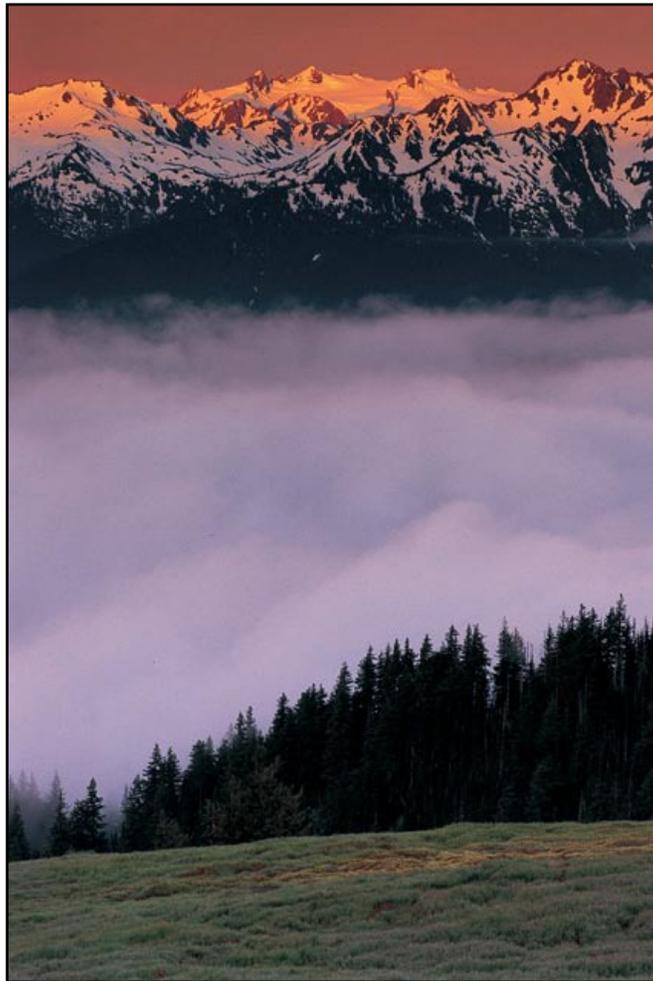


# MAPPING A COURSE OF ACTION:

*Results of a  
Survey and Workshop  
Designed to Assist the  
U.S. Endowment for  
Forestry and Communities*



# THE U.S. ENDOWMENT FOR FORESTRY AND COMMUNITIES

## About the Endowment

The U.S. Endowment for Forestry & Communities, Inc. (Endowment) is a not-for-profit corporation established at the request of the governments of the United States and Canada in accordance with the terms of the Softwood Lumber Agreement 2006 (SLA) between the two countries. The Endowment is one of three entities designated to share in a one-time infusion of funds to support “meritorious initiatives” in the U.S. The Endowment received \$200 million under the terms of the SLA.

## Purposes

The Endowment has been chartered with two purposes:

1. Educational and charitable causes in timber-reliant communities; and
2. Educational and public-interest projects addressing forest management issues that affect timber-reliant communities or the sustainability of forests as sources of building materials, wildlife habitat, bio-energy, recreation, and other values.

## VISION

*America's forests are sustainably managed to meet broad societal objectives such as marketable products, clean waters, wildlife habitats and other ecological services, while ensuring healthy and vibrant forest-reliant communities.*

## MISSION

*The Endowment works collaboratively with partners in the public and private sectors to advance systemic, transformative and sustainable change for the health and vitality of the nation's working forests and forest-reliant communities.*



**U.S. Endowment**  
for Forestry and Communities

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# PRESIDENT'S OVERVIEW

## Charting a Course of and for Action

*At this writing, the U.S. Endowment for Forestry and Communities has just logged its first year as an entity dedicated to sustainable forestry and forest-reliant communities in the U.S. While we were formally chartered in late September 2006, our Board of Directors and initial staff member were not in place until November of that year.*

*Over the past twelve months we started from scratch in building a new not-for-profit organization to implement the mission outlined in the Softwood Lumber Agreement 2006. In short, we've been engaged on all fronts at once – establishing basic operating procedures, reviewing options to invest our corpus (which didn't arrive until mid-April 2007), identifying staff, establishing offices and literally dozens of other necessary details to ensure a functioning model. At the same time, our thirteen-member board – many of whom had never met each other, much less worked together – had to develop a shared vision and approach to the work at hand.*

## Early Agreements

*Through two in-person meetings and lots of staff work and conference calls in between, the Endowment arrived at some early agreements. First, all acknowledged the once-in-a-lifetime chance to be part of positively impacting issues and concerns that united us – healthy forests and resilient rural communities nested within them. Second, all agreed that one of the most critical steps to ensuring long-term success would be to avoid the pull of trying to be all-things-to-all-people and spreading limited resources too broadly.*

*Over a period of months, we were able to narrow lists of dozens of potential areas of investment and partnering to just four themes – conservation of working forest landscapes; markets for low-value wood; ecological services; and appropriate use of science to address forest health challenges. Each of these potential areas of work were seen as foundational to benefiting communities through improved forest health and productivity and the potential to create local jobs and retain youth in rural forest-reliant communities.*

## Testing, Validating and Broadening Input

*To ensure broad input into the process that would set the initial strategic focal direction for the Endowment, the Board engaged two additional steps. The first involved impaneling a small, but highly diverse group of experts (the workshop) from across the forest and forest-reliant community sectors to share unfiltered thoughts about needs and priorities. The second sought broad input from interested parties. We opted for an online survey tool to help facilitate both purposes.*

*To ensure that this wasn't just an academic exercise, the Endowment's staff did not craft its recommendations to the Board until the workshop ended. We ensured that there wouldn't be any "cherry picking" of predetermined outcomes by having four board members participate in the workshop sessions as listeners and then*

*by having the workshop facilitator share a report from the process with the full Board in a meeting that followed on the heels of the workshop.*

## The Results

*We couldn't be more pleased with the response to our requests and the great input gained through both processes – the workshop and the surveys. We've gone to great lengths to share key learnings as well as the full survey input so that others might learn from our experiences.*

*We want to express appreciation to every person who took the time to share their views – either in the survey or over the two-day workshop. We learned a great deal from both. The best way we know to tangibly express our thanks is for others to see how that input helped inform, color and transform our final outcomes.*

*We know that there are many other important things we could, and perhaps in the view of others, should do. However, based upon the breadth and depth of our Board of Directors and with strong input and confirmation from our external input processes we are convinced that we've targeted three focal initiatives that would rate highly on just about anyone's top five list. They are:*

- Retention and restoration of working forests;
- Promoting and capturing multiple forest value streams; and
- Enhancing community capacity, collaboration, and leadership.

*Over coming months and years, we'll engage with a wide range of partners in doing our part to meet these objectives that we term "sustaining forests; invigorating communities."*



Carlton N. Owen  
President & CEO

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All quotes are by workshop participants.

Photos secured from the US Fish and Wildlife Service Digital Library System, the Hayford Watershed Training Center and Adobe resources.

# THE SURVEY

The purpose of the survey (conducted September-October 2007) was to gather views from a broad range of individuals on where they believed the Endowment should be targeting its efforts, including bottlenecks and challenges, opportunities, and potential focal areas. The survey results provided a means to ground-truth the Endowment's initial ideas, as well as to provide guidance for the development of the workshop.

The survey asked the same questions of two different audiences — workshop participants (29 responses) and a broader group of individuals (568 responses). Initial lists of potential respondents were identified by staff, followed by additional respondents who self-identified as the survey was circulated via list serves, the Endowment

website and other networks.

There were differences in responses to the two surveys. These likely reflect the fact that workshop participants, with a primary interest in rural communities (and over 50% choosing “non-profit” as their employment affiliation), see some things differently than do the second group with self-identified interests in sustainable forestry (and almost 50% choosing “academic” or “government” as their employment affiliation). These differences are not surprising given the weighting of workshop invitees to on-the-ground, not-for-profit practitioners.

Additional findings include:

- Generally, the biggest implication of these differences is a greater interest in public issues (e.g. educating policy makers and the public about sustainable forestry)

among the broader group, and a greater interest in community leadership, problem-solving and engagement among those with an interest in rural communities.

- There is overwhelming agreement regarding where the endowment should focus its work – working forests (not wilderness or agro forests).

- There is agreement regarding the greatest opportunities arising at the nexus of sustainable forestry and forest-reliant communities – retention of working forest lands,

diversification of products and emphasis on local value-adding businesses, developing new and emerging markets, and strengthening community problem solving and communications.

- The community-focused group identified climate change and globalization of the forest products industry as the most important contextual issues, while the group with a primary interest in sustainable forestry identified land conversion, fragmentation and lack of public understanding/education on sustainable forestry as the most important contextual issues.

- Both groups agreed that conversion of forests for other uses is the most important bottleneck for sustainable forestry.

- The biggest challenges facing forest-reliant communities included the lack of value-adding opportunities, local investment and civic leadership and engagement.

