Criteria for Conducting Innovative Projects and Operational Trials
Forest Investment Account
Land Base Investment Program

This document contains high-level criteria for design, approval and conduct of innovative projects and operational trials. Project proposals that comply with these criteria may be approved by PricewaterhouseCoopers (PwC) without referral to government agencies.

Unless noted otherwise, the term "innovative projects" includes operational trials and projects applicable to a LBIP component / activity where a government standard is unlikely to be recognized ("one off" projects). It covers a broad range of initiatives that may advance sustainable forest resource management beyond the ordinary, whether through improved practices or through greater cost-effectiveness. Once it is determined that a project fits within the innovative category of LBIP eligible activities and is in compliance with the criteria, approval by PwC will hinge on the **project's potential contribution to sustainable management, the effectiveness of its design, and costs in relation to anticipated benefits – not on a subjective assessment of its "innovativeness".**

The following categories form the core of innovative projects that are addressed in the criteria. The focus of innovation is on development and testing of methods – over a short period of time (e.g. 3 years or less) - that will improve sustainable resource management, as distinguished from subsequent application of the new knowledge in investments and decision-making.

- A standard exists but the proponent intends to test an alternative that may lead to improved management practices or decision-making and a revised standard
- A standard does not exist but the proponent intends to undertake developmental activities that may lead to improved management practices or decision-making

Criteria for Innovative Project Approval:

Criteria 1 to 6 apply to all innovative projects and operational trials. Criterion 7 addresses additional unique requirements of operational trials.

Criterion #1. The purpose of the project must be defined in relation to its intended outcome.

> The information resulting from the project must be appropriate for its intended use in furthering sustainability objectives at the Management Unit level. The purpose will clearly specify the intended use of the new

information, and thereby help to portray the inherent risks to inferences drawn from the project results.

Criterion #2. A rationale must be provided to show that the purpose is achievable.

This rationale contributes to judgements about the potential value of the project and shows that the anticipated outcome is realistic. The rationale will also demonstrate that the proposal has the power to meet the sustainability objectives as noted in Criterion 1.

Criterion #3. Evidence must be shown that the project addresses a significant issue in sustainable resource management.

The proponent will need to demonstrate that the project will further the sustainability objectives of the Management Unit and must be identified in the Land Base Investment Rationale. The value of the proposal should be confirmed through local peer review that will include consultation with other licensees and may include additional consultations with agencies, and other bodies.

Criterion #4. The project must have a project management plan.

The level of detail in a project management plan will vary with the size and complexity of the project.

A project must be described in sufficient detail to enable others to understand the logic model behind the project's concept, to reproduce the work and to attain similar results under similar circumstances. Common elements of an acceptable project management plan for an innovative project include:

- Rationale, including expected outcomes
- Detailed budget breakdown by fiscal year, including, but not limited to, such categories as professional/technical day-rates; equipment rental rates; etc
- Project design and work plan (includes analytical methods)
- Protocol for cataloguing and managing data
- Reports, including a final report and possible interim reports at identified milestones in the course of the project
- Communication and distribution of results – to be encapsulated in an Extension plan

For projects that are funded through multiple sources, the project management plan must apply to the whole project and identify which portions are supported by LBIP funds. Criteria listed here apply to all aspects of projects that are funded wholly or in part through FIA.

Criterion #5. Where a standard exists, an innovative project must include a comparison to the results that would have been obtained using the standard procedure, unless the proponent provides a satisfactory rationale for exemption.

In these projects, categorized under bullet point #1 on page 1, the experimental design will include the question, how does my innovative approach compare to the status quo? Inclusion of the direct comparison will aid in the understanding of, and ultimate adoption of, change.

Where it is uncertain whether an exemption should be approved, PwC will refer the matter to the identified technical contact for that standard.

Criterion #6. The methods used to analyze results must provide sufficient confidence in outcomes to enable desired inferences to be drawn and incorporated in management practices.

An innovative project will usually require inferences to be drawn from the study results to apply to larger areas or populations. Estimating the reliability of the project results is a critical component of the work and reporting of results must therefore contain acceptable standards of statistical validity. Innovative projects will typically utilize the same forms of statistical testing as research projects. The general guidelines for design and analysis of research projects and adaptive management projects apply here.

Criterion #7. Operational trials are eligible as innovative projects provided that the proponent can demonstrate a reasonable expectation of achieving reliable results in an operational setting.

Experience gained by undertaking operational trials can provide an effective bridge between research and new practices. Such trials may be valuable when undertaken to test operational feasibility and costs of applying new knowledge derived from research results, or to test established management procedures under different site conditions. On the other hand, good operational trials can be difficult to design, difficult to implement and even more difficult to interpret correctly. Because of the many variables that are encountered in an operational setting, care is required in drawing inferences that might apply elsewhere in a management unit.

The principles of adaptive management provide some useful direction for operational trials. Key design elements that should be incorporated in project proposals are:

- Clearly identify the purpose of the trial.

- Consider how the proposed design addresses that purpose.
- Incorporate sampling and analytical procedures that will provide measures of confidence in outcomes, and identify issues that will affect the ability to base inferences on the findings.
- Show how subsequent testing or monitoring will be used to challenge conclusions of the trials, and progressively build confidence in the results.
- Provide a project management plan as outlined in Criterion #4.