



# LOCAL ACTION, GLOBAL IMPACT: POLICY PATHWAYS FOR DECENTRALISED ENVIRONMENTAL GOVERNANCE

WORKSHOP PROGRAMME

16 JUNE 2026



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### **Workshop Organisers:**

Professor Sarmistha Pal, University of Surrey

Professor Jean-Paul Faguet, London School of Economics

### **Administrative support:**

Vicki Blamey, University of Surrey

Louise Jones, Institute of Advanced Studies, University of Surrey



# INTRODUCTION

Environmental governance is a cornerstone of how societies confront crises, navigate trade-offs, and safeguard long-term ecological and human resilience. While national and international frameworks establish broad climate agendas, their effectiveness ultimately depends on implementation at the local level. Subnational governments are, therefore, at the forefront of climate action—responsible for land-use planning, utilities, waste management, transportation, and disaster response—while also investing in adaptation and driving just transitions.

Nevertheless, the relationship between central and subnational governments in climate policy remains rather underexplored. Central governments often emphasize international commitments and uniform standards, while local authorities prioritize economic growth and immediate community needs. Examining this little explored interplay exposes tensions, accountability gaps, and opportunities for innovation. Stronger vertical coordination across levels of government and horizontal collaboration across regions can deliver more effective, equitable, and context-sensitive outcomes.

This workshop, entitled "Local Action Global Impact: Policy Pathways for Decentralised Environmental Governance," is supported by the Institute of Advanced Studies at the University of Surrey and has been convened by Professor Sarmistha Pal (Surrey Business School) and Professor Jean-Paul Faguet (Department of International Development, London School of Economics). It convenes academics and practitioners engaged in the study and practice of economics, development studies, political science, environmental policy, and the design of decentralised governance frameworks. In doing so, it offers a meaningful platform to explore how governance solutions may be tailored to local contexts, how communities can be effectively mobilised, and how accountability mechanisms can be strengthened at the sub-national level. Equally, the workshop foregrounds a set of fundamental challenges — among them the coordination of multi-level actors, questions of equity in the distribution of environmental responsibilities and benefits, and the broader effectiveness of decentralised policy interventions.



# PROGRAMME

**TUESDAY 16 JUNE**

**MBA ROOMS 33/34 MS 01**

(BST)

10.00 – 10.15 Registration and Coffee

10.15 – 10.30

**Welcome**

Professor Nigel Gilbert (Director of IAS), Professor Jean-Paul Faguet & Professor Sarmistha Pal

10.30 – 11.30

**Keynote Speaker**

**Climate Change and the Environment: The Role of Subnational Governments and Intergovernmental Relations**

Luiz de Mello

11.30 – 11.45

Refreshment Break

11.45 – 12.25

**Conservation Strategies in Contested Environments: Insights from Dynamic Simulations and a Bolivian Case Study**

Dr Diana Weinhold

12.25 - 13.30

Lunch

13.30 - 14.10

**Community Forest Management and Biodiversity: Evidence from Bird Counts in Nepal**

Professor Som Somanathan

14.10 - 14.50

**Deterring Extraction from the Commons: Evidence from an Experiment**

Anomitro Chatterjee

14.50 - 15.30

**The Impact of Environmental Sanctions on Deforestation and Forest Restoration**

Professor Juliano Assuncao



- 15.30 – 15.55 Refreshment Break
- 15.55 – 16.00 **Welcome Message**  
Professor Lis Tussyadiah, Dean of Surrey Business School
- 16.00 - 16.40 **Conditional Rights Yield Voluntary Provision of Conservation: Why Would Private Resource Users Request Public Restrictions?**  
Professor Alex Pfaff
- 16.40 - 17.40 **Policy Panel**  
Chair: Jean-Paul Faguet
- Role of Leftist Political Representation in Local Government:**  
Professor Marislei Nishijima
- Role of Technology Adoption – Public/Private Duality at the Local Level**  
Tarokh Bhardo
- Role of Fiscal Policy**  
Professor Ehtisham Ahmad
- Overview**  
Professor Jean-Paul Faguet
- 17.40 - 18.15 **Brainstorming Session**



## SPEAKER BIOGRAPHIES

### PROFESSOR EHTISHAM AHMAD



Ehtisham Ahmad is a distinguished economist with extensive experience in development economics, public finance, and fiscal policy. He held senior academic positions at Warwick University and LSE, before serving at the IMF (1990–2010) and as Special Advisor to the Saudi Finance Minister. Since 2010, he has been affiliated with LSE, Chinese universities, and the Chinese Academy of Fiscal Science, directing research on sustainable fiscal transitions in China and Mexico, including contributions to China's 14th and 15th Five Year Plans. A prolific author, his extensive publications span fiscal federalism, multilevel governance, poverty reduction, and sustainable development, including landmark volumes with Nicholas Stern and Amartya Sen.