- Activities that would result in the greatest benefit for sustainable forestry include diversification of markets and education of public policy makers.

- Activities that would result in the greatest benefit for communities include developing new markets, community workforce education and development, and the development of local leadership. For those with a community interest, community ownership over forest resources and value-adding opportunities ranked highest.

- If the Endowment could work on only one focal area, there was overwhelming agreement that it should be on building local economies and markets, although the forestry focused group also stressed the importance of engaging in education of the public and policy makers while those with more of a community interest focused on enhancing community decision-making processes. Both groups supported the retention and restoration of working forest lands and support for the development of markets for ecological services.



# THE WORKSHOP

November 2-3, 2007 • Greenville, South Carolina

## Overview

The purpose of the workshop, which was held November 2&3, 2007, in Greenville, South Carolina, was to provide additional breadth, depth and background to aid the U.S. Endowment's review of strategic focal initiatives. Specifically, the workshop asked:

- What are the big issues facing the nexus of forestry and forest-reliant communities across the country?
- What are the big innovations?
- What are the challenges and what needs to change to bring about success?
- What are the gaps and opportunities?

Twenty-seven leaders attended the workshop, representing different regions of the country (a total of 15 different states) and perspectives, including community development, forestry, conservation and financial investment. Participants included practitioners, community leaders, government representatives, academicians and entrepreneurs. Everyone understood that they were providing input, but that the final decision on priority focal areas remained with the Endowment Board of Directors. Several participants recognized the Endowment for its willingness and humility to ask for ideas from the field.

The workshop used an interactive

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*"One of the best, most truly participatory processes I've ever been involved with! Even the 'inner circle/outer circle' sessions ... proved to be very effective..."*

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format, focusing on deep dialogue, with participants asked to drill down and be specific. Using the survey as a guide, the workshop focused on the context in which the Endowment works, the

common big issues that face the nexus of forests and communities and on three overarching focus areas:

- Retention and restoration of working forest lands
- Promoting and capturing multiple forest value streams
- Enhancing community capacity, collaboration, and leadership

## Common big issues facing the nexus of forests and communities

To set the stage for further discussions, an opening panel presented their views on the big issues facing the nexus of forests and communities across the country. Panelists included: Ken Arney, USDA Forest Service; Cassie

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*"I was impressed with the variety of interests and perspectives expressed, yet the commonalities in vision and commitment. A diverse group like this one can accomplish things."*

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Phillips, Weyerhaeuser Company; Neil Sampson, Sampson Group/Vision Forestry; and Larry Selzer, The Conservation Fund. The panel presentation was followed by a lively group discussion. Some of the big issues included:

- **Across the country, forests and forest-reliant communities will be impacted by changing demographics.** By 2050, 95% of the population will live on the coasts, the majority will be Hispanic and the population will be older. In addition, there are 2.5 million more people in the United States each year requiring an additional one million new homes. These factors will have significant impacts on budgets, changing landownership patterns, healthcare,

demand for wood products and a diminishing urban-rural interface.

- **Ownership of forest assets is shifting dramatically.** Over the past decade, large, industrial forest owners have been selling their holdings, often to new owners who manage the forest resources for high returns for stockholders, rather than for sustainable harvests. In a few cases, owners are seeing the economic advantage of focusing on the interface between conservation and investment, where conservation can create social capital for investors. In the blink of an eye, these large holdings will lose their value as forests and be transferred primarily to development interests. Retention of working forests is a priority issue and forest lands must be placed in stable ownership. The average size of family forest ownership has fallen to 17 acres, resulting in a need to bring landowners together to benefit from larger-scale management opportunities, practices and investments. Educating local decision-makers regarding the

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*"The Endowment demonstrated remarkable 'openness'. Please maintain that as a core value."*

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importance of open space and green infrastructure remains a challenge.

- The industrial wood supply (all wood used by industry) is shifting from natural forests to plantations (e.g. heavily managed planted forests). For many products, it is less expensive and more productive to shift to the southern hemisphere. **Forest production for pulp wood, and the related paper mills, is already migrating to the tropics and sub-tropics, but solid wood facilities could be retained in a distributed pattern in the United**

**States.** There are “hotspots” for wood production within the United States; those places that have significant potential and are not at near term risk of losing the forest landbase as the result of economic pressures. Some forest regions have great potential and viability into the future; others are already compromised. There is also a

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*“The over-riding challenge will be to keep forests in forests and then to keep them healthy... The threat of climate change will challenge America’s 50-year romance with wilderness.”*

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middle ground where – depending on interventions – the future of the forest landbase is unsure. Significant resources, leadership and diversification (e.g. carbon, wildlife habitat, recreation, etc.) are needed to keep these areas and communities from slipping away from forest production. There is a need to recognize an area for its potential and not use resources to bring back timber where there is limited or no future.

• **State and federal budgets for forest management are limited, without any significant increase since the late 1990s.** In the 1990s, 10% of the USDA Forest Service

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*“Forest Service State and Private Forestry Programs (S&PF) are moving to a competitive fund allocation process starting in 2008 with 15% of the money and reaching up to 65% in 5 years. This differs from the current process of formula allocations to the states. Current S&PF budget nationally is over \$200 million. The Endowment offers a good opportunity to partner with federal dollars.”*

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budget went to fire suppression. In 2007, 50% of the budget went to fire suppression. This is having a serious impact on the other programs of the Forest Service. There is congruence between the work of the Endowment and the priorities of the USDA Forest Service, State and Private Forest Program (e.g. conserve working forest landscapes, protect forests from harm, and enhance benefits from trees and forests), creating opportunities for leveraging resources. There needs to be a significant increase in investments into public land to ensure their health and sustainability, with more resources going into restoration and work on the ground (and less into endless analysis). A focus on fire and forest health meets community health at the nexus.

• **There is a need for new markets and maintaining existing markets for wood and other non-timber forest products and values.**

Forestry has to be profitable to withstand development pressures. There needs to be more education of the public that profitability can mean sustainability. While “fundamental assets” (e.g. the forest landbase) should be the first focus of development activities, it does not mean production is the answer for every community. There is a need to identify gaps and the most appropriate strategies for each community and region and then leverage the resources needed to respond. Diversified economies are needed to survive the stresses of climate change and globalization. Investment is critical. There is a need for intermediary financial systems to negotiate the space between large donors and their practices and the community scale.

• **Finally, we are a society disconnected from nature;** one where the next generation of leaders – the youth of today – will make decisions without a connection of heart to nature; what one author has termed “nature deficit disorder.”

## **Roundtable #1: Retention and restoration of working forest lands**

The “transitional zone” – whether near national forests or between the urban and rural interface – is increasingly fragmented. This “democratization” of the landscape should be seen as a “dynamic opportunity” rather than as a “problem.” The number of players is increasing, requiring new strategies and collaboration. New landowners need to be seen not as a “liability,” but rather as an asset capable of bringing new financial, human and social capital to the table. These landowners, with proper models of management and means of aggregating resources, can effectively maintain and restore working forests. At the same time, the conservation community has become aware that fragmentation and development are taking a toll

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*“New business models, new ownership structures, new technologies and new leaders will be the key to success if you want sustainability, transformation and systemic change.”*

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and that working forests as a land use are critical to retention and health of the resource. These and other factors are creating real opportunities for retention and restoration. A number of tools are available, including: conservation easements, aggregation of land into management cooperatives, forest certification and working with conservation groups to secure investments for sustainable forestry, among others.

When asked what one activity they would support to leverage change, the participants responded:

- Explore ways to increase durable local ownership and investment in the forest resources and value-adding opportunities as a means to end “boom or bust cycles” (e.g. begin conversations

now between communities and Timber Investment Management Organizations (TIMOs) and Real Estate Investment Trusts (REITs) and assist communities in land

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*“There is a need to educate many on what working forests are and the role of foresters and loggers in creating and enhancing the forests for the future.”*

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purchase). Support tax incentives (e.g. New Market Tax Credits and other tools that promote retention) and conservation easements on working forests.

- Encourage and empower whole watershed planning and implementation of restoration and management. This will require the aggregation of management, incentives and support. “Sophisticated intermediaries” will be needed to bring individuals and communities together and build partnerships.
- Provide resources to urban and rural areas to develop and link working forests and provide K-12 education.
- Connect communities with science and technology by fostering partnerships with universities, forestry organizations, practitioners and research institutions.
- As long as the economics of “buying land in bulk and selling small parcels provides financial rewards,” developers will go there. Perhaps there are models where clustering of development would allow residents to hold a shared ownership in the remaining working forest without the traditional subdivision model. The greatest obstacle to such ideas will be found in local zoning boards.
- A new approach to wetland mitigation banks that would encourage innovation in getting transaction costs down and time out of the system could spur advances and innovation.

- Link environmental and human health. Carefully choose language for conveying ideas. For example, “environment” implies something separate from “me,” whereas “nature” implies something I am part of; and “wilderness” implies boundaries, whereas “wildness” is everywhere.

A final word of caution was offered when one participant noted that the techniques and strategies being discussed are more often appropriate to affluent landowners and communities.

