

# **REVIEW OF USDA FOREST SERVICE COMMUNITY-BASED WATERSHED RESTORATION PARTNERSHIPS**

**SUMMARY, ANALYSIS, AND RECOMMENDATIONS**

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## **A. Introduction**

In 1999, the USDA Forest Service initiated a program intended to demonstrate how the agency can best engage in and support a landscape (watershed) level partnership-based approach to restoration. Twelve watersheds from across the nation were initially chosen to participate in the program. Three additional watersheds were included in 2000-2001 (see Table 1 for list of projects). This report summarizes the findings of a comprehensive review of the progress achieved by these projects. Dr. Jim Sedell, Inter-Deputy Water Coordinator with the USDA Forest Service, requested that faculty at the Mark O. Hatfield School of Government at Portland State University lead the review process.

The Community-based Watershed Restoration Partnerships (as the program is now called) is an ambitious effort to test new ways for the Forest Service to define and accomplish its mission and goals. The purpose is to demonstrate innovative approaches to improve water flow and quality, aquatic and terrestrial biodiversity, and forest and range conditions, and to reduce the risk of fire at a river-basin scale. Most of the fifteen projects have developed partnerships with federal, state, local, and tribal governments, communities, non-profits, private landowners, and others. Work is accomplished by using a combination of public and private money and donated time and resources.

The Forest Service was the impetus in most of the projects for working collectively across ownerships to resolve watershed issues. The national headquarters of the Forest Service provided funds beyond normal levels during fiscal years 1999-2002 to most of the partnerships so that new ways of doing business could be explored.

Based on the summary reports developed by the Forest Service, in FY 2000 and 2001 the projects combined to accomplish the following:

- Established over 254 miles of riparian forests and 1800 acres of native grasslands
- Restored over 10,345 acres of wetlands
- Improved the health of over 61,400 acres of forests through the use of thinning, prescribed fire, fuels reduction, and tree planting
- Rehabilitated over 1700 miles of roads
- Decommissioned more than 100 miles of roads
- Restored over 280 miles of stream habitat and stream banks
- Restored over 5,125 acres of wildlife and upland habitat
- Treated over 25,000 acres of noxious weeds
- Improved over 170 recreation sites and 370 miles of trails
- Provided over \$3.5 million to more than 100 local contractors for restoration work
- Established two sites to demonstrate wood-fiber filters for pollution abatement
- Provided over 50 million board feet of forest products for restoration activities

- Completed over 20 community fire plans
- Improved grazing management practices on 32 public allotments and 4 private ranches
- Surveyed hundreds of miles of streams for restoration potential
- Implemented three monitoring projects
- Implemented hundreds of soil and water improvement and protection projects, ranging from culvert replacements and drainage ditch improvements to improved toilet facilities in recreation sites.

The Forest Service reported the following additional activities:

- Conducting workshops and seminars for local communities, volunteers, and school children
- Assessing watersheds to determine conditions and prioritize work
- Meeting with partners to develop plans and encouraging new partners to join
- Making defensible spaces around homes
- Working with the media to share accomplishments
- Developing inventories, designing, and mapping to determine where and when projects are done
- Providing economic support for local businesses and contractors
- Assisting schools, universities, and other specialists in conducting research.

For more information on the background and achievements of the program, see: *Community-Based Watershed Restoration Partnerships: Accomplishments for FY 2000* and *Community-Based Watershed Restoration Partnerships: 2001 Accomplishments*, USDA Forest Service.

**Table 1**

<b>Fifteen Large-Scale Watershed Restoration Projects</b>	<b>States Involved</b>
Blue Mountains Demonstration Area	OR
Chattooga River Watershed	GA, NC, SC
Conasauga River Watershed	GA, TN
Lost Rivers National Learning Site	ID
Lower Mississippi Alluvial Valley	AR, IL, KY, LA, MO, MS, TN
New York City Watershed	CT, NY
Pacific Coast Watershed	OR, WA
Potomac River Watershed	DC, PA, MD, VA
Rio Peñasco Watershed	NM
St. Joe Ecosystem	ID
Upper Kootenai Watershed	MT
Upper Sevier River Community Watershed	UT
Upper South Platte Watershed	CO
White River	VT
Upper Pit River	CA

## B. Review Process

The review of the Community-based Watershed Restoration Partnerships was completed between the fall of 2001 and summer 2002. Bob Doppelt and Dr. Craig Shinn of the Mark O. Hatfield School of Government at Portland State University led the review, with assistance from DeWitt John, Director of the Bowdoin College Environmental Studies Program. Jessica Wilcox, a graduate student at Portland State University, provided administrative and technical support and participated in some of the reviews.

The Community-based Watershed Restoration Partnerships represent a large investment by the Forest Service. The Forest Service, through the Chief and other agency leaders, endorsed watershed restoration as one of three key challenges facing the agency. They committed the agency to community-based approaches.

"Today, three challenges stand out for the Forest Service: managing wildland fires, restoring healthy watersheds, and furnishing outdoor recreation opportunities for all Americans. Watersheds connect our forests to our faucets, yet many of our watersheds are in trouble. We must work with partners to protect the waters that sustain us all. I expect us to focus on initiatives that are community-based and results-oriented to meet the challenges ahead."

(*Forest Service Today* Newsletter, Message From the Chief, "Major Challenges Ahead", February 8, 2001)

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"Our focus is on ecosystem health and restoration, working in partnership with communities and individuals. We've also developed some large-scale watershed projects to help us better coordinate with our neighbors."

(Presentation to Mississippi Public Lands Council on November 27, 2001).

The community-based approach to watershed management represents a major innovation for the Forest Service, and the projects are still too young to be ready for a "report card" evaluation that simply adds up accomplishments and shortcomings. Therefore, although we do report on accomplishments to date, this report is designed primarily as a *formative* assessment. Rather than only evaluating the success or failure of land management treatments or collaborative efforts, we sought to determine the agency's strengths as well as the obstacles that currently help or hinder the institutionalization of the community-based watershed management approach into everyday agency operations.