### PROFESSOR JULIANO ASSUNÇÃO



Juliano Assunção is a Professor of Economics at Pontifical Catholic University of Rio de Janeiro and Director of Climate Policy Initiative in Brazil. His research focuses on development economics, climate policy, land use, deforestation, and institutions, combining empirical methods with policy engagement. His work has been published in leading international journals and has contributed to debates on climate, development, and public policy in Brazil and internationally.



## TAROKH BAHRDO



Tarokh Bahrdo is a PhD researcher in Economics at the University of Surrey, working on the dynamics of the charging infrastructure market, with a focus on EV charging station policy and UK infrastructure expansion. He is also a Research Fellow at the Institute for Sustainability and a Research Assistant with FEVER. His research interests include energy markets, energy policy, energy transition, environmental sustainability, and decarbonisation. He has presented his work at conferences and workshops, including EMEE, RES Easter School, and the PGR-ECR Conference.

## ANOMITRO CHATTERJEE



Anomitro Chatterjee is a postdoctoral Fellow in Environmental Economics in the Department of Geography and Environment at the London School of Economics. He holds a PhD in Economics from Georgia State University. His research uses laboratory, field, and online experiments to uncover the economic preferences and behavioural mechanisms shaping individual decisions. Working across several decision domains and country contexts, he designs and implements experimental studies to address environmental externalities and promote pro-environmental choices.



## LUIZ DE MELLO



Luiz de Mello is Director of the Country Studies Branch at the Economics Department of the OECD which produces the OECD Economic Surveys for about 50 countries and provides leadership and strategic direction within the Economics Department. Earlier in his career, Mr de Mello held senior positions at the OECD, including Deputy Director of the Public Governance Directorate, Deputy Chief of Staff to the OECD Secretary-General and Counsellor to the Chief Economist. Prior to joining the OECD, he worked as a Senior Economist at the Fiscal Affairs Department of the International Monetary Fund, and as a Lecturer at the Economics Department of the University of Kent, United Kingdom. He holds a PhD in Economics from the University of Kent, United Kingdom.

## PROFESSOR JEAN-PAUL FAGUET



Jean-Paul Faguet is Professor of the Political Economy of Development at the London School of Economics and Fellow of the Academy of Social Sciences. He works at the frontier between economics and political science, using Q2 methods to investigate development transformations. Recent publications include *Decentralized Governance: Crafting Effective Democracies Around the World* (LSE, 2023), *Is Decentralization Good for Development? Perspectives from Academics and Policymakers* (Oxford, 2015), and *Decentralization and Popular Democracy: Governance from Below in Bolivia* (Michigan), which won the W.J.M. Mackenzie Prize for best political science book of 2012. Most of his writings, interviews, data, videos, photos, etc are available on his website.

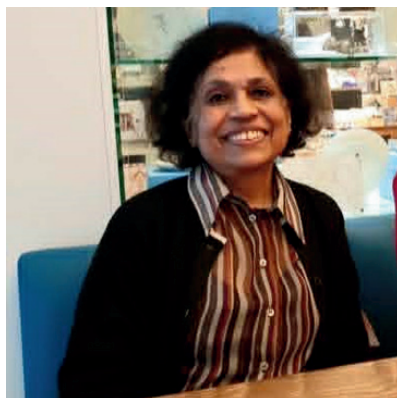


## PROFESSOR MARISLEI NISHIJIMA



Marislei Nishijima is currently a Full Professor of Economics at the Institute of International Relations, University of São Paulo (USP), Brazil. She received her Ph.D. in Economics from the University of São Paulo. She was a Visiting Researcher with the Department of Economics at Boston University in 2014 and 2024. Her research interests include public policy evaluation, environmental governance, and the economics of digital technologies and cultural industries. She has been a Productivity Fellow of the Brazilian National Council for Scientific and Technological Development (CNPq) since 2012.

