

Executive Summary

Why this report was completed.

With the Agricultural Act of 2014 (P.L. 113–79) Congress permanently authorized the USDA Forest Service to use stewardship contracting authorities. A component of this legislation requires that the Forest Service annually monitor the role of communities in the development and implementation of stewardship agreements and contracts. This report fulfills this Congressional mandate, examining how the Forest Service engages the public in the various phases of stewardship contracting projects.

Early on, local communities were the driving force behind many of the stewardship contracting pilot projects in the Western US. Since the early 2000s, as the use of stewardship contracting authorities has expanded, the range of non-agency (non-Forest Service) stakeholders has also grown. Local communities still participate in many projects, yet surveys conducted on 25% of stewardship contracting projects active between 2007 and 2014 revealed that local communities tend not to be the primary non-agency stakeholder in most projects today. Most local community involvement now occurs through collaborative work involving numerous non-agency stakeholders or by commenting individually during the National Environmental Policy Act (NEPA) process associated with individual projects.

A case study approach was used to examine a cross section of recent stewardship contracts and agreements from across the National Forest System to better understand not only who is engaging in stewardship contracting, but how they engage and why. This report examines 16 cases, elucidating Forest Service and non-agency stakeholder interactions, while highlighting successes and challenges to greater public engagement in the various aspects of stewardship contracting—from planning to implementation and monitoring.

Projects for case study were selected from a list of recent contracts and agreements active between 2011 and 2014 that were identified as being representative in both project types and interactions among stakeholders. These case studies are a collection of contracts and agreements of various scales (large and small acreages) across a broad geographic distribution.

About half of the case studies feature collaborative working relationships. Stakeholders are engaged in formal collaborative groups (6 of the 16 cases), in projects with strong working relationships but without formal collaborative groups (2 of 16 case studies), and through less collaborative interactions (8 of 16 case studies).

What we found: Answers to five key questions

This report addresses five questions about agency-to-non-agency interactions. The answers are specific to the 16 case study projects highlighted by this review.

Question 1: How are non-agency stakeholders, including local communities and tribes, engaging in the development and implementation of stewardship contracting projects from project genesis through contracting? Does this engagement result in the perception of improved decision making and/or project implementation?

Participation by non-agency stakeholders occurs at all stages of the project lifecycle—early conceptualization through implementation and monitoring. The most common point of engagement by non-agency stakeholders is through scoping National Environmental Policy Act (NEPA) environmental assessments. Participation in project planning and design prior to NEPA scoping also occurs and is endemic to many projects with collaborative processes.

Stewardship projects may be planned either before or after NEPA is completed, and the decision to implement a stewardship project is not part of the NEPA process. As a result, agency efforts to collaborate with stakeholders for stewardship projects sometimes begins after NEPA is completed. In these case studies, it was clearly evident that beginning collaboration prior to or during the NEPA process resulted in higher stakeholder satisfaction with the decision making process.

For their part, non-agency stakeholders are involved in stewardship projects because they wish to influence management activities on the National Forest System, most often wanting to improve wildlife habitat, reduce fuel loads, and restore and protect watersheds. In six of the 16 projects, they engaged through formal collaborative groups, focusing on defining the size and scope of project activities. In two additional cases strong working relationships existed among participants without there being a formal collaborative group.

Working relationships in the other eight projects were less collaborative in nature. In these cases involvement was often focused on public input during the NEPA planning process or project implementation as a contractor or agreement-holder, with some participants not viewing their participation as collaboration.

Across the spectrum of working relationships, non-agency stakeholders brought various capacities into these projects—*technical expertise* (e.g. the operational knowledge of contractors important for cost-effective project design), *local knowledge* (e.g. historical data on watershed hydrology collected by citizen monitoring), *human capital* (e.g. a workforce trained and certified for prescribed fire), and *financial resources* that augment the capabilities of the Forest Service.

Achieving desired outcomes happens in both collaborative and non-collaborative projects. Outcomes defined through a collaborative process, especially when stakeholders are involved early on through planning and design, are typically broader in scope and scale. Projects of this type ask more of agency line officers but can lead to additional resources for increased impact.

Key themes concerning the quality of working relationships and their effect on projects:

- **Non-agency stakeholder participation is occurring at all stages of stewardship projects.**

- **NEPA scoping is the most common point of engagement but highly collaborative projects tend to involve stakeholders earlier than this.**
- **Project outcomes defined through a collaborative process are typically broader in scope and scale. Projects of this type ask more of line officers but also often make additional resources available for increased impact.**
- **Non-agency participants report that engaging in project planning *prior* to NEPA scoping is the single best way to influence stewardship projects.**
- **Non-agency stakeholders bring various capacities—technical expertise, local knowledge, a workforce, and financial resources to augment the capabilities of the Forest Service.**
- **In half of the case studies agency and non-agency stakeholders did not work closely together to design or implement the projects, while collaborative interactions were present in the other half of the cases.**

Question 2: Have relationships between the Forest Service and non-agency stakeholders changed as a result of their engagement in stewardship contracting projects? If so, how? What factors contribute to the quality of these relationships?