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*“If we are democratizing the landscape, we must democratize the funding going into the landscape.”*

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For poor African-American landowners in the South, for example, land is often considered by others to be worth less and it is more difficult for these landowners to access programs and support.

## **Roundtable #2: Optimizing forest value streams**

This segment of the workshop was divided into two separate Roundtables – one on “small- or low-value wood” and the other on “value-added” opportunities. Due to overlapping outcomes and ease of reporting, we have combined the two Roundtables into

a single report.

An overarching theme to these Roundtables was the need for diversification, while ensuring that the components are interconnected. The desired outcome is one of balance and optimization, rather than “maximization.” There was also recognition that, in order to be cost effective, isolated rural communities need to focus on a local scale, on multiple use facilities, and on aggregation. Individuals within the community will be able to access and utilize opportunities at different levels. It is important to look at any proposed activity in terms of who benefits and to try and spread those benefits throughout the community. Any investment must be for the long-term and involve risks. Finally, relationships are key. There is a need for creating new relationships between



communities and the land, between different communities and between communities and organizations. Some of the opportunities identified by the group include:

- When thinking about “products and markets for smallwood,” both the supply side and markets need greater support and innovation. Currently, it costs too much to harvest and transport smallwood for it to be profitable. On the supply

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*“Forest-dependent communities must also be viewed through a lens of economic diversity and resiliency, supporting a broader interpretation of what brings health.”*

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side, there is a need to develop



appropriate and cost effective equipment for harvesting and transporting small and low value wood and to provide training in its operations (e.g. use innovative

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*“Rural communities dependent on the natural resource base need new mechanisms and opportunities to share in the wealth of new uses of the resource base, above and beyond tax and job benefits.”*

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partnerships with corporations). There is also a need for new ways of “owning” equipment. (e.g. business incubators renting equipment or time -- sharing expensive equipment with a cooperative).

- On the value-adding and marketing end, there is a need to replace the infrastructure that has been lost with appropriate technologies, invest in local physical infrastructure based on a shortened supply chain, and to develop new ways to use smallwood and new markets. There are opportunities for the local community in smallwood, but it takes willing entrepreneurs and investments.
- There is a lot of talk about the energy possibilities in wood; however, there is a need to match the scale with the economics. At

current rates of efficiency, biomass cannot be transported very far and remain economical. More innovations to increase the BTUs per truckload are needed. In addition, participants argued for promoting community-scale bioenergy production that uses local wood (e.g. at a local scale), requiring new thinking about distribution models (e.g. a focus on a distributive rather than a concentrated model). Several participants warned of the danger of seeing bioenergy as a silver bullet and emphasized the need to also look at the environmental impacts (e.g. how much is too much?). It was suggested that standards for bioenergy coming onto the grid be

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*“Local ownership of forest-related value added businesses has the power to provide a critical missing link between forest vitality and community vitality.”*

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established to help guard against negative practices.

- There is an opportunity to strengthen robust markets for ecological services, while reducing transaction costs, including establishing a carbon registry for all sizes and classes of forest landowners and connecting these to the market. (It was noted later in discussion that there is also a need to increase demand, as indicated by the 75% drop in price for carbon credits in the U.S. over the last 6 months.)
- As is the case with aggregating landowners for management, there is also an opportunity for new organizational structures that would allow communities to create and take advantage of efficiencies of scale (e.g. in transportation) and avail themselves of opportunities to use global markets for community benefit. “We need new business models that build community

capacity and create short-cuts to assets and experience (e.g. joint ventures with outside firms, franchises of successful customer service or wood products businesses, etc.).”

- There is an opportunity to be more sophisticated in how we use heat. Integrated complexes of facilities should emulate ecosystems in using waste energy (e.g. heat) and other waste materials to perform other functions and yield other

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*“Community capacity is the set of conditions and strategies members use to mobilize internal assets and access external resources to affect positive change. Philanthropy’s greatest role is to catalyze and enable those conditions and facilitate the development of appropriate strategies so that when the foundation leaves, community members continue to create those conditions and strategies.”*

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products of value.

- Regional systems in wood and wood products present all kinds of opportunities when supply chains are shortened. Reciprocal relationships and partnerships, multi-use of facilities, reduced energy use, recirculation of dollars and other outcomes increase the efficiency of the system. Once the infrastructure is in place, it provides for entrepreneurship and greater investment. Forest investment zones could be one model where the focus is on a discreet area with a variety of activities. It might be possible to leverage state and federal investments and tax incentives and zoning could become more flexible. Several concepts and ideas were integrated in the thought of Forest Investment Zones or Forest Community Investment Zones that might support production of

products from biomass on the one-hand to true value-added products on the other, including locally-owned businesses.

### **Roundtable #3: Enhancing community capacity, collaboration, and leadership**

There are many dimensions to community capacity. Generally, community capacity is the ability for a community to maintain itself and its own well-being, while possessing the resiliency to respond to changing situations. This includes the capacity to be inclusive, to prepare communities for more equitable ownership, and to bring the poor of the community into the decision-making process. Resilient communities are able not only to respond to changing situations, but also to shape their own development. This requires a broader vision and the access and skills to take an active role in policy formulation. Underlying community capacity is the need for distributed leadership.

Capacity includes the ability to work with neighboring agencies and the flexibility to adapt to work with those neighbors. Capacity also includes having the resources and skills to accomplish the work that needs to be done in the forest, including harvest and production. A community also needs to be able to access science and technology existing outside of the

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*“Some work with the ‘movers and shakers.’ At the rural community level we’re often working with the ‘moved and shaken.’”*

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community including connections with research and academic institutions. With this capacity in place, for example, the Forest Service can contract with local communities to do the work it cannot.

Specific recommendations included:

- There is a need to document the

successes – and the failures -- and to provide support for communities to learn from each other, whether through peer learning convenings, mentoring of communities by communities and/or leadership development.

- Empowering communities to actively engage in policy analysis and with decision-makers that affect their forests and their lives is critical to community resilience and the effectiveness of the Endowment’s efforts. The Endowment will need to undertake policy work in partnership with communities on a situational basis as is required to accomplish the intended results.

- There are state and federal resources that communities don’t access. The Endowment could help communities build their capacity to identify and access these and other funds.

- Trying to pick individual “winning” or “losing” communities isn’t the right approach. The

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*“Community capacity and resilience must be assessed and addressed holistically when looking at social, cultural, political, financial, built, and human resources, assets and capacity. You can then use this assessment to design implementation, and evaluation criteria, and as a basis for learning.”*

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Endowment must take a regional focus.

- The pace of innovation at the community level is outpacing research in academia. There is a need to break down the barriers between academia and communities and push universities to be more involved in learning about community forestry and development models at the local and regional levels and foster links with practitioner organizations.

- Youth need to be brought into all levels of the discussion. This should not be as separate activities, which are so easily cut when budgets are cut, but rather as a “lens” through which to see all the Endowment’s

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*“We need more emphasis and clear statements on the importance and integration of youth and young leaders.”*

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work.

- Support building capacity as a process of getting the work done, rather than in isolation. The point was made that the Endowment needs to focus its efforts and investments and that building capacity as an end in itself can be very resource intensive. Other donors are already supporting these efforts. Capacity building is critical and needs to be included as an element in all of the Endowment’s efforts.
- Tenacity of local leaders – the “I refuse to give up” mentality – mustn’t be underestimated in driving

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*“The answers are out there – they need to be nurtured and shared. Therefore, develop a process to identify and invest in communities that are leaders in the nexus of forests and communities and to help them share their lessons.”*

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change. Enlightened self-reliance, where one isn’t afraid to seek help, is also a vital quality.

- Working at a regional scale requires an additional level of capacity building. Rural communities do not naturally self-organize. The Endowment will need to strengthen existing — and perhaps even new — organizations as intermediaries, bridge-builders and conveners. This

could be done by providing small “planning grants” to foster regional-scale dialogue and development of a shared vision, whether the Endowment ends up supporting the project or not. There is a need to support “uncommon partnerships and uncommon solutions.”

## The big eight ideas

Workshop participants summarized the results of their Roundtables and other discussions into the following eight recommendations:

### 1. Regional forest investment zones

- Strategically invest at the regional level in clusters of communities and activities (high capacity communities as well as high need communities) to stimulate investment, job creation and community capacity
- Simultaneously identify and

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*“Recognize, embrace, and catapult existing, successful, local-regional initiatives and make them shine. Then use them to enable (motivate, help and empower) others!”*

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commit to investments in both high capacity and high need communities

- Link communities through mentoring
- Use a mechanism that allows the communities and stakeholders to identify their assets and solutions as a capacity building effort
- Use a range of philanthropic tools and Endowment resources to leverage others
- Consider investing in New Market Tax Credit programs
- Capture value from low-value wood while enhancing forest health.
- Create new markets for bio-products and ecological services to incent forest retention and management.