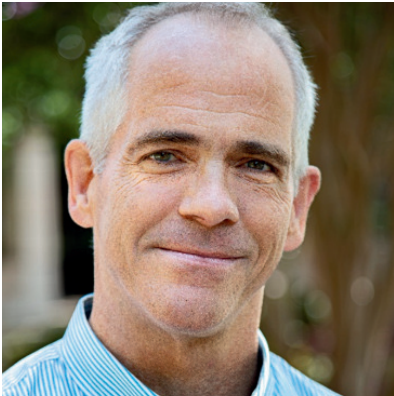
## PROFESSOR SARMISTHA PAL



Sarmistha Pal is Professor of Financial Economics at the University of Surrey and a Research Fellow at IZA Bonn, with a PhD from the London School of Economics. She serves on the editorial boards of the Journal of Development Studies and Economic Modelling. Her research centres on public finance, institutions, and political economy in emerging economies, with current projects examining transport externalities, political ideology and deforestation, and the challenges of environmental legislations.



## PROFESSOR ALEX PFAFF



As a Distinguished Professor of Public Policy, Economics, and Environment at Duke University, Alex Pfaff studies how nature and the economy affect each other. He evaluates environment and development initiatives to inform policies and to empower choices that protect nature, reduce human exposures, and improve local livelihoods.

## PROFESSOR SOM SOMANATHAN



E. Somanathan is Professor in the Economics and Planning Unit of the Indian Statistical Institute in Delhi and Head of the Centre for research on the Economics of Climate, Food, Energy and Environment at the ISI. His research is in the economics of environment and development. He received his PhD from Harvard University and has taught at Emory University, the University of Michigan, and Princeton University. He has been Executive Director of SANDEE (South Asian Network for Development and Environmental Economics), a Co-ordinating Lead Author for the Fifth Assessment Report of the IPCC, a Fellow at the Center for Advanced Study in the Behavioral Sciences at Stanford University, and was the editor of the journal *Environment and Development Economics*.



## DR DIANA WEINHOLD



Diana Weinhold is Associate Professor of Development Economics at the London School of Economics, affiliated with the Department of International Development and the Grantham Research Institute. She has published widely on growth, trade, and the links between land use and development. Her recent work explores patterns of reforestation and protected areas in the Amazon, and develops formal models of adversarial conservation procurement.



## ABSTRACTS

### **Climate Change and the Environment: The Role of Subnational Governments and Intergovernmental Relations**

*Luiz de Mello, The Organisation for Economic Co-operation and Development (OECD)*

Subnational governments play a pivotal role in addressing the challenges of climate change and environmental sustainability. Drawing on recent scholarly work and policy experience, the presentation will examine how multilevel governance arrangements and inter-governmental fiscal relations shape the capacity of regions and local authorities to implement effective climate and environmental policies. It will highlight the diversity of subnational responsibilities, tax and regulatory instruments, financing mechanisms, and coordination tools across OECD countries, emphasizing how well-designed institutional frameworks can enhance policy coherence, leverage local innovation, and mobilize climate finance. The discussion will also explore current trends in decentralisation, fiscal incentives, and place-based approaches that support the transition to a low-carbon and resilient economy. It will explore avenues for policy reform to strengthen cooperation across levels of government and improve the alignment between national climate objectives and subnational action.

### **Conservation Strategies in Contested Environments: Insights from Dynamic Simulations and a Bolivian Case Study**

*Dr Diana Weinhold, London School of Economics*

Conservation planning studies typically treat threats as exogenous and evaluate siting rules from a planner's perspective. We argue that conservation is often contested, and develop a sequential land-claim game that models conservation as a dynamic, adversarial contest between conservationists ("Greens") and developers ("Farmers"). We explore the framework in a Claims World that isolates the role of rivalry and leakage, and in a Budget World that introduces procurement constraints, decomposing outcomes into a Pure Strategy Effect (PSE)—the intrinsic quality of sites a strategy targets—and a Displacement–Leakage Effect (DLE)—the spillover gains from displacing developers' preferred sites when leakage is incomplete. Our results generate several counterintuitive patterns. First, the link between threat-weighting and additionality breaks down once developer adaptation is allowed. Second, reducing leakage can paradoxically increase



misallocation. Third, the textbook ratio greedy rule (maximise efficiency) is systematically dominated by the simple value-greedy rule (maximise environment); we explore this 'knapsack reversal' more formally and show how it can produce a 'disappointment gap' between static (Marxan) planning and dynamic implementation. We then transport our dynamic contest to a Bolivia-based planning board constructed from biophysical data and confirm that the qualitative rankings from the simulations carry over, and adversarial outcomes lie well below the static cost-effectiveness upper bound. Tiny-grid equilibria, formal analysis and robustness exercises in the Appendix show that these patterns are consistent with best-response logic rather than artefacts of modelling choices. Together, the results suggest that robust conservation in contested landscapes requires strategies that anticipate adaptation, not just static threats.

