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Updating Beliefs and Combining Evidence in Adaptive Forest Management under Climate Change: A Case Study of Norway Spruce (*Picea abies* L. Karst) in the Black Forest, Germany

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31 **Change: A Case Study of Norway Spruce (*Picea abies* L. Karst) in the Black Forest, Germany**
32

33 **Abstract:** We study climate uncertainty and how managers' beliefs about climate change develop
34 and influence their decisions. We develop an approach for updating knowledge and beliefs based on
35 the observation of forest and climate variables and illustrate its application for adaptive
36 management an even-aged Norway spruce (*Picea abies* L. Karst) forest in the Black Forest,
37 Germany. We simulated forest development under a range of climate change scenarios and forest
38 management alternatives. Our analysis used Bayesian updating and Dempster's rule of combination
39 to simulate how observations of climate and forest variables may influence a decision maker's
40 beliefs about climate development and thereby management decisions. While forest managers may
41 be inclined to rely on observed forest variables to infer climate change and impact, we found that
42 observation of climate state, e.g. temperature or precipitation is superior for updating beliefs and
43 supporting decision-making. However, with little conflict among information sources, the strongest
44 evidence would be offered by a combination of at least two informative variables, e.g., temperature
45 and precipitation. The success of adaptive forest management depends on when managers switch to
46 forward-looking management schemes. Thus, robust climate adaptation policies may depend
47 crucially on a better understanding of what factors influence managers' belief in climate change.

48 **Keywords:** *Adaptive decision-making, Bayesian updating, Dempster's rule, LandClim, Biomass*
49 *production*

50

51 **1. INTRODUCTION**

52 Climate change is projected to have significant impacts on forest resources ([Kirilenko and](#)
53 [Sedjo, 2007; Xu et al., 2009](#)). However, uncertainty regarding the degree of climate change we are
54 facing, and uncertainty regarding how forest ecosystems will respond to climate change ([Millar et](#)
55 [al., 2007; Xu et al., 2009](#)) present severe challenges with respect to developing robust adaptive
56 management strategies ([Kirilenko and Sedjo, 2007; Yousefpour and Hanewinkel, 2009](#)). While
57 previous studies have addressed adaptive decision approaches in relation to climate change (e.g.
58 [Jacobsen and Thorsen 2003; Armstrong et al. 2007; Prato 2008; Heltberg et al. 2009; Probert et al.](#)
59 [2010; Williams, 2011](#)), few have explicitly considered how uncertainty influences the adaptive
60 decision making process ([Williams, 2012](#)), or how managers' beliefs regarding climate change will
61 influence their management decisions.

62 Information about climate change is dynamic and as more reliable information becomes
63 available, the uncertainty that the decision maker deals with is reduced over time ([Prato 2008;](#)
64 [Heltberg et al. 2009; Probert et al. 2010; Bernetti et al. 2011; Williams, 2011](#)). The aim of this
65 study is to evaluate how managers may use a combination of information sources to update
66 knowledge and beliefs relevant for adaptive decision making. Most studies of adaptive forest
67 management implicitly assume managers to be rational and to have perfect knowledge of both the
68 state of the system and its possible future trajectories or distributions, given available information
69 ([Pukkala and Miina 1997; Jacobsen and Thorsen 2003; Yousefpour and Hanewinkel 2009](#)).
70 However, forest managers often base their decisions on multiple information sources that may be

71 contradictory or be associated with varying uncertainty (Ducey 2001; Anada and Herath 2005;
72 Hoogstra 2008). In response to this divergence decision-making models incorporating various levels
73 of ‘bounded rationality’ have been developed to address variations in forest managers’ use of
74 information and formation of expectations regarding the future (Hoogstra 2008; Jacobsen et al.
75 2010; Probert et al. 2010).

76 In a general adaptive management approach, each decision is based on observed trends and
77 fluctuations of particular stochastic variables and the resulting beliefs about the future states of
78 nature. Since we are not always able to describe and quantify uncertainty comprehensively, it is
79 useful to include the formation of beliefs in the decision making model. A central aspect of such an
80 approach is to decide what information and observations to include in belief formation and in which
81 combinations. In the case of climate change and decision making for forest resources, one could
82 argue that there are two obvious main sources of natural science information for assessing on-going
83 and future climate change: climate and forest variables. Repeated, direct observations of climate
84 variables have the advantage of providing reliable information on variations and changes of climate.
85 Information on the development of forest variables is less direct measures of climate change, as
86 they are influenced also by other factors, and subject to lagged effects of past conditions. However,
87 they have the advantage that that there is a long tradition of observing forest resources in
88 established monitoring frameworks. Furthermore, forest variables – in the long run- contain
89 information on the response of forests to climate change. Therefore, we consider climate and forest
90 variables and mixtures thereof as the basis for forming beliefs about on-going climate change and
91 its impacts..

