

Motivations and Mechanisms Underlying U.S. Forest Service Corporate Partnerships

Natasha Collins & Courtney Schultz

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About the Authors

Natasha Collins recently completed her M.S. in Forest Science in the Department of Forest and Rangeland Stewardship and worked as a Graduate Research Assistant with the Public Lands Policy Group, Colorado State University.

Courtney Schultz is the Director of the CSU Public Lands Policy Group and Associate Professor in the Department of Forest and Rangeland Stewardship, Colorado State University.

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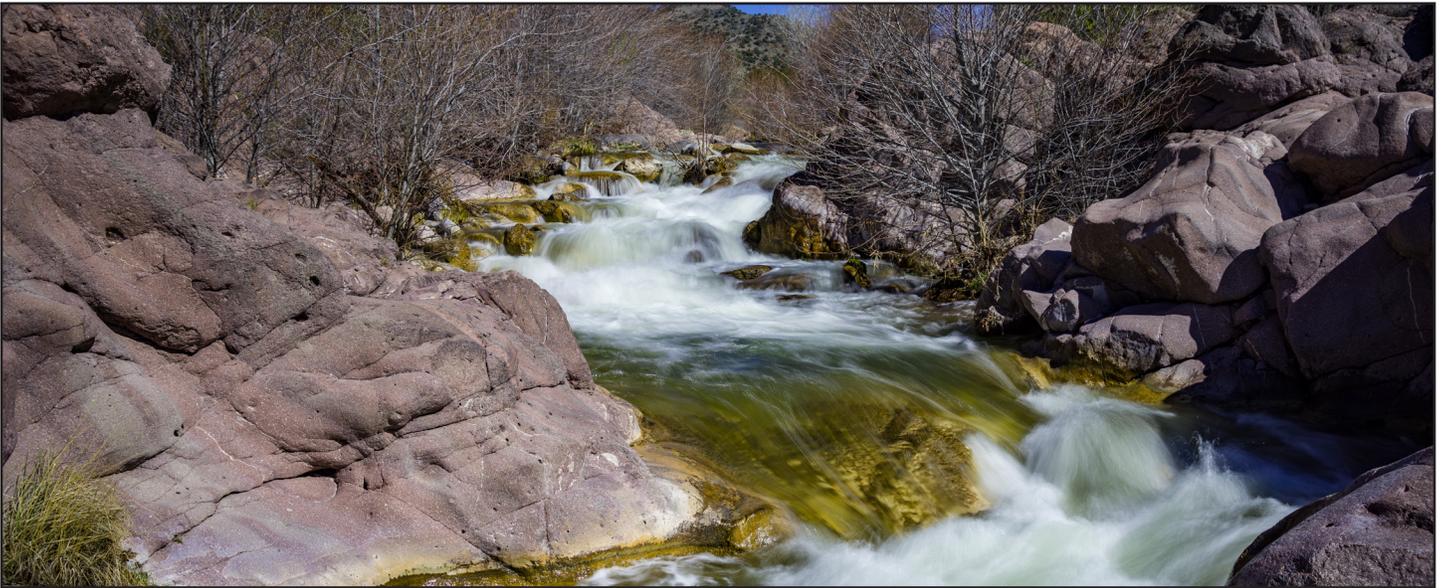
Public Lands Policy Group
Department of Forest and Rangeland Stewardship
Colorado State University
Fort Collins, CO 80523-1472
970-491-6556
courtney.schultz@colostate.edu
sites.warnercnr.colostate.edu/courtneyschultz/



COLORADO STATE UNIVERSITY

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Executive Summary

Climate change significantly impacts forests, and the U.S. Forest Service (Forest Service) is working with external partners to leverage funds to invest in projects that may support climate change mitigation and adaptation. For-profit companies hold great potential for partnership with the Forest Service by providing capital up front to enable public projects. Partnerships between the Forest Service and companies are facilitated through non-profit organizations that function as intermediaries, performing roles such as managing the funds and implementing project work.

In 2019, we conducted an investigation to better understand corporate funding for Forest Service projects. Given the Forest Service Office of Sustainability and Climate's (OSC) interest in engaging more corporate partners to fund climate change related projects, our research focused on corporate giving for such projects, including tree planting, fuels management, and watershed restoration. We interviewed Forest Service staff, representatives from intermediary organizations, and representatives from companies to better understand the desires and expectations of corporate partners. Our goals were to identify the range of mechanisms used for investment, the range of corporate motivations for engagement in projects, and desired metrics for returns on investment by companies. We also identified successes and challenges in these partnerships.

Assessment Methods

We conducted a total of 44 interviews, including 11 informational interviews with Forest Service staff in the Washington Office and regional Partnership Coordinators, seven interviews with representatives from key non-profit intermediary organizations, and 26 interviews with representatives from companies funding projects on U.S. national forests. Informational interviews served to collect background information and identify key intermediary organizations and corporate partners. Interviews with intermediary organizations explored the role these organizations play between the Forest Service and companies, as well as provided insight into the range of corporate partners of the Forest Service. Lastly, interviews with corporate representatives were conducted with a sample of companies funding projects on national forests and served to address our research objectives. Interviews with intermediary organizations and companies were recorded, transcribed verbatim, and analyzed using qualitative social science software to identify key themes.

Mechanisms for Investment

Company representatives described the important role intermediary organizations play in enabling companies to fund projects on public forests. Interviewees said that these organizations provide a channel for companies to give funds to the Forest Service legally and also help with relationship

building and communication. Most companies said they only interacted with intermediary organizations and had little to no interaction with the Forest Service directly. We found that companies give funds through their corporate divisions (sustainability, corporate social responsibility, environment health and safety, and marketing) or through corporate foundations that fund philanthropic work. Specifically, we found:

- Almost every company works through a non-profit organization serving as an intermediary, channeling funds and implementing the projects on the ground;
- Several companies also partner with each other or with external organizations that help connect companies with non-profit organizations to make financial donations;
- Companies fund projects from different internal departments or their company's foundation; and
- Carbon offsets are of interest to companies and intermediaries, but many challenges exist in generating them on public forests.

Corporate Motivations

Interviewees discussed a wide range of motivations for why companies engage in projects on national forests. These included meeting a company's sustainability goals, directives from company leadership, product dependency, stakeholder pressures, and market shifts towards sustainable business practices. There were differing opinions on how much engagement was motivated by whether projects were conducted on public forests versus private, as well as the extent to which climate change concerns motivated companies. We found that:

- Most companies are driven by concerns regarding climate change effects and risks, but a few prefer to focus on "forest health" to appeal more to their customer base;
- Projects almost always directly tie to a company's corporate sustainability goals, and leadership helps drive forward these initiatives;

- Market shifts towards sustainability have spurred action, and the "story value," of a project is important to companies for communicating with the public;
- Stakeholders such as customers, investors, and employees influence companies to become involved in forest management projects;
- Companies dependent on products provided by forests (e.g. wood or water) are largely involved in projects on national forests; and
- Some companies prefer projects on national forests, while others said, "a forest is a forest" and just want to engage in forestry projects regardless of whether they are on public or private lands.

Desired Metrics and Return on Investment

Corporate interviewees varied as to whether or not they wanted to quantify project accomplishments (called "metrics"), the rigor of metrics desired, what types of metrics they were interested in, and who they expected to record the metrics for projects they fund. Often their perspective depended on what part of the company had funded the project. For example, interviewees explained that corporate foundations require more rigorous financial accounting from non-profit organizations before a project is accepted, but upon project completion there is less interest in performance metrics, such as evaluation and monitoring. Also, if a company's marketing department funded a project, they were interested in social media engagement as a metric, whereas a sustainability department wanted to track gallons restored to a watershed instead. We found:

- The majority of companies expressed interest in recording outcomes but differed in the level of rigor desired for these metrics, for example, companies funding watershed restoration projects usually demanded specific metrics such as a water volume return;



- Metrics recorded included gallons of water restored, acres treated, trees planted, potential wildfire reduced, number of employees engaged, number of social media “shout-outs,” and financial returns,
- Companies often expect intermediaries to record metrics and send reports, sometimes based on tools developed internally by the company or by the intermediary organization the company works with; and
- Sometimes a third-party organization is hired to verify watershed restoration metrics or carbon offsets.

Perceptions of Successes and Challenges

Interviewees identified a range of successes and challenges for these partnerships. Successes included the partnerships themselves; interviewees were happy with the relationships they had built between companies and intermediaries and among companies, and they were satisfied with the accomplishments of their projects. Companies sometimes joined corporate coalitions that helped them share knowledge or partner with each other to achieve projects of larger scale. Interviewees also identified many challenges, including a lack of communication from the Forest Service and intermediary organizations, difficulty in measuring certain returns, and challenges with achieving projects of larger scale. These findings included:

- Collaboration, whether it was between companies and intermediaries or among multiple companies, was often positively referenced in successfully conducting projects;
- Company representatives said intermediary organizations were helpful in terms of goal alignment, trust, and credibility;
- Corporate interviewees sometimes expressed difficulties in working with the Forest Service or their intermediary organizations due to issues with communication, pressure from intermediary organizations to fund projects, or regulatory and procedural hurdles within the agency;
- Companies and intermediary organizations expressed difficulties in measuring certain returns, especially non-tangible returns such as reputation, and a lack of standardization of metrics related to watershed restoration and carbon sequestration; and
- Many companies wanted, but still had challenges with, scaling-up projects. This was especially true for larger companies that wanted to fund multi-year and multi-million dollar projects but had difficulty finding these types of projects.

