EUFORE

Policy brief

Possible futures for the forest and forest-based sector: The role of policy

Setting the scene: The EU Forest Strategy

The future of the forest and the forest-based sector is shaped by policies that set the direction on how forests can contribute to addressing global challenges. At the heart of the EU policy framework related to forests lies the EU Forest Strategy for 2030, a core element within the EU Green Deal and the EU Biodiversity Strategy for 2030. It sets a vision and concrete actions to improve the quantity and quality of EU forests and serves as a core vision for advancing sustainability, climate action and reverse biodiversity loss while ensuring rural development. The strategy explicitly broadens the range of priorities and services associated with forests in Europe, thereby highlighting their multifunctional role in society.

To do so, the strategy supports forests' socio-economic functions for preserving prosperous rural areas and for boosting wood and non-wood forest-based bio-economy - including ecotourism - and promotes skills development and people empowerment. Simultaneously, the strategy aims to improve the quality and quantity of EU forests by further protecting, restoring, enlarging and sustainably managing them.

EUFORE – the European Forest Research and Innovation Ecosystem project – is supporting the implementation of the strategy by working to improve the sector's research and innovation funding and governance structure. To overcome the fragmentation of public research efforts in the EU, the EU Forest Strategy calls for an European research and innovation partnership on forests and forestry, which is currently being developed under the leadership of the SCAR Forest (Standing Committee on Agricultural Research Strategic

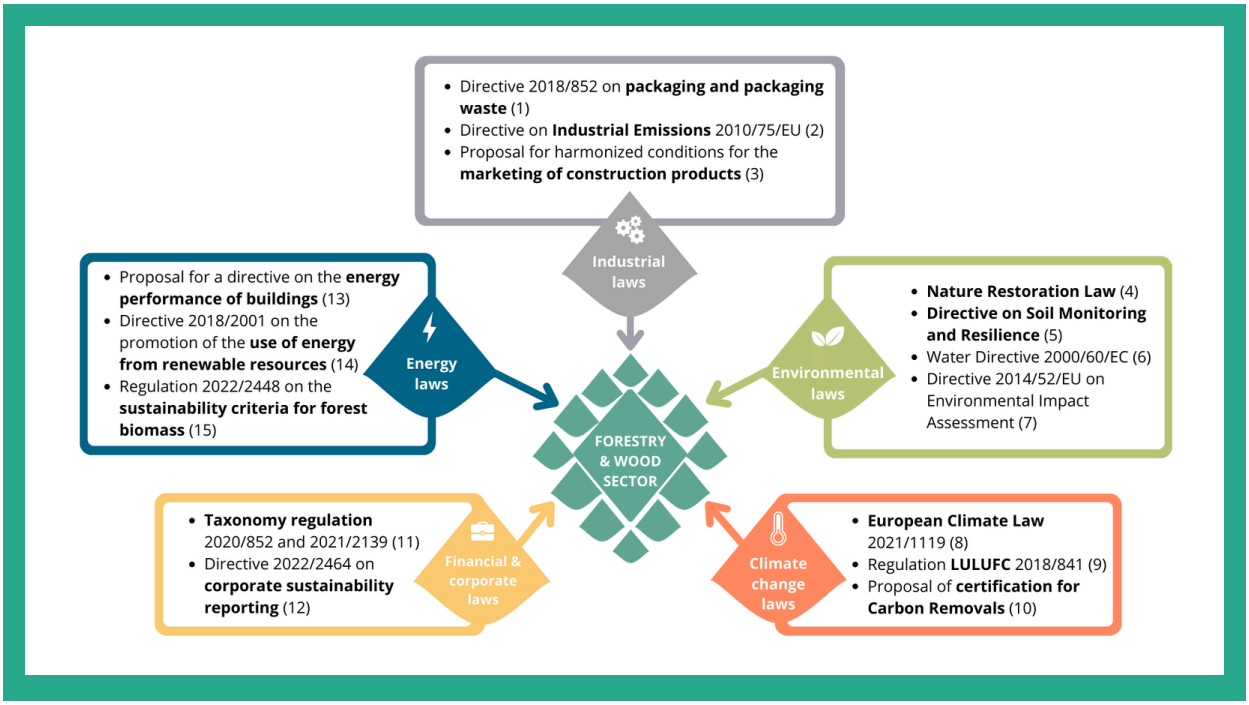
Working Group on Forests and Forestry Research and Innovation). The EUFORE project contributes to this effort by developing a Strategic Research and Innovation Agenda (SRIA) for the forest and forest-based sector.