### 2. Working forests and healthy communities initiative

- Create ownership/management models for sustainable community ownership and management

of forests

- Link communities and research using a watershed orientation

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*“There is an amazing sense of optimism that a new investor [the Endowment] actually understands the links between communities, economies, and healthy forests and will lead the philanthropic world to a whole new way of working with rural communities and people.” The Endowment will fill a gap of funding (the nexus) no one else can or will fill.”*

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- Use bridge dollars for land purchases and expertise in accessing compatible funding

### 3. Green infrastructure initiative — from the woods to the workshop

- Build more wealth capacity through the investment in the forests
- Make investments in value-adding infrastructure (“program related investments” and other investment grants)
- Encourage market development for “green products” – especially when locally owned/grown; locally produced; locally consumed
- Include knowledge transfer and skills development (tool kits)

### 4. Policy change for livable forests and communities

- Analyze policies – local, regional and national – and develop specific strategies for change

### 5. Develop an aggregation model including forest owners and managers

- Bring together owners and managers of working forest lands for the purpose of aggregating planning, management and marketing of ecosystem services
- Partner with Natural Resources Conservation Service (NRCS) and other public and private institutions
- Extend the model to include collective use of equipment, etc.

## 6. Learning network — implemented at national and regional levels

- Improve organizational and professional capacity through peer learning
- Document and disseminate best practices

## 7. Long-term research and development to define the tree and the forest of the future

- Research the external factors that will affect forests in the future

## 8. Urban “working forests” models

- Link urban youth and schools to nearby working forests and rural communities

## Cross-Cutting Principles

In addition to discussing areas of potential investment, the workshop participants identified several underlying principles that they believed should be considered in any focal initiative. They stressed the need for the Endowment to invest long (for the long-term), deep (in multiple synergistic activities) and wide (as a full partner, bringing insights and learning, but not micro-managing).

Participants emphasized that systemic and transformative change will come from focused investment in a few regions and then sharing learning through supported processes. Many

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*“Do the business differently – be the change you want to see. (I think you are off to a good start.) If you want people to change, you must work with them, and if you really work with people, you yourself will also change ...”*

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other principles have already been discussed above and, therefore, are only briefly captured here.

- Recognize differences in regions and communities
- Encourage community-based solutions and innovations
- Understand and build on local assets (social, financial, cultural, natural, human, political)
- Work at a regional scale and

with clusters of communities and integrated activities

- Invest in high capacity communities as well as high need communities
- Support dialogue and mentoring
- Support local ownership and benefit
- Support economically and socially

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*“This session proves that collaborative processes work and inspires commitment to designing collaboration into funded projects. Collaboration builds and reinforces capacity and equity.”*

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appropriate scales of infrastructure

- “How the Endowment works” will build capacity
- Promote youth involvement
- Include all groups
- Promote collaborative implementation and funding
- Use intentional learning to inform program adaptation (monitoring)
- Support knowledge transfer
- Invest at the “nexus”
- Rebuild the social contract between the public sector and the community
- The Endowment is committed to being open, honest and having integrity

## Conclusion

Beyond their many insights and innovations, participants stressed the unique – and welcomed – willingness of the Endowment to cross sectors and fund at the nexus of forestry and communities. As one participant stated, “There is a potential for the Endowment to impact other major funders, both to utilize this type of process (gathering input from leaders in the field) and moving way beyond thinking and funding in silos.”

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*“This nexus isn’t going away and is only getting stronger. The Endowment has a chance to make a huge impact.”*

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# STRATEGIC FOCAL INITIATIVES

## The Results

Building on and considering all of the information before it, the Endowment’s Board of Directors completed a nearly year-long process resulting in the adoption of focal initiatives. This work is based upon the Endowment’s Theory of Change. The initiatives should be viewed as inter-related rather than stand-alone.

### Retaining and restoring healthy working forests

- Advance retention, restoration and health of working forests in support of forest-reliant communities
  - Approaches to and sources of funding to support local ownership and management
- Aggregation strategies for management and markets
- Durable local ownership over large-scale forests
  - Targeted forest investment zones
  - New technologies to advance forest health
- Biotechnology
- Management practices to enhance forest health

### Promoting and capturing multiple value streams

- Leverage markets, infrastructure and practices to add value and strengthen social and economic conditions in forest-reliant communities
  - Markets for small/low-value wood
- Bio-products
- Harvesting/gathering/transportation systems
- Ecosystem services markets
- Green building materials and markets (locally owned/grown, locally produced and locally consumed)
- Clustering of production facilities

### Enhancing community capacity, collaboration and leadership

- Strengthen capacity of forest-

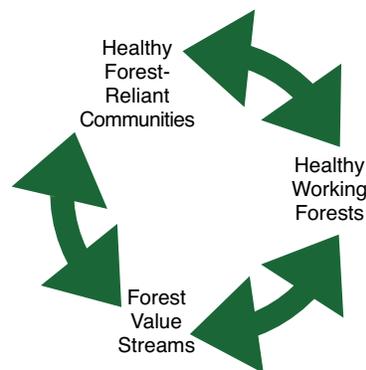
reliant communities through awareness, technical assistance, training, services, targeted investments and shared learnings

- Best practices and shared learnings
- Peer learning and mentoring networks
- Documentation
  - Convening to facilitate dialogue
  - Technical and financial support during planning

## Theory of Change

Our mission sets the context for promoting forest and community health in working forest landscapes.

The basis of the Endowment’s Theory of Change recognizes that forest-reliant communities differ from other communities in their existence within the richness of a forested environment. One cannot easily separate the fortunes of such communities from that of the forest. The Endowment envisions a future where healthy working forests provide multiple forest value streams that, when captured, lead to healthy forest-reliant communities. Healthy forest-reliant communities in turn steward their forests in sustainable ways that maintain healthy working forests. Communities may desire assistance in any number of areas and ways with intervention in any one potentially leading to a strengthening of the others.



## Key Definitions

**Healthy Working Forests:** Many types of forests exist. While the Endowment is interested in the health and vitality of all types of forests, our focus is on healthy working forests. The Endowment defines a healthy working forest as one that maintains the function, diversity, and resiliency of all components and can either produce or has the potential to produce a range of wood-based products, while also serving a broad range of societal needs including recreation, water, wildlife and other ecological services.

**Forest Value Streams:** The forest has a number of potential value streams — potential or realized chains or webs of connected economic activity derived from a forest product or forest-related activity. Wood and all of the possible derivative products made from it are the most obvious and remain important to society and forest-reliant communities. In many cases, recreation and non-timber forest products can also yield viable forest value streams. Ecosystem services have been the least appreciated and economically valued element of a forest. They are coming to be viewed in new ways as the importance of clean water, clean air and climate issues climb in public understanding. Aesthetics (views of mountains, lakes and trees) are generally associated with forest amenity communities and can be exceptionally valuable as well.

### Healthy Forest-reliant Communities:

A number of forest-reliant community types are likely to be encountered and are of interest. The Endowment is working to invigorate communities toward improving conditions of health. Healthy forest-reliant communities promote forest stewardship and are positioned to capture the multiple benefits afforded by healthy working forests locally and regionally.

### WILDERNESS

### WORKING FORESTS

### AGRICULTURE

<b>Statutory Wilderness</b> Preserves (Private & Public)	<b>Timberland</b> Natural Forests Plantations/Tree Farms	<b>Agroforestry</b> Short Rotation <b>Silvopasture</b> Woody Crops
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# APPENDIX

## List of Attendees/Workshop Participants

Ken Arney, Deputy Regional Forester, State & Private  
USDA Forest Service  
Atlanta, GA

John C. Bliss, Associate Department Head  
Department of Forest Resources - Oregon State University  
Corvallis, OR

Steven Burke, Senior Vice President  
North Carolina Biotechnology Center  
Research Triangle Park, NC

William Buster, Program Director, Food Systems & Rural Development  
W.K. Kellogg Foundation  
Battle Creek, MI

Tony Cheng, Forest, Rangeland and Watershed Stewardship Warner College  
of Natural Resources, Colorado State University  
Fort Collins, CO

Leslie Christian, President & Chief Investment Officer  
Progressive Investment Management  
Seattle, WA

Andrea Colnes, Policy Leadership Director  
The Carsey Institute  
Montpelier, VT

Carla Dickstein, R&D, Senior Program Officer  
Coastal Enterprises Inc.  
Wiscasset, ME

Danny Dructor, Executive Vice President  
American Loggers Council  
Hemphill, TX

Anthony Flaccavento, Executive Director  
Appalachian Sustainable Development  
Abingdon, VA

Margaret Gale, Dean, School of Forest Resources and Environmental  
Science, Michigan Tech University  
Houghton, MI

Martin Goebel, President  
Sustainable Northwest  
Portland, OR

Ron Hooper, Director, Acquisition Management  
USDA Forest Service  
Arlington, VA

Jim Hoolihan, President  
Blandin Foundation  
Grand Rapids, MI

Joseph J. James, President & CEO  
Corporation for Economic Opportunity  
Columbia, SC

Lynn Jungwirth, Executive Director  
Watershed Research & Training Center  
Hayfork, CA