The intent of this review is to show whether projects have been designed and are being implemented in ways that are likely to lead to success. A formative review provides information that both senior-level managers and line staff can use to make adjustments and, when early results are promising, to expand efforts beyond the level of the initial demonstration projects. A formative review can also identify potential adjustments to existing watershed planning and decision-making processes that may help the Forest Service meet strategic goals to conserve and restore watersheds more effectively.

In specific, the review sought to:

- Identify approaches taken nationally
- Analyze successes and obstacles
- Suggest alternatives for overcoming obstacles
- Provide a baseline for subsequent analyses of progress
- Create mechanisms for learning among the project staff, managers, and participants.

The review process included analysis of fourteen of the watershed project business plans (the NY City Watershed project was not reviewed), the 2000 and 2001 annual reports, and individual project MOUs and Charters, attendance at a national meeting of the watershed program partners held in Chattanooga, Tennessee in November 2001, site visits to five watersheds (Chattooga, Conasauga, Blue Mountains, Upper Sevier, and Rio Peñasco), over 200 in-person and phone interviews with Forest Service staff and federal, state, and local government, non-profit, and private parties directly involved with or with interests in the large-scale watershed programs. The fourteen individual watershed reviews that were completed for this project are included in Appendix I under separate cover.

Comments heard in our interviews were deemed to be important to include in our reviews if more than one person made similar remarks, if the information being conveyed to us was confirmed by written documents or through our interviews with others, and/or if in the judgment of the review team they seemed particularly pertinent to the issues at hand. Often, the review team re-contacted project members for further clarification or to obtain affirmation that comments we heard from others were accurate and/or widely held. Draft reports were provided to watershed project coordinators or other key Forest Service personnel prior to the issuing of a final report to ensure that the factual data was accurate and to obtain other feedback. Every effort was made to share what we heard or learned through our interviews in a fair and balanced manner. The strengths and weaknesses/obstacles we described were obtained from the comments received from program partners or stakeholders, or from our review of written documents. The analysis and recommendations are the sole responsibility of the review team.

## C. Findings

### General Observations

- 1) Our research found that most of the Community-based Watershed Restoration Partnerships are doing exciting, important work. A watershed-level partnership-based approach is difficult work, requiring a considerable long-term investment of time, energy, and resources. There is much for the Forest Service and its employees to be proud of in the many examples of community-based watershed partnerships we examined.
- 2) We found a growing consensus among those involved with the partnership projects that a landscape (watershed)-level, community-based, collaborative approach is perhaps the best way to resolve many key issues confronting the Forest Service. A majority of agency personnel and stakeholders understand that water flow and quality, wildlife, fisheries, riparian, wildfire, and other challenges do not respect political boundaries and cannot be resolved by treating public lands alone. Fire-prevention treatments on public lands, for example, may prove of little benefit if they are not coupled with similar efforts on private lands. Further, as budgets have been reduced, the ability to leverage fiscal resources and create synergy between the numerous public and private entities with interests in a watershed is seen as the only way to accomplish the work that must be completed. In short, the growing consensus among those involved with partnership projects is that the partnership approach is preferred because it is more practical, more efficient, and more appealing to the public.
- 3) Many people said a landscape-level, partnership-based approach is key to building a better public image of the Forest Service. One of the most consistent themes we heard through the review was that because agency personnel had become involved with stakeholders in meaningful ways, trust had been built where little existed, and people were gaining a better appreciation for the agency.
- 4) Our research also found that watershed partnerships have provided the agency with important lessons. If properly nurtured and applied, these lessons can help the Forest Service make the adjustments needed to better incorporate the landscape-level partnership-based approach into its normal way of operating.
- 5) One of the most important lessons is that because the watershed partnerships are testing new ways of doing business, they essentially operate on the margins, or outside of, existing Forest Service structures, systems, and culture. Testing new ways of doing business is difficult in any organization and most of the projects, consequently, are struggling with continued implicit or explicit pressure to conform to established operating procedures. Pressure to conform has constrained or stifled innovation and, left unchecked, can deprive the Forest Service of just the type of information and new ideas that it sought when it established the watershed projects.

To prevent existing agency structures, systems, and culture from constraining the innovation desired of the watershed projects, the Forest Service must make a commitment to “protect” them until the new approaches become incorporated into normal agency operations and culture. This may require four to six years. Protection may involve clear and consistent leadership by the Chief and national headquarters staff, solid support from the regional offices and Forest Supervisors, and improved accountability mechanisms.

Continued protection and support of the partnership projects should yield significant results, including:

- Deliver substantial improvements in local watershed conditions, and at the same time deliver economic, cultural, and recreational benefits that are important to the communities and partners involved in the projects
- Develop effective management tools, budget procedures, accountability mechanisms, etc. for landscape-level, watershed management, which could be instituted agency wide if the Forest Service (and Congress) finds this desirable
- Enhance the skills and knowledge of local Forest Service staff in working effectively in community-based efforts and provide a training model for other Forest Service staff in how to do so, should they and the agency decide to utilize this approach in other localities.

6) Given that the watershed projects are testing new ways of doing business, it should be no surprise that for almost every success we found there was often a contrasting view. Forest Service employees and external partners alike espoused these alternative views. In many cases, for example, the Forest Service staff involved with projects thought they had produced significant innovations while external partners saw the same events as simply marginal adjustments to business-as-usual. This contradiction suggests that the agency is still learning the best way to engage in the new approach, that the new strategy has not been fully accepted yet by many people within the Forest Service, and that many external partners are not yet convinced that the agency has made the fundamental changes suggested by the initial pilot efforts.

7) Perhaps the most important lesson learned through our review is that the adoption of a landscape-level partnership-based approach may ultimately require further clarity to, or changes in, the mission and goals, strategies and tactics, internal structures (i.e. the way the agency is organized), internal systems (i.e. information, decision-making, resource distribution, human resources), and ultimately the culture of the Forest Service.