How relationships evolved in these stewardship projects.

In the majority of instances where collaboration exists prior to a project beginning, relationships did not change significantly as the result of the particular case study project taking place. In projects where relationships improved as the result of a project, trust and cooperation increased through working together to achieve collaboratively defined outcomes. Factors include: early involvement, strong leadership, open lines of communication, transparent decision making, effective leveraging of non-agency financial and technical resources, and seeing results happen on the ground.

In a few case studies relationships were negatively affected over the course of the project—causes are poor communication, lack of transparency, delays, unclear or misleading expectations, and poor or transitional leadership. When a willingness to listen and compromise is absent, projects lose momentum and relationships tend to degrade. When leadership is lacking at the line officer level, frustrations among non-agency partners can result in counterproductive actions. This includes closing doors to future collaborative opportunities and additional resources.

Other factors contributing to the quality of relationships.

Collaborative work involves significant investments of time. This type of work can also involve compromises, with not everyone getting what they want, and this can include the Forest Service. Where agency and non-agency participants are willing to listen and compromise, projects move and relationships improve. Stability among key participants and staff was often a crucial factor in the formation of trusting relationships during both planning and implementation of many projects. While having the right human resources committed to the project matters, so does the design process used. For instance, field-based planning whereby alternative project designs are debated on the ground is a collaborative work process that improved relationships and understanding in many of the case studies.

Participant connectedness to the project area and other stakeholders also contributes to the quality of relationships. Those involved at the local level often bring practical knowledge about the project area that informs project design and how well they work with other participants. In these case studies, participants further from other stakeholders, both geographically and ideologically, are perceived as having less knowledge, buy-in, interest in success, and are thought of as being more likely to object to decisions.

The flexibility of the stewardship authorities enables for the design of complex projects with integrated outputs. While this can mean more complexity, it can also be a tool for addressing the multiple interests at stake in these projects. Highly integrated projects tend to involve multiple and potentially conflicting expectations, which is one reason partners commit resources to these projects—to push their visions forward. Among these case studies, successful projects that manage to integrate a diverse array of activities tend to also coincide with the existence of good working relationships.

Forest Service processes and the policy framework define the flow of information and working relationships among stakeholders. Understanding of stewardship contracting authorities and associated rules and the willingness to use these tools vary within the agency. This can frustrate or encourage non-agency stakeholders. Some agency personnel express that explaining federal rules and regulations to non-agency participants is burdensome and some question the benefit. Non-agency stakeholders become frustrated when their efforts do not improve or expedite the process. As a result the length of projects from planning to implementation is sometimes perceived as purposeful delaying.

Agency turnover is identified as a major negative influence in half of these cases resulting in timeline delays, broken promises, and trust issues, largely because incoming personnel did not know the place and local capacities, which went unutilized. On the contrary turnover of participants can occasionally provide needed change, as was the case in one project. Transfers can interrupt workflow, relationships, and trust, disrupting collaborative projects. In three case studies, conservation organizations with strong leadership positions within collaborative groups changed representatives. In these instances other collaborative group members say that the staff replacements in these organizations did not engage on the same level as their predecessor, setting back group dynamics and progress.

Transparency in communications and operations were identified in cases where participants were satisfied with outcomes. In a few cases, actions by the agency or non-agency participants appearing to lack transparency resulted in criticism from other participants. Examples of this occurred when: NEPA was completed without a collaborative approach, when individuals perceived their participation as unable to modify projects they did not agree with, and when less collaborative projects moved forward on expedited trajectories.

Key themes concerning the quality of working relationships and their effect on projects:

- **When collaborative working relationships already exist, relationships are usually not affected greatly by implementing or designing a single project.**
- **Factors contributing to improved relationships include: increased trust and cooperation from working together, early involvement of stakeholders, strong leadership, open**

communication, transparent decision making, effective leveraging of non-agency resources, and seeing planned activities happen.