Cassie Phillips, Vice President, Sustainable Forestry  
Weyerhaeuser Company  
Federal Way, WA

Craig Rawlings, Smallwood Utilization Network  
Montana Community Development Corporation  
Missoula, MT

Brett KenCairn, Founder  
Community Energy Systems  
Crestone, CO

Kristen Magis, Director, Leadership Institute  
Portland State University  
Silverton, OR

James Richardson, Executive Director  
National Rural Funders Collaborative  
Dallas, TX

Orlando Romero, Senior Forester, Community Forestry Program  
Forest Guild  
Santa Fe, NM

Mikki Sager, Resourceful Communities  
The Conservation Fund  
Chapel Hill, NC

Neil Sampson, President  
Sampson Group/Vision Forestry  
Arlington, VA

Larry Selzer, President  
The Conservation Fund  
Arlington, VA

Johnny Sundstrom, President  
Siuslaw Institute  
Deadwood, OR

Dennis West, President  
Northern Initiatives  
Marquette, MI

### **U.S. Endowment Board & Staff**

Florence Colby, Executive Assistant  
Greenville, SC

Dick Molpus, Chairman  
Jackson, MS

Carlton Owen, Board Member & President  
Greenville, SC

Jim Rinehart, Board Member  
San Francisco, CA

Matt Rutledge, Intern, Furman University  
Greenville, SC

Diane Snyder, Vice President-Community Development  
Enterprise, OR

John Weaver, Board Member  
Montreal, Canada

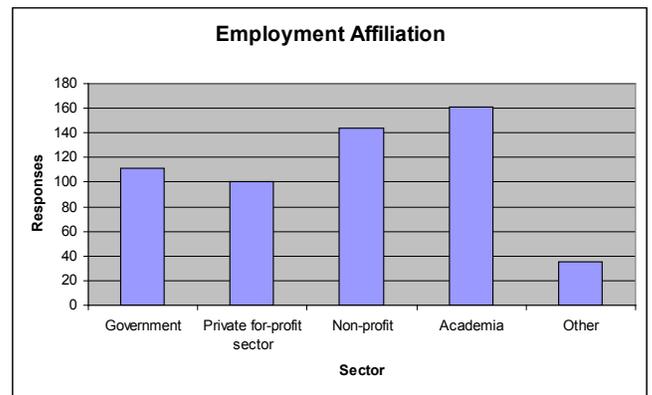
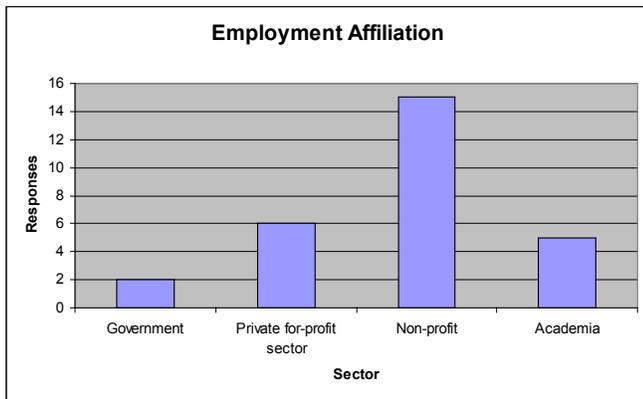
Barbara Wyckoff, Consultant/Facilitator  
Silver Spring, MD

# Survey Results from Workshop Participants and a Broader Group in the Forestry/Communities Field

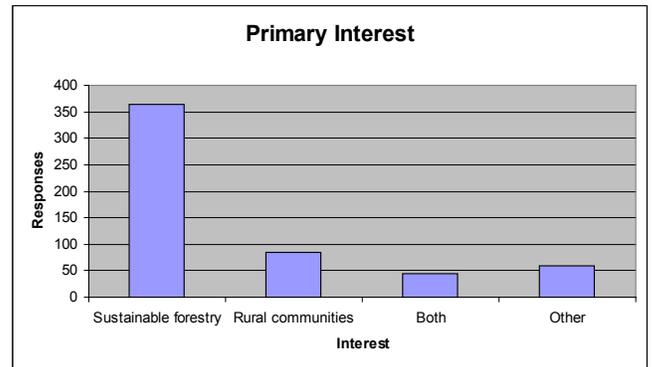
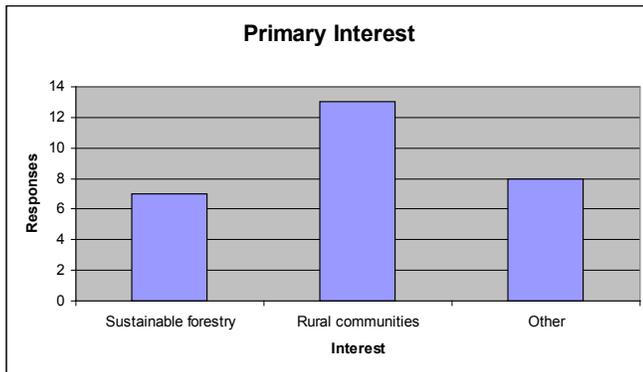
## WORKSHOP RESULTS

## WIDER GROUP RESULTS

### 1. Employment affiliation.



### 2. Primary area of interest as it relates to this survey.

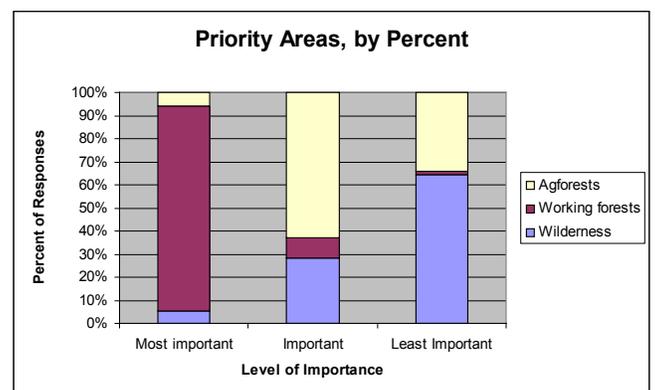
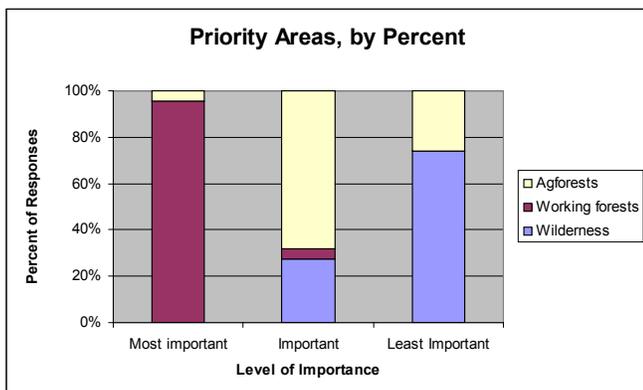


### 3. Responder's State of Residence

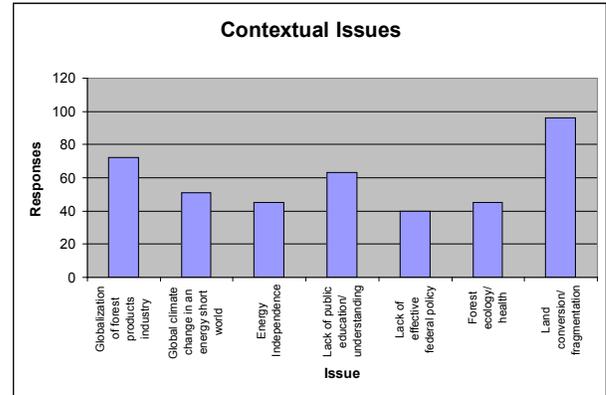
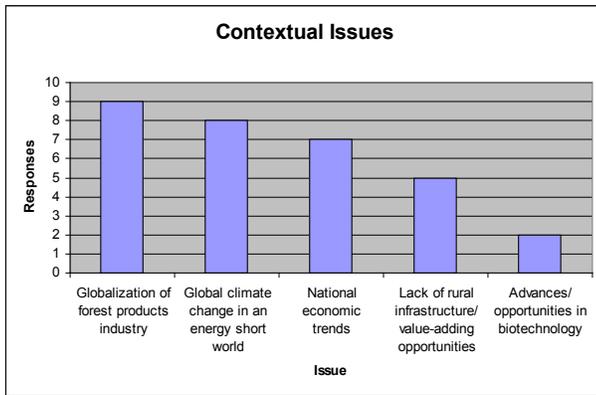
CO - 2, GA - 1, ID - 1, ME - 2, MI - 3, MN - 1, MT - 3, NC - 2, NH - 1, NM - 1, TX - 2, OR - 5, SC - 1, VA - 3, WA - 1