Our research found that many Forest Service employees involved with the watershed projects seem unclear about the agency's mission and goals. The agency's existing operating procedures were developed in large part to support single-media, project-level work on Forest Service lands. For example, the agency's organizational structure is predominantly functionally based (e.g. fisheries, wildlife, roads) and characterized by

professionals with technical competencies in the biophysical aspects of resource management. The existing information systems (e.g. environmental and natural resource data, public opinion), decision-making mechanisms (e.g. budgeting, contracting, planning, project selection, resource allocation), and human resource practices (e.g. employee performance criteria, rewards, promotion, and successional planning), are organized to guide, monitor, and reward such professionals working in single-media, site-specific management activities on agency lands. A landscape-level partnership-based approach, however, requires interdisciplinary cross-functional assessments, planning, and implementation across multiple boundaries working with numerous partners. Significant adjustments will be required in almost all aspects of the Forest Service to fully integrate the watershed approach into normal operating procedures.

### Specific Successes

This section summarizes our findings of some of the most outstanding successes of the watershed partnerships to date:

- 1) Most projects have produced important tangible on-the-ground outcomes. See the list of combined 2000-2001 achievements on page one.
- 2) Most projects found that the designation as a "national demonstration" area helped to focus attention, leverage additional funds, engage more partners, foster new thinking and innovation, and catalyze action.
- 3) Most projects increased the capacity of the Forest Service to work with public, private, and non-profit partners through the development and training of the Forest Service people involved.
- 4) Many projects found the expansion to the watershed level provided a context for developing a single unified restoration plan across media, ownerships, and interests.
- 5) The Wyden Amendment, congressional action allowing expenditure of federal dollars on non-federal lands that accrue benefits of federal interest, was successfully used by -- and is seen as vital to -- almost all projects. At the same time, agency staff said the Wyden amendment authority was difficult to use.
- 6) A number of projects helped to catalyze similar watershed projects elsewhere. For example, The Upper Pit project helped to spur the development of a watershed program in the nearby Fall River area.
- 7) Partners involved with most projects give the Forest Service credit for making significant positive changes.
- 8) A majority of projects generated a better public image for the Forest Service.

In sum, our research found strong support for almost all of the watershed projects, and most people would be very disappointed if they ended.

### Unique Successes

In the Community-based Watershed Restoration Program, each project was unique. Scattered across the American continent in different ecological zones, economic contexts, and social circumstances, each project offers particular insights. Below are just a few of the highlights from various projects.

- 1) Stewardship contracts and a “one time entry” process were created in the Blue Mountain program.
- 2) The Potomac project also developed “Signature Projects” specifically designed to benefit all of the partners simultaneously such as the "Growing Native" project.
- 3) The Potomac project decided to use the non-profit Potomac Conservancy as the lead organization to coordinate the activities of many state, federal, and non-profit partners.
- 4) The Blue Mountain project took steps to streamline the NEPA- and ESA-related processes.
- 5) A GIS program is being developed to map juniper encroachment at the landscape level in the Upper Pit project.
- 6) The Conasauga project organized field days for local citizens that included snorkeling the stream and instruction for school teachers in how to teach watershed and water-quality issues.

### Limitations/Obstacles

This section summarizes our findings of some of the most common limitations or obstacles faced by watershed partnerships to date. While the partnerships are each unique, some obstacles or limitations were common to more than one project and in some instances common to most projects. In general, these obstacles include those related to expectations and relationships within the community, those related to Forest Service and other agencies working in new ways, and those related to partnership itself.

- 1) Initial start-up problems plagued many projects. While the reasons varied from the top-down way in which they were started or the decision to merge a number of small projects into a larger one (e.g. the Pacific Coast project, where four separate projects were merged into a single bi-state effort), the effect was the same: initial start-up problems.

- 2) Many projects have not fully engaged all of the organizations or people "listed" in their letterhead as partners or not engaged all key stakeholders in the basin (landowners, local governments, environmental groups).
- 3) In many projects some Forest Service employees look at watershed demo projects simply as means to get more money and/or to complete backlogged projects, not as a way to test new ways of doing business.
- 4) Most projects suffer from structural problems internal to the partnership. For example, functional/siloed programs, conflicting agendas, inconsistent incentives, lack of performance criteria for partnership-based and interdisciplinary work with agencies, etc.
- 5) Many projects suffered from not having a full-time coordinator either currently or in the past.
- 6) Few projects have developed effective combinations of "output" and "outcome"-based indicators and measurement systems, and most inadequately communicate their story to decision-makers and the public.
- 7) Many projects have (often unspoken) problems related to how decisions were made, resources were distributed, and/or information was generated and shared within their steering committee or partnership.
- 8) Almost every project suffers from funding and budgeting obstacles. For example, performance targets drive siloed work, budget line items have been difficult to use for watershed-level work, line items have been difficult to integrate to complete multi-disciplinary projects, turf battles exist over funding, and funds have arrived late in the fiscal year, which made planning difficult.
- 9) Many are struggling to get projects on the ground, but many Forest Service employees acknowledged that this was as much an internal organizational problem (related to the structural and systems problems described above) as it was problem with NEPA, ESA etc.
- 10) Due to the issues described above, many of the projects are struggling to develop or maintain clarity about their visions, goals, and strategies.
- 11) Many projects are struggling to develop a watershed-level framework and integrated strategy. Rather than developing a watershed-level strategic plan, some "plans" are essentially a series of disconnected small projects rolled into a package.
- 12) Many people within and outside of the Forest Service question the degree to which new thinking, practices, and approaches have actually emerged and the degree of commitment of the Forest Service to the new approaches that have emerged. This leads to

a cautionary note about the degree to which partners are willing to commit to a common agenda as reflected in a true watershed-level plan.

### Unique Limitations/Obstacles

As with successes, among the partnerships there are unique as well as more common limitations and obstacles. In many cases these are related to the unique context of the partnership or circumstances of the establishment. Here are a few examples:

- 1) People associated with the Blue Mountain project said the attention given to fire fighting in late summer/fall diverted resources and staff away from the project.
- 2) A number of people said recent changes in the location of the office of the Conasauga Alliance posed a risk that local landowners would drop out.
- 3) The Potomac project experienced problems between the individual partners and the Potomac Watershed Partnership in balancing the need for public recognition and fundraising.
- 4) The way overhead is billed between federal agencies undermined the Forest Service-BLM "Service First" initiative that is connected to the Upper Pit project.
- 5) Failure to finalize the watershed assessment has hurt the Upper Sevier program.