Recommendations and Conclusions

We identified a few key areas for future work. These include:

- **Communicating the story of national forests and the Forest Service to corporate partners more frequently and clearly, perhaps by developing outreach materials that can be provided by intermediary organizations to companies.** These materials could increase awareness regarding the benefits of engaging in forest management projects on national forests, thus making partnerships with the Forest Service more appealing. The Forest Service could also engage in more conferences and convening events with corporate partners. As these partnerships expand, it is also important to track the influence of private interests on public forest management and role of intermediary organizations in ensuring third party credibility.
- **Bringing companies together on projects that have mutual goals and multiple benefits to scale-up projects and reduce timelines, where appropriate.** Inviting other companies to project sites is one way companies have engaged more corporate partners in the past. We recommend more communication and possibly annual agreements between companies and intermediary organizations so that projects can be identified as soon as possible, and companies have the opportunity to identify projects of mutual interest in advance.
- **Standardizing metrics used to evaluate project outcomes and further exploring the options for public forests to participate in a carbon market.** Evaluating project success would improve through the standardization of measuring particular returns, especially those that are less tangible and more difficult to quantify. For example, further research and development could explore the potential for a carbon offset measurement approach, even in the absence of a payment for offsets as part of a market. Many intermediary organizations were interested in selling carbon offsets and companies expressed interest in purchasing them; some companies were particularly interested if carbon offsets came from public forests.



Introduction

As increasing temperatures drive wildfire, tree mortality, and forest regime shifts, climate change is significantly impacting forests and their ability to provide ecosystem services (Baker et al., 2007; Anderegg et al., 2013). The U.S. Forest Service (Forest Service), a federal agency that manages 193 million acres of national forests and grasslands, is advancing actions to support both climate change mitigation (i.e. reducing the accumulation of greenhouse gases that contribute to climate change) and climate change adaptation (i.e. making a system more resilient to the effects of climate change). The Forest Service is increasingly engaging external partners to leverage financial resources to manage for climate change effects, particularly in light of decreased funding availability, reduced staff, and limited programmatic capacity (USFS, 2015).

While existing research has investigated partnerships between utility companies and the Forest Service (Bennett et al., 2014), there has been little research to date on corporate giving by other types of companies that supports projects on national forests. There is also limited literature on the recent rise in corporate sustainability efforts and investigation into what drives companies to undertake these projects. As federal forest management increasingly relies on new partners and private contributions to manage for forest health, these partnerships are vital to the success of the agency (McCarthy, 2005).

Private actors, specifically for-profit companies, are promising partners in management for climate change because they can provide capital up front to both enable projects and accelerate project pace. These companies work through third-party, non-profit organizations who facilitate the financial exchange between the private and public sectors and help implement projects on federal lands. Thus, three main groups are involved when companies invest in actions on national forests. These include: (1) the Forest Service; (2) corporate partners, referred to herein as “companies”; and (3) third-party, non-profit organizations, referred to herein as “intermediary organizations” or “intermediaries.”

The purpose of this study was to better understand corporate giving related to managing forests in an era of climate change in order to expand and improve

private-public partnerships in the future. This project was funded by the Forest Service’s Washington Office of Sustainability and Climate (OSC), which is interested in engaging more corporate partners that are interested in funding projects related to climate change adaptation and mitigation. Thus, we looked at corporate giving for projects that might fall in this category to help inform this area of interest. Ultimately, this research can inform the Forest Service about its engagement with the private sector.

This report addresses the following set of guiding questions:

- 1) Who are the major current for-profit corporate partners of the Forest Service and what are the mechanisms in use for investing in projects on national forests?
- 2) What are the range of current motivations for companies that engage with the Forest Service?
- 3) What are the metrics that are being used or of interest to companies to understand return on investment?
- 4) What are the successes and challenges identified by corporate partners and other parties involved that could shed light on how to improve practice going forward?

In the following sections, we first provide background on climate change effects on forests and corporate giving, then we describe our methods, next we report on our findings from the four questions above, and finally we conclude with a section that summarizes our key findings, recommendations, and next steps.



Background Information: Climate Change and Corporate Partnerships

1. Climate Change and National Forests

The Forest Service has several national-level policies that aim to incorporate climate change into day-to-day operations for national forests (Laatsch & Ma, 2015). For example, the regulations promulgated in 2012 under the National Forest Management Act of 1976 require consideration of climate change when developing national forest land management plans (Timberlake & Schultz, 2017). Additionally, the agency has developed a Performance Scorecard to assess national forests' response to climate change and vulnerability assessments, which are documents intended to improve management actions in response to climate change (Timberlake & Schultz, 2017). The Forest Service also has implemented a number of programs meant to accelerate the pace and scale of restoration (Schultz et al., 2018). Yet, many challenges persist as the Forest Service suffers declining budgets and staff capacity in the face of complex challenges, such as climate change and climate-driven disturbances (Maier & Abrams, 2018). External funding sources and partnerships have become key strategies for Forest Service managers in addressing these gaps (Abrams et al., 2015).

The Forest Service recognizes climate change as one of the greatest challenges to sustainable management and human well-being (USFS, 2008). Climate change impacts the ability of forests to provide ecosystem services by exacerbating co-existing disturbances such as drought, fire, insect outbreak, and disease. The agency turns to external partners for financial resources and capacity to help manage for climate change effects through both climate change mitigation and adaptation actions (USFS, 2008; Abrams et al., 2017). In general, current forest management approaches to mitigate climate change include planting trees to enhance carbon stores and carbon sequestration (Cunningham et al., 2015), and forest management activities, such as forest thinning, to decrease the severity of wildfires

and reduce carbon loss (D'Amato et al., 2011; North & Hurteau, 2011). For climate adaptation, methods such as forest thinning, prescribed fire, and invasive species removal make forests more resilient and adaptive to the effects of climate change (Safford et al., 2012; Bradford & Bell, 2017). National forests are also the largest supplier of municipal water in the United States (USFS, n.d.), and watershed restoration projects, including forest thinning, can reduce the vulnerability of these watersheds to high severity fires and enhance water provision to downstream users. For this study, we focused on projects that involved forest management activities such as those described above, that are funded by for-profit companies. Thus, we looked at forest health projects (such as thinning and reforestation) for wildfire mitigation or wildlife habitat, tree planting (reforestation and afforestation), and watershed restoration. We acknowledge that many of these projects have multiple objectives and often are not new activities; indeed, we asked companies whether climate change was a motivation for them, since we could not determine this on our own.

2. Corporate Giving

Private investments¹ are one potential way to connect private capital with government projects in order to support climate change adaptation and mitigation work. Conservation investments are growing in North America and many investors plan to increase or allocate more capital towards conservation impact investments (Hamrick, 2016). In addition, companies are becoming increasingly involved in corporate social responsibility (CSR) where they engage in voluntary actions to achieve the "triple-bottom line," integrating economic, ecological, and social sustainability objectives and practices into their business model (Dyllic et al., 2002). Corporate bottom lines are tied to ecosystem services that provide raw materials, protect facilities from natural disasters, and regulate regional or global climate (Molnar & Kubiszewski, 2012).

¹ We use this term broadly to encompass financial investments from companies looking for both monetary and non-monetary returns, including corporate giving.

The Forest Service has a variety of public-private partnerships and divides these corporate relationships into corporate giving and conservation finance. In corporate giving, the donor does not expect financial returns; with conservation finance, returns are expected. Since a considerable amount of research is being conducted on conservation finance tools, such as the Forest Resilience Bond², we focused on corporate giving projects for our interviews to address a knowledge gap in an underexplored topic. We avoid calling these investments “philanthropy” because the projects that companies choose to fund are usually directly related to the materiality of the company (i.e. companies are not funding projects solely for altruistic purposes).

Assessment Methods

1. Preliminary Research and Sample Identification

We started the assessment with a review of relevant documents from the Forest Service’s³, Ecosystem Market Place’s⁴, and Blue Forest Conservation’s⁵ websites, which provided background information on corporate partnerships with the Forest Service. For additional background information to help design our study, we conducted several preliminary informational interviews with Forest Service representatives in the Washington Office and regionally with Regional Partnership Coordinators. These individuals provided us with some of the names of key intermediary organizations and companies for our next rounds of interviews.

We interviewed seven representatives from key intermediary organizations we identified that work with the Forest Service and their corporate partners (Table 1). From these interviews, as well as the websites of these organizations, we identified a range of companies that were funding forest management projects on national forests. We narrowed this list into companies that were funding projects on national forests that might achieve climate change adaptation and mitigation goals (n=300), using a broad interpretation to include projects such as watershed restoration, fuels management, and tree planting. From this targeted sample of company names, we used a data mining software (RocketReach) to locate contact information for company representatives that were likely knowledgeable on projects relevant to our scope (e.g. people in positions such as Sustainability Director, Corporate Social Responsibility (CSR) Director, Chief Marketing Officer, or CEO). We were able to locate contact information for 255 companies and sent outreach emails to this list of companies funding projects and working with key intermediaries of the Forest Service.

