The farmers and the funders. A case study of the Upper Coblinine Catchment Demonstration Initiative

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Introduction

Typically, when a Land Conservation District Committee (LCDC) or similar organisation manages a project for a farmer group, the LCDC staff take on the administrative, legal and management work. These employees act as the connector between the funding body and the farmer group, leaving the farmers free to do their on-ground work without paperwork hassles. For many years, and with many different farmer groups, this system has worked extremely well. However, a project managed by the Katanning LCDC in the Upper Coblinine Catchment proved to be the exception, with major issues arising in the later phase of the project management. A gross mismatching of participant capacity with project expectations, knowledge requirements different to that of other farmer groups and confusion about governance structures were major contributors to these problems. A number of learnings about project management techniques and the importance of considering the needs of participants were highlighted by this project.

Establishing the Upper Coblinine CDI project

The Upper Coblinine Catchment Group (UCCG) is an informal group comprising the owners of broadacre farming land roughly within the Upper Coblinine hydrological catchment, located northeast of the town of Gnowangerup, Western Australia, at the very top of the Coblinine River system. The UCCG was formed in the 1990's by the landholders to address their salinity issues. They self-funded a consultant to undertake a detailed analysis of surface and groundwater behaviour and prepare a Digital Elevation Model and Surface Water Model of the catchment (Georeality 2004; Szczecinski 1999). Using these models, recommendations were made for the optimal management of salinity in the Upper Coblinine catchment using surface water management and perennial vegetation.

In 2003, the UCCG's model and recommendations concept was selected by the WA Government to be developed into a four year, $3 million on-ground works project to address salinity at a whole of catchment scale. They received $1.7 million through the $6 million Catchment Demonstration Initiative (CDI) Program, developed as part of the State's contribution to match the $158 million received through the Australian Government's National Action Plan for Salinity and Water Quality. A total of fifteen farms covering 44,000 ha were involved in the Upper Coblinine CDI Project.

After the development of a detailed Upper Coblinine CDI Project Implementation Plan (Raynor & Hales 2005), to guide the administration, financial management, on-ground works, communications and monitoring, the Katanning LCDC was contracted by the State Natural Resource Management (NRM) Office, the over-seeing body for all public NRM money in WA, to be the project management group and be responsible for the project. The Upper Coblinine Catchment Group could not take on the contract themselves as they are not a legal entity.

The Katanning LCDC set up the Upper Coblinine Catchment Demonstration Initiative Management Committee (UC CDI MC) specifically for the Project. The UC CDI MC's role was to make recommendations to the Katanning LCDC regarding the implementation of the project in accordance with the conditions of the Funding Agreement and Project Schedules, acting as an intermediary between the Katanning LCDC and the UCCG. Recognising the importance of the farmers having ownership and engagement of their project, three out of the nine positions on the Committee were allocated to Upper Coblinine farmers.

The farmers sat alongside a range of representatives from the Katanning LCDC and various State and Australian Government NRM agencies and community NRM groups, all of whom, unlike the farmers, had significant project and public funding management experience.

Understanding the System

After two years of relatively smooth sailing, excellent working relationships and landholders doing their best to implement their on-ground works during some poor seasonal conditions, the farmers wanted to add items to their works plans which weren't part of the Project Schedules. In trying to do so, they came to the realization that there were restrictions on changes and they were tied to a strict regime of reporting on specific Milestones and Outputs with quarterly payments tied to the reporting, as defined by the Funding Agreement and Project Schedules.

In early spring 2008, the project faced a major challenge due to a decision made at the UC CDI MC level to purchase capital items for farmers (that weren't part of the Funding Agreement and Project Schedules) without first getting approval for the variation from the State NRM Office. This simple error became the catalyst for uncovering a suite of underlying problems.

The farmers did not understand these rules, as this part of project accountability had intentionally been handled by the Katanning LCDC in its role as Project Manager. The Katanning LCDC was not expecting the farmers to significantly change their own works plans and therefore didn't think they needed to fully briefed on the required processes. Disbelieving the tightness of the rules initially, the farmer representatives, on behalf of their farmer group, began to challenge these restrictions at both the UC CDI MC and Katanning LCDC levels and subsequently realized that weren't in total control of the project, as they had believed to be the case. The Katanning LCDC was the contracted Project Management body, and the State NRM Office had the final authority on ensuring alignment with the funding intent. This didn't sit well with the farmers, who were accustomed to operating autonomously in both their own business enterprises and as the Upper Coblinine Catchment Group.

The Katanning LCDC members and staff, as the Project Management body, took steps through the standard channels with the State NRM Office to seek a resolution to this error. However, the farmers did not feel in control, as they were not familiar with the decision-making process that was underway. The NRM Office ruling, which affected them as landholders, was out of their hands. Used to being very independent, and not willing to believe the Katanning LCDC's explanation of the process, the Upper Coblinine Catchment Group took their own action, including approaching the authorities directly and moving a vote of no confidence, which they honestly believed would help to bring a positive outcome for the farmers.