## D. Synthesis and Analysis

Based on the information generated in our review, we conclude the following:

1) The most successful watershed projects were found in areas where strong people and groups exist within the community external to the Forest Service—that is, where civic capacity is high. Civic capacity can be thought of as the social capital (established network of relationships among individuals and institutions), community competence (variety and abundance of knowledge, skill, and ability within a community), and civic enterprise (history of collective action). Social capital may include local governments, non-profits, special districts, private businesses, and others.

That successful partnerships were found where civic capacity is high suggests that the Forest Service may want to actively seek capable external partners, when and where possible, in order to succeed with landscape-level partnership-based programs. When high civic capacity does not exist, the Forest Service may need to focus on partnership development in ways that engage what community strength there is and that build additional civic capacity. This reasserts a historic Forest Service tradition of involvement in local community activities to cultivate civic capacity that then can be used by the Forest Service and others in a variety of collective action initiatives.

2) In a number of cases, we found that Forest Service employees thought they were performing better than did their external partners. Agency staff, for example, often told us they had developed successful partnerships with stakeholders. Our reviews often found, however, that in many cases the most successful partnerships were primarily between the Forest Service and other federal government agencies. State and local governments, non-profits, and private partners in many projects said the collaborative efforts of Forest Service employees were, at best, modestly successful and sometimes poor. Many non-governmental partners said they struggled to be considered full partners in planning and decision-making. There may be a number of reasons this occurs—differences in legal environment surrounding different actors, differences in the resources available to participate in on-going planning groups, differences in familiarity or past efforts to collaborate. The divergent views about the performance of the Forest Service left us with a clear sense that the agency may be too internally focused.

When an agency is too internally focused, it has a tendency to screen out or ignore information that could prove important to the health and well-being of the agency and the lands it manages. The organization becomes insulated and often does not even realize that it has blocked or ignored important external feedback. These tendencies usually lead to unexpected problems and can perpetuate a crisis-response atmosphere.

3) Many Forest Service employees seem caught between very different views of the agency's mission, goals, and role. Some agency employees believe that their mission is to restore and sustain watershed health and that the production of economic benefits results from, and does not override, these goals. People who hold this view tend to believe that a fundamental change is needed in the way the agency operates—a shift toward landscape-

level collaborative multi-disciplinary approaches--to accomplish the goals. These people generally want to see long-term commitment and funding made to the watershed projects and other collaborative efforts so that new planning, decision-making, and implementation mechanisms can be established. Other agency employees believe that the primary mission of the agency is to suppress fires, to produce commodities for industry or local communities, or to foster other single purposes such as recreation. People who hold these views often believe that the existing way the agency operates works is just fine and that the major constraints to success are lack of funds and/or ineffectual or outdated legal requirements and procedures (e.g. ESA, NEPA). People who hold this view often believe that landscape-level collaboration diverts time and resources away from their primary tasks.

People with both of the views described above, and others, believe that the Forest Service rarely follows through on new initiatives and therefore see the watershed projects as simply another in a series of projects that will soon fade away. Even if employees feel an urgent need to adopt a new approach, the lack of confidence that the agency will stick with the collaborative watershed approach for long leads many people to primarily focus on getting as much money as possible to complete backlogged projects rather than investing time and energy on designing and testing a new way of doing business. Widely divergent views suggest that a lack of clarity exists among Forest Service employees about the long-term viability of the watershed projects and the mission and direction of the agency as a whole.

4) Due to the issues above, many projects are struggling to understand or develop clarity about what landscape-level partnership-based collaboration involves. Those who view the watershed projects as a new way of doing business tend to delineate new visions, goals, and strategies, and seek synergy among multiple partners (i.e. by working together, each can achieve more than they could by working alone). They strive for entrepreneurial, integrative solutions to problems such as the fragmentation of authorities and laws and the functional silos that exist within the Forest Service. Those who do not believe that a new approach is needed and/or do not believe the agency is fully committed to the new approach struggle to develop effective new visions, goals, and strategies, and tend to believe that improved "coordination" between government agencies and talking with a few trusted external stakeholders constitutes effective partnership building.

At least three elements seem to drive the confusion about landscape-level, community-based watershed management. One element has to do with the nature of the work. Is this an effort to design and test a new set of goals and strategies to achieve watershed health or a slight adjustment to traditional ways of achieving old goals? In many cases it is both, but clear evidence can be found from our interviews that confusion exists around this element. A second element has to do with how the work is to be carried out. For some, partnership means any kind of communication and collaborative effort between the Forest Service and other actors--particularly other government agencies--where the Forest Service retains full decision-making authority. For others, community-based is the key phrase, and their focus is on engaging the local community(s) as well as local interests in collective planning and decision-making. These two views can lead to very

different organizing efforts. A third element giving rise to confusion stems from issues of scale. Watershed- and landscape-level mean different things to different people and the projects show some evidence of the challenge this creates. In some instances, projects have natural ecological boundaries matching well with political jurisdictions and communities. In other projects, the question of what interests and therefore who should be engaged is much more problematic. The confusion about scale and collaboration suggests that Forest Service would benefit by a meaningful dialogue to clarify what landscape-level, community-based, and partnership-based thinking, practices, and outcomes involve.

5) Given our findings, we conclude that in most cases the competency exists within the Forest Service to engage effectively in the new landscape-level partnership-based approach represented by the community-based watershed restoration partnerships. The agency has employees with an exceptional range of high-quality scientific, engineering, planning, outreach, and communication skills. Forest Service research programs are some of the best in the nation. The agency has been dealing with the public for many years, although not specifically in the manner required for the large-scale watershed projects. The primary obstacles to success are not related to human competency; they are related to a lack of clarity over the mission and goals of the agency, a need for commitment to the administrative and coordination requirements of landscape-level collaboration, and a redesign of governance systems, structures, and human resource practices that were established for purposes other than landscape-level partnership-based collaboration. Our research suggests that the last set of issues must be resolved before the new landscape-level partnership-based approach can become fully embedded in the agency's standard operating procedure and culture.

