3. What is the role of natural resource management within decentralization in Peru? (Chapter 3)
4. Who are the main stakeholders (international/national/local) affecting the decentralization process of the natural resources management in Madre de Dios? (Chapter 4)
5. How have the interactions of the main stakeholders shaped the management of the National Reserve of Tambopata and its buffer zone? (Chapter 4)
6. How have the main stakeholders used the new decentralized institutional spaces to pursue their agendas? (Chapter 4)
7. How has the decentralization process (2002-2011) been used by actors promoting conservation and mining agendas in the NRT? (Chapter 4)

1.3 Methodology

This is a qualitative study case and it is based first on the analysis of primary and secondary data (policy papers, official reports, etc) and secondly on information gathered through interviews to key informants in Madre de Dios and Lima. Twenty six formal interviews plus informal conversations were carried out in Madre de Dios (21 days of field work) and Lima (6 days). Additionally we participated in various public events organized in both cities, being the most relevant for this research: the national seminar on Environmental Institutions (organized by the National Congress), one assembly organized by the Management Committee of the National Reserve of Tambopata, a roundtable of 2 days with specialist on Biodiversity Conservation discussing the challenges of Biodiversity Conservation in Madre de Dios (event hold in the National University of Madre de Dios).

The specific site was selected on the basis of anthropogenic activities in the Madre de Dios basin. The objective was to visually determine the effect of human activities in the MD basin, with a focus gold mining in order to identify potential sources of social conflict from a socio-spatial perspective. Using raster and vector data within ARC GIS 9.3, satellite images were used to compare the period 2000-2011. This required four main steps: 1) to identify the 'zero points' – the main areas of gold extraction; 2) identify main ecological and socio-economic variables spatially close to the zero points; 3) to determine possible areas of expansion; and 4) to identify possible areas of future socio-environmental conflicts.

The Madre de Dios basin is part of the Madeira's (Brazil) Sub Basin and covers an area of more than 85,300 square kilometres. The territory comprises a vast network of rivers with mainly low lying vegetation, located between 96 and 600 metres elevation with a dominant portion of the population located along the Inter-Oceanic Highway (Refer to Figure 1). Remote sensing data was used to contrast soil, vegetation and water. The images below present the main findings. In each of the Figures 2, 3, and 4 below the images on the left hand side presents the geographic domain in the year 2000. The figures on the right present the year 2011. The colours correspond to different geographical features. In each case, pink indicates soil, water is light blue and vegetation is indicated by the colour green. The first

Figure 1 offers a distant view of the Madre de Dios basin and the expansion of the mining activity in the Malinowski sub basin. The Second Figure 3 provides a close-up perspective on the area where the most significant anthropogenic impact can be observed, as demonstrated by the expanding pink area along the mentioned river. This picture shows the impact of small scale gold mining activities. The final figure in the series, Figure 3 shows that expansion of mining activities to the National Reserve of Tambopata.

FIGURE 2. Observed Anthropogenic Impact in the Madre de Dios region 2000-2011

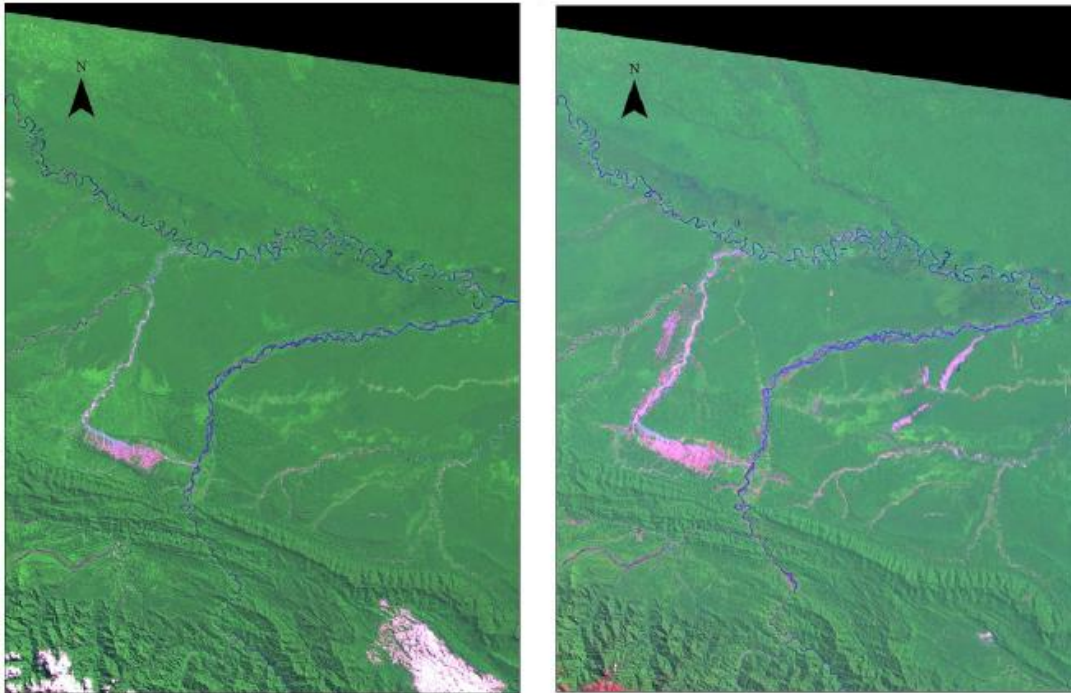


FIGURE 3. Observed Anthropogenic Impact in the Madre de Dios region 2000-2011 – Close-up View.

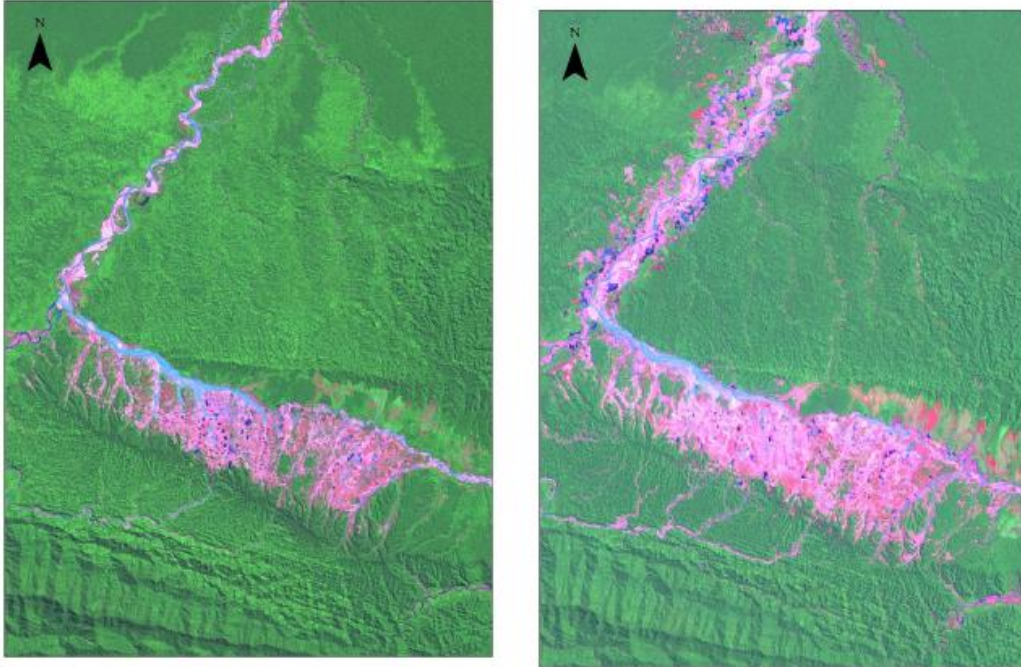
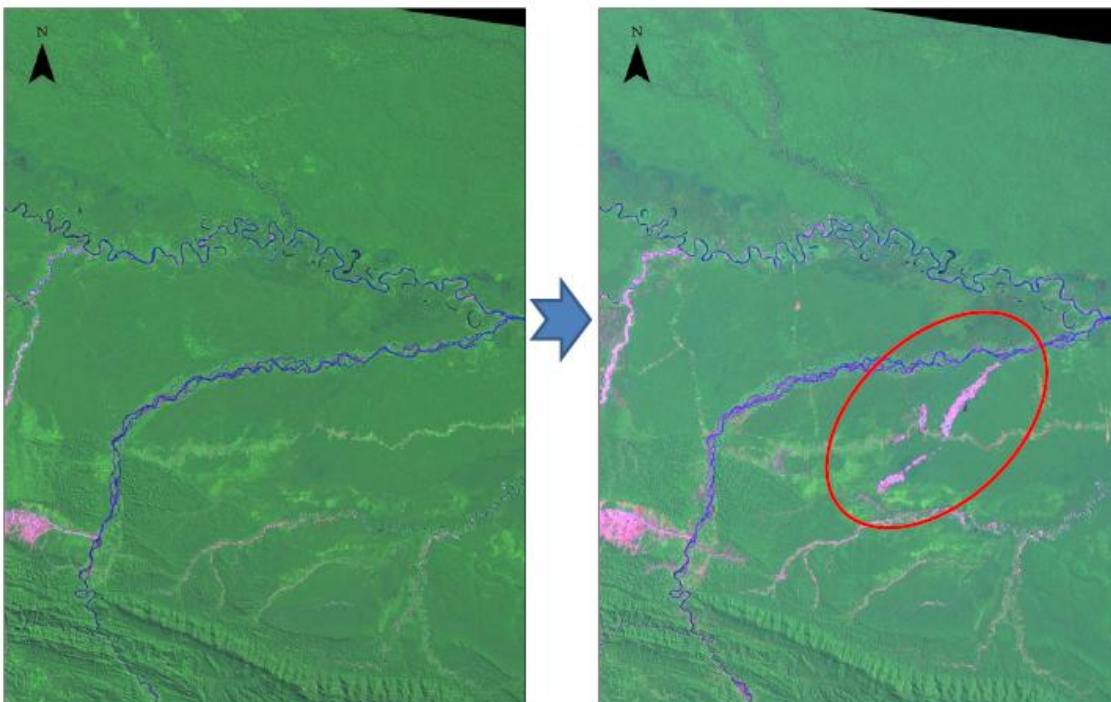


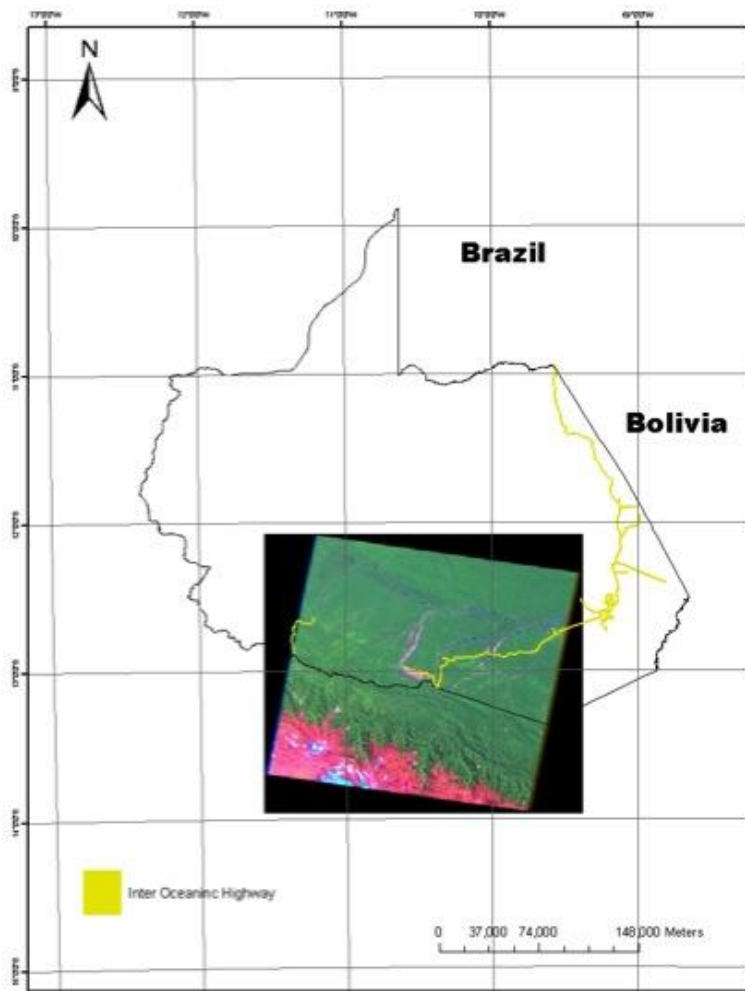
FIGURE 4. Observed Anthropogenic Impact in the National Reserve of Tambopata 2000-2011 – View of the River Basin.