92 We used climate scenario simulations and climate sensitive forest ecosystem model to
93 address three research questions: 1) What is the relative value of climatic and forest state data for
94 updating beliefs regarding future climate trajectories? 2) Does combining multiple data sources lead

to a quicker convergence of a manager's belief state about climate change? 3) How do information and updated beliefs affect adaptive decisions on forest resources under climate change impact?

We seek to answer these questions for a case study in the Black Forest area of Germany by investigating decision making patterns for a manager maximizing at each decision node the expected value of objective function, using available information to form beliefs about forthcoming climate changes, and deciding upon a set of alternative actions. In this process, decision-maker applies Dempster's rule (Dempster, 1967) for combining evidence from both climate state and forest state observations, and by using Bayesian theory (Bayes and Price, 1763) for updating beliefs. Thus, the modelling concept in this study is a combination of microeconomic and experience-based decision-making in the modelling context of coupled human-natural systems (An, 2012).

2. MATERIAL AND METHODS

We consider a decision maker who aims to optimize management so as to maximise either long-term forest productivity (Total Biomass Production¹, **TBP**) or minimize forest windthrow damages. These objective functions, **OBJ**, are optimized by choosing at a given time step the best performing. We calculate the expected **OBJ** to determine the optimal decision, taking into account the process and value of learning about climate and forest variables. The **OBJ** measure represents the expected value of a particular management of the forest area that has been found as the best available conditional on the beliefs about the different climate change scenarios being true. In the following, we first describe a generic approach of how to apply the method for a given case, and then we specify how specific data are used for the case study.

¹ The total biomass production (**TBP**) at a given time is defined as a flow consisting of the sum of harvested biomass (HB), biomass from mortality (BM: competition, fire, windthrow, dieback) and the decadal biomass increment (DBI: cumulated growth (not harvested) in the forest ($\text{biomass}_t - \text{biomass}_{t-1}$)).

116 2.1. Generic model

117 2.1.1 Climate scenarios

118 We consider I scenarios of climate development (e.g. as Kirilenko and Sedjo, 2007 used
119 realizations of in IPCC A1f) and calculate a time series of mean values (trajectories) for a given
120 climate variable (e.g. temperature, precipitation). We add a stochastic component capturing the
121 uncertainty and variation around any scenario development by including i.i.d. stochastic shocks
122 according to a Wiener noise process with variance σ_i^2 across state and time. Thus, the observed
123 state of the climate related variable $\hat{\theta}_t$ at time t for scenario i is given by:

$$\begin{aligned} \hat{\theta}_t(\text{scenario}_i, t) &= x_{it}(\text{scenario}_i, t) + \varepsilon_{it} \\ \text{and } \varepsilon_{it} &\sim N(0, \sigma_i^2) \end{aligned} \tag{1}$$

125 where $t = 1, \dots, T$, $i = 1, \dots, I$, x_{it} denotes the mean trajectory of scenario i at time t , and ε_{it} is an
126 error with normal distribution around mean 0 and scenario-specific variance, σ_i^2 .

127 2.1.2. Decision maker's beliefs and information processing

128 We set up a decision framework where the decision maker holds a set of beliefs regarding
129 the likelihood of each climate scenario being true. We also define how the decision maker may
130 change his beliefs using Bayesian updating given new observations. Let w_{it} ($w_{it} = \Pr(\text{scenario}_i, t)$)
131 be the belief at a given point t that a particular climate scenario i is unfolding, such that beliefs are
132 complete:

$$\sum_{i=1}^m w_{it} = 1, \quad w_{i,t} \geq 0 \tag{2}$$

134 As time passes and new information on the climate (either from forest or climate variables),
 135 as given by $\hat{\theta}_t$, is obtained, the plausibility of each climate change scenario is reassessed and the
 136 weights w_{it} are updated using Bayes' theorem (Bayes and Price, 1763):

$$137 \quad w_{it+1}(\hat{\theta}_t) = \Pr(\text{scenario}_i | \hat{\theta}_t) = \frac{\Pr(\hat{\theta}_t | \text{scenario}_i) \Pr(\text{scenario}_i, t)}{\sum_{i=1}^I \Pr(\hat{\theta}_t | \text{scenario}_i) \Pr(\text{scenario}_i, t)} \quad (3)$$