Instead, this resulted in a collapse of relationships and trust between the major stakeholders in the project – the Katanning LCDC and the farmers of the project, especially the three farmers who were affected by the decision, who were also the representatives on the UC CDI MC. There was an erosion of faith in the role of the UC CDI MC and a shortening of patience from the State NRM Office towards the farmers.

2008 and 2009 tested governance structures, conflict resolution processes, the strength of contracts, legal interpretations of schedules and clauses, as well as human tolerances and perseverance as the Upper Coblinine CDI project addressed its challenges.

Recommendations from the Upper Coblinine CDI experience

This paper only deals with the learnings resulting from the specific error and its consequences. It does not consider other facets of the project, such as on-ground achievements, and is not intended to overshadow the entire project.

People who work in extension and management of projects for farmer groups can take a number of learnings from the Upper Coblinine CDI experience.

1. Ensure true capacity is appropriately matched to project requirements

Capacity in the case includes the financial ability of the person(s) to be involved, their access to required levels of labour, their ability to be flexible with their resources (e.g. due to seasonal conditions), their understanding of the concepts and principles involved and their attitude and readiness to engage in the project and embrace change. This definition is discussed only in relation to the Upper Coblinine CDI Project and is independent of the personal or group capacity in any other context.

The true capacity of the Upper Coblinine Catchment Group and the individual farmers involved to implement this project was overestimated in comparison to the requirements of the project, particularly during the project development stages. The capacity of a project management body is always assessed prior to agreements being put in place. In this case the Katanning LCDC passed strongly, having managed over $5.6 million of projects over the last ten years. Unfortunately, the selection process didn't assess the farmers capacity to move to the implementation of what had, up to then, been a desk-top model of surface water management. The farmers attitudes towards and prior experience with tree-planting or surface water management on their own farms was not considered. There was a wide range of abilities and experience amongst the group. Most of the farmers had not been involved with a funded Landcare project before. They did not have a strong grasp on the rules, regulations and requirements surrounding a publicly-funded project.

When interested groups were invited to apply for the Catchment Demonstration Initiative (CDI) Program in 2003, the Upper Coblinine Catchment Group appeared well placed. They were a

cohesive group, with scientific data in the form of the Digital Elevation Model and Surface Water Model (Georeality 2004; Szczecinski 1999) which included a works plan almost ready to go, had the financial capacity and were highly motivated. They were one of four catchments in WA to be selected for funding.

When the Katanning LCDC stepped into the project management role, they too perceived a high level of apparent capacity in the group. Therefore, the Katanning LCDCs' engagement strategies were based on the farmers being experienced and with a good understanding of salinity management principles. It took a year for the project management staff to begin to realize that the most of the farmer's true capacity was below the assumed level, and begin to adjust their approach accordingly. This should have been recognized earlier.

Implementation of on ground-works was where this capacity gap first showed up. Most of the farmers actually needed to make a quantum leap in their minds to go from the theory of the model to real implementation on-ground. It was challenging and confronting for them to take a new approach to their farms and farming practices. Support from LCDC staff, technical assistance from project partners and peer support were all crucial in helping farmers to begin the process of adjustment. However, a combination of seasonal factors along with the personal learning curves meant that implementation of works unfortunately progressed at a rate slower than that outlined in the Implementation Plan (Raynor & Hales 2005).

The farmers had begun the project over-confident about their capacity to implement the works. The Upper Coblinine Catchment Group had committed through the CDI project, to implement Landcare works at levels over 10 times greater than other farmers in the district undertake regularly (Maesepp, 2008). They always intended for their overall plan they'd developed to take 20 years, but had to sign up for a specific sub-set of works in the four funded years of the CDI. They chose to put a massive amount of works into the funded program – more than four years worth. No farm managed to achieve full implementation by the end of the four years.

Why was the gap between true and perceived capacity so big? The Upper Coblinine Catchment Group had purchased much of their knowledge of salinity management, through a consultant and model. It wasn't acquired knowledge through personal experiences and research. Thus the complexity of understanding wasn't as strong as it first appeared. More emphasis would have been placed on technical and practical training for the farmers at the out-set of the project if this was unmasked by the Katanning LCDC earlier.

A skills audit of the participant farmers should have been undertaken before the project even commenced, including on-ground skills as well as experience with understanding the administrative sides of publicly funded projects. This should occur in all major projects in the future.