## **E. Recommendations**

### **Suggestions for the Chief and National Headquarters Staff**

#### ***1) The Chief Must Lead and "Protect" the Landscape-Level Partnership Programs.***

The nature of the Community-based Watershed Restoration Partnerships is important. They represent attempts to innovate and test new ways of doing business, and to achieve strategic goals at the landscape level. As such, they are not part of the normal operating norms or procedures of the Forest Service. Activities falling within the bounds of standard operating procedures almost always take priority over experimental, novel, or unstructured work in organizations. This may be particularly true today in the Forest Service as it struggles to meet the increased demands it faces with diminishing resources. Because it is so easy for everyday business to subsume the experimental watershed programs, it is important that they be carefully "protected" and nurtured for at least four to six years by the Chief and his staff.

Protection may include steps such as, but not limited to:

- Continual communication about the importance of the projects to agency staff and the public
- Ensuring that sufficient funding is provided
- Allocating resource so that full-time coordinators remain engaged with the projects
- Making it clear to the regional offices that the projects are a priority.

The risk in failing to protect the projects for an additional period of time is that the new information, ways of thinking, and problem-solving approaches that are being developed will be undermined by the normal resistance to new ways of operating that occurs within any organization. Loss of this information will undermine the investment the agency has made in the watershed programs to date, and will significantly reduce the likelihood of accomplishing the results watershed programs are perceived to achieve.

Due to changing priorities, the nature of budgetary processes, and the political context in which public agencies operate, it is often difficult to sustain pilot projects for more than three years within government. The urgency the agency feels to move on to other issues is therefore understandable. However, if the Forest Service wants to reap the fruits of the investment--\$60 million by the Forest Service and twice that by partners plus the significant investments in staff and stakeholder time and energy--that have already gone into the watershed projects, the Chief and his staff must find ways to allow these projects to grow to maturity.

## ***2) The Chief Must Demand Accountability.***

One of the most important steps the Chief can take to ensure that the agency receives the benefits it desired when it first initiated the watershed projects is to demand increased accountability. One way to achieve this would be to require consistent reporting on the operational progress and the lessons learned from the projects. The regional offices, forests, and watershed programs will recognize the importance of the projects if they are required to submit progress reports on a regular basis. The Chief should articulate broad goals for community-based watershed restoration such as the following:

- To explore whether this approach will yield improvements in watershed conditions that are significantly better than in other places
- To determine whether this approach will yield acceptable levels of other service flows--fish, wildlife, recreation, economic output, employment, etc.
- To identify the barriers to effective community-based watershed management such as current Forest Service management systems, structure, skills, culture, funding, and legislative authority as well as such non-Forest Service barriers as the number and capacities of partner organizations, civic capacity in local communities, etc.

At the same time, watershed partnerships should jointly develop a “bottom up” statement of goals and specific management objectives of watershed projects, suitable for Forest Service adoption system-wide. Watershed partnerships should develop a form for joint reporting by all projects of activities, expenditures, and accomplishments suitable for their use and broadly applicable. (This could become a prototype for new Forest Service systems when the agency decides to go system-wide with a community-based watershed management approach.)

## ***3) Improve Reporting Procedures.***

If the Chief is to require regular progress reports, the reporting requirements must be significantly improved. Our research found that all of the past project reports were structured differently and did not measure the same thing. It was therefore difficult to compare them to each other. For example, the Kootenai project reported forest-level accomplishments, including how they allocated all of their fire-plan funds, while other watershed projects did not include fire-plan money or accomplishments. Most of the projects limited their annual reports to the work done with their watershed program budget, but it was difficult to determine if this was true. The Blue Mountain project reported the money they planned to spend, rather than what they actually did spend, and then summarized many accomplishments. We found it difficult to know how things matched. Most of the programs summarized the projects accomplished (e.g. trees planted, road miles treated). Few summarized the lessons they had learned so far regarding how the agency could best accomplish the overall goals of the projects.

This type of reporting is understandable due to the start-up stage of the large-scale watershed projects. However, as the projects mature, better reporting will help the projects themselves and the Chief and his staff understand their strengths and weaknesses. To accomplish this, the Chief may want to consider the establishment of more consistent reporting requirements related to how funds were allocated, who was involved in what projects, what projects were completed, what project outcomes were achieved, and what lessons were learned. For the goals of the initiative, reporting in all of these categories is important.

#### ***4) Institute Strategies to Explicitly Remove Barriers to the Landscape-Level Partnership-Based Approach.***

Following the point above, if the projects are to succeed in the long run, leadership from the Chief and national headquarters staff will be needed to remove many of the barriers that exist in agency governance structures, systems, and culture. An organization can't run effectively without administrative procedures. Most procedures are established for good reason-- to increase efficiency or ensure accountability--and will be very difficult to modify or remove.

However, the Chief and headquarters staff can seek to identify procedures that unnecessarily hinder the watershed programs and make a concerted effort to overcome them. This is consistent with executive and congressional direction (i.e. GRPA) and general public interest in efficient, effective government. Some of the specific issues that must be resolved include the following:

*Budgeting:* The existing budgeting process creates a siloing effect as well as an emphasis on measuring "outputs" rather than the "outcomes" (results) of work. People and programs are funded to do specific work (wildlife, habitat improvement, forestry). Each of these functions has budget line items that usually include specific targets. While helpful for accounting and measurement purposes, the targets lead to functional programmatic and staffing silos because people narrowly focus their efforts to achieve their specific targets. In addition, few mechanisms have been established to measure the long-term results of efforts to achieve those targets or outputs. Our research found that most of the watershed projects had difficulty in merging funds from the numerous budget line items from which they received funds to support interdisciplinary- or landscape-level work. Most projects are forced to use small bits of money from multiple pots to support their work. Shifting these funds around is a time-consuming and frustrating process for many staff. In sum, it is currently difficult to accomplish or measure holistic landscape-level work within the current agency budget structure. The new BFES (Budget Formulation Execution System) budgeting system does not resolve these problems. In addition, funds have consistently arrived late in the fiscal year, which has made project planning difficult (in one case, the Potomac Conservancy had to take out a loan to pay the project coordinator because Forest Service funds had not arrived).

To resolve these budgeting issues, the Chief should continue efforts to collapse the numerous existing line items into few pots, making the funding pots easier to shift and merge. Perhaps a “block grant” approach to funding the community-based watershed partnerships would provide the flexibility, local discretion, and timeliness needed for success. Such an approach would need to ensure that effective outcome-based measurement systems are established and tied to clear standards for success, reporting mechanisms, and accountability, and would ensure that funds arrive earlier in the fiscal year.