The selection of the Tambopata National Reserve is distinctly relevant to these observations and thus provides an nuanced case study to examine the intersection of decentralization and Biodiversity Conservation. The following figure, Figure 4, shows the proximity of

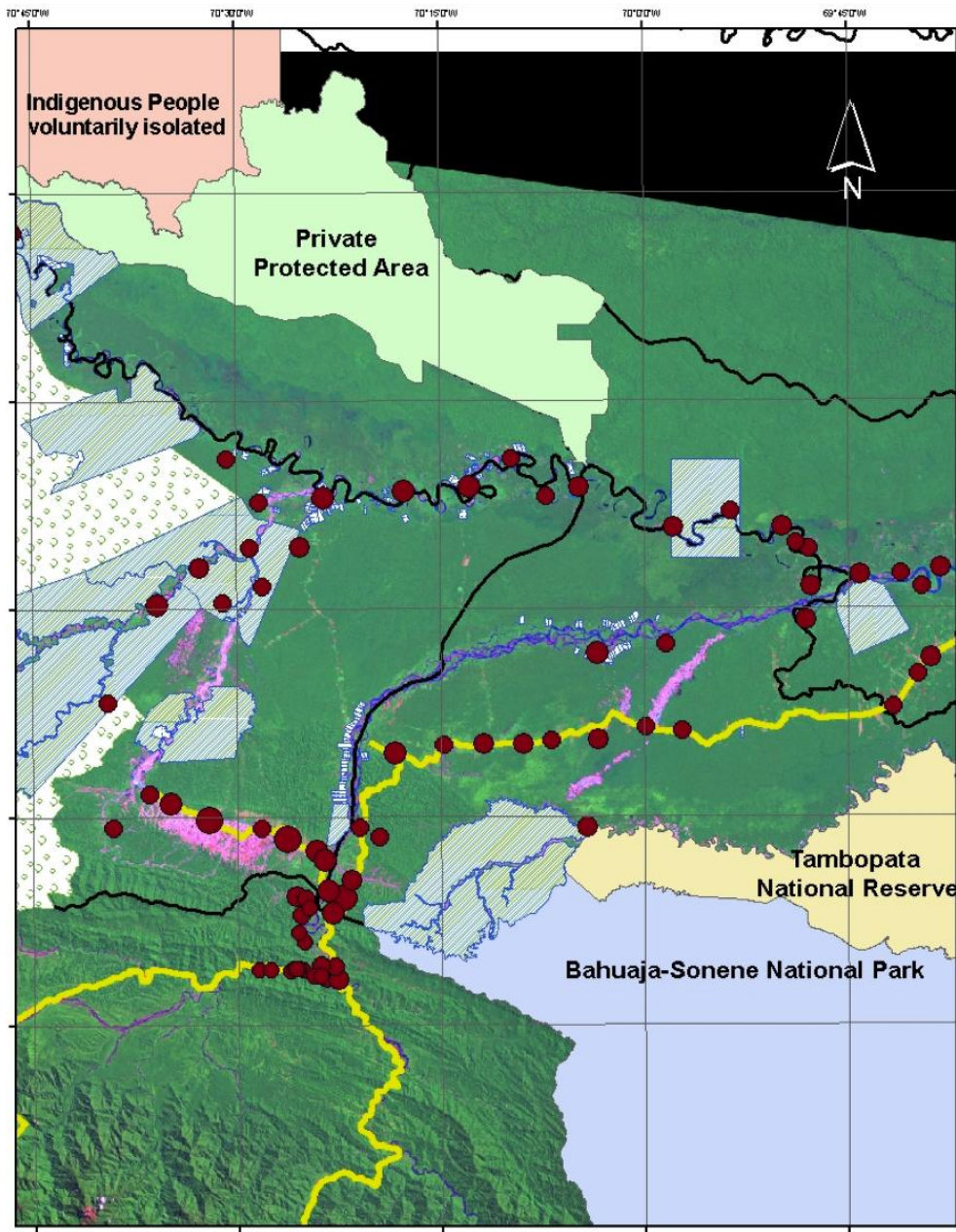
observed anthropogenic impacts to the National Reserve of Tambopata. This can be compared to the following Figure 5, which also shows the relationship of human settlement, particularly indigenous communities, to the areas of greatest impact. This relationship serves to visually align with Bakker's (2010) conceptualisation of conditions of environmental governance under specific socio-nature conditions, a concept that will be discussed and elaborated in the following chapter. Observed together, the figures form a complex spatial picture of the problem that will be explored throughout the paper.

FIGURE 4. Relationship of Observed Anthropogenic Impacts to the National Reserve of Tambopata (NRT)



Source: Valencia Arroyo, 2012. Data from ARC GIS 9.3.

FIGURE 5. Location of Human Settlements in relation to the NRT



Source: Valencia Arroyo, 2012. Data from ARC GIS 9.3.

1.4 Limitations

The qualitative nature of this research does not allow us to quantify the effects of decentralization reforms on biodiversity conservation outcomes. The scope of the study does not permit the comprehensive adoption of the full methodological approach proposed

by Andersson-Ostrom in their 2008 article: namely, the comparison of regimes with different degrees of decentralization across multiple sites and scales. The study does, however, provide an important site-specific study that could serve as the basis for further exploration and comparison. Further, the insights permitted by Andersson and Ostrom provide a useful conceptual lens for considering findings from primary qualitative and quantitative data collection.

Relatively absent from this paper is an in-depth exploration of the decentralization process from the perspective of the miners. This was due mainly to the difficulties to obtain the opinion of actors involved in mining activities. This limitation was partly broached through extensive access to secondary sources and offers an avenue for further research.

CHAPTER 2: Theoretical framework: discussing the relation between decentralization and biodiversity conservation.

The relationship between Biodiversity Conservation and Decentralization is embedded within the broader discourse regarding links between Biodiversity Conservation and Poverty Reduction. The following chapter maps the historical development and intersection of the Biodiversity Conservation and Poverty Reduction agendas as a basis to understand the nature and characteristics of the Biodiversity Conservation-Decentralization debate.

2.1 Development and Nature: a brief archaeology of Poverty Reduction and Biodiversity Conservation.

Poverty Reduction (PR) and Biodiversity Conservation (BC) are the antithesis of a modern and perhaps conflicting hope of societal development and nature's conservation. Although the debates concerning the relationship between BC and PR are relatively recent, both have gradually achieved global status with the rise of a new international order after the WWII. The next section explores the common origins that gave rise to the globalization of the BC and PR agendas and their subsequent intersection, building a historical base that will support further analysis on the Biodiversity Conservation- Decentralization link in Chapters 3 and 4.

The issues of Biodiversity Conservation and Poverty Reduction were elevated to the international agenda alongside the emergence of a new international world order inaugurated after the World War II heralded by the establishment of multilateral fora such as the United Nations. Although historically there have been initiatives to “reduce poverty” and “protect nature”, the initiatives and the conceptualization were not linked to a common, over-arching agenda and thus differed greatly from place to place

The reconceptualization of poverty as an issue of global rather than national concern accompanied the establishment of new institutions of global governance such as the United Nations, as it sought to articulate a common strategy among member nations. As noted by Escobar, the reduction of poverty has been one of the pillars of the “development discourse”. It was reconfigured at a global scale with the rise of a new post war

international order, as part of the rearrangement of the North-South colonial relations and the deployment of an international “development industry” in charge of the design of global policies and technologies aimed at reducing poverty at a planetary scale (Escobar 1995):

“In the rapid globalization of U.S. domination as a world power, the “war on poverty” in the Third World began to occupy a prominent place (...) The new emphasis was spurred by the recognition of the chronic conditions of poverty and social unrest existing in poor countries and the threat they posed for more developed countries (...) poverty became an organizing concept and the object of a new problematization. As in the case of any problematization (Foucault 1986), that of poverty brought into existence new discourses and practices that shaped the reality to which they referred. That the essential trait of the Third World was its poverty and that the solution was economic growth and development became self-evident, necessary, and universal truths” (Escobar 1995, 21-24)

However as poverty reduction policies seemed unsuccessful in many parts of the world, new questions arose around the meanings of poverty the means to reduce it and its relation not only with the lack of access to markets but also with the access to natural resources. Then issues of access to land became relevant but always within the parading of nature as a resource to be exploited and overcome (Benton 1996).

The issue of poverty and poverty reduction preceded the BC agenda. The BC agenda gained global visibility from the 1970s. The BC agenda emerged from and was supported by the international structure established to deal with the use of natural resources in the form of UNESCO and UNEP. Van Dyke observed that:

“In October of 1944, with the end of WW II in sight, US President Franklin Delano Roosevelt proposed a meeting of “the united and associated nations [for] the first step towards conservation and use of natural resources... The formation of the UN brought with it the formation of two UN programs, [UNESCO and UNEP], both with a strong interest in conservation. [They] began to provide the international forums and multinational networks that brought conservation to the international agenda.” (Van Dyke 2008, 17)

By 1948 the International Union for the Protection of Nature (IUPN) was created with the purpose of facilitating “cooperation between Governments and national and international organizations concerned with the protection of Nature”. The IUPN provided the foundations for what is today the largest global organization dealing with biological conservation issues: the International Union for the Conservation of Biodiversity (IUCN).