We received responses from 58 companies, 10 of which declined, 11 of which upon further conversation did not fit the study scope (e.g. were only funding projects outside the U.S. or projects not related to forests), 13 of which replied initially but did not respond later for an interview, and 24 of which we interviewed. Ultimately, we conducted 26 interviews with company representatives, with the two additional interviewees introduced to us by an intermediary organization and Forest Service staff member. A full list of the companies interviewed is available upon request, and they represent a variety of business sectors (Figure 1). A few business sectors, such as Firearms & Ammunition and Health & Care Products and Services were not represented in our interview sample. Company representatives from these business sectors were contacted but declined to participate or did not respond to our outreach emails. Low response rates from these sectors could be due to the limited accuracy of the data mining software used to find contact information for company representatives, a desire by company representatives to avoid topics related to climate change, or a variety of other reasons. Despite these limitations, we were

2 The Forest Resilience Bond is an investment model developed by Blue Forest Conservation and the World Resource Institute in which investors give money upfront to fund forest restoration projects and are paid back by beneficiaries over time with interest. For more information, see: <http://cpicfinance.com/wp-content/uploads/2017/03/FRB2017RoadmapReport.pdf>

3 For USDA Forest Service Public-Private Partnerships, see: <https://www.fs.usda.gov/detailfull/prc/home/?cid=stelprd3804156&width=full>

4 To read EMP Forest Trend’s reports, see: <https://www.forest-trends.org/publications/>

5 See: <https://www.blueforestconservation.com/>

Non-profit organization	Mission statement	Project focuses related to research
American Forest Foundation (AFF)	To ensure the sustainability of America's family forests for present and future generations in conjunction with our strategic partners.	Forest health, watershed restoration, carbon finance
American Forests (AF)	To inspire and advance the conservation of forests, which are essential to life.	Tree planting
Arbor Day Foundation (ADF)	To inspire people to plant, nurture, and celebrate trees.	Tree planting
National Fish and Wildlife Foundation (NFWF)	To sustain, restore and enhance fish, wildlife, plants and habitats for current and future generations.	Watershed restoration, forest health, carbon offsets
National Forest Foundation (NFF)	To engage Americans in promoting the health and public enjoyment of our National Forests.	Tree planting, forest health, watershed restoration
National Wild Turkey Federation (NWTf)	Dedicated to the conservation of the wild turkey and the preservation of our hunting heritage.	Forest health for wildlife conservation
The Nature Conservancy (TNC)	To conserve the lands and waters on which all life depends.	Tree planting, watershed restoration, forest health

Table 1—Key intermediary organizations of the Forest Service with organizational mission statements and project types. Organizations were selected via interviews with Forest Service staff and mission statements were taken from prospective organizations' webpages. We included AFF, despite their organizational focus on private lands, because they often work closely with the Forest Service and serve a similar role with corporate partners for family forests; insights from the organization's representative were valuable in regards to our research objectives.

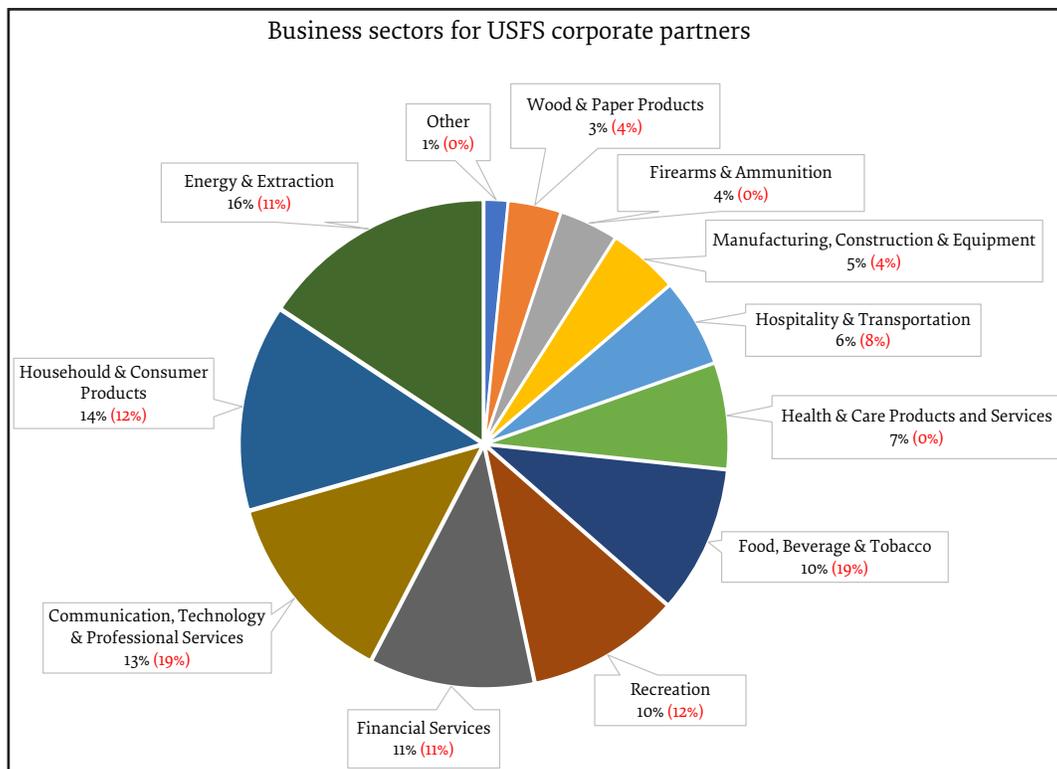


Figure 1—The range of business sectors for companies first identified in the population (n=255) and of those interviewed (n=26). Percentages of companies from the initial sample that fall within each sector are indicated in black font and the percentages of companies interviewed corresponding to each sector is indicated in red font. The majority of sectors were represented in interviews. Companies in “Health & Care Products and Services,” “Firearms & Ammunition,” and “Other” were contacted but were not interviewed.

able to speak with a wide range of companies funding projects on national forests that closely represented the population of companies and business sectors we identified as funding projects on national forests related to climate change.

2. Interview Data Collection and Analysis

We conducted a total of 44 interviews, including the 26 with corporate representatives (each from a different company), 11 Forest Service personnel, and seven representatives from key intermediary organizations (Table 2). In this report, we identify as much as we can about interviewees without compromising confidentiality; this means that when individuals are associated with a company, we do not identify the company or their position, since this could reveal their identity. Interviewees are instead denoted by their unique number and by “INT,” which indicates a representative from an intermediary organization, or, “CORP,” which indicates a company representative.

We conducted semi-structured and confidential phone interviews that ranged from approximately 30-75 minutes. Semi-structured interviews involve

using an interview guide with a set of questions that facilitate the interview, while also allowing flexibility to ask follow-up questions for emergent topics. Despite our low response rate, we believe we approached saturation, because nothing new emerged in our later interviews with regards to our research questions other than specific company preferences. Our first round of interviews with Forest Service staff served as informational interviews where we took detailed notes. Our second and third round of interviews, with representatives from intermediary organizations and corporate partners, were recorded and transcribed verbatim by a third-party transcription service (Rev). We then used a social science analysis software (Dedoose) to conduct thematic coding, where codes or “labels” are given to segments of text that address particular research questions (Glesne, 2016). This approach allowed us to identify answers to our research questions while also pulling out emergent themes that we may not have expected. To promote systematicity and trustworthiness in the analysis, we adopted methods of intercoder consistency, where interview transcripts were independently coded by two different researchers and then compared to ensure quality control and consistency (O’Connor & Joffe, 2020).

Interviewee Group	Participants	#	Purpose
Forest Service	Staff in the Washington D.C. Office and Regional Partnership Coordinators	11	To collect background information, identify key intermediary organizations, and finalize research design.
Intermediary Organizations	Representatives of key intermediary organizations of the Forest Service	7	To identify the range of corporate partnerships with the Forest Service and gain insight on corporate funders broadly.
Companies	Representatives of companies funding projects on national forests	26	To address the research questions for companies engaging in climate change projects on national forests.
Total Interviews Conducted		44	

Table 2— An overview of the range of interviews collected during this study. These can be separated into three groups: 1) informal interviews with Forest Service staff; 2) interviews with representatives from intermediary organizations; and 3) interviews with company representatives.

Findings

In this section we synthesize key themes that emerged from our interviews in accordance with our four research questions. Thus, we begin by identifying corporate partners that we interviewed and describing the funding mechanisms they use. We then describe the principal motivations for companies funding projects on national forests and their interests regarding measuring return on investment. We conclude this section discussing the overall successes and challenges participants identified regarding these partnerships. We focus our findings on our formal interviews with company representatives and intermediary representatives, but sometimes include insights from preliminary interviews with Forest Service personnel, when relevant.

1. Mechanisms for Investment

In our interviews, representatives from intermediary organizations and companies discussed various ways in which companies fund projects on national forests. In almost every case, funds are channeled through a third-party non-profit organization from companies to national forest projects. Companies and intermediary organizations work together to identify projects of interest on national forests. Funds come from a company's internal departments or from a corporate foundation. Interviewees also mentioned their interests and associated challenges related to carbon offsets on public forests.

1.1 Role of Intermediary Organizations

Companies work through at least one non-profit intermediary organization that facilitates the money transfer and helps to implement the projects⁶. Intermediary organizations include the National Forest Foundation, the National Wild Turkey Federation, American Forests, the American Forest Foundation, the Arbor Day Foundation, the National Fish and Wildlife Foundation, and The

Nature Conservancy. Non-profit intermediaries play an essential role since the Forest Service as a public agency is not legally allowed to directly accept donations from companies. For companies, donating to a non-profit also has tax-deduction benefits. Since intermediary organizations bridge the gap between companies and the Forest Service, they also serve to facilitate communication and relationship building.

Typically, a MOU (Memorandum of Understanding) is signed between the intermediary organization and the Forest Service, and then the intermediary organization works to identify both potential projects and corporate funders. Interviewees commented that often times intermediaries and companies work together to identify projects for companies to fund. In some cases, the intermediary organization presents the company with different types of projects with associated costs and the company chooses from this selection, while in other cases, interviewees said that companies give intermediaries a very specific set of qualifications for the types of projects they are interested in funding. One intermediary organization explained this role:

So much of my work, it's been directly at the nexus of private sector funding and the Forest Service.... That's kind of the purpose of the [intermediary organization] in a way, is to bridge that gap. And, that's been the heart of my work for the last seven years.... We serve as a vehicle for investing funds in [forests], and we add value through partnership communication. We bring a strong partnership with the agency, which allows us to do work that not every partner would be able to do (INT_2).

Several companies also mentioned partnerships among companies and through organizations like 1% for the Planet⁷ that bring non-profit organizations and companies together to invest in forestry projects. Organizations such as 1% for the Planet provide a credible way for companies to donate 1% of their proceeds to non-profit organizations, like the ones the Forest Service

6 Interviewees commented on one unique corporate partnership where the company works more directly with the Forest Service.

7 See: <https://www.onepercentfortheplanet.org/>

works with, and to use the 1% logo to promote their products. Relationships among companies also are formed by other coalitions, such as the California Water Action Collaborative, which joins companies together to share information and tackle projects at larger scales.