2. Manage expectations of external influences

Although selected for the CDI program in 2003, requirements to prepare an Implementation Plan to the prescribed standard and then receive approval of the document meant the funding agreement wasn't signed until April 2006. Luckily, money starting to flow for on-ground works from April, a CDI Project Officer was employed in September 2006 and progress began to be made (despite a dry season and a locust plague). These long delays, however, had caused scepticism of government processes among the farmers, but they thought that once the agreement had been reached they would be clear of the red-tape and able to implement their project relatively free of government involvement.

However, a great shock to the farmer group was how much control the government still had over "their" project money once the project was underway.

The UCCG strongly believed in their model and Implementation Plan and thus the farmers were very resistant to some of the project requirements imposed on them. Unfortunately the works maps in the Implementation Plan were never ground-truthed and some lacked technical rigour, as they were put together in a hurry to satisfy funders' requirements and time-frames. Thus while project management became aware of the need for continual assessment by technical experts and modifications of the plans, the farmers got very frustrated at the constant requirement for external involvement. Some farmers felt strongly against works they wanted to implement having their technical merit assessed by advisors – they just wanted to do it their way, and expected public financial investment to follow.

Due to the lack of experience housed within the farmer group of being involved with Landcare funding, the farmers had some un-realistic expectations. The farmers did not understand that being involved in a publicly funded project meant that a rigorous financial and milestone reporting process was in place, there were strict boundaries for project funding expenditure, a

variation request process and that each quarterly report was analysed by the State NRM Office for adherence to the funding agreement and its schedules. The farmers felt disempowered, but this sentiment only became apparent through responses to an anonymous survey of participant farmers, conducted as part of the Monitoring and Evaluation component of the CDI in late 2008 (BestFarms 2008).

The survey collected comments such as "As soon as dollars were involved we were dictated to, told what we could and couldn't do", "…funding was given but there was pressure to spend it within tight timeframes and the process was slowed by the government…", "we had to change quite a bit of the plan to work in with government" and many other similar statements (BestFarms 2008). These show how some farmers didn't view the funding as an opportunity to implement a portion of their overall model concept, but instead interpreted it as outside influences forcing them to change their master plan to match the strict program requirements. The project was always to be four years, yet because they signed up to extremely high levels of works they consequently felt under pressure from the time-frames the funding body was then demanding of them to meet targets. This misunderstanding of their "hand being forced" started to brew negativity about the project and it's governance structures.

Farmers expectations were not adequately managed from the very start about the wider network that was involved in the project and the strict controls surrounding public money.

3. Ensure understanding of project governance frameworks

The Funding Agreement and its Schedules may sometimes seem like background documents that, once signed and the money received, don't need to be bothered with. That couldn't be further from the truth, and it is fundamental that everyone involved in administering a project, whether in a paid or voluntary role, has a comprehensive understanding of all the clauses, and the possible implications they could have for the project.

Unfortunately the major downfall in relationships in the Upper Coblinine CDI project occurred when the farmer members misinterpreted a standard clause in all West Australian NRM funding agreements as a deliberate attempt from the Katanning LCDC to cause financial harm to the farmers.

It was at this point that it became apparent that the farmer representatives on the Upper Coblinine CDI Management Committee really didn't understand the full width and breadth of the system that Landcare funding works in. The clause had been brought to their attention retrospectively in relation to the error that had occurred, with the intention of explaining why certain actions were being taken. Their reaction was anger and a sense of injustice instead of a feeling of re-assurance and structure. Major attempts by Katanning LCDC staff and Committee members to explain, clarify and discuss the intent of the clause weren't successful, as, rightly or wrongly, trust had been lost. This began a major downward spiral in the working relationships between project stakeholders.

Many of the farmers of the Upper Coblinine Catchment Group wanted to know the full details of their funding arrangement, seeking information from their representatives on the UC CDI MC. Not realizing that that information was flawed, no communication was made to project staff for further explanation. Thus the inconsistency in understanding wasn't noticed, as the LCDC retained its' usual policy of managing project administrative requirements on behalf of, not in collaboration with, the farmers. This was a contributing factor to the strong resistance put up by the group towards the Katanning LCDC and the State NRM Office once difficulties arose and the misunderstandings became obvious. Rotating the people filling the farmer representative roles on the management committee could have been one way this issue could have been addressed.

Many WA NRM funding agreements are similar. People who have experience with these documents from previous projects, such as agency and NRM group members, have a responsibility in up-skilling those people who are new to these agreements – in this case, the farmer representatives. Unfortunately, this hadn't occurred in this instance.

Simply giving an inexperienced person the documents to read, or tabling them at a meeting, is not enough. Following from the experiences of the Upper Coblinine CDI, project managers should go through the agreement, in detail, at a minuted meeting of the project management committee. This not only ensures that everyone is familiar with the documents, has opportunities to ask questions and seek clarification on any of the clauses, but also provides proof that all members have in fact been made aware of all of the binding legal requirements of the funding provided.