Although there is a vast literature on the history of the term and the ongoing debates about its different meaning, *biodiversity* as a term was first used in a scientific context by biologist Elliot Norse only in a 1980 US government report (Pimm 2001). In the 1970s, biodiversity entered into modern parlance alongside the emergence of the scientific discipline of *conservation biology*, a body of knowledge defined as the “application of biology to the care and protection of plants and animals to prevent their loss or waste” (Meffe and Carroll 1997, cited in Van Dyke 2008), “comprising both pure and applied science” (Meine 2010, 12) and born from the intense scientific production on nature conservation that took place since the early 1900’s. The rise of public concern about environmental risks resulting from a more intense economic activity in the planet – especially in those areas where human activity had been less intense – gave even more public relevance to the discipline. As noted by Meine:

“...the impact of international development policies on the world’s species-rich, humid tropical forests was emerging as a global concern. Field biologists, ecologists, and taxonomists, alarmed by the rapid conversion of the rainforests- and witnesses themselves to the loss of research sites and study organisms- began to sound alarms (...) As sustainability became the catch-all term for development that sought to blend environmental, social, and economic goals, conservation biology provided a new venue at the intersection of ecology, ethics, and economics” (Meine 2010, 13-15).

Although the issues of biodiversity conservation and the promotion of “development” in “poor countries” developed along separate paths, the two issues intersected with “the publication of the Global Diversity Strategy (WRI/IUCN/UNEP 1992) and the Convention on Biological Diversity (CBD), signed at the Earth Summit in Rio de Janeiro in 1992” (Escobar 1998, 54). The next section explores the nature of the links between BC and PR

against this historical backdrop. The encounter has not been exempt from disagreement, raising intense debates about the desirability and possibilities of connecting two spheres of intervention that until then had proved ineffective to achieve stated objectives.

2.2. The link between BC and PR

The links between BC and PR as two complementary and reciprocally reinforcing goals gained more relevance since the 1980's when the main conservation organizations worldwide shifted from top-down conservation policies toward more local based, participatory solutions, labelled usually as *Community Based Conservation* approaches (CBC) (Hutton *et al.* 2010, Pimbert and Pretty 1997):

“The principle that the needs of local people should be systematically integrated into protected-area planning was agreed to at the third World Parks Congress in Bali in 1982.” (Adams *et al.* 2004, 1146)

Since the 1990's this link has gradually dominated the discourse and strategies of the key global institutions that set the agenda for environmental and development. For instance, the Convention on Biological Diversity (CBD), the Millennium Development Goal (MDG) and the Millennium Ecosystem Assessment (MEA) have all recognized the link between PR and BC, favouring the progressive incorporation of poverty reduction objectives into biodiversity conservation programs. As it will be explained later, the incorporation of biodiversity conservation components on poverty reduction programs has not developed at the same pace.

Although a vast literature has been produced to address the BC-PR link, some transversal features and assumptions can be identified as part of the large literature analyzing and supporting this approach (Roe *et al.* 2005, Pimbert and Pretty 1997, Ruijs *et al.* 2008, Reid and Swiderska 2008, Barret *et al.* 2011). Five key features are identified as follows:

- There is a geographical overlap between areas of high levels of biodiversity and high levels of poverty. Therefore, regardless of the Biodiversity Conservation approach promoted, any biodiversity conservation policy will have to consider by default the presence of this population and the consequences of ignoring them.

- Biodiversity Conservation efforts can be sustainable as long as they incorporate local communities in the design, implementation and evaluation of conservation strategies. If local communities do not perceive and obtain benefits from preserving nature it is likely that they will not support policies aimed at protecting these areas. On the contrary, pushed by processes of modernization, local populations can become a treat to conservation goals.
- Local communities *historically placed* around protected areas (for instance indigenous communities) have traditional knowledges and practices environmentally friendly with the ecosystems surrounding them. In this regard one of the purposes of involving local communities would be to strengthen those capacities while at the same time preparing them for ongoing processes of modernization.
- If Poverty Reduction is considered a goal by itself, biodiversity loss can threaten Poverty Reduction efforts to the extent that the poor living close to biodiversity hotspots depend to a greater extent on ecosystem services provided by fragile ecosystems, being the exposure to food insecurity one of the most threaten consequences of biodiversity loss (Chapell and La Valle 2011)
- Within certain socio-natural contexts, Biodiversity Conservation initiatives can serves as mechanisms for poverty reduction. For example, “land sparing” or “wildlife-friendly farming” are both approaches that claim to bring opportunities for local people to generate income and improve their livelihood. (Fisher *et al.* 2008)

However, as noted by diverse authors (see for instance Roe *et al.* 2010, Adams *et al.* 2004), the relation between PR and BC has been addressed also in terms of *conflicting* goals. In particular, the main strategy to protect Biodiversity has featured the creation of Protected Areas (PA) has created subsequent land-use conflicts with deleterious effect for local populations living inside or close to those areas. As stated by Adams *et al.* “the eviction of former occupiers or right holders can cause the exacerbation of poverty, as well as contravention of legal or human rights” (Adams *et al.* 2004, 1146)

From the side of conservationists there have been proposals for returning to more strict conservation models (Hutton *et al.*, 2005) that give primacy to BC over PR goals. The conservationist side is characterised by three distinct arguments:

1. Rural poverty and injustice do not undermine the foundations and final goals of conservation. Indeed, they can underpin them as far as rural local communities tend to be “politically weak” and under certain circumstances they can be ignored, not representing a real threat to the conservation objectives of protected areas (Brockington 2004). In accordance with this link of argument, the long term objectives pursued by Conservationist (i.e. the protection the planet not just for all people, but for all creatures and all time) transcend short-term/present injustices (like forced relocation of human populations) that any conservationist project might create. (The author distinguishes implicitly between local communities and local governments).
2. Young people do not necessarily want to follow the path of their parents. The processes of modernization have provoked profound changes on many local communities. In many cases younger generations do not want to follow their traditions assuming consumption patterns aligned with urban realities. Under this scenario, the relation with nature of older generations – if sustainable – is changing (Parnwell and Taylor 1996; Rigg 1997)” (Enters & Anderson 1999, 4)
3. A common feature of community-based forest management and the devolution of decision making is that local people have difficulty recognizing just what benefits are supposed to come their way (GTZ 1995). Also, most people prefer immediate and secure returns over long-term and risky ones (Sekhran 1996), in particular when control over natural resources is constantly shifting (Malla 1998).” (Enters & Anderson 1999, 5).

After three decades of implementing programs aimed at addressing both topics, some issues remain unresolved. Without denying the merits of the CBC approach, critics have been raised against twofold objectives of it. Five main critics to the CBC approach have been identified. First, the high heterogeneity of results that show a divergence and sometimes

conflicting conceptualizations about biodiversity and poverty (Roe *et al.* 2010, 17). Second, the often narrow definition of poverty whereby, despite recognition of its multidimensional nature, there is a distinct tendency to use monetary terms as a conceptual shorthand for poverty measurement. As Roe *et al.* (2010, 6) observes, the “focus on cash income” reinforces certain biases and ignores the value of non-monetary assets such as “empowerment, land and resource rights and resource security/sustainability”. Third, the tendency to direct conservation projects not at the poorest but at those with a higher capacity to influence at resource distribution at the local level (Roe *et al.*... 2010, 9).

Intimately related to the observation of Roe (*et al.* 2010), the final two of the five main criticisms of the CBC approach have particular relevance to how the relationship between decentralization and Biodiversity Conservation may be conceptualised. Scholars such as Vermeulen (2004) and Blaikie (2006) were alert to asymmetries within local communities and between these and the national society to which they belong. This is in part due to the oversimplification of the idea of “local community”, depicted in some cases as a homogenous entity, ignoring power relations and stratification. Such situation has led to “empower people who do not necessarily value or have wild fauna and flora as a priority” (Brockington 2004, 413). Such an approach thus ignores what Vira and Kontoleon (2010) described as the heterogeneity of poverty realities based on gender, geographical, and cultural variables poor which alter the way people rely or interact with natural resources. Such differences increase the complexity of the interventions and can limit the impact of BC programs. These views are compounded by what Pimbert & Pretty (1997) described as the lack of evidence making explicit which conservation alternatives work under what local and national political institutional regimes and the State-Civil Society relations under which any reform is implemented.

Pimbert and Pretty (1997) argued that the “high dependence on centralised bureaucratic organisations for planning and implementation” reduced the effectiveness of BC policies, there is still much debate on the right level of decentralization required to involve local people in BC initiatives.

“...whilst recognising the need for peoples' participation, many conservation professionals place clear limits on the form and degree of participation that they tolerate in protected area and wildlife management” (Pimbert & Perry 1997, 8).

Despite the problematic relation between BC and PR objectives, its integration remains a key objective, especially in the frame of the Millennium Development Goal (MDG) and its invocation to integrate development and environmental protection¹. The last of the five points mentioned above, the institutional dimension, has gained more attention and will be the subject of analysis in the next section. Furthermore, an analysis of Biodiversity Conservation efforts regarded through an analysis of the particular dimensions that accompany decentralization can offer an alternative lens to examine BC efforts from a perspective that is able to incorporate aspects such as power dynamics and heterogeneous relations with natural resources.

2.3. The link between Poverty Reduction and Decentralization: the Governance variable.

As noted above, Poverty Reduction has been one of the overarching objectives of the so-called developing countries since the 1950's. However, strategies aimed at solving this problem changed dramatically since the 1980's when the Developmentalist State model entered in crisis and State reforms were promoted to reduce the size and role of the States (Petras and Veltmeyer 2007). Economic policies were implemented to foster the role of the private sector and liberalize the national economies in the hope to bring economic growth and reduce poverty through the free market economy. However, as noted by De Alcantara,

“...as the experiment in the free-market reform progressed, it became abundantly clear that no economic project was likely to succeed unless minimum conditions of political legitimacy, social order and institutional efficiency were met” (De Alcantara 1998, 106).

¹ As noted by Adams *et al.*, the MDG has as one of its indicators “area of protected land to maintain biological diversity. As they point out “ the co-listing of poverty elimination and environmental goals do not mean that integrated solutions are possible or that protected areas can contribute to growth and poverty reduction in poor countries” (Adams *et al.* 2004, 1146)

Under the umbrella of the promotion of “*Good Governance*”, attempts were made to strengthen the decision making power of local communities as way to improve the State-Market-Civil Society relations. The programs designed with this purpose were primarily to shift the power of the state under the assumption that private arrangements would lead to greater efficiency, forging counter-balances to central governments which had “often failed to provide effective public services.” (Litvack *et al.*. 1998, 1, cited in Clairs 2006). The core institutional reforms associated with the Good Governance agenda included “...free-market economic policy, decentralization and privatization would open new avenues for self-reliance, entrepreneurship and participation” (De Alcantara 1998, 108). As De Alcantara (1998) argues, the presumption was that civil society would blossom in the space created by retreating state influence. The external-international pressures that favoured good governance reforms coalesced with what Clairs (2006, 4) describes as a “complex mix of internal and external factors, of a socio-political, economic and administrative nature.” Attention, therefore, must be paid not only to the presumed impacts of decentralization advocated from above, but the particular motivations of actors advocating in favour of decentralization from below – their interests, and assumptions were not always aligned.