138 The weights at time $t + 1$ depend on the belief in a climate change scenario and on the
 139 observed climate state at time t . The observed $\hat{\theta}_t$ is a measure indicating the present climate state,
 140 and its values are simulated as described in Eq. 1. Based on the updated probability values (w_{it+1}),
 141 we assign a belief mass to each scenario to be the actual development of the climate state.

142 2.1.3. Combination of evidence

143 We applied Dempster's rule (Dempster, 1967; Bernetti et al., 2011) for the combination of
 144 multiple updated beliefs (each based on a different observed variable) to produce a single combined
 145 belief in each climate change scenario. The combination of two beliefs $w_{it}(A)$ and $w_{it}(B)$ based on
 146 two sorts of evidence, A and B , and supporting a climate change scenario (scenario_i) is calculated
 147 in the following manner:

$$w_{it}(\text{scenario}_i) = \frac{\sum_{A \cap B = \text{scenario}_i} w_{it}(A)w_{it}(B)}{1 - k}$$

when $\text{scenario}_i \notin \emptyset \wedge w_{it}(\emptyset) = 0$

148 where $k = \sum_{A \cap B = \emptyset} w_{it}(A)w_{it}(B)$ (4)

where k measures initial beliefs in conflict between different sorts of information and is determined by summing the products of the beliefs for all sets where the intersection is null, i.e. where one of the pieces of information does not support **scenario_i** at all. This rule is commutative, associative, but not idempotent or continuous (Dempster, 1967; Jøsang and Pope, 2011). The denominator in Dempster's rule, $1-k$, is essentially a normalization factor, which has the effect of leaving out conflict and attributing beliefs associated with conflict to the null set. Dempster's rule can easily be generalized for a combination of three (or more) different sources of information.

2.1.4. Choice of management actions

We determine the management action as a function of the objective, time, and current observed state of the system and the beliefs in the various climate change scenarios (w_{it}). At each decision point, alternative decisions are evaluated for all possible combinations of scenario weights, $W_t = \{w_{1t}; w_{2t}; \dots; w_{It}\}$. Therefore, the decisions depend on the forest managers belief-type probabilities for the transition from one state to another (Eq. 3) and the value associated to that state.

We use $E(w_b, t; \theta_b, x_t)$ to denote the expected value of a management strategy, a_{tj} , from time t to the end of planning period T , given the observed state of information and other relevant state variables x so that the optimal action a_{tj} satisfies

$$\max_{a_{tj}} / \min E(W_t, t; \theta_t, x_t) = \sum_{i=1}^I w_{it} OBJ_{it}(a_{tj}; \theta_t, x_t) \quad (5)$$

The value function $E(W_t, t; \theta_b, x_t)$ is the weighted sum of the expected rewards at decision point t from action j given **scenario_i** (Eq. 5). The scenario weights w_{it} are the updated beliefs as in Eqs. 3 and 4, and it is this updating and combination process that ensures that our management is adaptive by definition.

171 2.2. Case study

172 2.2.1. Study area

173 The simulated landscape is a 570 ha block of even-aged Norway spruce forest located
174 between 500 and 800 m a.s.l. at the westerly side of the Northern Black Forest mountain range
175 (48°40' N, 8°13' E), Germany. The forest is comprised of 401 stands that range in size from <0.1
176 ha to 11.5 ha. Norway spruce dominates the forest because of afforestation and historic
177 management. Under non-managed conditions, a mixed European beech (*Fagus silvatica* L.) forest
178 is expected, with oaks (*Quercus* spp.) increasing in proportion towards lower elevations, and Silver
179 fir (*Abies alba* Mill.) and Norway spruce (*Picea abies* (L.) Karst) increasing at higher elevations
180 (Müller et al. 1992, Ludemann 2010).

181 2.2.2. Data for climate scenarios

182 In our analysis, climate data are used in two ways. First, they are one of the primary drivers
183 of forest dynamics in the applied forest ecosystem model LANDCLIM model and therefore influence
184 forest state through time. Second, they influence the forest manager's belief about climate state
185 (w_{it}), and therefore the manager's propensity to adopt and implement alternative management
186 actions.