AL - 5, AK - 2, AR - 4, AZ - 7, CA - 24, CO - 5, CT - 3, DC - 13, FL - 19, GA - 17, HI - 2, IA - 2, ID - 8, IL - 3, IN - 13, KY - 12, LA - 16, MA - 12, MD - 12, ME - 17, MI - 7, MN - 33, MO - 12, MS - 22, MT - 35, NC - 26, NH - 7, NJ - 1, NM - 4, NY - 12, NV - 1, OH - 3, OK - 6, OR - 69, PA - 8, SC - 20, SD - 1, TN - 9, TX - 8, UT - 3, VA - 30, VT - 8, WA - 29, WI - 12, WV - 4

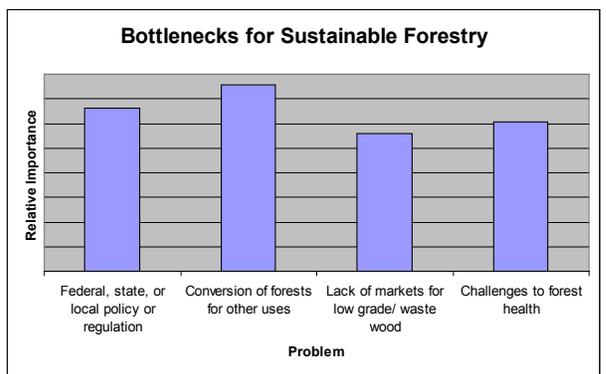
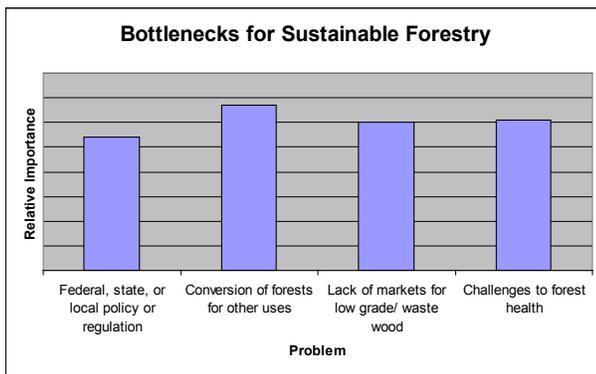
### 4. Appropriate Endowment focus within the forest management continuum.



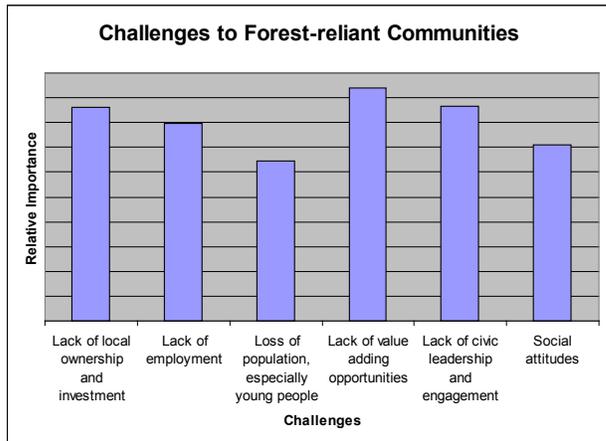
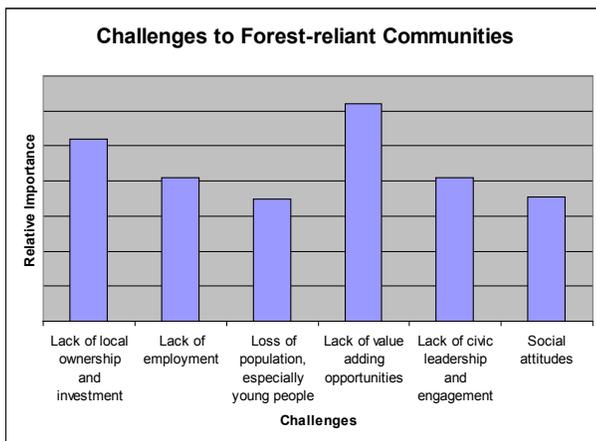
5. Most serious “contextual issues/realities” defining the Endowment’s external operating reality.



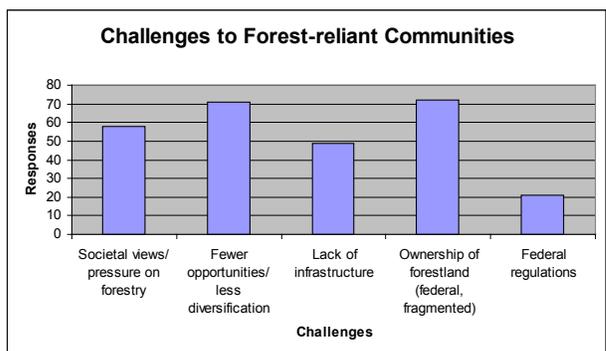
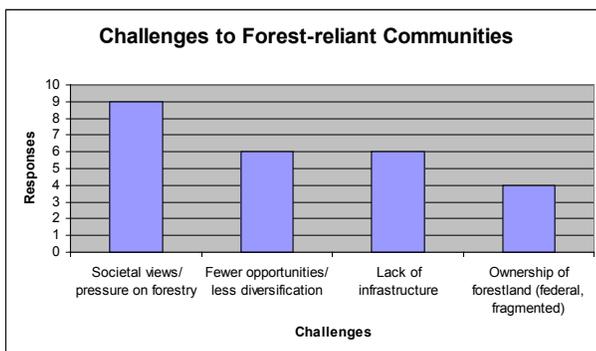
6. Most serious bottlenecks or threats to achieving sustainable forestry?



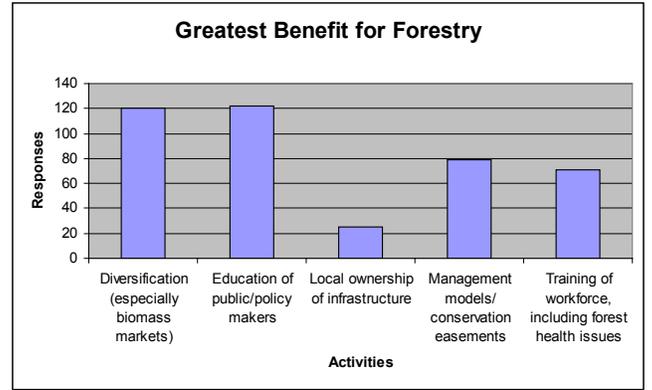
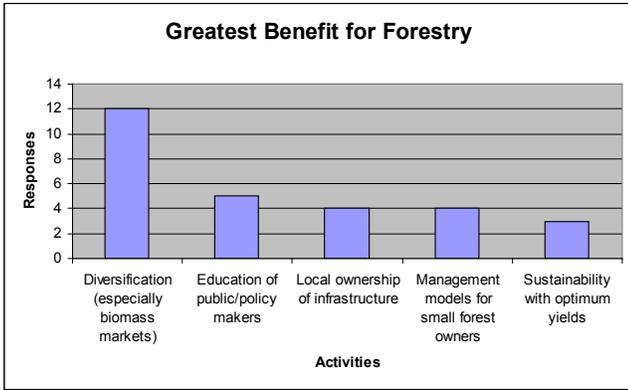
7. Most serious challenges or constraints to forest-reliant communities.



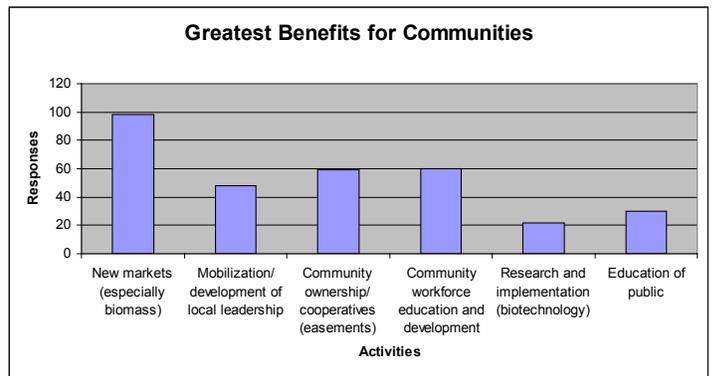
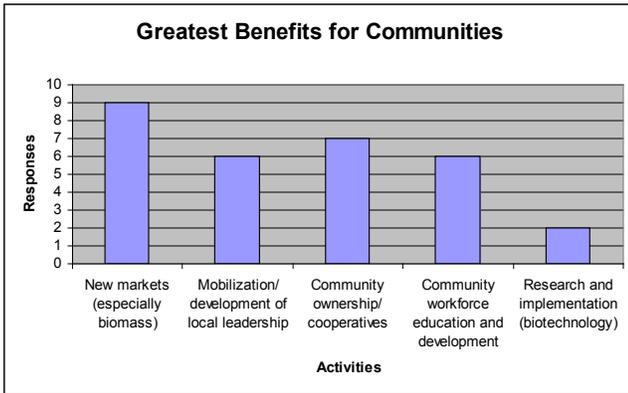
8. Challenges unique to forest-reliant communities.