McNulty (2011) identified five variables that influenced the trend towards and heterogeneous adoption and consequences of decentralization. These were: 1) international pressures, such as pressure by donors and/or foreign investors, 2) economic crisis and/or reform, 3) socioeconomic development or modernization, measured in light of economic growth and urbanization, 4) a wave of democratization taking place around the world, and 5) domestic political variables. (McNulty 2011, 9). From these variables, she argues, the Peruvian case is one dominated by the domestic political variable. We will broaden this point in the analysis of our study case.

To summarize, the encounter of PR and decentralization measures can be understood as part larger processes of state, political and economic reform that took place since the 1980’s. In such reforms the market was seen as the driving force for economic growth (the universal *antidote* against “Poverty”). Its expansion required adequate institutional conditions among which decentralization was one of their key components. In the next section we will explore the encounter of the Decentralization and Biodiversity Conservation agendas.

2.4 Proposals for connecting BC and Decentralization

The connection of BC-D policy proposals adds a new layer of complexity to the BC-PR objectives: the institutional dimension. Research and policy proposals regarding the BC-D relationship came hand in hand with increasing academic production addressing the development and importance of institutions to deal with various human problems, including the management of natural resources. Without abandoning the BC-PR objectives the literature concerned with this new link has brought to the debate the role of institutions for the improvement of BC-PR efforts. The debate has focused on the conceptualisation of institutions as the “rules of the game” as per North (1990).

Consistent with assumptions about the importance of decentralization to enhance governance conditions, actors involved in Biodiversity Conservation started to highlight the limits of states and the importance of efficient national-local management systems and institutions to deal with the challenges of Biodiversity Conservation. The diagnosis of *weak governance conditions* in the developing countries was translated to the environmental sector, a movement that was inspired in part by the influence of luminaries from the field of New Institutional Economics such as Elinor Ostrom and Douglas North whose research proposed a more citizen-centred approach to collective action dilemmas (Barret *et al.*, 2005, 194). In her seminal work on the commons-based institutions, Ostrom (1990) challenged the pessimistic dichotomy of state or private solutions by demonstrating through empirical research that a third, locally derived institutional solution could be successful, albeit, under the right conditions. Ostrom’s work resonated with an international community promoting a good governance agenda, and with local communities frustrated by state-imposed solutions. However, as Barret warned, the process of “designing, implementing and enforcing appropriate rules poses serious challenges” (Barret *et al.* 2005, 194)

The various challenges faced by local level resource management arrangements spurred efforts to strengthen the institutional performance of national and local governments to improve the levels of environmental governance (i.e. the participation of public and private actors) required to have a sustainable use of their natural resources. In this line emblematic global conservationist institutions have incorporated -with different emphasis- the

“Decentralization” component within their objectives and strategies. As Clairs (2006) pointed out, the Convention on Biological Diversity (CBD) included in 2000 the decentralization component into its Ecosystem approach - the primary framework for action for the CBD approved in 1995 emphasised that “Management should be decentralized to the lowest appropriate level” and that such systems would lead to “greater efficiency, effectiveness and equity” (Cited in Clairs 2006, 14). At the centre of these arrangements was an emphasis on participatory approaches and proximity to the ecosystem – attributed lauded as able to deliver “greater responsibility, ownership, accountability, participation, and use of local knowledge” (Cited in Clairs 2006, 14).

Less explicitly, the “Sustainable use” objective of the CBD established in the 2003 Addis Ababa workshop a declaration of 14 principles from which principle 2 states that “*local users of biodiversity components should be sufficiently empowered and supported by rights to be responsible and accountable for use of the resources concerned*” (Clairs 2006, 15) without mentioning explicitly the means through which this could be achieved, nor mentioning the extensive normative assumptions on which these initiatives were based. Like poverty, the initiatives were vulnerable to the same critiques directed at the CBC in the preceding section, namely, oversimplification of the notion of “local community” and an ignorance of the power dynamics, and heterogeneous qualities such as knowledge and practices that comprised targeted communities.

By the same token the “benefit sharing” objective of the CBD has been gradually opened to new interpretations of who are the beneficiaries of biodiversity, going from “biodiversity rich countries” to “biodiversity rich local communities”. Clairs (2006) argues that the shift in emphasis is likely to result in increased attention to “decentralized governance mechanisms as a means of ensuring access and equitable benefits to local groups” (2006, 16).

The politically oriented objectives have been supported by academic production on the possibilities and limits of connecting BC and D efforts. Since the 1990’s a body of research has been developed for the analysis and assessment of experiences implemented around the globe. Academically the main question between influential research networks has been formulated in functionalistic terms, i.e. “whether or not Decentralization promotes or not

the conservation of biodiversity and if so under what conditions” (Lutz and Cadelco 1996). Other more critical visions from scholars within the fields of political economy and political ecology have highlighted the power relations behind environmental governance reforms in what has been labelled the “neoliberalization of nature” (Liverman and Vilas 2006, Bakker 2010, Sawyer and Terence 2008). The results of these efforts have pointed to diverse directions and results.

Four main critiques of the decentralisation agenda have important consequences for its linkage to and intersection with the Biodiversity Conservation agenda. The first relates to the **recentralization of power in local elites**. In this case, old/new elites with capacity to flex economic power tend to garner greater representation in the region. A structure of political participation based in economic power and the marketization of politics impose barriers to reformist voices, including those advocating for a more sustainable management of natural resources. As Hadiz points out, at the local level “the practical expense of election campaigns can serve as an “effective barrier to the entrance of reformist forces into the political arena” amounting to new faces supporting traditional sources of power (Hadiz 2004, 703). The priorities of these elites are not always sympathetic to the conservationist or developmental priorities. As noted by Andersson and Ostrom (2008) for the Bolivian case, “the ruling elites have invested in urban infrastructure improvements rather than worrying about rural people’s access to and management of natural resources”. More recently in China, Xian notes that despite of considerable efforts to establish environmental standards and decentralize functions, the current management public system typically promote to local officials based on how fast they expand their local economies, pushing them to disregard environmental costs of growth. (Xian 2012)

The second and third criticisms of decentralization relate to **lack of capacity** and reluctance from the central state. In some cases transfer of power to local authorities has taken place without an adequate transfer of management skills (Biodiversity Support Program 2000, Enters and Anderson 2000, Wyckoff-Baird *et al.* 2000, Larson 2002, Clairs 2006). While this has been a common argument to explain failures in decentralization of natural resources, authors like Ostrom (2008) argue it is not the most important. On the other hand, there is a noted reluctance **of national governments to decentralize the management of natural resources, particular when the** economy of countries is highly dependent on the

exploitation and export of raw materials and biological resources. In this regard, it has been observed that central governments maintain their power to define the allocation of financial resources required to manage protected areas (Ribot 2004, 51). In such scenarios, we are more likely to encounter a transfer of control over what Clairs (2006, 17) describes as *non-commercially valuable biological resources* (non-timber forest products, wild relatives or landraces, medicinal and aromatic plants for example) or common pool resources” which are rarely the source of conflict.

Finally, the paper turns to the central critique of the Biodiversity Conservation – Decentralization nexus which is the **divergent definitions and priorities about Biodiversity Conservation goals** and how these divergences intersect with the decentralisation agenda. The ways “Biodiversity Conservation” has been historically constructed have consequences on the prioritization of biodiversity goals and strategies. As stated by Vermeulen and Koziell (2002), management of biodiversity “is just as much a battleground as management of any other aspect of biological resources – fraught with competing perceptions, competing claims and competing priorities” (Vermeulen & Koziell 2002, 16).

The somehow limited distinction between “Global- Local values” proposed by Vermeulen & Koziell (2002) is useful for understanding the tensions created in the process of implementing Biodiversity Conservation Policies (See Table A). While the global values (usually fostered by international agencies) are focused on the indirect and non-use values - those benefits that “accrue ultimately to everyone on earth”- local values on biodiversity prioritize elements of direct use value, for instance in terms of its contribution of the livelihood of local communities and with a more dynamic frontier between wild and domesticated biodiversity (Vermeulen & Koziell 2002, 16).

Such differences in valuing biodiversity have had real effects on the global resources channelled for BC initiatives, with the wealthy countries defining the terms of “the global consensus” and with wealthy conservationist lobbies promoting the means of assessing biodiversity (Vermeulen & Koziell 2002, 89).

Table A: Differences between global and local biodiversity values

<i>Global Values</i>	<i>Local Values</i>
<ul style="list-style-type: none"> • <i>Indirect use and non-use values are primary concerns</i> • <i>Emphasis on conservation, with or without sustainable use.</i> • <i>Usually no specified user groups.</i> • <i>Endemics (species that occur locally only) and other rare species given high values.</i> • <i>Focus on genotypes (genetic information)</i> • <i>Wild and agricultural diversity treated separately</i> 	<ul style="list-style-type: none"> • <i>Direct use values as important or more important than indirect use and non-use.</i> • <i>Emphasis on sustainable use.</i> • <i>Specified user groups.</i> • <i>Endemics no more important than other species</i> • <i>Focus on phenotypes (observable qualities).</i> • <i>No clear boundary between wild and agricultural biodiversity</i>

Source: Vermeulen & Koziell 2002, 18

These weaknesses mentioned above has lead to international conservation agencies to perform two type of strategies: either they bypass local and *meso* instances of government focusing their efforts on specific local communities, directly affected by the implementation of Biodiversity Conservation projects or they establish alliances with institutions more apt to collaborate with their institutional objectives, regardless of whether that contributes or not to the conditions of environmental governance of the country.

While there is a constellation of actor and interests taking place in the definition and articulation of BC-D initiatives and the results of these experiences are mixed, we require a theoretical framework that allows us to grasp with this multiplicity of factors. As stated by Andresson and Ostrom, either centralized or decentralized “limitations exist to all ways of organizing the governance of resources”. The task is then to analyse the institutional arrangements that had made possible certain conditions of environmental governance under specific socio-nature conditions (Bakker 2010, 716).

2.5. Theoretical framework - adopting a polycentric lens for understanding institutional arrangements

As noted by Andersson and Ostrom (2008), there is a variety of results in the decentralization experiences and most of the studies focus on particular levels of governance – such as local government administration, neighbourhood organization, rural communities. While such studies yield important insights within the particular domain, these inadequately account for the complex interrelationships between institutions simultaneously operating and intersecting across multiple dimensions. As Ostrom and Andersson (2008) argue, the logic of this strategy of analysis is that “the individual characteristics of local governments are often insufficient to explain the variation in governance outcomes in decentralized regimes” (Ostrom & Andersson 2008, 80). Adopting this approach, the paper endeavours to examine the case of Madre de Dios within the context not of specific government administrative unit located at a specific spatial scale of operation, but rather as a composite unit that interacts of a governance system.