1.2 Revenue Streams for Projects

Companies fund projects from different internal departments or their company's foundation.

Common corporate departments include the Sustainability Department, Corporate Social Responsibility (CSR) Department, Environment and Health & Safety Department and Marketing Department. Many companies create foundations through which non-profits apply for grants to fund forest management projects. These foundations often have more reporting requirements and details up-front for non-profits to provide regarding the projects, but afterwards there is less follow-up reporting expected regarding the success of the projects. For instance, one interview participant commented:

What I will say about foundations is there's often more red tape just because obviously the legalities of how foundations are structured and certain requirements that have to come out of foundations.... But then often time when the grant is awarded, [the non-profits] have done the due diligence and understanding in advance. And so often the reporting [from the non-profits] back to [the foundations] is very short...[because] that due diligence is done up front in advance (INT_6).

The corporate department that provides funding from a company usually reflects corporate goals around the project it chooses to fund.

For example, projects funded through a company's marketing department are typically "buy one, plant one" schemes for tree planting projects. This is known as "cause-marketing," where for-profit companies aim to increase sales and contribute to a social or environmental cause. Examples of this in companies we interviewed included a company planting a tree in exchange for a product purchase, Instagram



post, or completing a form or survey. Interviewees commented that “buy one, plant one” tree planting schemes were successful because of low costs for tree seedlings and the ease of communicating the benefits of tree planting to consumers.

1.3 Carbon Offsets

One company said they planted trees on a national forest to generate carbon offsets in the future, but many companies and a few intermediaries have met barriers with funding carbon offset projects on national forests despite their interest in doing so. The company involved described how they purchased carbon offsets “up-front” by funding reforestation efforts on national forests that will eventually generate the carbon offset credits they will use to meet their company’s greenhouse gas reduction goals. Company representatives interested in becoming involved in carbon offset programs on national forests commented on their desires to further their current tree planting initiatives to generate offsets that will help them meet corporate goals for carbon neutrality or carbon footprint reduction. A few interviewees said they had purchased carbon offsets generated on private lands but would be interested in buying them from programs on public lands. Intermediary organizations that work with carbon offsets on private lands have also expressed interest in working with the Forest Service to provide carbon offsets on public forests; however, they have met various challenges. These included a lack of carbon measurement protocols, additional costs, legal issues, and confusion regarding different claims (e.g. the difference between carbon offsets, carbon credits, and verified carbon offsets and credits). Interviewees commented:

Working in the verified carbon arena demands a lot of rigor and a lot of costs outside of just paying for the seedlings... You have to troubleshoot issues like monitoring and permanent buffer pools of risk insurance... There’s [also] a lot of challenges in capturing the carbon benefit of tree planting projects...right now we don’t have a metric, a system or a protocol to easily arrive at a [carbon

sequestration] estimate for [corporate partners]. We’re working through several different avenues to develop products and services that would allow us to have [measurement protocols for carbon offsets] more effectively (INT_2).

[In] our experience, [carbon offsets] [are] challenging for federal agencies of any kind, but particularly for the Forest Service, in part because those [carbon] offset projects come with certain restrictions and guarantees on [the] future management of a property, and we’ve heard in the past from federal partners that they feel bound by the laws of the United States [regarding] the role of the public in determining how land should be managed. And when you put the layer of a [carbon] offset project on federal land, it just feels like some other kind of party is just being introduced into the equation in ways that can be challenging (INT_7).

2. Motivations

A primary objective of our work was to identify the range of motivations for why companies fund projects on national forests. Companies frequently mentioned climate change concerns, but there was variation regarding the degree to which climate change motivated corporate involvement in projects. When prompted, most companies agreed that it was important to them to address climate change and that the projects they invested in contributed to climate change adaptation or mitigation. For several companies, climate change was a key focus of the company’s sustainability goals and reasons for engaging in a particular project. For several other companies, their project focuses were on water, carbon, or responsible forestry rather than, as they said, being “explicitly driven” by climate change. This was consistent with preliminary interviews where Forest Service staff said that the link between company objectives and climate change were often implicit or embedded into restoration projects rather than the key focus of the projects. Lastly, a few interviewees acknowledged the impacts of climate

change, but said their company or organization used language like “forest health” instead, due what they said was the “divisive nature of climate change” and “political leanings” of their customer base.

We begin this section by describing the four most commonly mentioned motivations, including: 1) sustainability goals and leadership; 2) market shifts; 3) stakeholder pressures; and 4) company characteristics, such as sector and size. Then we conclude with an analysis of other motivations, including interviewees’ differing references related to the importance of supporting projects on public lands, and how regulations did not play a significant role in motivating project engagement.

2.1 Sustainability Goals and Leadership

The most commonly cited motivation by interviewees was the connection between projects on national forests and the company’s sustainability goals. Companies almost always chose to fund projects directly related to their sustainability vision. Interviewees commented that this allows for companies to develop specific metrics they want from a project that they will use in their sustainability reports to demonstrate how they are reaching their sustainability goals.

Companies often used the United Nations’ Sustainable Development Goals (UN SDGs) to help identify target areas for their corporate sustainability efforts. Companies said they also include how their projects address particular UN SDGs in their sustainability reports. Company representatives commented that the UN SDGs were an important factor in driving their engagement because they help companies identify what targets are important to focus on globally. For example, one company explained:

The biggest motivating factor for expanding the scope of the [sustainability] goals was the UN SDGs.... The 2030 SDGs gave kind of a unified voice of “This is what is relevant to the world. These are the areas we should all be working together in....” So we felt a bit more comfortable to come outside of our own walls and start addressing things that are much more like entire markets, or entire watersheds, rather than just focusing on energy reduction within our walls, or water usage reduction within our walls, or waste reduction within our walls. The framework provided by SDGs really encouraged us to...expand the scope significantly (CORP_8).



Most interviewees also cited the direction or interests of company leadership—often the CEO or founder of the company—as a key motivating factor. Many companies referenced the role of the founder or CEO in embedding sustainability into the core values of the company. Interviewees noted that these leaders were instrumental in the initial implementation and growth of the company’s sustainability goals and initiatives. Sometimes interviewees referenced a leader from a particular corporate department (e.g. Sustainability Director) who took the initiative to begin or move forward the company’s involvement in a project on national forests. A few companies mentioned they were motivated to engage in projects because they wanted to be seen as “global sustainability leaders” in the corporate world.



2.2 Market Shifts

Interviewees noted that “the market” shifting towards sustainability was a key driver for companies to engage in projects on national forests. Some interview participants commented that companies are being expected to be environmental stewards in order to have social license to operate, as well as increase their competitive advantage. A few interviewees said that when rival companies engaged in environmental projects, such as those on national forests, they then felt pressure to engage in projects themselves. Several interviewees explained that a company can no longer be successful without adopting sustainability measures. Many of the companies interviewed have used projects on national forests to contribute to these corporate sustainability objectives. One company representative commented: *“In today’s world, [as] big, multinational corporations, you almost have to be a good environmental steward and doing sustainability work to have a seat at the table. So I think it’s, at some level, [sustainability engagement] is almost expected”* (CORP_25).

Several interviewees mentioned how the “story value” of a project was a large motivating factor for companies. Story value refers to how well the significance of a project can be communicated to the greater public. The majority of companies were interested in leveraging easy-to-communicate and on-brand stories to their stakeholders. For instance, restoration projects after wildfires in California, especially in well-known national forests, were more compelling and appealing to companies due to their higher story value. A couple representatives from intermediary organizations commented on how companies may not fund a project without a good associated story to tell. An intermediary organization representative said: *“So [that company] isn’t going to support a project because they think it’s a cool project. Never, ever will they do that. They support projects that earned them the very specific number of credits that they get to roll up in their [Corporate Social Responsibility] reports, and then they get to share a story about the impact”* (INT_1).

2.3 Stakeholder Pressures

Almost every interview participant cited stakeholder pressures, especially from customers, as a relevant motivation for their engagement in these projects. Companies have traditionally focused on prioritizing shareholders, but companies have recently expanded their key stakeholders to also include employees, customers, and investors. Each of these groups have unique influences on the decisions that companies make. For example, interviewees said that companies are engaging in more sustainable practices and projects because they have proven to be increasingly important for their customer base.

Interviewees also often referenced the importance of employee engagement and retention in motivating their projects on national forests. More than half of companies looked for local projects that were in areas where their employees worked and could volunteer. This was important for companies when identifying projects, especially tree planting, which is a popular employee engagement activity. Several companies emphasized their interest in local projects near their business operations so they could have positive impacts on the broader local communities. One company explained their decisions related to tree planting as follows:

We're trying to mainly plant where our employees live and work. So that's our primary commitment, and so we have recognized over the years that our employees as well as our customers, they love to know that [company] is planting trees in their region. You know, in their neighborhood is great, but at least in their region is something that people really identify with, and it makes them feel like they're a part of the program (CORP_16).

Some of the representatives from publicly traded companies cited investors as a primary motivation for their engagement in environmental projects, such as those on national forests. Investor segments include impact investors, institutional investors, and private investors. Companies are being ranked according to different sustainability

indices regarding how they are addressing certain business risks, such as those posed by climate change. Investors use these rankings to make decisions on whether or not to invest in a particular company. Of the interviewees that expressed concern about investors, representatives discussed their desires to reduce business risks and cited research showing that companies that have sustainability integrated in their corporate strategy are more profitable and thus more attractive to investors. For example, one company representative said:

Investors are demanding that companies be more transparent and disclose more related to their sustainability initiatives.... All those investment firms have created sustainability rankings for companies, and they've created questions to evaluate companies based on sustainability. And I really think that's driving a lot of efforts within companies right now... There's a lot of work that has been tied into showing that companies that have strong sustainability programs are more profitable. So that's the piece that the investors care about (CORP_2).