Agency Incentives and Reward Systems: Our research found inconsistencies between the existing agency incentives and reward systems and the type thereof needed to support landscape-level partnership-based programs. Salaries, bonuses, and promotions within the Forest Service are tied to specific roles within the agency structure and/or to individual achievements in meeting specific targets. People are measured only by the standards set for their jobs in the agency. They do not often get paid, rewarded, or recognized for their contributions to interdisciplinary work or for the number, type, and outcomes of collaborative projects they organize or support. In fact, participation in landscape-level partnership-based projects can harm the professional career of some staff by diverting their time away from activities that are measured by the agency for increased salary, bonuses, or career advancement. It is usually very damaging to ask people to engage in new work and act in new ways and then to reward them for the old way of behaving. If the landscape-level partnership-based approach is to become standard operating procedure for the Forest Service in the future, the rewards systems must be restructured to recognize those who contribute to these efforts.

This obstacle is not unique to the Forest Service, but it does call for leadership. As a starting point, it may prove enlightening for the Chief and national headquarters staff to ask line officers and field staff what they think is rewarded within the agency. The results could then be compared to the work needed for success in community-based watershed approaches. Changes could be recommended to the performance appraisal system, training programs, career advancement planning, and other components of the human resource management system following such a review.

Avoid Conflicting Messages: In keeping with the point above, every policy, procedure, and list of priorities sends a message to employees and stakeholders. It is important for the Forest Service to avoid sending conflicting messages about the watershed partnership-based approach. If the Chief says that the watershed partnership-based approach is a priority but then does not require direct accountability for the progress of the projects, a conflicting message has been sent. If the agency says that developing partnerships are important and then provides no incentives or rewards for those who take the time and effort to engage in this work, a conflicting message has been sent. If the agency says that landscape-level management is a priority and then fails to provide sufficient funds

or staff to complete credible watershed assessments, a conflicting message has been sent. Conflicting messages confuse people and build cynicism.

We recommend that the Chief consider setting out his goals for the Community-based Watershed Restoration Partnerships in a widely distributed report that would include identifying expected strengths of the Forest Service in meeting the goals as well as identifying obstacles to success targeted for change by the agency. This would pre-ordain a pattern of communication based on setting goals, identifying strengths and weaknesses, targeting areas for change, and then monitoring effects. This, as well as other communication strategies within the agency and within the partnerships, can go a long way toward reducing conflicting messages and to achieving commitment to successful watershed partnerships.

*Coordination and Control:* Our review found that large-scale, community-based partnerships increase the requirements for coordination and control both within the partnership and within the USDA Forest Service. Traditional line organizations have clear vertical authority – watershed partnership requires lateral responsibility as well. Working beyond Forest Service boundaries requires that Forest Service staff both involved in and supporting watershed partnerships need to operate more like brokers, where formal as well as informal relationships are used to connect resources with project activities, ensure successful implementation, and maintain accountability. This takes people with excellent administrative and interpersonal skills. The Forest Service, like many other agencies and organizations, has a tendency when budgets decline to retain traditional expertise in the resource professions and reduce middle managers, coordinators, and administrators, who may have the critical skills needed to serve as brokers and facilitators. As a starting point to address this concern, the Chief's office and national headquarters staff can recognize the importance of the "broker and coordination" competency and then align human resource systems, strategies, and tactics to maintain and/or expand the number of staff who has these vital skills within partnership projects and within the supporting offices.

*Prevent and Remove the We/They Mentality:* Our review found that people committed to or involved with the large-scale watershed programs are often viewed by their supervisors and other employees as "special cases" who are not working on the real business of the agency. This leads to a "we/they" mentality. One way to overcome this problem is to put contracting, budgeting, Forest Supervisors, and staff representing many different functions within the agency on the same team working on the large-scale watershed projects. Requiring people to work together may help overcome the we/they barriers. Another tactic may be to include those supporting watershed partnerships in such areas as contacting, research, or personnel in the list of those engaged in partnership work. Seeing the Forest Supervisor as involved or the contracting officer as participating may also reduce the we/they barriers.

### ***5) Continue Efforts to Clarify the Mission, Goals, and Values of the Agency.***

People become motivated to work together when they have clarity on a common goal and a sense of interdependence. When these factors are absent, individuals tend to pursue their individual goals. Our assessment found confusion among Forest Service staff--especially line staff--about the mission, goals, and values of the agency. This problem leads to confusion over the types of programs and projects to pursue and dampens employee enthusiasm and commitment. To resolve these issues, it may behoove the Chief and national headquarters staff to initiate processes that clarify the mission, goals, and basic values that drive the agency and its employees.

The Forest Service has engaged in efforts to articulate the mission and activities of the agency (e.g. Committee of Scientists) and participated in numerous efforts to sharpen the common understanding of forestry in American society (e.g. Seventh American Forest Congress). These efforts show essential commonality and sharp diversity in values. If community-based watershed partnerships are going to be successful, local partnership groups will need to be involved in the process of articulating the Forest Service mission, goals and values. Once established and accepted, the Forest Service should use symbolic acts as well as training and other normal personnel management procedures to reinforce behaviors that are consistent with those values and to sanction those that are not.

### ***6) Align Agency Thinking and Perspectives Around the Landscape-Level Collaborative Approach.***

Our research suggests that the thinking and perspectives of many agency employees will need to change if the landscape-level partnership-based approach is to become standard operating procedure. For example, we found that many of the agency managers involved with the watershed projects have a tendency to centralize authority within themselves and to make decisions unilaterally. Even when there appears to be sufficient time to seek meaningful input and to incorporate information from other agency staff members and external stakeholders, many managers nevertheless centralize authority.