Ostrom’s notion of polycentricity offers an analytical and conceptual framework that resists the oversimplification created by arbitrary spatial delineation of arenas of analysis. The alternative view emphasises the “*relationships* among governance actors, problems, and institutional arrangements at different levels of governance” (Ostrom 2008, 79). This view regards each institution as functioning within a complex adaptive system such that the self-governing capabilities of groups of citizens is derived from and forms the basis for the design of wider-scale institutional arrangements (Ostrom 2008, 79). As Ostrom and Andersson assert (2008) the generation of positive incentives to invest in natural resources governance, they are seldom generated within the local government administration “but rather through accountability mechanisms that govern the relationship between the local government and other governance organizations at different levels” (Ostrom & Anderson 2008, 80). Such a view goes beyond a simple examination of the “technical capacity and financial resources” of local governments to explain environmental governance outcomes.

While not denying that aspects such as technical capacity and financial resources are an important element, the adoption of a Rational Choice Institutional perspective that regards

institutions as systems that “proscribe, prescribe and permit behaviour” emphasises the role of rules and incentives that drive behaviour and decisions regarding natural resource management across multiple institutional layers (Ostrom 1990, 51). Ostrom’s notion of polycentricity provides a useful and thusfar relatively unexplored mechanism for conceptualising this phenomena in the Madre de Dios case. Ostrom, like North (1990) understands institutions as the ‘rules of the game’. Both informal and formal, the ‘rules of the game’ are informed by norms, practices and belief systems within the context. The focus on the structure of rules and incentives across interacting layers serves as a useful starting point for overcoming some of the critiques of the Poverty Reduction, Biodiversity Conservation and Decentralization agendas identified in the course of this literature review and how these agendas intersect. Of particular relevance is the resistance of the polycentric frame to an over-simplification of the dimensions of local community and disassembling the assumption that the community acts as a cohesive whole, but rather, is comprised of an assemblage of institutions whose behaviour is determined by interactions across multiple scales and dimensions.

Just as polycentric governance arrangements comprise institutions are nested within institutions, it follows, that rules are nested within rules. In this manner, cardinal or ‘constitutional’ rules are transferred across these nested layers such that institutional rules in a macro context are present within the institutions in the micro context. In summary, the “whole system at one level is a part of a system at another level” (Ostrom 2005, 11). For the purpose of this paper, Ostrom’s approach is blended with Bakker’s understanding of socio-nature conditions which provide both the geographic and social conditions on which governance arrangements – and their resulting rules – are derived. The resulting picture is a complex composite of institutional layers determined by spatial, biological, temporal and social dimensions. Furthermore, the particular case of the TNR and Madre de Dios demonstrates the importance of understanding both the *degrees and forms* of nestedness of institutional arrangements, which create the conditions of conflict and resistance, alongside cooperation and compliance. These particular conditions will be explored in Chapters 3 and 4.

CHAPTER 3: DECENTRALIZATION AND BIODIVERSITY POLICIES IN PERU

Both indirectly and indirectly, decentralisation profoundly changes the local institutional infrastructure and governance arrangements on which “local natural resource management depends” (Ribot 2004, 7). This is the case, as Ribot (2004) asserts, whether the arrangements are “complete or incomplete, well or poorly designed and executed” (Ribot 2004, 7). The purpose of this section is to analyse the broader trend towards decentralisation in Peru since 2002, outlining the main variables that influenced the commencement of the process. The chapter will address three questions: a) why the decentralization process was adopted in Peru; b) what are the main institutional features of this reform; and c) how the decentralization process has affected the implementation of biodiversity conservation policies in Peru.

3.1. Decentralization in Peru: 2000 - 2011

Historically, Lima has developed as the political and economic centre of Peru. This is informed by the political development of Peru, whose centralised arrangements in the colonial period were followed by the appearance of virtual dictatorships following decolonisation. The physical development of Lima has aligned to the political trajectory of Peru. The city of Lima gained greater importance with the process of urbanization that took place since the 1950s. By 2007, just the city of Lima concentrated almost 30 per cent of the national population. In a study published in 2008, Ostrom and Anderssoon classified Peru as a highly centralized system for the management of its natural resources compared with countries like Guatemala or Bolivia. Ostrom & Anderssoon (2008) observed that their field research field performed in 2002 preceded the move towards decentralisation of governance responsibilities for various natural resources that commenced in 2003 (Andersson and Ostrom 2008). Concentrated mainly in Lima, the decision of the national elites to devolve power to regional governments and societal actors appears, at first glance, counter-intuitive. It is important, therefore, to explore what elements within domestic political conditions triggered the decision of national to devolve power in that particular

period. This can help us to understand what was decentralized and what remained under the control of the national government.

Why was decentralization adopted in Peru?

As explained in Chapter 2, decentralization processes around the world have been usually explained in accordance with five key variables that serve as a catalyst for decentralisation: 1) international pressures (i.e. donors, foreign investors); 2) economic crisis and/or reform, 3) socioeconomic development or modernization (i.e. economic growth and urbanization); 4) a wave of democratization taking place around the world, and 5) domestic political variables (McNulty 2011, 3). In the case of Peru, the fourth and fifth variables are particularly relevant to understanding what precipitated adoption of decentralisation. These reforms took place in the broader context where the first three variables were also present at varying degrees. As will be discussed in the next section, decentralisation reforms adopted in 2003 accompanied the restoration of democracy after a period of authoritarian government. This domestic situation within this period was characterised by weak political parties and few sub-national elites whose allegiances were more profoundly

Peru's political development trajectory following decolonisation is best described as "democracy interrupted" (IDEA 2012).² A prevailing characteristic has remained the absence of strong political party development. Already weak, political parties almost disintegrated at the end of the 1980's amidst the worst economic crisis that Peru faced in the 20th century and with an internal conflict that caused more than 60,000 deaths in 10 years. In this scenario, traditional political parties suffered a crisis of legitimacy, giving space to the rise of *independent politicians*, trend that eventuated in the election of Alberto Fujimori in 1990. Fujimori's reign over ten years in government was characterised by the emphatic embrace of neoliberal reforms familiar to the so-called "Washington Consensus"; authoritarian practices adopted to curtail political opposition (including processes of recentralization, illegal re-election for a third period and politically-motivated murders);

² http://www.idea.int/publications/15_years_supporting_democracy/perus_first_parties_law.cfm

and endemic corruption that led to his resignation in 2000 amid a tense political situation (IDEA 2012; Taylor 2005, 565-567).

The transition to democracy was thus forged amid deep scepticism of political institutions and the system of centralised government. In Fujimori's wake, a national political elite, though it remained concentrated in the capital, Lima. The national elite comprised new political leaders like Alejandro Toledo and old figures like Alan Garcia, Fujimori's predecessor. The combination of strong independent politicians and a public administration comprised of technocrats led a process of democratic transition and series of reforms, including the process of decentralization. The absence of strong political parties or sub-national elites with good bargaining power determined the nature and origin of reforms. Politicians vying for political power following Fujimori's withdrawal channelled citizen demands for greater political autonomy and transparency as a campaign strategy (McNulty 2011, 35). In the 2001 election, the campaign promises of all the major candidates incorporated the decentralization issue in their agenda. The campaigns of Toledo and Garcia centred on reengagement closing the distance between the centre and the periphery through initiatives such as regional elections and participatory approaches to include civil society across all levels of government (McNulty 2011, 35).

What are the main components of the decentralization reform?

The decentralization reforms adopted in Peru from 2002 onwards comprised two main components: a) the creation of regional governments as an intermediary level between the national and provincial governments and b) the setting up of new spaces of citizen participation at the regional and provincial levels. On the institutional side new levels of sub national government were created, adding *regions* (akin to states in the United States), to the pre-existing structure of provinces (akin to counties), and municipalities (akin to cities) (McNulty 2011, 4). New channels for citizen participation were formally opened via new regulations mandating the formal participation of the civil society in regional and local decision-making processes, for instance through the "Participatory Budget" (*Prespuesto Participativo*) or in the formulation of Concerted Strategic Plans for regions and provincial governments (*Planes de Desarrollo Concertado*) (GPC 2004).

Within the new government structure, the regional government had three main forum for decision-making: a) the regional presidency (a president elected for a four years period); b) the regional council which serves as a legislative body and has council members who are elected each four years; and c) the Regional Coordination Council (CCR), comprised of provincial mayors and representatives of civil society organizations with the purpose of increasing the degree of citizen participation. The CCR and the Participatory Budget were envisaged as the main institutional spaces for civil society citizen participation at the regional level. As noted by McNulty (2011) the Participatory Budget has been more practically successful in promoting citizen participation, because the process is more open to the citizen involvement and is more flexible and less politicized than the CCR. Between 2002 and 2003 a set of laws were promulgated and in January of 2003 the first regional governments commenced operation. Since then, three sets of regional elections have been conducted and additional legislation has furnished the, as yet, unfinished reform process.

3.2 The management of natural resources and decentralization

The General Decentralization Law³ (LBD) establishes three types of competencies or responsibilities for regional governments: exclusive, shared (with the regional government) and delegated (when the national government delegates functions on the regional government).⁴ This division impose limits on the type of intervention that regional governments can have in the management of natural resources. For instance they cannot override the definition of national sectoral policies (such as education, health, and environment) which remain under the auspices of national executive power. The regional governments do, however, share responsibility on implementing national policies delegated to regional government and adapted to the regional context. The shared and delegated arrangements creates space for different policy interpretation in different regional contexts. As we will show in Chapter Four, this has been the source dispute between national and regional governments.

³ LBD from the spanish acronym: *Ley de Bases de la Decentralización*.

⁴ Refer Article 13, LBD, Peru Government 2002

Within the frame of national policies, the decentralization process places emphasis on the importance of environmental aspects. In its article 6, the LBD establishes three environmental objectives to be pursued by the regional governments: a) territorial and environmental planning (“*Ordenamiento Territorial y del entorno ambiental*”) with a sustainable development approach; b) Sustainable management of natural resources and improvement of the quality of the environment; and c) Inter institutional coordination and citizen participation at each level of the National System of Environmental Management (Sistema Nacional de Gestion Ambiental, hereafter SNGA). These objectives are expected to be achieved through the administrative apparatus and the participatory spaces set up with the creation of regional governments.

Environmental aspects are also considered within the organizational structure of the regional governments. The Organic Regional Government Law (Ley Orgánica de Gobiernos Regionales, hereafter LOGR) divides the internal structure of the governments in five areas or divisions (*Gerencias*), of which one is the division of ***Natural Resources and Environment***.⁵ In its article 29-A, the LOGR states that this division should “*address specific sectoral functions in relation to **protected areas**, environment and civil defense*”.⁶ However as environmental issues cut cross other areas, other *Gerencias* also have influence on the implementation of environmental competencies and in the management of natural resources. The one which is directly linked to the management of National Parks is the *Gerencia* of “Planning, Budget and Land Use Planning” (*Gerencia de Planeamiento, Presupuesto y Acondicionamiento territorial*).

⁵ The term “Gerencia” as a “unit in charge of...” emphasizes the non-bureaucratic, managerial nature these units should have.

⁶ In Peru the term *Civil Defense* has been associated with the response of the National Institute of Civil Defense in the provision of humanitarian relief following natural disasters.

