

# Future Forest Economy Initiative 2018-2023



## *Successes, Challenges, and Future Considerations*



In 2018, Congress allocated \$3 million to the US Economic Development Administration (EDA) to increase production, commercialization, and use of wood products in the region. To implement this directive, the EDA developed a cooperative agreement with the Northern Forest Center and the U.S. Endowment for Forestry and Communities; the resulting partnership was called the Future Forest Economy Initiative (FFEI). Over a five year period the FFEI provided sub-awards to a total of 13 projects. Each project was responsible for cost-sharing or cost-matching the funding received through this award, resulting in nearly \$6 million in total investment in this effort to increase markets for wood products in the Northern Forest region. This document summarizes the key successes, challenges, and future considerations that emerged from this partnership.



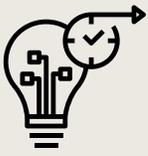
## Successes

- The FFEI projects **built on the information** gathered through prior assessments and research facilitated through EDA.
- Grantees **met or exceeded funding match** requirements despite pandemic-related economic strain.
- Strategic support from the Center helped **grantees expand their networks** and develop connections critical to project development.
- The Endowment brought **financial stability and flexibility** to this work.
- The **structure of the FFEI** brought smaller projects and partners into an arena traditionally dominated by larger projects.
- Achievements from the funding period **set the stage for ongoing progress** in the wood products industry.



## Challenges

- The **COVID-19 pandemic** coincided with this initiative and presented challenges in program implementation.
- While the Northern Border Regional Commission (NBRC) was initially intended to be a core partner, they **did not participate** in the initiative.
- **Regional, rather than national, coordination** may have reduced opportunities for shared learning.
- **Eligibility criteria**, specifically the types of entities that could receive funding through EDA, may have limited opportunities to support market development.
- The nature of the Future Forest Economy Initiative as **cooperative agreement, rather than a grant**, may have delayed implementation activities.



# Future Considerations

**Consider ways to measure success across diverse projects by linking outcomes with investment objectives.** With established investment objectives, such as those in FFEI, each project could outline the outcomes they would work toward in support of each objective and set targets for each. While individual projects may have metrics that are unique to their own work, this would allow the managing organization to measure overall initiative success by aggregating outcomes across projects within each objective area. Results from this multi-year initiative could potentially serve as baseline data for future work, supporting the development of targets and helping refine a clear definition of success.

**Consider opportunities to expand the current efforts with broader parameters, possibly by including public-private partnerships and/or expanded applicant eligibility.** Public-private partnerships might expand the range of organizations that would qualify for inclusion in a future initiative and could also increase the amount of funding available. Additionally, there is a precedent for modified applicant eligibility set by the US Forest Service and the USDA. Their Wood Innovations and Conservation Innovation grants allow private companies and/or individuals to apply for funding. If this practice were to expand to the EDA, the resulting engagement of private sector partners might help achieve sustainable change at scale, both within the Northern Forest region and potentially in a broader geographical region.

**Consider collaborative opportunities to allow for knowledge-sharing.** FFEI grant recipients identified gaps in local services based on efforts underway in other regions, both nationally and globally. With even more opportunities for projects to communicate, share lessons learned, and demonstrate innovations, a potential future initiative might experience even greater collaboration, learning, and market development at all levels of the supply chain.

**Consider approaching the match requirement through an equity lens.** FFEI grant recipients were required to provide 50% matching funds throughout the course of the initiative. This match requirement proved to be challenging for rural communities in need of economic development, and the challenge was exacerbated during the pandemic. It may be valuable to consider a reduction or waiver of the match requirement during challenging times and to factor in economic distress of a community when establishing funding requirements.

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