This problem exists because a dominant norm within the Forest Service seems to be that of centralized authority and control. This norm leads managers to shut out information others can contribute, prevents the identification of innovative ideas, and ultimately leads to less rigorous decisions. Although there is no doubt that Forest Service managers maintain the responsibility for making the ultimate decision, the tendency to centralize authority and decision-making undermines the basic purpose and goals of the community-based watershed projects. The centralized authority norm held by many agency managers often seems to directly clash with the norm of collaboration and joint decision-making that is required in true watershed partnerships. While it appears paradoxical that Forest Service decision makers must retain authority legally and decentralize decision making to be successful in partnerships, numerous training programs and books focus on how to accomplish just such leadership. (For example, at Harvard, see Joshua Heifitz's work and at the Hatfield School of Government at Portland State University see the Legacy Program) The Chief and other senior administrators can

set the tone and initiate the steps needed to reduce the paradox of retaining responsibility while including others in decision processes.

**7) Clarify How the Wyden Amendment Can Be Used.**

Our research found that while many watershed projects utilize the Wyden Amendment to provide funding for priority projects off National Forest lands, Forest Service staff are uncertain about how the Act can be used and are nervous about making funding decisions on their own without further clarity. It may behoove the Chief and national headquarters staff to clarify how and where the Wyden Amendment can be used.

**8) Continue To Require “Business Plans”, But Place a Greater Emphasis on the Strategic Planning Elements.**

Our research found good support for the use of business plans as a way to orient new watershed projects. We also found, however, that people felt they would find greater benefit if the process had a greater emphasis on strategic planning than on a plan typically used within the context of the private sector. The agency has a history of developing forest plans. However, the initial watershed program plans were intended as different types of documents. They were intended to be “action plans,” active guidance documents for participants. As such, they were relatively short, flexible, “living” documents that would be continually updated and improved. Due to time pressures, some of the projects did not have sufficient time to think through and describe the key long-term strategic issues of their project when they initially wrote their plans. Most of the plans have not been updated. It may prove beneficial to ask that each project update its business plan with the specific goal of improving their strategic elements. This should be considered an essential component of continued agency support for the Community-based Watershed Restoration Partnerships.

**Suggestions for Regional Foresters and Forest Supervisors**

**1) Prioritize Landscape-Level Partnership Programs Where High Civic Capacity Exists.**

Our research found that the most successful large-scale watershed projects exist where there are strong external people, groups, or agencies for the Forest Service to interact with. The most successful large-scale watershed projects were initially established either because of the energy and work of local non-profits and local governments (e.g. the Blue Mountains and White River projects), because they associated themselves with an existing credible group (e.g. the Conasauga Alliance) or because they found high-capacity public agencies and civic organizations to partner with (e.g. the Potomac project). Where one or more of these characteristics does not exist, the watershed projects are likely to struggle. This information suggests that the Forest Service may not be able to effectively engage in the landscape-level partnership-based approach without outside encouragement and help. It cannot walk the path alone. The agency should initiate large-

scale projects in those areas where high civic capacity exists. To identify these locations and to understand who and where the high-capacity groups and individuals are in each area, Regional Foresters and Forest Supervisors should encourage interaction and learning through continued face-to-face contact with external constituents.

When a high degree of civic capacity does not seem to exist within a local area, it may behoove the Forest Service to engage key community leaders and to engage in community-level activities with the goal of engendering greater civic capacity. Partnering with key agencies and organizations (i.e. federal, state, and local governments and non-profits and business) through local offices can also aid in creating civic capacity. These entities may be able to identify other key stakeholders for partnership involvement.

***2) All Projects Would Benefit by Hiring and/or Maintaining A Full-Time Coordinator With Broad Responsibilities and Authority.***

Almost every watershed project made substantial progress only when a full-time coordinator was present. Most agency staff has specific, often narrow, areas of focus and responsibility. A watershed coordinator, on the other hand, is one of the few individuals with responsibility for looking at the whole watershed and at all of the organizations, communities, and people that may influence or have legitimate interests in how it is managed. Watershed coordinators are unconstrained by programmatic or jurisdictional boundaries. Having an individual with this type of broad responsibility, who also has top quality interpersonal, communication, and problem-solving skills, and the time to engage in outreach and collaboration, seems critical to the success of the watershed projects. In a time when many organizations are reducing middle management and with it the inherent capacity of organizations to engage in coordination and control, retaining the services of a person with such responsibility and skills is a keystone to success in watershed collaboration efforts. The position of watershed coordinator should be assigned the appropriate pay grade so that they can sit at the table as a near equal with other agency staff and policy makers that are involved with similar work. To ensure continued progress, it seems prudent to provide the resources needed to retain full-time coordinators and to provide them with the training, resources, and rewards needed to ensure long term success.

***3) Free up Staff so They Can Dedicate Time to the Projects***

New programs--especially those organized with the goal of developing new ways of doing business--are difficult and stressful. The process is highly unstructured. No matter how carefully planned, each of the watershed projects has in the past, and will in the future, take unexpected twists and turns. To participate effectively, team members must often make a mental shift from their usual daily activities. This usually requires that team members be cut loose from their normal duties and their usual place within the organizational chart so that they have time to work on landscape-level partnership-based efforts. Leadership from the regional office and Forest Supervisors will be vital to achieve this.

## **Suggestions for Community-Based Watershed Program Staff and Partners**

### ***1) Invest Time to Develop Clarity on Vision, Goals, Strategies, and Tactics.***

Our research found that many of the community-based watershed projects have not developed sufficient clarity among the partners about the vision, goals, strategies, and tactics of their efforts. Many of the partners are unclear about what the project is ultimately striving to achieve. In addition, many projects continue to focus primarily on tactical steps (individual projects) using an opportunistic approach and have not developed the overall framework required to pursue a more systematic or programmatic landscape-level approach. Agreement on individual projects represents a “thin” agreement. While the tactical opportunistic approach makes sense to achieve some quick high-profile successes, the continued reliance on this approach may undermine long-term confidence and support for the watershed programs. For this reason watershed projects should spend time now to clarify their vision, goals, strategies, and tactics as well as coming to agreement on action plan items.

*Vision* refers to a picture of the future of the watershed as a restored and healthy system and to a related future of the partner organizations as more effective entities. An effective vision also includes a clear message about why people should strive to create this future.

*Strategies* refer to the overall approaches--the frameworks within which you make decisions--that will be used to achieve the long-term vision a partnership has developed. A sample strategy may be to first identify and protect the healthier areas of the watershed and then focus restoration activities around expanding and reconnecting these areas.