2.4 Company Characteristics

The characteristics of a company, such as its business sector, were mentioned by interviewees as influencing their desire to engage in projects on national forests. Company sector, or more specifically the product or service a company provides, was the most commonly referenced as motivating the types of projects companies are interested in (See Figure 1 for company sectors). Several interviewees referenced product dependency on forest-related ecosystem services as being a key motivator for corporate engagement. For example, forest products companies may not take their wood from national forests; however, if they rely heavily on forests and trees in general, tree planting projects have a close tie to their tree replenishment goals or reforestation goals. Similarly, water-dependent companies, such as breweries, use water restoration projects on national forests to “replenish” resources they are using in their supply chain. Additionally, outdoor recreation and hunting companies have

products that relate to healthy forests because their customers recreate outside, often in national forests. For example, one representative from a hunting supply company explained how healthy forests mean happy consumers who will buy their products, saying “Well, if [the Forest Service is] improving the habitat and populations, then there’s more room for more hunters and outdoorsmen to use our products.... No wildlife, [then] there’s no hunters.... Hunters pay, they spend a lot of money on ammo, and camo, and food.... They’re so big for the economy” (CORP_19).

Other companies, such as those tied to entertainment and tourism referenced that they fund projects on national forests due to the link with their business. For example, an entertainment company may have products that are strongly tied to nature (e.g. wildlife documentaries), and the tourism industry, especially eco-tourism or adventure tourism, depends on the health of natural ecosystems and people so that they are able to travel. Projects on national forests have provided an opportunity for these companies to engage in projects that tie directly to their business and its long-term success. Interviewees said:

We’re tourism...So if we’re not doing things towards [addressing] climate change, and people in cities are getting sick, [then] they’re not going on vacation, [and] we’re not making money...there’s correlation between illness and pollution [and people vacationing]. If we’re not doing our part to make sure that they go to a location that’s sustainable...then we’re not really doing our part, and we’re really not making good business decisions (CORP_21).

[Our company] has strategically focused our investments in supporting forests.... We have different types of entertainment assets that are tied around nature.... There’s more of these standing areas for communities and families to enjoy, and also for our future generations. All of these things really aligned with the [company brand], and also as a company who is trying to make not just entertainment, but to really support families (CORP_14).

Other company characteristics such as size, being publicly traded, and being a subsidiary were drivers for project engagement. Large companies referenced the importance of their reputation and visibility as well as pressure to “make a difference.” Smaller companies were often Certified B Corporations,⁸ which have requirements to integrate sustainability into their company mission. Publicly traded companies, as referenced previously, are more strongly influenced by investor pressures. Lastly, parent companies often motivated their subsidiaries to follow suit with their forestry projects. For example, one subsidiary mentioned that the parent company’s engagement in mangrove planting is what motivated them to do tree planting on national forests.

2.5 Other Factors: Public Forests and Regulations

We did not have consistent findings regarding the importance to companies of funding projects on public lands. Some companies specifically chose to do projects on national forests and preferred to contribute to public lands; for instance, one interviewee commented that they felt their project would have a longer lasting impact if it was on public land. A couple other participants commented that they simply wanted forestry projects, noting the distinction of public forests versus private was irrelevant because “a forest is a forest.” One interviewee explained:

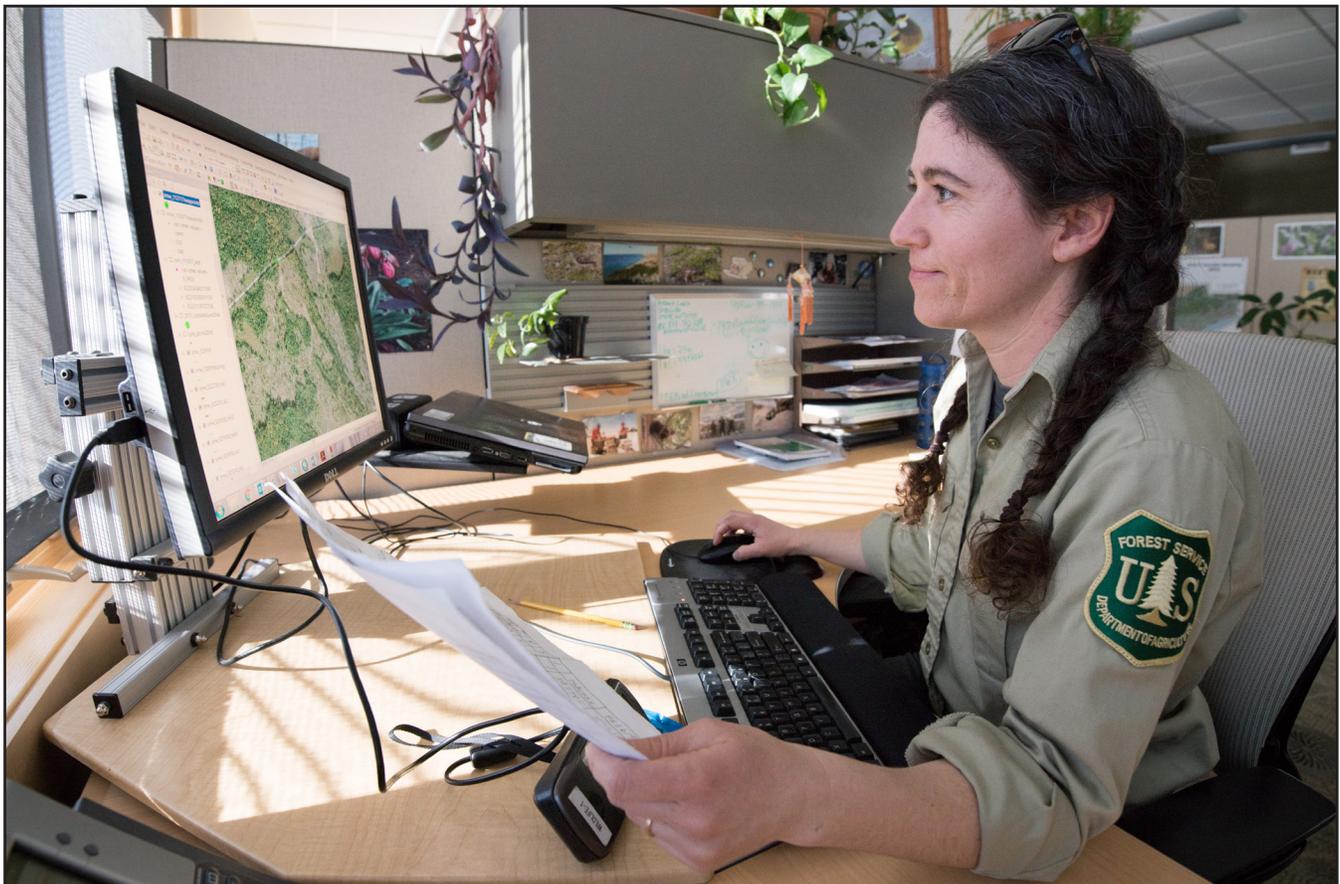
Honestly, from my perspective, I don’t really have a preference for what type of land our projects are done on, so I don’t really track that. That’s not a key performance indicator or anything that I would be looking at. I’m mainly looking at what are the priority sites, why are they priority sites, and what are basically the metrics associated with the projects there? So, it being a national forest isn’t one of those [Key Performance Indicators] (CORP_6).

⁸ Certified B Corporations are companies that meet high standards related to social and environmental impact, transparency, and accountability. For more information, see: <https://bcorporation.net/>

Interviewees did not believe policy played an important role in motivating them to engage in projects on national forests. A couple intermediary organizations mentioned the possibility that policies do or could incentivize investments in carbon offsets (e.g. policies requiring airlines to engage in carbon offsets or the California carbon market motivating companies based in California). However, only a few companies mentioned policy or regulation at all, and all of them stated that they had little-to-no impact. One company engaged in projects on national forests because of a Sustainable Forestry Initiative (SFI) certification requirement to do conservation work. A few companies referenced the importance of policy in driving their engagement in renewable energy projects, but did not believe policy played a significant role in driving their engagement in projects on national forests. One extractive industry company was affected by regulations but said they address it through their corporate department versus philanthropic department.

3. Desired Metrics and Return on Investment

Throughout our interviews we sought to identify the types of metrics companies wanted to quantify return on investment, or ROI, for projects they funded. We identified both monetary and non-monetary ROI that companies were interested in. These types of measurements can contribute to “triple bottom line” accounting, where companies measure their performance more broadly to include social and environmental metrics, in addition to profit. Companies varied in the level of rigor they sought for metrics; some companies had metrics they considered as essential for engaging in projects, while other companies were not interested in measuring specific projects outcomes. Interviewees interested in quantifying project outcomes looked for metrics such as acres treated or trees planted, environmental conditions, community impact, employee retention, and financial returns. Interviewees mentioned difficulties in quantifying less-tangible returns and sometimes third-party verification and tools were used by companies and intermediary organizations.



3.1 Rigor for Metrics

Most every company was interested in reported project outcomes, yet interviewees differed in the level of detail they wanted from intermediaries.

Intermediary organizations commented that some companies had very specific goals and ideas about the location, type of project, and metrics they were interested in, whereas other companies were much more flexible. In instances where companies were more particular, they typically wanted metrics that they could use to incorporate into their corporate sustainability reporting (e.g. gallons of water restored to a watershed or number of trees planted). Other companies did not care about specific metrics and rarely, companies were satisfied by “doing good” and did not desire any metrics.

For companies interested in specific metrics, interviewees noted that there were certain metrics companies considered as essential criteria to engage in projects, while other metrics simply had added value.