- **Factors contributing to degraded relationships include: poor communication, lack of transparency, delays, unclear or misleading expectations, poor or transitional leadership, and unwillingness to compromise.**
- **Being connected to projects locally promotes relevant knowledge, buy-in, and interest in seeing a success. Participants located further from other stakeholders, both geographically and ideologically, are perceived as being less interested in success and more likely to object.**
- **The roles of agency processes and leadership are uneven. In some instances rules are perceived as presenting barriers to progress, whereas elsewhere the agency moves projects relatively quickly. The role of line officers in interpreting and communicating rules to stakeholders is critical.**
- **Knowledge gaps still exist within the agency concerning stewardship authorities, inhibiting progress and relationships.**
- **The timeline from planning to implementation varies. Slow progress is sometimes perceived as purposeful delaying or being due to lack of capacity within the agency.**
- **Relationships can be negatively affected if efforts to expedite projects promote lack of transparency, heavy involvement by political figures, or perceptions of dishonest behavior.**
- **The transfer of project participants (agency and non-agency) is common and can be both positive and negative. The effects of transfers in these case studies are mostly negative, as was the circumstance in half of the case studies.**

Question 3: What parts/steps of the selected case study projects do the agency and non-agency stakeholders feel are most important for non-agency stakeholders to be involved in? For the selected case study projects, are agency and non-agency stakeholders satisfied with the level of engagement in these stages?

Engaging as early as possible in planning is almost universally viewed as the most important time for non-agency stakeholders to participate. Non-agency stakeholders want to be involved and they want to be involved early on. In these case studies, there are instances where non-agency participants report dissatisfaction with their interactions with field-level Forest Service staff, expressing that they were not involved early enough in the process.

In cases where collaboration begins after the NEPA decision, non-agency stakeholder influence on project design is limited. Dissatisfied stakeholders expressed that project objectives were “predetermined” by the agency through NEPA, indicating that satisfactory engagement had not occurred during NEPA. The process of stakeholder engagement during the public involvement phase of NEPA matters greatly and needs careful consideration. Stakeholders expressing dissatisfaction often feel that NEPA did not provide an opportunity for them to actively contribute to shaping the project. It is important to find creative ways to involve those who have much to contribute but for whom doing so is challenging. Contractors are busy in the field and may be unable to participate in the front-end planning of projects, as was the case in some of these projects.

Other answers to the question of what the most important aspects of non-agency engagement include: scoping, providing outside funding, pushing the Forest Service to act, implementation, and monitoring. Forest Service respondents often mentioned the desirability of outside funding to support projects, as well as the importance of the private sector as an implementer.

Key themes on the non-agency stakeholder engagement:

- **Engaging as early as possible in planning is almost universally viewed as the most important time for non-agency stakeholders to participate. Non-agency stakeholders feel this way because it is their best opportunity to influence projects.**
- **Other areas respondents feel non-agency engagement is valuable include: scoping, providing cost-share funding, pushing the Forest Service to act, implementation, and monitoring.**
- **In cases where collaboration begins after the NEPA decision, non-agency stakeholder influence on project design is limited and the level of satisfaction among non-agency stakeholders is often low.**
- **The process of stakeholder engagement during the public involvement phase of NEPA matters greatly. Stakeholders expressing dissatisfaction often feel that NEPA did not provide an opportunity to actively shape the project.**
- **It is important to find ways to involve those who have much to contribute but for whom doing so is challenging. Contractors are busy in the field and often unable to participate in front-end planning.**

Question 4: How is the diversity of participation related to perceptions of project success by Forest Service and non-agency stakeholders? Are there differences in how Forest Service and non-agency stakeholders interact based on the form of non-agency stakeholder participation?

Success is a subjective concept dependent on each participant's view of project objectives and outcomes. Among participants in these case studies, metrics of success include: getting a planned contract or agreement awarded/completed, building positive relationships, enabling public participation to influence project design and implementation, building or maintaining trust.

To many, success is increasing the scale and scope of restoration activities. As such, the few instances where projects were viewed as unsuccessful correspond to participants believing projects did not implement at a large enough scale, and/or that NEPA alternatives were scaled back versions of actions delineated in a collaborative process. It is commonly expressed that involving multiple non-agency stakeholders can provide a greater diversity of ideas. However, in these case studies there is no clear tie between the diversity of non-agency participants and whether projects are viewed as successful by those participating.

There is a spectrum of participation ranging from simple partnerships, to bi-lateral relationships between contractors and the agency, to collaborative groups with varying working relationships and processes used

for decision making. Effective engagement of non-agency interests can occur anywhere along this spectrum.

While the meaning of collaboration is simple—working with someone to produce something—the act of collaboration is not always so. In one case with widely divergent opinions of the stewardship activity, some non-agency participants felt the concept of collaboration was used to gain support for an existing plan, rather than creating something together. There are places where collaborative processes would likely not work but are forced.

Money is a major driving force in all of the case study projects. It is a relationship shaper too. For the agency, bringing outside funding is a considerable benefit of non-agency engagement in stewardship contracting. In some projects outside funding is a major determinant of project outcomes and who benefits. Not only does it dictate how and why projects are structured, money is also a determinant of who influences project design and implementation, including who can participate as a contractor or agreement holder. The influence of money on the selection of contractors or agreement holders was evident in a number of different ways. Bid price is a major factor in determining “best value” and the direction of projects. In these projects, the influence of bid price has consequences for whether projects achieve desired outcomes in a timely fashion.