3.3 Biodiversity Conservation Policies and Decentralization

The most relevant biodiversity conservation laws predate the process of decentralization and they have been implemented in parallel with the development of biodiversity conservation international laws. Besides considering the participation of local communities as a component of conservation processes, the central government have maintained absolute control over the *National Reserves*, using those elements of the decentralization process that are apparently more functional to achieve BC goals.⁷ Most of the legislation developed since the 1990s have been established under the assumption that centralized control is required in those geographic areas that comprise “*more than one region and (thus) requiring a centralized and highly specialized management*” (Minister of Agriculture 1990). Institutional actors within the international arena such as UICN, the convention on Biological Diversity have had strong influence on this process. Indeed, the main national policy guiding Biodiversity Conservation efforts until 2021 – the ***National Strategy of Biodiversity Conservation*** (ENCB) – is part of the commitments assumed by the Peruvian State as signatory of the Convention on Biological Diversity (CONAM 2001)

The importance of local participation is reflected in the policies and directives of a broad stretch of government bodies. The particular policy disconnect remains, however, that the focus on ‘participation’ in the local communities is without sufficient attention paid to the institutional context influencing and / or constraining the options and choices of local actors. For example, the design of the ENCB has been participatory (incorporating the contribution of NGOs and civil society actors) and one of its seven strategic commitments promotes the “*participation and commitment of the Peruvian society*” with Biodiversity Conservation goals (CONAM 2001, 73). The set of laws enacted to support the ENCBs strategic commitments has also recognized the importance of local actors. For instance in 2001 the National Institute of Natural Resource (INRENA) – a separate but functionally dependent institution of the Minister of Agriculture – emitted the “Regulations governing

⁷ For instance the National Institute of Natural Resource (INRENA) has provide guidance and technical support to regional and municipal governments in the creation of Regional or Municipal Protected Areas and in the design and implementation of regional Strategies of Biodiversity Conservation.

the Law of Protected Natural Areas”. This document officially recognizes the role **Management Committees** (MC) and stresses the importance of incorporating the interests of local actors in governing these spaces. The main purpose of the MCs is to “*ensure the proper functioning of Protected Natural Areas, track the implementation of the Management Plan and carry out the monitoring, evaluation and feedback for implementation of Protected Areas plans*” (INRENA 2006, 17). The MCs are elected by an assembly compound of citizens and representatives of public and private organizations participating voluntarily. The elected committees are officially recognized by INRENA in the case of National Protected Areas and by the regional governments in the case of Regional Protected Areas.

While the inclusion of participatory approaches is on one hand, it is disconnected from arcs of responsibility relevant to natural resources and Protected Areas. In Peru, the majority of Protected Areas are national rather than regional (Peña and Monteferri 2008). Resultantly, the National Government has – at least formally – a relatively high degree of influence on the constitution of the majority of *management committees* in the country. While this is not by itself a negative aspect for the achievement of biodiversity conservation goals it limits the participation of regional actors that could be potential allies in the sustainable management of the **National Reserves**.

In spite of the situation described above, there are three aspects that have opened space for a better connection between biodiversity and decentralization policies. Although the institutionalisation of the environment agenda is still in its infant stages, some positive steps have been made.⁸ At a governance level, the lack of a formal position of Environment Minister in Peru’s national parliament before 2008 has meant that environmental policies have infused the agenda of diverse sectors such as education and health. In each case, the Ministers and their Departments have responded to pressure to incorporate environmental components within their priorities. At the implementation level, the General Law of Environment enacted in 2005 fused with the already extant regionalisation process, emphasising the need to involve sub-national governments in the implementation of

⁸ In contrast with other countries of the region like Colombia or Brazil , Peru has created the minister of Environment only in 2008.

environmental policies (including those referred to the conservation of Biodiversity). At a regional and local level, the emphasis on participation of civil society actors in the design of their sectoral regional plans have opened an opportunity for actors involved at the regional and local level in issues related to local biodiversity are able to advance their demands. As a result, since 2003 twelve regional governments (including Madre de Dios) have designed and implemented their respective Biodiversity Conservation Plans.

However, as we will show in Chapter Four the Biodiversity Decentralization articulation is still weak, particularly in the case of Madre de Dios. The next Chapter investigates how the weak articulation has affected the effort of communities, farmers and conservationist to stop the advancement of mining activities in the National Reserve of Tambopata and its buffer zone.

Table B. Main Policies/laws governing Biodiversity Conservation Policies in Peru

- 1990: creation of the National System of Natural Areas Protected by the State (SINAMPE)
- 1997: Law of Protected Natural Areas (LANP)
- 2001: Regulations governing the Law of Protected Natural Areas
- 2001: National Strategy of Biological Diversity
- 2005: General Law of Environment
- 2006: Regulations governing the Operation of Management Committees of the Natural Protected Areas and Regional Conservation Areas.

3.4. Conclusions

The purpose of this chapter was to explain the process of decentralization in Peru and its intersection with the implementation of Biodiversity Conservation policies. McNulty's (2011) analysis serves as an explanatory framework to reveal how decentralization in Peru has been strongly influenced by a) the process of democratization taking place after the collapse of the authoritarian Fujimori's regime and b) by the bargaining process among national elites and few sub-national elites in the midst of weak national political parties. The exploration of linkages and omissions between decentralisation policies and biodiversity conservation efforts have been reinforced through participation strategies that have at once engaged local and regional actors, while not addressing the institutional arrangements that constrain and inform possibilities for action.

This has important consequences for the management of National Protected Areas. The National Protected Areas have been managed in relative isolation to the process of decentralization. Management of National Protected Areas is thus subject to a selective strategy of Biodiversity Conservation policy makers to "*pick up*" those aspects of decentralization that are functional to the achievement of their conservationist goals. This situation has led to a weak articulation of the participatory spaces created within the biodiversity conservation sphere to the local institutional spaces created with the process of decentralization. The next chapter will draw on this insight to analyze how such aspects have influence in the management of the National Reserve of Tambopata and its buffer zone.

CHAPTER 4: CASE ANALYSIS

The following Chapter analyzes the intersection of Biodiversity Conservation and Decentralization policies in Madre de Dios and how that intersection is mediated by disputes over the material and symbolic dimensions of the territory, specifically around the National Reserve of Tambopata. The analysis examines three main component of the disputes: first, the main stakeholders participating in the disputes; second, the ways in which their interaction have shaped the management of the National Reserve of Tambopata (NRT); and finally, how the Decentralization and Biodiversity Conservation agendas brings opportunities, constrains and conflicts among stakeholders involved in the construction of an institutional environmental agenda in Madre de Dios.

4.1 Main stakeholders on the management of the National Reserve of Tambopata (NRT)

The relationship among governance actors, problems and institutional arrangements at different spatial scales – national, regional, local– helps to explain the “patterns of interaction and outcomes” relevant to the management of NRT (Andersson & Ostrom 2008: 72). For this purpose, the processes of decentralization are understood according to Ostrom’s (2008) concept of *polycentricity*. This concept describes the multiple institutional redundancies drawn from overlapping institutional domains and authority, creating both stability and conflict (Ostrom 2005, 283). What Ostrom & Anderson (2008) define as *contextual institutional incentives* are thus derived from the polycentric institutional arrangements. An examination of these incentives is critical for understanding the political-institutional context in which different actors take their decisions (Andersson and Ostrom 2008, 80). This is the case of the NRT. The main actors around this protected area are part of a larger socio political network that influences and set the conditions of debate about this important area. This framework forms the basis for analysis of the political-institutional context below.

The institutional political context of Madre de Dios is affected by and shares many of the characteristics of the macro-context of Peruvian politics. In particular, the ways in which different actors relate each other in the context of the Madre de Dios region are marked by the institutionalization of certain practices and ways of interaction in the national political sphere. Applying Ostrom’s notion of polycentricity, the Madre de Dios situation is nested within a broader institutional context comprised of rules nested within rules. In this manner, the case of

Madre de Dios can be understood as being the complex residual of institutional factors at play in the national context.

As explored in Chapter 3, the Peru's political sphere has been marked by weak political parties and therefore by the institutionalization of political relations around specific political leaders, national and sub national elites. In this section we explain how those institutionalized practices take place in Madre de Dios. Faced with the weakness of national political parties, the State - Civil society relations in Madre de Dios have been permanently mediated by unstable linkages between changing local elites, spontaneous social movements and civil society organizations pursuing their respective agendas. As a result, the process of decentralization itself has contributed to a slow reconfiguration and consolidation of local political elites, benefiting indirectly to the emergence of an environmental movement, albeit a movement still in a nascent stage. The following section explains the configuration of the main actors.

Nascent and unstable local elites

The formation of local elites in Madre de Dios is related to processes of economic booms and crisis taking place within this territory since the 19th century, when the industrialization of Europe and North America led to profound global transformations. Prior to this period, what today is known as Madre de Dios was not connected with the rest of national territory. During the pre-colonial and colonial periods there were attempts first by the Incas⁹ and later by the Spaniards to conquest this territory, but all the attempts failed. The region was composed by a variety of nomadic ethnic groups, dispersed in a vast tropical forest, without the hegemony of any particular group (Ballón 1917, Pando 2009).

At the end of the 19th century the international demand of rubber led to what is known in Peru as the "*fiebre del caucho*"¹⁰ Madre de Dios attracted the attention of national elites and foreign investors that fostered the occupation of these territories with their subsequent reorganization through the establishment of permanent human settlements. This economic boom began a slow process of *internal colonization* that continues today. The internal colonisation comprises the

⁹ The Incas Empire started its expansion through the Andean region in the 15th century reaching its larger extension in the 16th century. It extended over the territories from what is now Colombia to Chile. However the Amazon basin remained relatively free from its influence (Schjellerup 2010, Pando 2009)

¹⁰ The literal translation is *Fibber* of rubber.

occupation of territory via internal migratory processes, the movement of people to Madre de Dios from different regions of Peru. Since then, the formation and consolidation of local elites has been subject to the fluctuation of economic booms and crisis and to irregular processes of *local capital accumulation* – the processes by which the profits of the main economic activities within a region are reinvested in the territory.

The conformation of local elites in Madre de Dios has been profoundly influenced by processes of capital accumulation related with the intense exploitation of natural resources. Since the 1960's, first with the economic boom of timber and later with the gold rush taking place since the 1990's there has been a reconfiguration of local elites around these two economic activities with a subsequent impact on the local political scenario of Madre de Dios. Analysis of the main activities of the Mayors and Regional Presidents in the period 2003-2011¹¹ shows that two of the last three Mayors elected for the province of Tambopata¹² were linked to logging activities. In the case of the regional government of Madre de Dios (GOREMAD), just one regional president has had public linkage with the logging sector (Refer Table C below).

Table C. Relationship between Political actors and extractive activities in Madre de Dios

Period	Linked Mining timber activities	to or	Position	
			Major Tambopata	of Regional President
2003-2006	Yes		X	X
	No			
2007-2010	Yes		X	X
	No			
2011-2016	Yes		X	
	No			X

The case of the Congressman Eulogio Amado Romero (nicknamed as the '*come oro*'¹³) is

¹¹ The National Institute of Electoral Processes (ONPE) has information about the CV of the candidates running for positions in the provincial municipalities and the regional governments. However this information is not always accurate. For this reason, the ONPE information has been cross-checked with information obtained from key informants during the field work.