For tree planting projects, many companies required reporting on the number of trees planted, since many companies had number-specific tree planting goals. Additionally, some companies were interested in follow up reporting, such as tree survival rate or amount of carbon sequestered. Companies involved in watershed restoration projects expressed more overall interest in rigorous metrics. This was consistent with preliminary interviews where Forest Service staff mentioned that most corporate partners, particularly those involved in watershed projects, were interested in metrics to track progress. For example, most of these companies expressed that a calculated water volume return was a top criterion for project engagement. Other essential criteria mentioned by companies involved in watershed restoration projects included locality to business operations or markets of interest, long-term impact, reputable intermediary organizations, and reasonable project timelines. Additional but not required metrics included overall benefits to the entire ecosystem or local communities and opportunities for employees to volunteer. One company funding watershed restoration on national forests said:

[The project] has to have [a] quantifiable volume benefit.... We only work with NGOs that have a proven track record in implementing these projects. We only look for projects that have a positive long-term or permanent benefit to the watershed... we're not going to fund a project that is going to take five years or something. Because we have a goal. We have a commitment to our stakeholders that we've made and so we need to do in that time frame... There's other things that we look at, but they are more of kind of added value...less tangible benefits... [like] the benefit to the entire ecosystem... Is this project going to catalyze a bigger amount of restoration? Is it going to catalyze bringing in more dollars from other organizations...? [H]ow strong is the community benefit...? But those top criteria, those are the deal breakers. We're looking at the long-term benefit. We're looking at investing in organizations that know what they're doing and we know that the project will be successful (CORP_12).

Sometimes interviewees explained that environmental metrics were internally converted to assess financial return on investment for companies.

For example, one company talked about how they connect the volume of water replenished in a watershed restoration project with how much money is invested to calculate gallons per dollar invested. Another company discussed how they had to discontinue a tree planting project because they didn't have an acceptable financial return on their investment, and a third company discontinued a tree planting project because they were unable to get the customer engagement they hoped it would bring (this company had implemented a “fill out a form, plant a tree” cause marketing scheme in order to gain more demographic information from their customers). Example statements included the following:

Everything that we do has to show a cost avoidance—a return on investment. It has to make business sense.... In order for our CEO or CFO to say yes.... The corporation's main goal is to make money. That's what they're there to do. My goal...is to show them that they can still make money and avoid expenses by doing sustainability measures (CORP_21).

Honestly, [our project engagement] was really altruistic, because it was an expense.... I don't think we were ever able to demonstrate that there was a return on investment for our tree planting. And quite honestly, it was stopped [because] I think it was really the original CEO who was really pushing for it.... All spending of any kind of that nature was truncated by the investment company that bought us (CORP_9).

3.2 Desired Metrics

Interviewees discussed a variety of different desired metrics for projects that they fund on national forests. Companies expressed interest in finding projects that produce multiple benefits and expect these types of metrics to be included in intermediary organizations' reports on project outcomes. Some companies have specific Key Performance Indicators, or KPIs, that correlate to specific corporate goals they are trying to meet (e.g. water quantity/quality restored, acres treated or enhanced, reduced potential for wildfire, or number of employees that volunteered). For example, one interviewee elaborated:

Types of measurements [our company is interested in] include water restored, reduced wildfire, and acres restored. It's a combination of things. [Our company], for example, still is working at trying to calculate flow restoration benefits. In general, more of the metrics are around modeling that shows overall wildfire risk reduction... reduction of potential, both in terms of fire itself and also post fire debris and erosion that can be damaging

to water delivery infrastructure and water quality. They measure the acres treated and that kind of thing too, but the actual outcome metric is more around reduced potential for wildfire and post fire impact (CORP_7).

Companies are also looking to take metrics to establish or improve their brand image.

This includes calculating their impact in terms of social media engagement, or articles published by intermediary organizations or the companies themselves. A large benefit that companies receive from working with and giving funds to intermediary organizations is the guarantee that these organizations will promote the image of the companies through social media "shout-outs" or articles written about the projects they are funding. Companies also look to intermediaries to help them quantify the benefits of their projects in ways that allow for the company to communicate a conservation "story" to the broader public through their sustainability reports or on their company website. An intermediary representative explained:

There's definitely a [return on investment] data piece... the story is important to [companies.] People's lives affected. Habitat that was affected. Wildlife that was affected. That is also a piece that's not really data-driven quantifiable, but it's very important. It makes [companies] feel good that they are helping restore areas that are most often the case when they're devastated by wildfire (INT_6).

Company representatives also commented that they faced challenges measuring certain project accomplishments.

Companies expressed difficulties in quantifying less direct metrics regarding their projects on national forest (e.g. carbon sequestered was more difficult to quantify than trees planted and the extent to which a project affects a company's reputation was not possible to quantify). One interviewee commented that the lack of standards for projects with certain goals, such as watershed restoration, made projects more time-consuming because there were no existing guidelines to follow.

3.3 Tools and Third-Party Verification

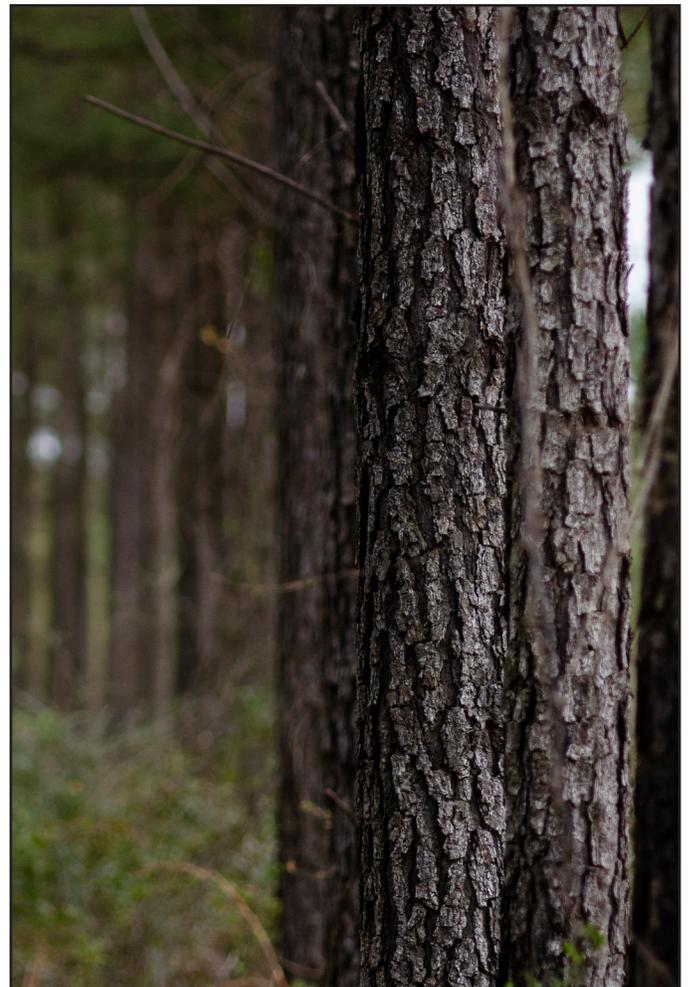
Interviewees described a few tools that they used in measuring their returns on projects; usually intermediaries took metrics on project outcomes, while other times companies had developed their own tools. For example, one wood products company described an internal tool they had developed in order to convert board lengths into trees to calculate a replacement level of tree planting; this allowed them to meet their goals of replacing the number of trees used in their manufacturing with trees planted. Another intermediary organization described how they used a tool called i-Tree⁹ to calculate benefits, such as CO₂ absorbed, from tree planting projects.

Several interview participants, particularly from larger companies, commented on using a third-party verifier for watershed restoration metrics and to get carbon offsets verified. Companies with watershed restoration projects always had specific metrics and a couple companies identified Limno Tech¹⁰ as a third party that would add credibility to watershed restoration metrics measured. In terms of carbon offsets, some companies generating offsets on private lands and one company generating carbon offsets on national forests had a third-party organization, like the American Carbon Registry¹¹ or Climate Action Reserve¹², verify the data and certify their offsets.

4. Perceptions of Successes and Challenges

We asked interviewees what they perceived as successes and challenges of their partnerships related to projects on national forests. We soon realized that in many cases there was a limited understanding among corporate interviewees on what national forests are, who the Forest Service

is, or what role the agency plays. For example, corporate interviewees often confused the Forest Service with the National Park Service, and they also confused public and private forest lands when asked to discuss their projects on national forests. As a result, even companies that were currently funding projects on national forests were unaware of opportunities the Forest Service has for its partners, and a few interviewees were unsure if their projects were on public or private forests. As a result, what we report on in this section are their perspectives on their partnerships overall. In general, interview participants had positive perspectives of their partnerships between companies and intermediary organizations, as well as partnerships amongst companies themselves. Challenges that were frequently mentioned included difficulties with the Forest Service, such as a perceived lack of adaptability of the agency, difficulty in measuring returns, challenges with scaling-up projects, and sometimes specific conflicts associated with an intermediary organization.



9 For more information on iTree, see: <https://www.itreetools.org/>

10 For more information on Limno Tech, see: <https://www.limno.com/>

11 See: <https://americancarbonregistry.org/>

12 See: <https://www.climateactionreserve.org/>

4.1 Successes

The following section reviews perceived successes mentioned by interviewees regarding their partnerships that fund projects on national forests.

4.1.1 Collaboration Between Companies and Intermediary Organizations

Interviewees said that their partnerships allowed for both companies and intermediaries to achieve goals and supported improved communication and relationships. The vast majority of corporate representatives interviewed identified their relationships with intermediary organizations as a partnership success. Most of the time, company representatives had little or no interaction with the Forest Service, and therefore their relationships with intermediary organizations were crucial to achieving their projects on national forests. A few corporate interviewees highlighted that when intermediary organizations sent them photographs of their tree planting sites, it had a significant impact on their positive view of the project and that they enjoyed doing site visits. For example, one interview participant said: *“Well there’s one [reason] why I like this partnership a lot. And it comes back to the fact that we go out to the project sites and visit them, they all seem to be in really neat areas that are fun to visit, and it just makes it a fun partnership, as well as a successful partnership”* (CORP_25).