EUFORE: Analysing forest-related policies

Understanding the future impact of EU forest-related policies on the forest and forest-based sector is essential for sustainable development in Europe. For this reason, EUFORE aims to build scenarios for possible policy implementation paths and related research needs. This work is grounded in a comprehensive analysis of forest-related EU policies and their impacts on forest management, ecosystem services, wood demand, and climate adaptation capacity. By carrying out this analysis, EUFORE aimed to answer two research questions:

· What are the main forest-related policy objectives and measures in the EU?
· How might the foreseen implementation of the EU forest-related goals and measures affect forest management and their related industries' activities?

The primary selection of policies for analysis was derived primarily, but not exclusively, from a first screening of the EU Forest Strategy for 2030. The analysis then focused on key legal policies extracted from 79 identified policy instruments within policies, strategies or laws from diverse policy areas, including industry, energy, finance and business, climate change and environment, showing that forests are directly or indirectly influenced by a varied set of sectors and their interlinkages. Legal factors were prioritised as considered particularly important to understand how different legislative changes might impact forest ecosystems, management practices, and related industries. Each policy was assessed for its main objectives, legal provisions, and potential implications on the forest and forest-based sector.



The analysed legal instruments

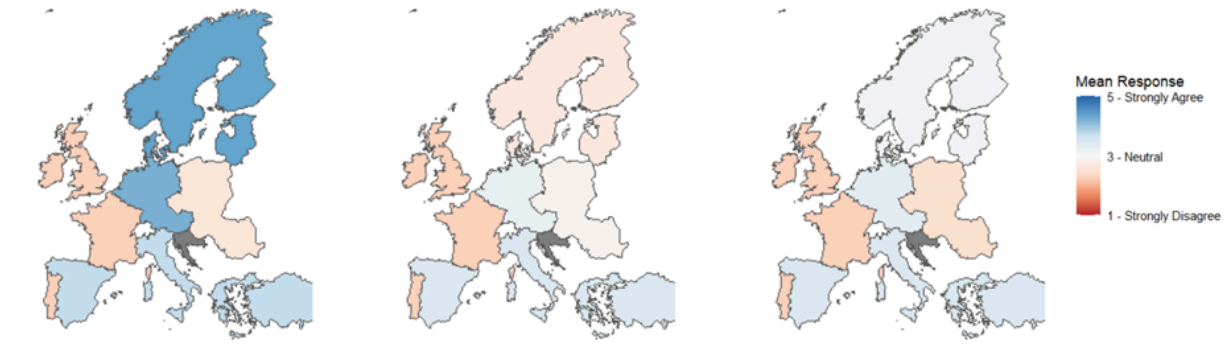
The findings were complemented by inputs from stakeholders gathered during two dedicated workshops and a survey used to investigate on 35 developed policy statements.

The analysis showed that different policy areas' goals are co-existing, affecting forests and the forest-based sector. The strongest and most robust results relate to the potential implications of the EU forest-related legal framework on forest management and wood supply. The main stakeholders' views on the related statements are represented in the following maps.

How might the foreseen implementation of the EU forest-related legal framework affect forest management?

1. Most of the new Climate-related European legislative framework (8, 9, 10) could support multifunctional forest management.	2. Directive on Soil Monitoring and Resilience (5) could increase strict protection and limit clear-cuts, especially in high slope areas.	5. Nature Restoration Law (4) promotes close-to-nature forestry and carbon sinks, whilst limiting clearcuts and monocultural coniferous plantations.