¹² The National Reserve of Tambopata is located within the jurisdiction of the Province of Tambopata. The buffer zone is located integrally within this province.

¹³ Translation: The one who eats gold

perhaps to most notorious case of timber and gold mining businessmen participating actively in the political arena. Elected for the national congress in the period 2011-2016 this congressman has been accused of favouring illegal gold mining activities in Madre de Dios.

he data confirms what is regarded as ‘common knowledge’ by officials and common citizens in Madre de Dios. The economic elites of the region, formed around extractive activities, have actively sought to participate directly in the spaces opened up by the decentralization process since 2003. The same elites have been responsible for extractive activities that have had a high impact on areas like the National Reserve of Tambopata. While the economic links certainly play an important role in the manoeuvring and alliances politicians establish, the surprising factor, is that the links of the elected authorities with these economic activities do not necessarily determine their political behaviour. Evidence suggests that behaviours are also mediated by a range of actors required for individual politicians to maintain their political presence and legitimacy. The next section analyzes the nature of the main civil society organizations of Madre de Dios that have an important voice in the management of the NRT.

Civil society organizations (CSO) and NGOs

In the absence of strong political parties mediating between civil society actors and the State, the role of organizations and associations has been of paramount importance in Madre de Dios. On the one hand, there are a number of important organizations representing the interests of indigenous communities. The Native’s Federation of the Madre de Dios River (FENAMAD) is the oldest organization (founded in 1982) and acts as a coordinating or peak body for all the indigenous organizations of the region. The main goal of FENAMAD remains the recognition and protection of indigenous territories. The organization is nested within a larger national network of indigenous organizations – the Confederation of Amazonian Nationalities of Peru (CONAP) and the Interethnic Association of Development of the Peruvian Amazon (AIDSESP).

The agenda of indigenous-oriented civil organisation in the Madre de Dios intersects and conflicts with organizations formed around productive/economic agendas. The two most important are: the Agrarian Federation of Madre de Dios (FADEMAD) and the Mining Federation of Madre de Dios (FEDEMIN). These organizations articulate the interests of a myriad of farmers and mining organizations dispersed throughout the territory. The two main bodies are accompanied by other less powerful organisations that promote diverse economic

interests within the region. The diversification of the economy has also led to the conformation of other regional organizations, with less capacity to mobilize other political actors but do have influence on the Management of the NRT: the Association of Chestnut producers of Madre de Dios and the Association of Ecotourism.

In recent years, the impact caused by mining and logging activities in this region has also spurred the proliferation of environmental NGOs working on a variety of topics including climate change, ecotourism, agro forestry and biodiversity conservation. The key environmental NGOs directly involved in the expansion of mining activities to the NRT and its buffer zone are Asociación para la Investigación y el Desarrollo Integral (AIDER), the Peruvian Society of Environmental Law (Sociedad Peruana de Derecho Ambiental –SPDA); and international NGOs including Cooperative for Assistance and Relief Everywhere (CARE) and World Wildlife Foundation (WWF). AIDER has the most influence on the area as a result of official agreement it has with the authorities of the NRT. In 2008, AIDER and the Peruvian state signed a contract 20 year contract that gave AIDER the partial management of research and monitoring of Biodiversity in the Tambopata National Reserve and the National Park of Bahuaja Sonene.

Finally, a relevant civil society actor directly related to the management of the NRT has been the NRT's own Management Committee. The Management Committee coordinates actions with stakeholders within and outside the NRT. According to the NRT's current President, Mr Zambrano, its constitution dates back to 1990 when the national government decided to create the Tambopata-Candamo Reserved Zone (the base over which the NRT was eventually constituted in 2000). The national government decision and resulting constitution established the exclusion of human activities within the territory, with adverse impacts on local farmers and indigenous communities. Under such circumstances, the people led by FEDEMAD organized protests demanding the zoning of the reserve in order to delimit spaces of exclusion and offer future certainty. Thus, according to Mr. Zambrano, the constitution of the Management Committee was the result of the struggle of farmers rather than part of a pre-established strategy of the national government. He says:

“It wasn't the Government, it was the peasants and natives that put pressure - we forced the Minister of Agriculture, then Mr. Klimper, and other senior ministers, to come from Lima...we gathered a meeting with them and he assumed the commitment... he said that given that the zoning was not going to cost a penny to the State, but was a political decision, then he was going to approve this proposal of zoning in less than 5 days... and he did”

As per the other cases, the zoning decision and resolution of the dispute over the management of natural resources was the consequence of the mobilization capacity of local actors. Mr Zambrano explains that the further strengthening of the NRT's Management Committee was possible thanks to the alliances established with external actors within the local region, particularly NGOs fostering community-based approaches.

Spontaneous social mobilizations

Since 2002, the region of Madre de Dios has years have been characterised by the emergence of spontaneous social mobilizations, mobilisations which have captured the attention of the international press. The mobilisations signify moments in which local actors with a variety of (and sometimes conflicting) interests agreed on mobilizing their members to exert pressure over local and national authorities. This is usually achieved through public manifestations and disruptive activities (such as the occupation of roads and public buildings) that have often been resolved through the use of state violence. This mechanism for popular expression of discontent has become a regular and institutionalized practice in Peru to deal with conflicts of various kinds – reflecting the weakness of political parties to channel citizen demands. The presence of social mobilization is relevant to understand how the environmental agenda have been shaped not only in Madre de Dios but also in the whole country. While in the last decade the amount of social conflicts related to environmental issues have increased dramatically (Bedoya 2011), since 2002 three important moments of social mobilization, all of them referred to the management of natural resources. The outcome of these events has affected the trajectory of the process of decentralization in the region.

With the aforementioned actors in mind, the next section analyzes the development of the decentralization process in Madre de Dios and its intersection with the management of the NRT.

4.2 The configuration of the political scenario of Madre de Dios and its influences in the Management of the NRT (2003-2011).

The configuration of the political scenario of Madre de Dios can be understood in terms of the relation of the local elites with: a) the national elites; and b) with other political actors within the region. Regarding the first relation, the articulation of the local political elites of Madre de Dios with national elites has been mediated by the historically low political relevance of this region for the configuration of the national political map. This can be explained by two factors. First, Madre

de Dios has the lowest electoral population in the country. In 2006 – when elections for regional governments and municipalities were carried out for second time – Madre de Dios had the smallest electoral population, representing 0.36% of the national electoral roll (JNE 2006).¹⁴ Second, historically Madre de Dios has not had a symbolic political value for the national elites and the political tendencies they represent. Thus, while national political leaders had to pay special attention to regions like La Libertad and Lambayeque (traditionally the electoral stronghold of the Alianza Popular Revolucionaria Americana (APRA), the oldest political party in Peru) or regions like Arequipa and Cusco (considered of strategic importance for leftist political leaders), the relatively politically and geographically isolated position of Madre de Dios has given regional and local political elites more room of manoeuvre to define their agendas and priorities according to power correlations with other local actors and external actors operating locally (such as multi-national corporations or international NGOs).

Within the context described above the relation of the local elites with other political actors within the region has mainly relied on the charismatic capacity of the leaders to attract the support of different actors, producing conditions of permanent bargaining and political instability. The social mobilizations mechanism (described above) has been of paramount importance to explain the nature and trajectory of the political decisions of different political leaders, and the effects such decisions have had in the implementation of Decentralization and Biodiversity Conservation policies. As noted by Melendez and Vera, since decentralization policies were adopted in 2002 there has been a weak consolidation of local political elites in Madre de Dios and elsewhere. (Melendez and Vera 2007, 9). From 2002 to 2006 no political leader or political party has been able to consolidate their presence. Neither the regional president elected in 2002 nor its political party “Nueva Izquierda” (New Left) gained major attention in the next election, when the *outsider* Santos Kaway won the elections with the independent movement “*Obras siempre obras*”.¹⁵

¹⁴ In Peru voting is compulsory. Lima concentrates the biggest electoral population (35%) followed by La Libertad (5.84%), Piura (5.67%) and Arequipa (4.74%). The regions with a predominant tropical rainforest biome (Amazonas, Loreto, Ucayali and Madre de Dios) concentrate 46% of the national territory but their electoral weight in 2006 was only 5.4% of the electoral roll.

¹⁵ There is no direct literal translation for the word “obras” in English. The phrase “Obras siempre obras”, however, could be translated as “Actions, always actions”. It makes reference to the idea of a government being effective and implementing “public work” (for instance infrastructure) and taking concrete actions rather than just “promising”.

The relation between local and regional elites has important consequences for how local and national alliances have been constructed and how these alliances have affected the process of decentralization and the resolution of disputes regarding the management of natural resources in Madre de Dios. In contrast with other regions of Peru - the management of natural resources is not an adjacent matter to the political process of decentralization but it is in the heart of the process, both shaping and being shaped by the process. Further, natural resource management is part of the everyday politics in this region as a result of the biological and material conditions of the Madre de Dios region and the manner in which the region has been constructed internationally, nationally and locally. That is to say Madre de Dios is an exemplary case of *co-constitution* of the socio-political and natural realms.

4.3 Conflicts around the management of natural resources and the co-constitution of the socio-political and nature realms

Since 2002, in parallel to the process of decentralization, the Peruvian State has attempted to implement a set of laws and policies aimed at regulating the use of natural resources. Within this set of policies there has been a particular focus on natural resources considered of relevance by the international community: tropical forests. In 2000, a new Forest Law was passed by the National Congress. While the purpose of the law was to regulate extractive and logging activities in the Amazon basin, the law was not well received by a group of timber entrepreneurs. In Madre de Dios violent protests took place. The protesters, led by Edwin Rios, a local activist representing the interests of small timber producers, burned the local offices of INRENA and the office of Public Records. According to their claims the national government had excluded hundreds of *small* timber producers from the bidding process for new forest concessions, thus benefiting only a small portion of wealthy investors. Three months later, Edwin Rios was elected the first president of the newly created regional government, within the *New Left Movement*. As the new Forest Law only affected a specific sector of Madre de Dios, the three major interest groups and their organisations - the Agrarian Federation (FADEMAD), the Federation of Indigenous People (FENAMAD) and the Federation of Miners (FEDEMIN) did not participate actively in the protests.

The social protests greatly contributed to the political instability of the first regional government of Madre de Dios. Among the interviews conducted throughout the field work, most of

interviewees considered the 2002 conflict as having significantly boosted the rivalry between economic and political groups. This rivalry led to the eventual deposition of the Regional President in 2003 and destabilised governance arrangements for the ensuing years. The situation made very difficult any attempt to build agreements for the implementation of local initiatives to strengthen the protection of the buffer zone of the NRT. As stated by one of the interviewees, a former director of the Unit of Natural Resources of GOREMAD stated:

***Interviewee:** The situation [2003] was really complicated... as the president was permanently attacked by his political opponents, it was almost impossible to do anything without being criticized...*

***Interviewer:** How did that affect your intervention in the buffer zone of the NRT?*

***Interviewee:** Indeed it wasn't possible to do much about that. At that moment and with all the problems, that wasn't really a priority for the government...*

(Date of interview: 6 of June 2012)

The next two regional governments elected in 2006 and 2010 faced similar pressures derived from two socio-environmental conflicts, derived respectively from the implementation of a new Forestry Law and the interdiction of dredges operating in restricted areas. In 2009, the Peruvian National Government proposed new national legislation to comply with environmental standards required within the Free Trade Agreement with the United States, ratified in 2006 and implemented in 2009. A core part of the legislation comprised a fresh attempt to regulate the Forestry sector. The proposal was rejected by the main national indigenous organizations CONAP and AIDSESEP on the basis that the legislation violated the 169 ILO's convention, according to which any law affecting the territories of indigenous communities must be subject to processes of consultation with the affected populations. The conflict escalated to encompass the whole Peruvian amazon with the tragic outcome of thirty-three police officers and ten indigenous activists killed during the protests.