187 We used three different climate scenarios (Table 1): A no-change scenario (**Historic**), a
188 moderate (**SMHI**) and a high (**HCCPR**) climate change scenario (Collins et al. 2006; Kjellström et
189 al. 2011; Temperli et al., 2012). The **Historic** climate scenario is based on observed monthly
190 temperature and precipitation data from 1950 to 2000. The climate change scenarios cover a range
191 of uncertainty about predicted mean figures of climate variables over time. The influence of climate
192 uncertainty on managers' belief state was included by assuming that all forest and climate variables
193 had a standard deviation of $\sigma_i = 0.3$ (in Eq. 1) that follows Allen et al. (2000), Collins et al. (2006),

194 Kjellstrom et al (2011), studying the forecasting uncertainty of climate change, and Xu et al. (2008),
195 studying the uncertainty of forest landscape response to climate change.

196 **Table 1**

197 **2.2.3. Simulation of forest development and management**

198 We simulated forest development and forest management actions in the case study region
199 using the forest landscape model LandClim (Schumacher et al. 2004, 2006, Elkin et al. 2012,
200 Temperli et al., 2012). The model simulates forest development (regeneration, growth and
201 mortality of 32 tree species represented as age cohorts) within 25×25 m grid cells on a yearly time
202 step, while landscape disturbances (fire, wind) and forest management are updated every decade
203 (Schumacher et al. 2004, Schumacher and Bugmann 2006). Fire disturbances are climate dependent
204 and reflect the influence that climate change has on fire occurrence and spread, whereas the
205 frequency and size of windthrow disturbances is a user defined variable. The three climate scenarios
206 that we tested did not include any projected shifts in wind disturbances, and we therefore use the
207 same wind disturbance settings in each. Climate change driven shifts in forest composition and
208 structure will alter windthrow risk depending on tree species and tree size, but these long term
209 indirect changes are not projected to impact windthrow occurrence until the later part of the 21st
210 century. Nevertheless, risk of extreme events and observation of consequent damages is very
211 important for the behavioral study of forest managers' perceptions and beliefs about climate change
212 and consequent decisions (Spence et al., 2011). For a more detailed description of the application of
213 the model to the case study region, see Temperli et al. (2012).

214 We simulated four alternative management regimes (a_{ij}) by varying species- and age class-
215 specific thinning intensities and assuming that future management will vary along a gradient of
216 timber production vs. biodiversity provision oriented management goals. The first represents a
217 business-as-usual scenario that continues even-aged Norway spruce management. The other three

218 regimes represent potentially adaptive alternatives that aim to convert the current monocultures of
219 even-aged spruce to uneven-aged forests, and to promote a transition to more regionally adapted
220 deciduous species. These alternatives were developed using descriptions of the management
221 regimes that are currently applied or recommended for the study area (MLR 1999, Spiecker et al.
222 2004, Duncker et al. 2007, cf. Temperli et al. 2012 for details). The management alternatives are
223 described in order of decreasing management intensity and timber production focus.

224 **M1:** Under the past (business-as-usual) even-aged Norway spruce regime, highest possible
225 timber production is achieved by clear-cutting stands when dominant trees reach a target diameter
226 (DBH) of 45 cm. Following clear-cutting, the stands are replanted with Norway spruce and thinned
227 to foster growth and maintain the monoculture.

228 **M2:** The first adaptive strategy converts stands to uneven-aged mixed Douglas-fir/silver fir
229 using target diameter harvesting. Windthrow resistance is believed to be improved and the species
230 mixture is better adapted to a warming climate while valuable coniferous timber is still produced
231 (Schütz et al. 2006).

232 **M3:** The second adaptive strategy is an uneven-aged mixed forest management regime,
233 combining timber production with promotion of biodiversity; a structurally rich Norway spruce-
234 dominated forest with continuous cover was promoted, allowing naturally regeneration of
235 deciduous trees, Douglas-fir and silver fir comprising 20-40% of the species mixture.

236 **M4:** The third adaptive strategy aims at biodiversity promotion by conversion to natural
237 vegetation, e.g. beech. To this end, Norway spruce is thinned strongly. Otherwise, forest
238 management is restricted to a minimum of infrastructure maintenance (e.g. hiking trails).