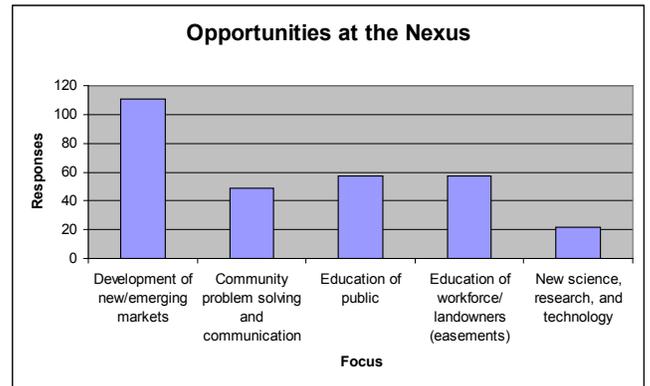
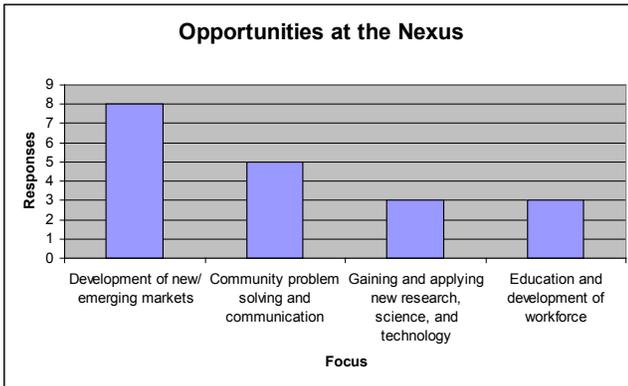
9. Activities that would yield the greatest benefit to sustainable forestry.



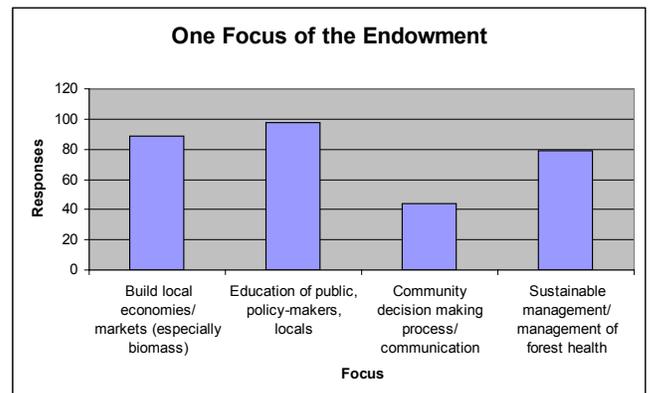
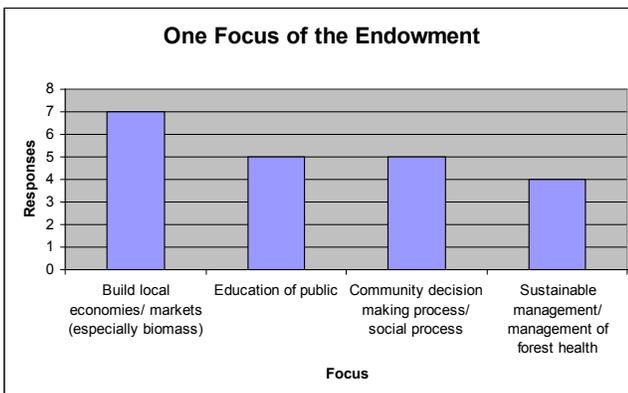
10. Activities that would yield the greatest benefit to forest-reliant communities.



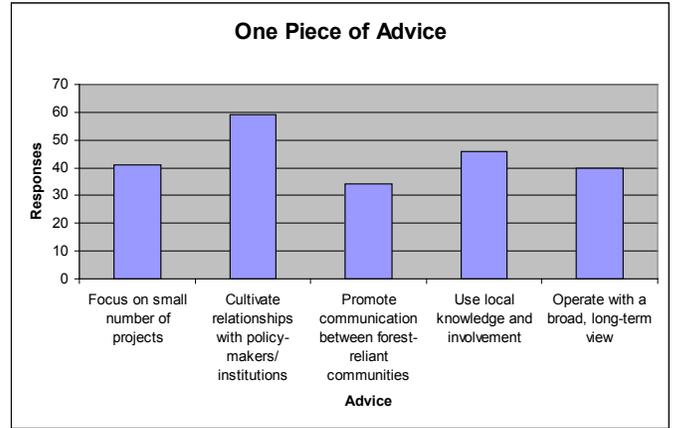
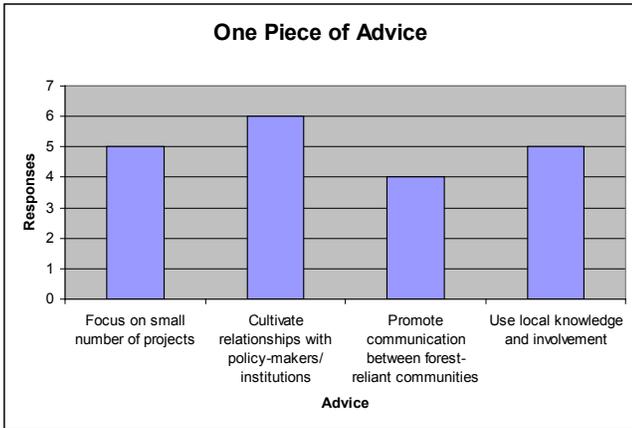
11. Opportunities at the nexus of sustainable forestry and forest-reliant communities.



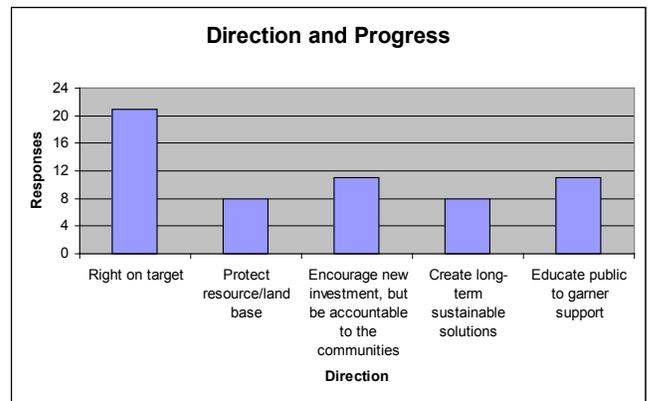
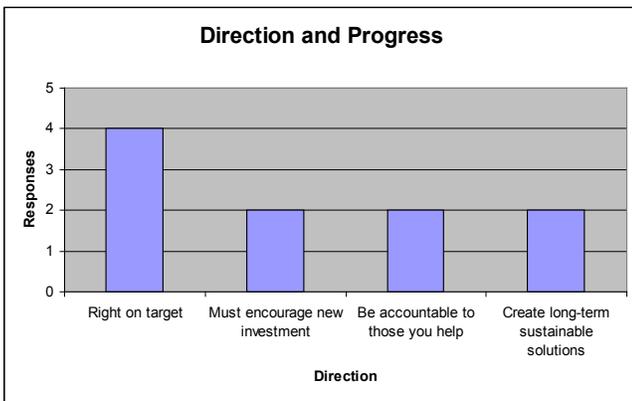
12. If the Endowment could only work on one focal initiative ... it should be...



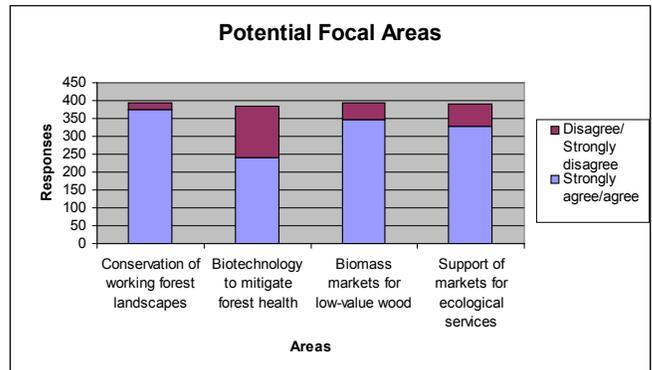
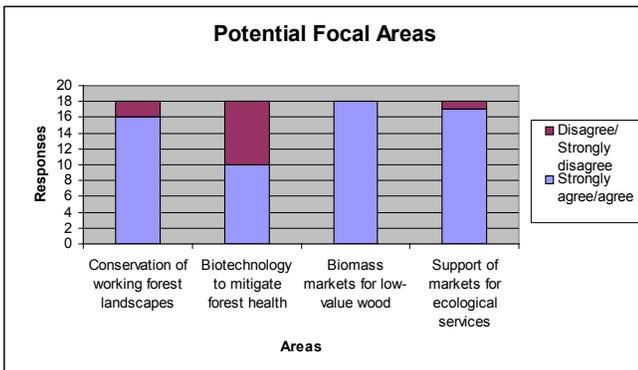
### 13. We'd offer ONE piece of advice ...



