

## **Workshop Title:** Local Action, Global Impact: Policy Pathways for Decentralised Environmental Governance

**16 June 2026**

MBA Room, Surrey Business School

### **Programme**

**10:00 – 10:30**

 **Coffee & Welcome**

Professor Iis Tussiadiah (Dean, SBS)

Professor Nigel Gilbert (Director of IAS)

Professor Jean-Paul Faguet (LES) & Professor Sarmistha Pal

**10:30 – 11:30**

 **Keynote Address**

**Luiz de Mello (OECD):** Climate change and the environment: The role of subnational governments and intergovernmental relations

Abstract: 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.

 **11:30 – 11.45 Tea / Coffee Break**

**1145 – 1225**

Diana Weinhold (LSE): *Conservation Strategies in Contested Environments: Insights from Dynamic Simulations and a Bolivian Case Study*

**Abstract:** 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.

 **12:25 – 14:00 Lunch**

**1400 – 1440**

Som Somanathan (ISI Delhi) : "***Community Forest Management and Biodiversity: Evidence from Bird Counts in Nepal***"

**1440 – 1520**

Anomitro Chatterjee (LSE): "Deterring extraction from the commons: Evidence from an experiment"

**Abstract:** 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.

**15:20 – 16:00**

**Juliano Assuncao (CPI Global)-online:** The impact of environmental sanctions on deforestation and forest restoration

**Abstract:** 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.

 **16:00-1615 Tea / Coffee Break**

## 1615 – 1655

**Alex Pfaff (Duke University)- *online*:** Conditional Rights Yield Voluntary Provision of Conservation: Why would private resource users request public restrictions?

**Abstract:** 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.

## 1655 – 1800

Policy panel- chaired by Jean-Paul Faguet

- (i) Professor Marislei Nishijima (USP, Brazil): Role of Leftist Political representation in local government
- (ii) Tarokh Bhardo (Surrey): Role of Technology adoption – public/private duality at the local level
- (iii) Ehtisham Ahmad (IMF and LSE) Role of Fiscal policy
- (iv) Jean-Paul Faguet (LSE): An overview

## 1800- 1830

Brainstorming session

**The END**