*Tactics* are the specific actions the partners will take to implement a strategy. For example, in the previous example, federal agencies may target their assessment and land-management activities on protecting and restoring the best remaining areas on public lands, while the states and non-profits may identify and work with parties that own the healthier private land areas to acquire conservation easements and/or to help them adopt new management practices.

*Implementation plans* detail the specific sequence of steps, time-lines, lines of responsibility and fiscal and other resources that will be employed to implement all of the tactics consistent with achieving the strategy.

It is important to note a direct link between the vision the partners develop for their watershed program, the generation of new ideas, and the development of an effective strategy. Innovative ideas that lead to synergy between all partners will arise only when the partners agree on a common vision and goals and open themselves to new ways of thinking. New ideas will not emerge through business-as-usual.

## ***2) Clarify the Most Appropriate Governance Structures and Systems for Each Situation.***

Our research found that many of the large-scale watershed projects suffer from the lack of clearly defined governance structures and systems. Watershed partnerships can be formally structured in a number of ways. A number of governance systems can also be used. There is no single most appropriate model. The model chosen should be based on the needs of the participants and the goals and critical tasks of the project. Some of the options to choose from include Mergers, Consortiums, Joint Ventures, Strategic Alliances, and Informal Networks. These approaches are outlined in the Appendices of this report.

## ***3) All Projects Would Benefit by Implementing Comprehensive Communication Programs.***

Our research found that almost every large-scale watershed project suffers from insufficient communication among the partners and between the project and key decision-makers and the public. To address this problem, major efforts should be made to develop and institute comprehensive communication programs and to increase the level of interaction among partners. The true power of a good vision and clear goals and strategy is released only when most of those involved in the effort develop a common understanding of the group's purpose, goals, and direction. The shared sense of a desirable future helps to motivate people and to coordinate all types of actions. It does not represent consensus but rather common understanding. Achieving a common understanding of the vision is difficult, especially in projects that cross agencies and jurisdictions and that involve multiple stakeholders. Getting 100, 250, or 500 people to understand and endorse a particular vision and strategy is an enormously challenging undertaking. It requires relentless communication through multiple channels. It also requires that leaders walk the talk, reflect consistent values, and interact honestly. Project business plans, MOUs, Charters, and other documents can serve as a common text for discussion about agreements and disagreements, with the goal being common understanding.

Watershed partnerships often vastly underestimate the importance of or level of work required to successfully communicate their program vision, goals, and strategy to all partners and stakeholders. The lack of effective communication can delay or even kill a watershed partnership. Communicating a project or organizational vision can be especially hard for those trained as managers. Managers often seem more comfortable with routine factual communication, but not with future-oriented strategizing. They are usually not accustomed to thinking about the constituencies that need to get the vision and goals as much as they are used to thinking about bosses and subordinates.

An effective communication plan involves at least the following elements:

- *Keep it Simple.* No jargon or technobabble should be used.
- *Use Metaphors, Analogies, and Examples.* Paint a verbal picture.

- *Use Multiple Forums.* Share the vision, goals, and strategies in big and small meetings, in memos, in speeches, in informal coffee klatches etc.
- *Repeat it Relentlessly.* People will understand the vision only after hearing it over and over again.
- *Discuss It Continually.* Two-way communication helps people understand the vision.
- *Lead By Example.* Avoid saying one thing then doing something else. Inconsistent behavior will overwhelm any change vision. When inconsistencies do occur, explain them quickly.

#### ***4) Continue Efforts to Develop an Effective Mix of "Output" and "Outcome"- Based Measurement Systems.***

Consistent with creating agreement, partnerships should work to develop measures of success. Because the large-scale watershed programs have been established as models for innovation and experimentation, they have found it difficult to measure achievement in conventional terms. To provide credible information for project members, supervisors, and the public on what has been accomplished and where progress lags, an effective measurement system is needed. In concept, measurement is simple: set key milestones, measure results, and follow up. In reality the process is not so easy. Performance-based systems require that you carefully define what you want to measure, establish effective indicators and develop a data-gathering system, then rigorously gather and integrate the data, and subsequently turn the data into useful information and knowledge.

Most of the large-scale watershed programs are currently relying on "output" based measurements (i.e. evaluating how many projects have been completed, funds raised etc). This approach seems appropriate for the early stage of projects. However, as the projects mature a mixture of "output" and "outcome" based indicators are needed. Outcome-based indicators measure the *results* of the many individual activities. Continued efforts should be made to help each project develop an effective mix of outcome- and output-based indicators useful in guiding the partnership toward strategic goals.

#### ***5) Identify and Help Eliminate Key Barriers.***

A number of budgetary, organizational, personnel, scientific, and management obstacles were identified through our review. The people involved with the large-scale watershed programs are the first to see these. Even if the obstacles must be resolved at higher levels within the agency, staff and partners should catalogue them and help their supervisors understand and remove them -- even if these tasks are not a specific part of their job description. Agencies have no other way to identify and understand the issues or to make the changes needed to support future progress.

***6) Seek to Resolve Bureaucratic Constraints.***

Three options are available for those staff involved with the large-scale watershed projects who feel they lack sufficient support from senior managers. These same options apply to partners who feel they lack agency support. First, a person can simply go through the motions and wait for the projects to fade away. This will mean the projects won't accomplish much, but the staff person will be safe. Alternatively, a person can drop out of the project. Again, this means not much will be accomplished but the person will not have wasted his/her time. Finally, the person concerned can speak up and try to make change happen. Perhaps one of the greatest tests of loyalty to the Forest Service and to the watershed approach is to take the time and risk to speak out and take action to implement improvement.

***7) Treat the Community-Based Watershed Demos as a Learning Opportunity.***

The community-based watershed projects are one of the Forest Service's foremost efforts to learn how the agency can best promote and engage in landscape-level partnership-based planning and management. To fully capitalize on this learning opportunity, those involved with the projects should treat these projects as an opportunity to learn new perspectives and skills and to grow professionally. This differs from the view that we found held by some of the partners, who focused primarily on using the projects to increase or backfill their budgets or to complete a backlog of projects.