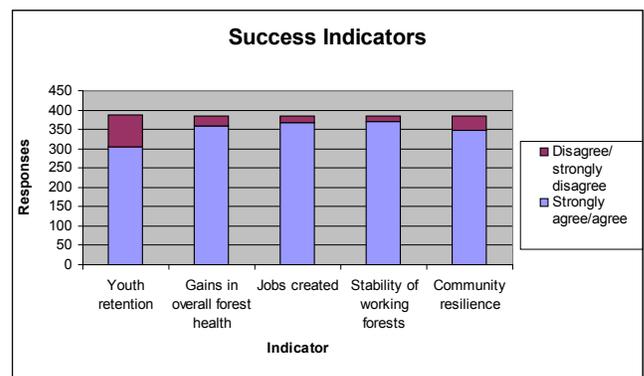
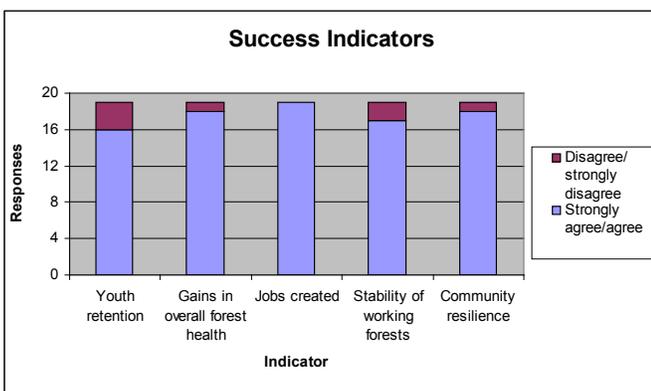
### 14. General thoughts about the Endowment's processes and directions to date...



### 15. Views on the Endowment's draft set of potential focal work areas....



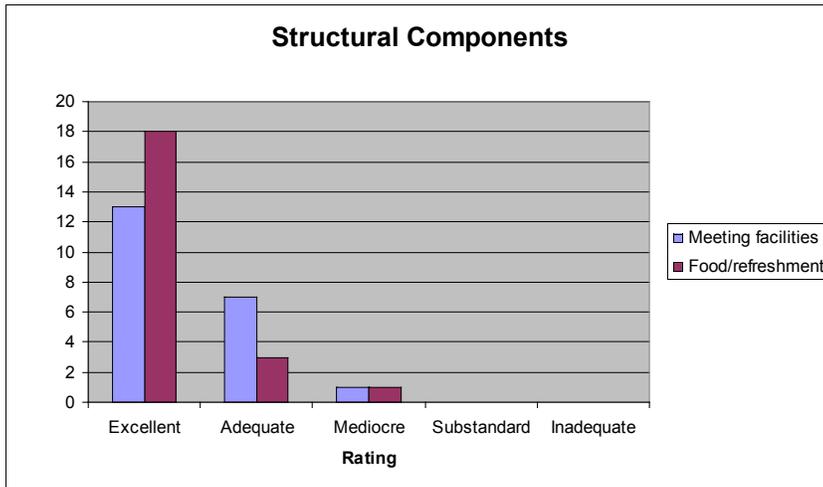
### 16. Views on the Endowment's potential measures ...



# U.S. Endowment Focal Initiative Workshop Evaluation Survey Results

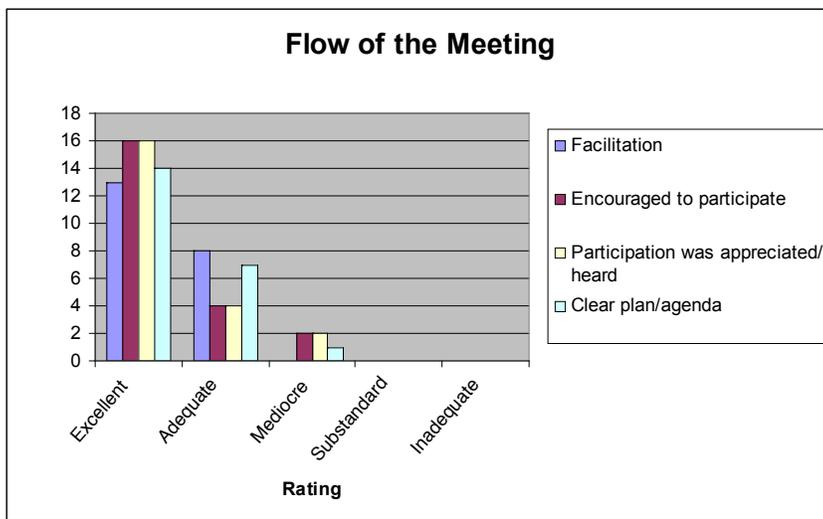
(22 out of 27 participants responded to a confidential online survey; not all completed every question.)

## 1. The structural component of your experience.



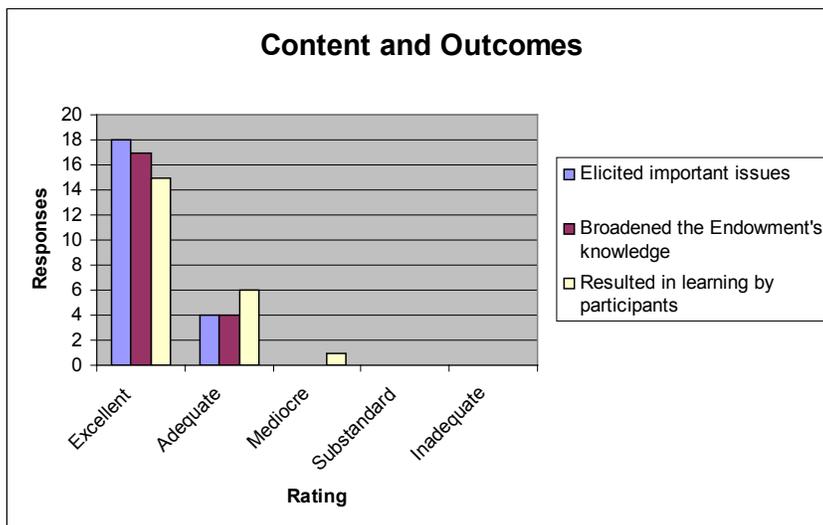
Comments:  
Whole foods are great – plan for more  
Vegetarian preferences are important

## 2. The flow of the meeting.



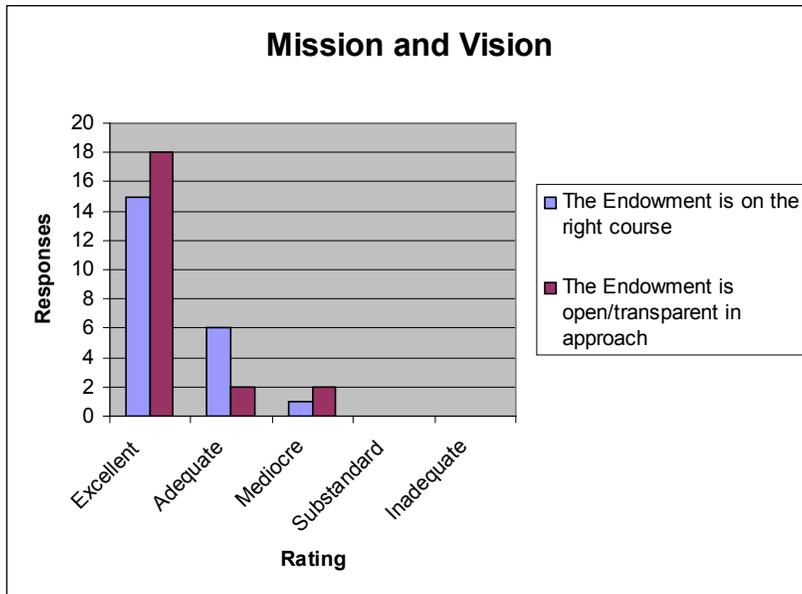
Comments:  
Workshop was well thought out and executed – 6  
Some individuals had a stronger agenda and dominated  
One facilitator was way too cerebral

## 3. The content and outcomes of the workshop.



Comments:  
The Endowment's course will show whether they learned from the workshop – 4  
The mix of participants was excellent – 3

4. Given your understanding of the U.S. Endowment's Mission and Vision...



Comments:

Right course will ultimately depend on Board's decision – 5

The Endowment is to be commended for asking the tough questions – 2

5. What one thing (concept/idea/fact) did you want to get before the group but were not able to?

- The difference between public land in the West and private land in the East
- Benefits of certification for greening the supply chain
- Scientific research showing economic benefits of land restoration
- Need for geographically dispersed pilot projects
- The need for a well funded public policy formation initiative
- Importance of community decision making
- The practical mechanics of collaboration

6. What one thing, if changed or added, would have made this workshop more meaningful to you?

- More in-depth information beforehand to set the stage
- More interface between the group and the Endowment's Board
- Distinction between community forestry efforts underway and emerging efforts
- Development of a list-serve to keep in touch
- More acknowledgement of the importance of community strengthening
- Something besides dot voting, which does not unveil new insights
- Another day of workshop
- Nothing/excellent workshop – 5