### **Community Forest Management and Biodiversity: Evidence from Bird Counts in Nepal**

*Professor Som Somanathan, Indian Statistical Institute, India*

Community-led forest management primarily focuses on forest conservation and poverty reduction. Previous work has shown that the Community Forest User Group program in Nepal is associated with an increase in the density and area of forests. However, the effects of the program on biodiversity are not known. We use variation in the timing of Community Forest User Group (CFUG) creation between 1990 and 2024 along with repeated sightings by birdwatchers from the e-Bird repository to estimate the effect of community forest management on bird species counts in Nepali rural local governments called Village Development Committees (VDCs). Multiple CGUGs may have been created in a single VDC. Our measures of the level and intensity of CFUG management in a VDC is the area managed by a CFUG in each VDC in each year and its share in the VDC area (CFUG share).

### **Deterring Extraction from the Commons: Evidence from an Experiment**

*Anomitra Chatterjee, London School of Economics*

Resource management programs use monitoring and sanctioning mechanisms to enforce rules to mitigate social dilemmas like over-extraction from common property resources. Existing literature on enforcement in strategic choice environments provides mixed evidence regarding the relative effectiveness of probability of detection versus severity of sanctions to deter non-compliance. In a controlled laboratory experiment using a linear extraction game, I exogenously



vary these deterrence parameters, while keeping expected penalties constant. I test deterrence effectiveness under four distinct compliance regimes that vary harvest quota levels. I find that higher probability of monitoring is more effective at reducing sub-optimal harvest than an equivalent increase in severity of sanctions. Further, a combination of fines and rewards is more effective than fines alone. The results are driven by deterring over-extraction by free riders.

### **The Impact of Environmental Sanctions on Deforestation and Forest Restoration (online presentation)**

*Professor Juliano Assuncao, Climate Policy Initiative, Brazil*

We study how environmental sanctions and spillovers improve forest conservation in the Brazilian Amazon. Using a difference-in-differences framework and novel farm-level data, we show that sanctions curbed deforestation and promoted reforestation among punished farmers and their neighbors. Heterogeneity analysis reveals that even sanctions with limited incapacitation potential elicited relevant behavioral changes. In particular, farmers' responsiveness to sanctions coincided with the government's commitment to enforcement. We do not find substantial evidence of spatial displacement or monitoring evasion. Overall, sanctions prevented 1.6 billion tons of CO<sub>2</sub> emissions between 2006 and 2019, equivalent to 31% of US emissions in 2021.

### **Conditional Rights Yield Voluntary Provision of Conservation: Why Would Private Resource Users Request Public Restrictions? (online presentation)**

*Professor Alex Pfaff, Duke University, United States of America*

We explore how resource rights motivate voluntary self-restrictions that increase conservation. The leading conservation policy, protected areas (PAs), restricts private rights to use resources. The implied local costs lead to private responses, which can limit PAs' conservation impacts. Actors often shunt protection to elsewhere, violate the restrictions that are implemented, and reverse costly restrictions. Yet, at times, private actors accept, enforce, and offer restrictions. They agree, or volunteer, to be in PAs that require limiting their and others' degradation. Why? We highlight that if multiple private (or public) actors compete for resources, PAs can be an 'enemy of my enemy' – much appreciated when PAs' restrictions improve your resource rights by limiting competition, including from other actors who violated your de jure resource rights. Private actors might then shift from shunting, violating, and reversing PAs to requesting them. Thus, conditional rights – better rights conditioned on better conservation – offer a



win-win. Private actors who volunteer to be restricted rise in welfare, while conservation increases since conditional rights address not only PA ‘fortress failures’ but also PES ‘contracting calamities’ since, across conservation rewards, conditional rights may offer more gains than typical PES. We illustrate conditional rights’ incentive compatibility by summarizing cases in which actors volunteered away their unconditional de jure rights to increase de facto (but conditional) rights. Reviews of 25 cases, around the globe, show private adoptions of public restrictions occur to enhance livelihoods and conservation. In light of those, we offer a few empirical tests of forest impacts, note other arenas for ‘restrict oneself to restrict competition’, and discuss challenges.



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