Although these farmers are high capacity, proficient business managers in their own rights, and capable contract managers as a group, public funding management is different to corporate management. The difference between these two task-specific skill sets must be recognised.

4. Ensure roles are clearly separated to manage governance risk

It is important that there is a clear definition of roles and responsibilities, and great care must be taken to ensure that the lines between different roles are not blurred. In the Upper Coblinine CDI, this was done both extremely well and extremely poorly in different cases.

One of the great strengths was the division of the Project Officer and the Project Manager roles. Through the smooth running stages of the project, this division could have been described as "in the field" and "paperwork", with one person dealing directly with the farmers, spending a lot of time in the catchment, liaising and arranging technical support, field days, meetings etc, and the other taking the office roles of reporting and finance management. When the dispute arose, this division became invaluable. The Project Manager became the "villain" who dealt with the contractual issues, the State NRM process and directly with the angst of the farmer group about project management issues. The Project Officer could continue to work with the farmers with very little damage to personal relationships, and ensure that on-ground implementation and support continued as it should.

The weakness in the Upper Coblinine CDI was the overlapping of conflicting roles within individual people, and the mismatching of skill sets to roles. This was most apparent in the farmer representatives on the management committee. With very little experience in public money management, they were required to be making recommendations about the operation of the project, while actually being major on-ground implementers themselves. This was even more compounded by the fact that a farmer was placed in the role of Chairman. This was intended to ensure strong engagement and ownership by the farmers in this project. However, the Katanning LCDC had failed to recognize the danger of placing a person into an influential role who lacked deep understanding of the processes he was involved in administering, was not part of the project management group and was heavily involved in implementation on his own property.

Future project management teams need to seriously consider the positions they place people into, especially when working with volunteer groups.

5. Have strong conflict resolution processes in place

Unfortunately, the Upper Coblinine CDI project reached the stage of conflict where internal resolution was not possible. The conflict remained unresolved and eventually led to the highly undesirable situation of legal action being taken by the farmers against the State NRM Office. The in-effective conflict resolution processes of both the Katanning LCDC and the State NRM Office, coupled with a persistent lack of clear understanding of the contracts in place by certain farmers and a refusal to follow protocol, resulted in a wide range of negative consequences.

Once the farmers had felt they couldn't trust the Katanning LCDC any more, they approached the State NRM Office directly. The State NRM Office highlighted the previously agreed governance structure, and stated clearly that all dealings had to go through this chain of command – the NRM Office would talk with the Katanning LCDC (project managers), not directly with the farmers. Yet they continued to approach the NRM Office and made matters worse.

The handling of a simple error through a well structured resolution process had been complicated through poor understanding, communication and relationships between project stakeholders. It drew extra scrutiny to the project, and caused the closure of the project to be considered. That did not eventuate, but the State NRM Office was now watching the Upper Coblinine CDI with great interest, and may possibly even be reviewing its contractual processes for all NRM projects in WA – the farmer group having no idea of the magnitude of problems their approaches had made.

And the farmer group itself also began to suffer internally, as not all members agreed with the disruptive actions being taken.

The Upper Coblinine CDI project demonstrated how important it is for project management bodies to have local and high-level conflict resolution strategies in place and staff adequately trained to implement them. Often the level of conflict resolution training provided to extension staff is of low level, involves easily resolvable skill sets, and does not provide the training needed for major conflict. It also needs to be recognized that sometimes a situation simply cannot be resolved at a particular level.

Conclusion

The Upper Coblinine Catchment Demonstration Initiative has made excellent environmental improvements to the catchment, planting more than 280,000 native seedlings, establishing 1300 ha of perennial pastures, installing 46 km of surface water management banks, 185,400m^3 of dam storage space and erecting almost 200 km of fencing. As impressive as this truly is for a group to achieve, when put in perspective against the original project goals, it shows how un-realistic the matching of project to the group was, despite the best intentions of those involved. Only dams and valley floor earthworks reached their implementation goals. Fencing came close, with 95% of the original goal achieved, but native revegetation (67% achieved), perennial pastures (55% achieved), mid-slope earthworks (39% achieved) and commercial revegetation (0% achieved) all fell well below.

Even though there was great environmental success, striving to reach those goals came at a very large cost to the people involved. The combination of inexperience, misunderstanding and a very large project caused much anguish amongst the landholders involved. The management staff and committees found the project extremely stressful. The Landcare system is supposed to care for the people who care for the land, as they are the major asset in addressing environmental problems. A project this big and demanding for a catchment group with an inappropriate level of capacity and experience does not “care” for the people.

It is critical that NRM projects are not designed for environmental outcomes alone, but also consider the people who are integral to making them happen.

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