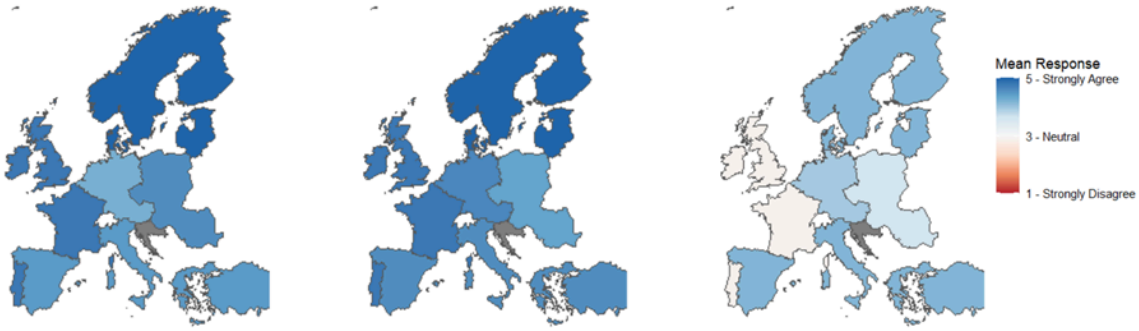
4. Taxonomy Regulation (11), Directive on Corporate Sustainability Reporting (12) and the Proposal of Carbon Removal Certification (10) could increase investment in afforestation, land restoration and carbon sinks rather than investment in multifunctional forest management.	6. Directive on Soil Monitoring and Resilience (5), Directive on Environmental Impact Assessment (7), European Climate Law (8) and Directive on Corporate Sustainability Reporting (12) could constitute the legal framework with the most significant effects on biodiversity conservation.	7. European Climate Law (8) could support carbon sinks through strict protection and close-to-nature forestry.



Stakeholders' views on policy statements regarding forest management

How might the foreseen implementation of the EU forest-related legal framework affect wood supply?

11. Most of the new EU legislative framework (2, 4, 5, 7, 8, 9, 11, 12, 14) in all sectors could increase monitoring costs and administrative burden, leading to a potential decrease in supply of wood.	12. Some climate and environmental new regulations (4, 5, 7, 8, 9) could increase restrictions in harvesting, leading to a potential decrease of supply of wood. Harvesting costs will increase and more wood will be left in the forest.	18. European Climate Law (8) and the Directive on Industrial Emissions (2) will increase the limitations on industrial operations and enhance processes to prevent pollution.



14. European Climate Law (8) could increase carbon sinks and therefore wood production could decrease.	15. European Climate Law (8) could promote carbon storage in products and therefore wood production could increase.	19. Directive on the Promotion of the Use of Energy from Renewable Sources (14) reinforces principle of cascade use of wood, which could reduce the primary supply of wood for fuel in the long term, but other ecosystem services may be enhanced.

Stakeholders' views on policy statements regarding wood supply

Informing possible futures

The analysis provides a good overview of how existing legal frameworks from different policy fields could influence forest management, market dynamics and forest ecosystems, therefore informing possible futures:

- Policies affecting forests relate to different policy areas, going beyond the environmental domain, and reflecting the multifunctional role of forests to society.
- Different policy goals prioritization could shape different scenarios, indicating that different pathways are possible to achieve EU policy goals and ensure compliance with laws and policies.
- Potential synergies and conflicts may exist among existing legal instruments.
- Different policy-driven implementation paths for forest management and trends for wood supply and demand arise.

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Recommendations for policymakers

Working for enhanced coherence among EU forest related policies and their goals

Aligning and synergising EU policy goals affecting the forest and forest-based sector will require an integrated and coherent EU policy framework, alignment of policy with legal instruments across sectors and regions, and coordination across the different policy areas that directly and indirectly influence the sector.

Aligning EU policies' goals with legal provisions and integrating supporting measures

Given the breadth of legal instruments, across policy areas, affecting the forest and forest-based sector, implementation and achievement of policy goals related to forests may be eased through the provision of clear legal provisions, also supported by economic, information and capacity-building measures.

Accounting for the diversity of forest ecosystems and socio-economic contexts in Europe

EU policies and regulatory frameworks related to forests confront a wide array of contexts, namely diverse types of forests, reflecting the region's geoclimatic diversity, and different socio-economic contexts, as well cultural and technical practices. Acknowledging these differences and diversity in policy and regulatory frameworks, while addressing EU goals across all EU territories and ensuring harmonised interpretations, remains a challenge. Successfully addressing this challenge may increase acceptance across the EU.

Ensuring inclusive and participatory policymaking: policies for and with all

Given the diversity of stakeholders, including society at large, youth, women and indigenous communities, that are and will be involved in and affected by the forest and forest-based sector, the EU policy framework related to forests should ensure an inclusive and participatory process to policymaking, accounting for different viewpoints and making stakeholders part of the solutions envisaged.

Unifying administrative procedures in EU policies

Unifying the administrative procedures in the EU legislative framework related to forests may ease implementation.

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