Interviewees commented on the importance of trust, expertise, and personal relationships in having successful partnerships between companies and intermediary organizations. Often times, companies said that they chose to work with a particular intermediary organization because of its reputation and the trust they have in the organization to deliver on projects. Multiple companies interviewed stated that the intermediary organization they work with provided expertise in an area that was outside of their knowledge area. Personal relationships developed between companies and intermediary organizations were another important factor that interviewees mentioned contributing to the success of their projects. In preliminary interviews with Forest Service staff, interviewees also commented on the importance of intermediary organizations for the execution of these projects. These participants commented that these organizations help with administrative tasks like managing money, recording metrics, project logistics, and navigating grants and agreements processes.

A few representatives from intermediary organizations noted their success in achieving multi-year partnerships with companies. These organizations said that long-term partnerships allowed them to streamline projects and thus get more work done on the ground. Some companies



also prefer to commit to multiple projects, as one company representative mentioned that the cost is high for one-off projects. An intermediary organization interviewee described the benefits of multi-year projects:

I would say trending through we are getting less and less sort of the one-and-done partners and more into this multi-year partnership because we ask for that up front as well. If you're going to support our work, trees take a while to grow, obviously, and there's a need like never before. So, if we're going to look at you as a true partner, we expect that you are kind of side-by-side with us. And ultimately we like three, five, ten-year agreements. We have one partner that committed 50 years-worth of tree planting to us. And so that's fantastic. It helps us project plan and understand how much volume we need and all of that (INT_8).

4.1.2 Collaboration Among Companies

Another success interviewees mentioned was partnering with other companies and joining larger corporate coalitions for sustainability.

Examples of this included the California Action Water Collaborative, the Electric Power Research Institute, and the International Counsel of Mining and Metals. These collaboratives provide a space for companies to share lessons learned from projects they are working on, motivate each other, and form partnerships. A few companies interviewed referenced partnerships they had with other companies where they pooled funding to take on projects of larger scale and impact. One interview participant commented on the benefits of this: “You don’t have to duplicate efforts. You can scale up. So, rather than each [company] contributing a small amount, you can pool your resources and have the bigger impact. You can bring others to the table. So, I think all in all we always try to collaborate and bring partnerships and look for more people that can be involved” (CORP_3).



4.2 Challenges

While interviewees highlighted a few successes associated with effective collaboration between companies and intermediaries, as well as among companies themselves, they also addressed the following challenges and concerns.

4.2.1 Challenges with the Forest Service and Intermediaries

Some interviewees cited challenges specific to working with the Forest Service. This included difficulties in communication and a perceived lack of adaptability in the Forest Service. In terms of communication, one interview participant mentioned changes in management structure affecting the Forest Service's ability to keep track of ongoing projects. Another interviewee mentioned it can be difficult to get in touch with on-the-ground personnel at the tree planting sites. One interviewee expressed frustration with things moving slowly in the agency and the need for the agency to adapt how it operates to better cater to companies:

I think [the Forest Service] get[s] in their own way, and there are those of us who were interested in working with them, but they can't get out of their own mindset.... I don't have time to wait for them to figure it out. We are focused on dealing with climate issues right now, and, so, if they're willing to work with the kind of urgency and expediency that we have in mind, then I'm certainly open to that.... Engage folks like us, and I'm not just thinking of [our company], but like [corporations] and foundations, when those projects are at a place where they're basically ready to go. Don't come to us and say, "Oh, if we can clear these hurdles over the next three or four years, then we might could do something...." You might as well not even have the conversation from the perspective of a lot of funders. So I think, helping to clear the path on some of the regulatory and procedural hurdles would be incredibly valuable (CORP_13).

A couple representatives from intermediary organizations expressed concern about the increasing level of partnership engagement between the Forest Service and companies. These representatives commented that these relationships should be approached carefully to make sure that the Forest Service as a public agency is not overly influenced by companies. The concern was that corporate interests may affect what type of projects are done on public lands, favoring certain projects over others. One interview participant explained:

All you have to do is look back to the 1980s to the timber wars in the Northwest, private timber companies, spotted owl, the whole thing. I mean, we have these examples of the Forest Service being influenced by private interests in our recent history. And they were devastating to the Forest Service's reputation, and they're still digging out of that today. And I would hate to see that repeat itself. So, I have a lot of concerns. I think [corporate partnerships] [are] really promising in a lot of ways, I think it just demands a lot of thought, [a] rigorous process, and careful evaluation of opportunities as this kind of idea gets kicked around (INT_2).

Although uncommon, in a couple instances, companies expressed frustration with the intermediary organizations that they worked with. One interview participant expressed difficulty in communication because the intermediary organization used a lot of scientific jargon that was difficult for them to understand. Another interview participant said they felt like the intermediary organization was more focused on the financial transaction and funding that the company provided versus the impact of the project. Preliminary interviews revealed similar perspectives from Forest Service staff. Interviewees said that intermediary organizations typically were not interested in working in more rural regions because companies wanted to fund projects in higher population areas where they felt there was more public recognition.

4.2.2 Difficulty Measuring Returns

Several interviewees mentioned challenges associated with measuring certain returns.

There was a clear distinction made between direct (e.g. trees planted) and indirect returns (e.g. improved reputation); interview participants described particular difficulty in measuring the latter. Interviewees also said it was difficult to accurately measure the impact of their project and that sometimes difficulties in quantifying return on investment can make it hard to get funding for forestry projects. A few interviewees commented on difficulties with measuring returns, for example, one participant said: “I think that a lot of returns on this are indirect. You truly can’t measure an indirect.... When we talk about sustainability, it’s a little bit harder to talk about an ROI or return on investment...” (CORP_21). Another interviewee stated: “[It’s] an ongoing struggle for us to figure out the impact of our investments...So, we’re continuing to work on how we’re assessing impact and where we’re going to measure it and that sort of thing...We don’t have a specific concerted strategy around how we’re measuring impact of our forest investments” (CORP_26).

A few intermediary organizations expressed challenges associated with carbon sequestration measurements and one corporate representative discussed challenges related to metrics for watershed restoration projects. Intermediary organizations said they struggled to give corporate partners specific metrics for the amount of carbon sequestered from tree planting projects, in fact, one representative commented that they eventually developed their own average of how much carbon a tree sequesters in order to communicate impact to funders. In terms of watershed restoration projects, one corporate representative described how a lack of standards for reporting can increase project costs and time investments:

So, there’s a slew of challenges within water. One of the biggest is just the lack of standards in reporting work in this space.... [With] water, the standards don’t always exist.... [E]very site is so unique. There’s not really an all-encompassing way of measuring and tracking improvements in those areas.... It’s very difficult and

makes projects like this extremely time consuming on the front end, because there’s so much stakeholder outreach. So, projects move very slow, which is frustrating from my perspective, because I’m used to projects going very quickly.... The lack of standards and the lack of just goals in watersheds makes it much more difficult to prioritize and even select projects (CORP_15).

4.2.3 Challenges with Scale

Some company representatives expressed challenges in finding larger scale projects, which are important to them.

Several corporate interviewees said they were interested in pooling together funding from multiple companies and tackling projects of larger scale. One interview participant mentioned that this would also reduce the amount of pressure they felt from the intermediary organization they work with to raise a large amount of funds. A few interviewees who had partnered with other companies on projects in the past spoke positively about working together on a project with mutual goals; they noted that their success also attracted other companies. A representative described their interests in scaling-up projects in their own words:

I think we’d all be better served if... we could have a cohort type of approach. And by that I mean I’m much more interested in a \$50 million pooled fund project, than ten, \$5 million dollar one-off projects. The operational burden on most foundations, on most partners, is incredibly high on a one-off project basis. So if we could develop a fund to fund or a portfolio of projects that different partners can engage on, and it seems like the Forest Service is as well placed to do that as anyone, I think that would probably be much more interesting than pretty ad hoc one-off type projects.... So I think scale matters, because we need to operate at scale from a climate perspective, but it also matters for how you deliver projects (CORP_13).

Interviewees additionally expressed difficulty in aligning the supply and demand of projects.

One intermediary organization discussed how there is more corporate funding available than there are projects ready to be conducted. A large barrier, another interview participant added, is that only some projects have passed through National Environmental Policy Act (NEPA) review and are ready and available for funders. This presents challenges in the supply of projects, and, as this interviewee commented, also neglects projects that may have less attention, while instead giving an avenue for a project that may likely already have some funding secured. Since the Forest Service already has projects lined up and underway, it can be challenging to match a funder's project preferences to the Forest Service's existing program of work. An interviewee said:

And so that's one of the things that's incredibly limiting about these kinds of models with corporate partners reaching out for projects on an annual basis, and perhaps one of the biggest challenges is there's all sorts of great work going across on a number of different units across the National Forest System that would qualify great for these types of projects. But are they NEPA ready? Usually not. And so we're limited instantly to only NEPA ready projects, and [this company] wants those projects implemented within a calendar year (INT_2).



Recommendations and Conclusions

The Forest Service looks to external partners to help meet gaps in funding and capacity to address climate change impacts on public forests. We explored current corporate partnerships with the agency in order to identify funding mechanisms of use, corporate motivations for engagement, and company interests in metrics for projects that could address climate change adaptation and mitigation goals. Through this process we also identified several successes and challenges of these partnerships.

