

**Workshop on policy consequences of EFSOS  
20-21 June 2005, Budapest**

**UK National Report**

**1. *In what ways are the EFSOS 'Conclusions and Policy Recommendations' (p209-226) relevant to the UK?***

The conclusions and recommendations set out in this section are widely relevant to the UK, given that forestry in the UK is heavily influenced by factors at an international level. A number of issues raised in this section have a special resonance in the UK:

- a. **“Forests have a huge potential to contribute to sustainable development” (p210)** – Sustainable development is at the heart of UK forest policy, in terms of the desirable environmental characteristics of wood products, and in terms of the contribution that forestry makes to market and non-market goods and services.
- b. **“Economic viability of forest management” (p218)** – The returns to forest management in the UK (as elsewhere) have been beset by price falls for timber since the mid-1990s. Forests and woodlands also generate substantial levels of social and environmental benefits (e.g. open-access recreation, biodiversity, landscape) for which forest owners are not fully rewarded through markets. Developing new products and market opportunities for forest goods and services is a major challenge for the sector.
- c. **“Cross-sectoral policy impacts” (p213)** - UK forest policy has become strongly cross-sectoral in recent years. Other sectors to which forests and woodlands have important contributions to make include agriculture, energy, economic regeneration, tourism and health. Forests are becoming recognised increasingly in other government departments (e.g. Department for Environment, Food and Rural Affairs) for their role in supporting wider economic, social and environmental objectives.

**2. *Which of the policy scenario assumptions made in EFSOS fits best to the situation in your country?***

Some speculation is inevitable here. With regard to the three growth scenarios (p133), the baseline option appears to be a reasonable outlook for the UK. EFSOS projections that working age population in Western Europe will decline assume that this section of the population is aged 15-59, but there is pressure in the UK to increase the upper limit of working age. New technology and knowledge-based growth may be expected to be important goals.

With regard to the three scenarios on p150-151, the following assumptions seem pertinent:

- There will be an increase in demand for environmental enhancement and conservation of forest resources in the future. There have already been substantial shifts of UK policy and practice in this direction. There may be particular pressure for *nature oriented forest management* (p143) that is compatible with timber production.
- *Incentives for social and environmental benefits from forestry and wood products use* (p144) – this is a topic of increasing interest in the UK, not necessarily to convert forests from timber production to nature conservation but to enable forest owners to benefit from the provision of non-market goods and services.
- *Changes in agricultural, rural and regional development policies* (p144). Forest-related activities have acquired increasing role in subsidy systems affecting land-use. Forests are actively promoted as an integral part of rural development and in some areas (peri)urban regeneration.
- *Intensified innovations and changes in the competitiveness of wood products* (p146) – technological improvements will continue to be an important means to maintain competitiveness of UK forest products.
- Wood biomass is a significant policy issue (*Promotion of renewable energy sources* - p148). The role of forests and woodlands in carbon sequestration (*climate change* – p148) will continue to attract attention.

**3. What kind of significant changes are you expecting with regard to your country's forest sector policy in the next 3-5 years as a (direct or indirect) result of the EFSOS analysis, conclusions and recommendations?**

EFSOS is one of a number of important studies and documents that may influence policies in the UK but it is difficult to tie future policy changes specifically to EFSOS. In some cases, it underlines policy developments that are already underway (e.g. changes to the CAP) and in other areas it can help to promote interest and awareness of issues that fall within the radar of policy-makers (e.g. further development market instruments for non-market benefits – these may take some time to develop). It has, of course, important potential to stimulate a forward-thinking approach and help the sector to think of future product and market opportunities.

Areas where EFSOS has a particular role include:

- increasing awareness in the UK forest sector that many of the problems and opportunities facing UK forestry also face forestry across Europe - for example, the continuing pressure on the financial viability of forest management.
- encouraging policy-makers and forestry managers to think about where future opportunities lie, including highlighting forest-related activities where the UK may have a comparative advantage – for example, the further development of engineered wood products – and thus where future priorities lie for research and investment.
- emphasising the message that the forest sector is strongly interlinked with policies from outside the sector, and that a cross-sectoral approach to policy will help forestry to demonstrate its value to society and to provide

avenues for improving its own performance. This is an important message for both those within and outside the forest sector.

#### **4. Who uses the information, conclusions and recommendations presented in EFSOS in your country?**

- senior managers, policy advisers and specialists (e.g. economists and statisticians) in the Forestry Commission.
- The private sector (through representative associations) is aware of the EFSOS - a presentation was made in June 2004 to senior private sector representatives.

#### **Who else could potentially benefit from EFSOS?**

- NGOs (including bodies with economic and social remits as well as environmental bodies)
- universities and research institutes

#### **5. What process is used to make EFSOS known and review it at the national level?**

- senior managers have been made aware of EFSOS through an internal memo and presentation by the FC economist, and through ongoing discussions about how to take the findings of EFSOS forward in the UK.
- an article by the FC's economist will be published shortly in the forestry industry magazine *Forestry and British Timber*.
- Adrian Whiteman from the FAO gave presentations on EFSOS at the 2003 ICF conference and the 2004 Scottish Forestry Cluster conference.

#### **6. What significant information/analysis/ideas are added to national policy debate (inside and outside sector) by EFSOS?**

Forestry-related policies across the UK have evolved considerably in recent years to reflect the actual and potential contributions that forestry can make to a wide range of policy agendas. EFSOS provides 'original' research on future projections for forest resources and products and on policy scenarios within a very broad context that draws together the many different strands of multifunctional forestry. Much of the value of EFSOS is therefore based on its comprehensive approach that allows different stakeholders in forestry to see where they fit in.

The main contribution that EFSOS can make to policy debates is to highlight topics of policy interest and to provide robust and systematic analysis which is often lacking in discussions about future trends.

More specifically:

- The conclusions on forest product prices help to focus thinking on the need for innovation in developing new products and markets for forest goods and services.

- The geographical breadth of the study is particularly valuable in analysing how forestry in the UK will be influenced by factors operating at a Europe-wide level, and how the structure of the forest sector will differ across Europe.
- The analysis of other key trends (e.g. FAWS, removals, production) and probabilities is useful in thinking about how the most likely impacts of different scenarios.

**7. Do you have any comments on the EFSOS country profile for your country?**

The broad trends shown in the graphs appear reasonable, although it is not clear why the ratio of fellings to increment is lower under the integration scenario than under the baseline scenario.

**8. What are your suggestions and comments with regard to further UNECE/FAO Forest Sector Outlook Studies?**

The broad scope of EFSOS, including the policy scenario analysis, is welcome and should be pursued in future studies. Defining the precise objectives and scope of future studies would benefit from stakeholder consultation at an early stage.

Analysis of forest resources and markets for forest products should remain within future studies. However, more in-depth analysis of the non-market contribution of forests and woodlands is needed – such contributions represent a major component of the ‘output’ of forests and have major implications in terms of public preferences concerning woodlands and of the role of forests in meeting wider social and economic objectives.