While the protests were mainly pursued by the indigenous organizations, in the case of Madre de Dios, the social mobilization was accompanied by collaboration with the two other main interest groups in the region, including paradoxically the Federation of Miners (FEDEMIN). The protests resulted in the burning of the offices of the Regional Government. Interviewees were queried about the apparent unusual alliance between miners, farmers and indigenous organizations. Most of the interviewees agreed that this alliance was based on the perception that the national government was imposing an authoritarian agenda. Despite deep tension and disagreement

between local actors over resource management within Madre de Dios and the NRT, they united over their distrust of intervention at the national level. The issue helped local leaders to capitalize popular support in a pre-electoral period.

In 2011 the national government sent the army to close down illicit mining activities operating within the buffer zone of the NRT. This situation led to a mobilization that ended up with 3 protesters killed. However this time other organizations did not join the protests and the interdiction measures have continued.

Despite the unstable context described above, the spaces of citizen participation brought by the decentralization process have helped to build minimal, albeit sometime tenuous, agreements between the main interest groups. This has been the case with the elaboration of the “Regional Concerted Development Plan” (RCDP) and the *sectoral* plans derived from this. In 2002 as part of a national trend of designing 20 years term plans, the regional government elaborated the *RCDP 2002- 2021*.¹⁶ While this plan has been modified by the next regional governments this has been done with the participation of representatives of Community Service Organisations and local NGOs. An important outcome of this process is the *Regional Plan of Biodiversity Conservation* that, among other aspects, incorporates initiatives to protect the NRT.

The main limitation of this process has been the different and contradictory visions of development expressed in each plan. This is the case with the conflicting objectives of the *Regional Plan of Biodiversity Conservation* and the *Regional Plan of Mining*. The process of *territorial zoning* derived from these plans and lead by the last two regional governments reflects these contradictions on the perception and use of the territory. As noted by the president of FEDEMAD the current proposal of territorial zoning elaborated by the regional government risks the emergence new conflicts between different actors (especially between farmers and miners). In this case, social mobilization is regarded as one of the main tools to resolve these conflicts:

Interviewee: “we have put a set of observations to the current territorial zoning but they [the regional government] do not consider it. They want to implement it ‘at all cost’... well, that is going to bring consequences because in the future the only thing that I can do is to call to the people here and make a protest... there is no other option.” (Date June 11 2012. My translation)

¹⁶ The 20 years term is not arbitrary. It was established as part of a national momentum of “return to democracy” after the fall of the Fujimori’s regime when national leaders and intellectuals started to speak about the need to re-build Peru’s sense of nationhood. The year 2021 corresponds with the year that Peru will celebrate 200 years of Political Independence from Spain.

The increase of mining activities since 2007 has added an additional layer of complexity to an already complex scenario. As will be explored in the last section of this chapter, however, an important process of environmental institutional development has taken place within the interplay of decentralization and Biodiversity Conservation effort. In this regard, the regional government has emerged as a key actor.

4.4 Gold rush: an incentive for institutional coordination

Prior to 2006 the mining activities were not perceived as a national problem and the authorities of the NRT did not have major incentives to coordinate with the Regional Government. Since 2007, however, the release of media reports showing the devastation created by the mining activities spurred diverse actors with a pro-environmental agenda to coordinate at the local level. Key to this process was the intervention of the Regional Government. In 2010, the Natural Resources unit of the Regional Government gathered stakeholders in the region (including the authorities of the NRT) to create a Regional Environmental Commission (CAR) as:

“...the instance of environmental management to coordinate and harmonize the regional environmental policy, promoting dialogue and agreement between the public, private and civil society, articulating their environmental policies with the Ministry of Environment”
(GOREMAD 2010)

Since its constitution CAR has been the main forum of inter-institutional coordination to address the most important environmental challenges faced by the region. It has also been a space of inter-institutional learning. For example, the forum provides a space for relevant authorities of the NRT to provide guidance to the regional authorities for the creation of Regional Protected areas. Returning to the arguments presented by Andersson and Ostrom (2008) we can affirm that CAR thus far has benefited from efforts across institutions of multiple scales to more effectively blend local, indigenous knowledge with scientific knowledges, allowing participants operating at many different scales to learn from each other. In this case we can contrast the institutional embeddedness of certain institutions within the sphere of Madre de Dios with others. As Andersson and Ostrom (2008: 72) asserts, the “*degree and forms of nestedness of political actors within larger political systems*” are of primary importance. In this case, the disconnect or disembeddedness between the spheres of political representation, legitimacy and authority at the national, regional and local level resulting from the decentralization process both contrasts with

and creates a space for the more closely-nested institutions relevant to Biodiversity Conservation efforts.

Summarizing, the disputes over the management of natural resources (mainly timber and gold resources) has created conditions of social conflict that have affected the consolidation of the process of decentralization. In the absence of strong political parties linking the diverse interest of civil society actors with national and sub-national elites, the resolution of disputes over the management of natural resources (mainly timber and gold resources) has been mediated through spontaneous social mobilizations. The institutionalization of these conditions of instability has affected the consolidation of the process of decentralization. However the process of decentralization has also opened opportunities to solve these conflicts by democratic channels. With the intensification of a gold rush the institutions and actors with an environmental agenda have had greater incentives to articulate their efforts. While an assessment of the effectiveness of the CAR deserves further scholarly exploration, such an investigation is beyond the immediate confines of this paper. A preliminary assessment, however, portends the progressive consolidation of a still nascent environmental institutional framework to mitigate the impacts of economic processes globally generated.

CHAPTER 5: Conclusions

The aim of this research was to explore the articulation of Biodiversity conservation and decentralization policies in a context of intense resource extraction, using Madre de Dios as an exemplary case to analyze the diversified ways in which actors with shared and conflicting interests related to each other in order to pursue their own agendas and negotiate disputes around the use of natural resources and the territories harbor them. This was achieved by deploying the Ostrom's concept of polycentricity which illuminates the various levels and scales of intervention that frame the relationship among different governance actors setting the conditions of use and exploitation of natural resources in the National Reserve of Tambopata.

The polycentric approach helps to explain aspects of conflicts over the management of natural resources within specific spaces (delimited by the resource or common to be exploited) and assuming the existence of an institutional order (re)created spontaneously by the myriad of actors intervening in that space, our view incorporate into the analysis broader scales of space and larger conditions of time. The particular form and degree of nestedness helps to explain the resistances and cooperation of institutional arrangements and institutionalized power relations that have emerged within the Madre de Dios region and have particular impact on the Biodiversity Conservation goals of the NRT. The emphasis on relationships between institutions rather than the study of institutions as discrete units also provided a rich explanatory base for understanding the particular outcomes and trajectory that characterizes the intersection of Biodiversity Conservation and Decentralisation agenda in the Madre de Dios region.

Chapter 2 examined the international debates framing and informing historically policy decisions at the national and local scales, revealing the ways in which the Biodiversity Conservation and Decentralization agendas have been framed in response to specific historical global configurations; in particular to a new international order initiated after the second World War with the configuration of global institutions framing the terms and priorities of the global debates about poverty and nature-society relations. This section showed the shared and coalescing logics between the decentralization and poverty agendas, the particular intersection of the poverty and

biodiversity conservation agenda by the 1980's. Further, this chapter explored some of the key critiques of these agendas, particularly the analytical limitations and problematic assumptions that underpin the agendas.

Chapter 3 moved from the general context to the specific, examining the literature relevant to decentralization in Peru. Of particular relevance was an analysis of the non-spontaneous configuration of the Peruvian political system and to the main variables explaining the beginning and trajectory of decentralization agenda in Peru (McNulty 2011). Based on the findings of scholars such as McNulty (2011), key variables that determined the configuration of the Peruvian political system were carefully extrapolated to aspects of the Madre de Dios case, in particular, those variable used by McNulty to explain conditions that informed the decentralization process in Peru. That is to say, the disputes around the use of natural resources in Madre de Dios (including the disputes around the National Reserve of Tambopata) have been mediated by the absence of strong political parties and weak local elites trying to consolidate their economic and political position around the extraction of timber and gold. The local-elites variable to explain the rise and fall economic elites in Madre de Dios and therefore their unstable position is related to two factors: a) their historical dependence on economic booms since the 19th century and b) their limited capacity of capital accumulation, linked to the economic growth of Lima since the 1950's at the expense of the regional elites (FitzGerald 1979, 144). These relationships were then demonstrated to underpin the incentives and behaviours of elites within Madre de Dios who have sought to participate actively in the new spaces opened by the process of decentralization and their relation with other relevant local actors (primarily FEDEMAD, FENAMAD and FEDEMIN).

These aspects were drawn upon to explain how under such conditions the social protests have been the main mean for the (temporal) resolution of socio-environmental conflicts originated around the exploitation of natural resources. We have also given account of how under such circumstances the first ten years of decentralization in the region have been marked by constant political instability. However, returning to the idea of polycentricity, we have also described how different actors with an environmental agenda in the region have slowly forged alliances to constitute an environmental front that includes the defense of the National Reserve of Tambopata. The constitution of the Environmental Regional Commission (CAR), formed only in

2010 with the leadership of the regional government is perhaps the first epitome of a nascent *self-organized resource governance system* in the region, a space where the Authorities of the National Reserve can coordinate efforts with a greater set of institutions to counterbalance the political and ideological influence of powerful economic groups.

Finally, an understanding not only of the institutional *forms* that governed socio-economic and socio-environmental relations were important, also the relative disembeddness or disconnection between particular institutions developed in the local region. In this manner nested institutional relationships served as an alternative explanation for particular outcomes and behaviours in the Madre de Dios region. Within the Biodiversity Conservation and Decentralisation nexus, this dynamic is informed primarily not by the *form* of institutions alone, but rather by the *relative distance* (and characteristic distrust) in political relations between local, regional and state actors which underpinned surprising alliances. This was compared to the *relative proximity* of institutional arrangements relevant to Biodiversity Conservation efforts. This does not mean that the mining activities are going to cease as a result of the relative nestedness of institutional arrangements related to Biodiversity Conservation, but rather that this agenda is bound to be more coherent. While the gold rush in Madre de Dios remains highly correlated with the rise of gold prices in the international market what these public and private institutions, these insights can serve the basis for understanding the complexity of the local environment and devising relevant and robust solutions to mitigate the impacts of a global phenomenon (Recavarren 2011, 86).

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