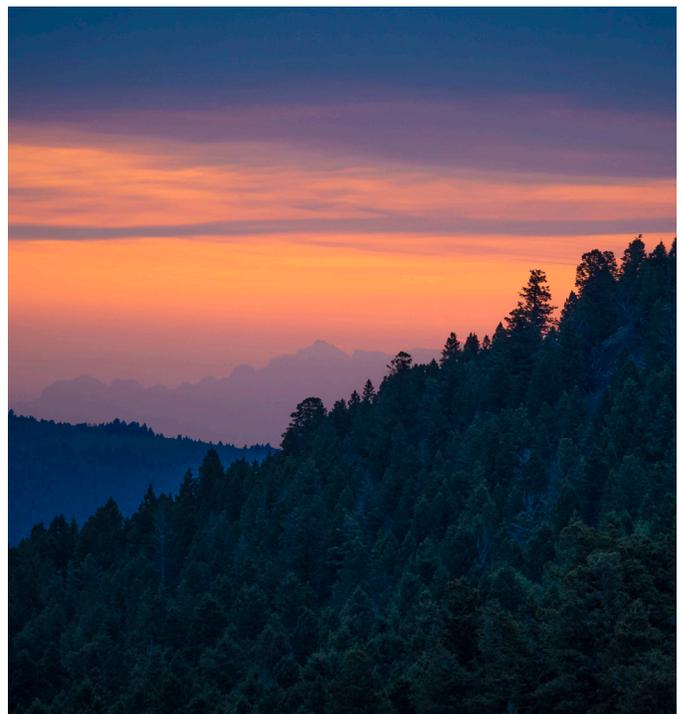
Our research indicates that there are five key areas for future work.

- 1. The Forest Service could work with intermediary organizations to improve their “storytelling” of what national forests are, who the Forest Service is, and the opportunities and benefits that exist for corporate partners.** Many companies, despite funding projects on national forests, had little understanding of what national forests are and the role the Forest Service plays as a federal land manager. Several companies interviewed expressed that they were open to and interested in interacting more with the agency, but were generally unaware of avenues for engagement and opportunities that the Forest Service has for its corporate partners. In addition, in some preliminary interviews with Forest Service staff, interviewees expressed that their regional offices had difficulties in connecting with companies and a lack of information regarding how to engage with companies. Based on our observations, we recommend that the Forest Service spend time to create effective and catered outreach materials that can be given to current and potential partners. This could be in collaboration with their non-profit intermediary partners since they appear to be the key conduit of information between companies and the Forest Service and thus can play a positive role in telling the Forest Service’s story and advocating for more work on public lands.
- 2. As the Forest Service continues to work with companies, it may be important to track the influence of corporate interests on national forest management.** For instance, it would be important to make sure that projects with high “story value,” or that are more appealing to corporate partners for marketing reasons, are not being funded at the expense of more important work for achieving the Forest Service’s goals. The overwhelming popularity of tree planting projects by companies, despite a diverse range of forest management project needs, illustrates this concern well. Companies said they engaged in tree planting projects because seedlings are inexpensive, and customers can easily understand the benefits of tree planting. We suggest more companies donate money to non-profit intermediaries for diverse projects and with funds that can be used to address multiple needs, rather than just tree planting. This may create a need for companies to place greater emphasis on educating their customers about the benefits of various forest management practices. For partnerships where the Forest Service works more directly with companies, or would like to work more directly with companies, the role of intermediary organizations in ensuring transparency and identifying projects and partners would be valuable to evaluate over time. For example, intermediary organizations may play a critical check-and-balance role regarding corporate influence on public forest management. For more rural regions that may be overlooked by companies due to lower project visibility, the Forest Service and intermediary organizations may play an important role in identifying beneficial projects in those regions and identifying alternative sources of funding.
- 3. Companies, intermediaries, and the Forest Service can work together to facilitate more connections to accomplish more work on the ground.** Connecting companies to one another to fund joint projects of larger scale can be done through intermediary organizations facilitating partnership and dialogue between companies to find and fund projects of mutual interest. Multiple interviewees mentioned that they enjoyed site visits and getting to see the

projects, so hosting events to bring multiple companies together and talk about the benefits of these projects could be a valuable way to make these connections. Efforts to scale-up may not be appropriate for all projects, though, and it is important to consider potential trade-offs for other actors and resources. Nonetheless, in some instances, non-profit organizations could work together to share knowledge and pool funding to tackle larger projects together. Between companies and intermediary organizations, we recommend more communication—and as one interviewee suggested, annual agreements—so that projects can be identified as soon as possible.

4. Intermediary organizations could work together with the Forest Service to develop standards for metrics and reporting to companies, especially for returns that are harder to quantify. Interviewees commented that there is a lack of standardization of metrics, especially in regard to carbon sequestered from tree planting. This demonstrates a gap in knowledge related to measuring carbon accurately and the need to standardize this from a credible source so that companies are accurately understanding and reporting on the impacts of their projects. Companies should weigh-in on what metrics matter to them and what level of reporting they are interested in receiving from their intermediary partners. Other third-party verifiers could be valuable in creating consistency across organizations and companies related to measuring and reporting on metrics. One company commented on their involvement in standardizing methodologies for watershed restoration projects through Volumetric Water Benefit Accounting (VWBA);¹³ however, it appeared that other companies were not aware of this tool because in their interviews they expressed difficulties in achieving standardized protocol for watershed restoration. Thus, when standards are developed, there is a need for better information dissemination.

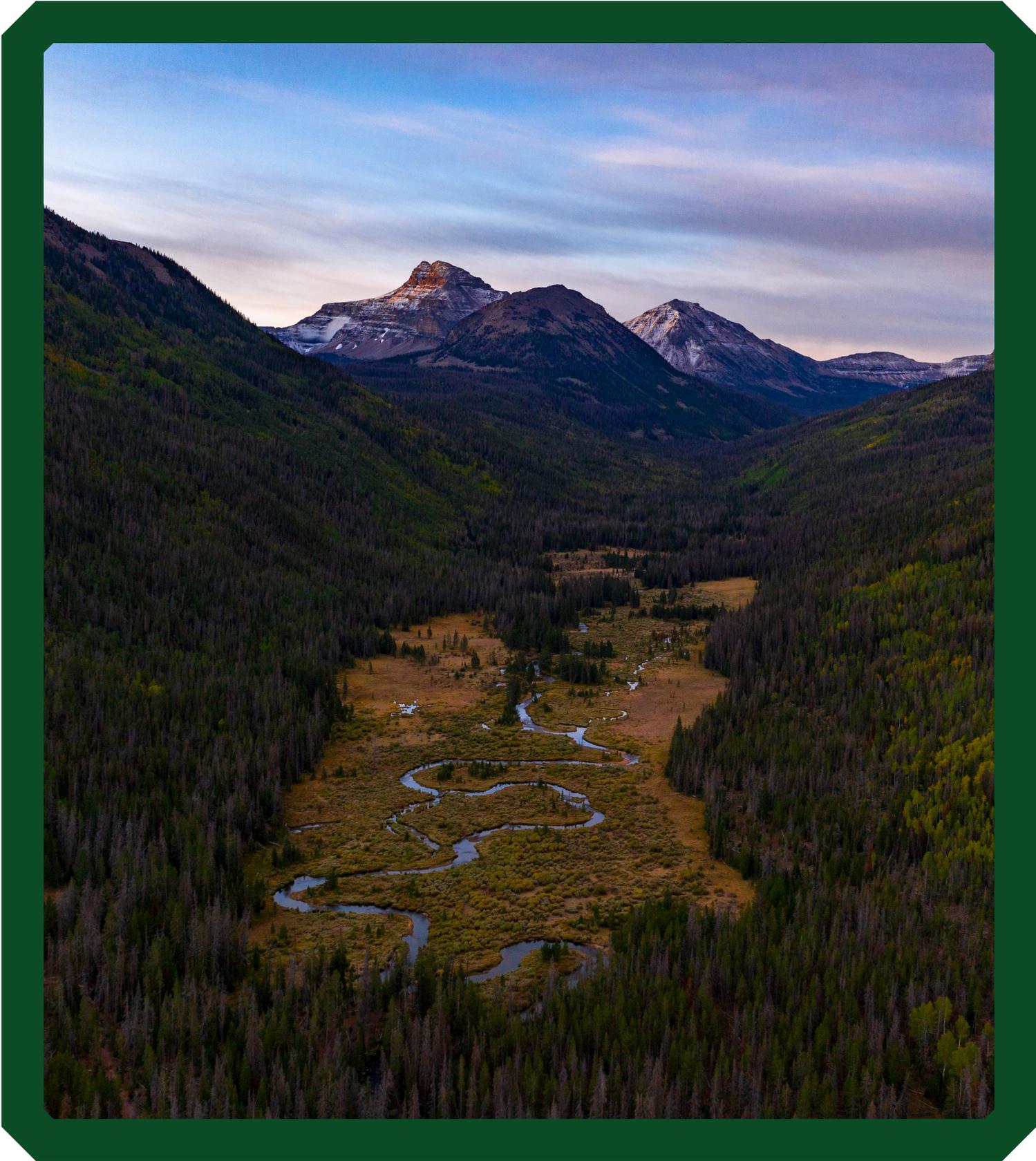
5. Developing a market for carbon offsets on national forests may not be an option, but exploring the potential to quantify and track carbon offsets on national forests outside of a market or payment system still could be beneficial. Many companies and intermediary organizations expressed an interest in the generation of carbon offsets on public lands. One company representative suggested that the Forest Service become part of a certified carbon offset program and be able to give a “reforestation offset certification” similar to the EPA Safer Choice certification, the USDA BioPreferred certification, and the USDA Organic certification. Since we only found one company that had planted trees on national forests to generate carbon offsets, it would be valuable to further explore the model this company used and adopt it for other partners. Intermediaries and companies discussed challenges they faced regarding carbon offsets, suggesting a need for improved carbon measurement protocols and clarification regarding levels of credibility (e.g. carbon offsets versus carbon credits) and what verification looks like. One interviewee also mentioned the success of the National Fish and Wildlife Foundation in generating carbon offsets on public lands, so it could be valuable for the Forest Service to connect with and learn from other agencies.



13 The World Resources Institute and partners developed a methodology for implementing and valuing water stewardship activities. For more information, see: <https://www.wri.org/publication/volumetric-water-benefit-accounting>

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