In recent years, some National Forest units have retained significant funding through timber receipts generated by stewardship contracting. Recognizing that the Forest Service is the ultimate decision maker, some units work with collaborative groups to allocate receipts toward management and restoration priorities identified by the group. There is a spectrum along which this trend occurs. In these case studies, non-agency participants want to be involved in both designing the activities producing the receipts (timber harvests) and the activities to which those receipts are applied (service work). Projects with trusting relationships more successfully involved non-agency participants in the expenditure of receipts.

In addition to money non-agency capacity, as measured by the ability to assist the agency with technical aspects of projects and provide input into planning and implementation, matters greatly. Non-agency stakeholders bring varying levels of capacity and in-kind support. Often times the most readily available and useful form of capacity is practical local knowledge about natural resource conditions and the project area.

In some case studies where the agency is stretched thin, outside organizations significantly augment the capacity of the Forest Service. Community-based organizations and regional conservation groups bolstered capacity via individuals with strong leadership qualities and existing collaborative relationships spanning a spectrum of interests. This enabled community-based organizations to raise funds to complete NEPA-related planning activities in an effort to accelerate project timelines. Individuals with deep knowledge and experience in leading successful stewardship projects are in high demand and are being subcontracted by various organizations (usually conservation groups) to help develop stewardship agreements and contracts.

Key themes on how non-agency stakeholders engage and their effect on project success:

- **For participants in these projects metrics of success include: getting a planned contract or agreement awarded/completed, increasing the scale and scope of restoration, building positive relationships, enabling public participation to influence projects, and building trust.**
- **In these case studies there is no clear tie between the diversity of non-agency participants and whether projects are viewed as successful.**
- **Differences in expectations and perceptions about what constitutes stewardship can result in divergent views of success.**
- **In these case studies, non-agency participants want to be involved in both designing the activities producing the stewardship receipts (timber harvests) and the activities to which those receipts are applied (service work). Trusting relationships led to successful engagement in the expenditure of receipts.**
- **Money is a major driving force in all of the case studies. It dictates how and why projects are structured, and who influences project design and implementation, including who can participate as a contractor or agreement holder.**
- **Bringing outside funding is a considerable benefit of non-agency engagement in stewardship agreements. In some case studies this additional funding was a major factor enabling the agency to accomplish its goals for the project.**
- **In addition to money, capacity also matters greatly. Non-agency stakeholders bring varying levels of capacity to projects including—practical local knowledge about natural resource conditions and the project area, strong leadership, and existing relationships spanning the interest spectrum.**
- **There are not enough individuals, both within and outside the agency, with knowledge and experience with stewardship contracting to meet the demand. There is a small network of knowledgeable people being subcontracted by various organizations to help develop stewardship projects.**

Question 5: Is involvement of non-agency stakeholders, including local communities and tribes, influencing the scale (size) and scope (complexity of activities) of stewardship projects?

In 10 of the 16 case studies, the diversity and integration of objectives and activities increased. Project scale increased (more acres) in 6 of the 16 case studies. In both instances, changes in scope and scale, non-agency participation was a factor. Eight of the 10 projects that experienced an increase in scope or scale had collaborative interactions.

Five of 16 projects did not experience a change in the project scope or scale as a result of non-agency stakeholder involvement. These are all instances where project objectives and design were defined mostly by the agency. One project reportedly had a decrease in the scale during the planning phase based on suggestions offered by a contractor. Such input can result in projects that are appropriately scaled to operational constraints and capabilities of contractors, potentially increasing or decreasing the scale and/or scope from that which was planned, but accomplishing work nonetheless. Collaboration before and during NEPA planning was essential to increase scale or scope in the case studies.

Key themes on the influence of stakeholders on project scope and scale:

- **In 63% of the case studies the scope, scale, or both increased due to the actions and influence of non-agency participation. Most of these projects exhibited strong collaborative relationships.**
- **In instances where projects were planned by the agency alone, project scope and/or scale did not change from beginning to end.**
- **Collaboration before and during NEPA planning was essential to increase scale or scope in the case studies. Increased public participation with willing Forest Service leadership results in more ideas and more complexity.**
- **Participation in planning can be difficult for contractors but may result in projects that are appropriately scaled to operational constraints and contractor capacity.**



Stewardship Contracting Case Studies:
FY 2015 Programmatic Monitoring Report to the USDA Forest Service

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Cover photo credit: Representative of the White Mountain Apache Tribe Forestry Department planting a ponderosa pine seedling in the shade of a burned tree stump on the Apache-Sitgreaves National Forest.

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