239 We simulated forest development between 2010 and 2100, and incorporated two decision
240 points (2010 and 2050) when each of the four management alternatives could be implemented
241 resulting in 16 different forest management pathways. All management pathways were simulated

for each of the three climate scenarios that we used. To account for stochastic processes in LandClim (e.g., windthrow disturbance), we ran 15 independent forest simulation replicates. For this analysis we aggregated the results at the landscape level, and averaged the results over the 15 replicates.

2.2.4. Input for belief updating

Three forest variables, total biomass production, windthrow damage (expressed as annual biomass loss at the landscape level) and a biodiversity indicator (Shannon diversity, see Temperli et al. 2012), were selected as the observed forest variables. Three climate state variables were selected: two visible and known climate variables namely average minimum temperature and annual precipitation, and an annual drought index (ADI) as more complex and scientific understanding of climate condition. ADI was used to capture average dryness over the $m = 12$ months of the year. It measures amount of water transpired by the trees relative to their evaporative demand for soil water (see details in [Schumacher et al., 2004](#)).

2.2.5 Implementation of the analysis for belief updating and decision-making

For each climate change scenario, we started the analysis with a simulation of the mean trajectories of climate variables (as described in section 2.2.2) and the development of forest state under management actions (cf. section 2.2.3). Monte Carlo sampling was carried out for the climate and forest variables (100,000 iterations for each period with replacement), from which sets of realisations were drawn, thereby providing information for the decision maker. Based on the simulated data, the belief in each climate change scenario was updated applying the Bayesian theorem (Eq. 3). The process of acquiring climate data, implementing actions and updating beliefs was repeated at 10-year intervals. Simulations were run from current states of forest and climate ([Temperli et al. 2012](#)), thus establishing initial priors ($w_1, w_2, \dots, w_I$) to express the beliefs in the different climate scenarios. We analysed the sensitivity of the procedure to different sets of initial

beliefs ($w_{it} = \{0,0.2,0.4,0.6,0.8,1\}$) and subject to Eq. 2) and applied Bayes' theorem (Eq. 3) to update beliefs at each period (2010, 2020, ...) and based on the observation of different climate and forest variables (Eq. 2). At each decision point (i.e., 2010, and 2050), we combined the evidence using Dempster's rule (Eq. 4) to calculate a unique updated belief about each climate change scenario (w_{it}). We investigated different combinations of the examined evidence (e.g., temperature+ precipitation, temperature+ **TBP**, or **TBP**+ windthrow) to evaluate how different combinations affected the speed towards certainty in belief in the actual scenario. Subsequently, we considered the performance of management actions as measured by $OBJ_{it}(a_{jt})$ until the end of the planning horizon (2100) to identify the optimal adaptive action (Eq. 5) incorporating the manager's current belief (w_{it}). The entire exercise was undertaken for three different climate change scenarios being the underlying true scenario, allowing us to assess interactions between type of future and belief formation.

3. RESULTS

3.1. Learning about the actual climate development

Figure 1 shows the results of a sensitivity analysis for different underlying true scenarios (left-most column) and across the set of initial beliefs ($w_{it} = [0,1]$). Different sets of initial beliefs result in different updatings, we show the mean and variance of the beliefs masses across initial beliefs. These are shown in Figure 1, where the size of squares represents the mean degree of beliefs in the actual realization and the shade of squares illustrates the variance of updated beliefs across initial beliefs. The bigger the square, the stronger the belief and the darker the square, the larger variance between updated beliefs and the less sensitivity to initial beliefs and the less difference between initial and updated beliefs over time. The beliefs over the nine time, $w_{i1}-w_{i9}$ periods are shown until certainty is reached. Depending on the source of information, the average

time needed for the decision maker to be certain of the actual climate change scenario varies considerably. For some sources of information (e.g. ADI), the signals are so weak that the decision maker remains unsure for the entire period ($w_{i9} < 50\%$). This is particularly true for **SMHI** and **HCCPR**. However, if there are very large change in climate states, e.g. in the case of precipitation under **HCCPR**, typical changes over the next ten years will allow the decision maker to make up his mind already by 2020.

Climate variables like temperature and precipitation were evidently more reliable sources of information under some climates than forest variables. In contrast, the climatic and ecological index **ADI** performed poorly. Within the forest variables, the development of annual biomass production, **TBP** would be the best choice compared to the observations of windthrow damage or species diversity, which are much less sensitive in the short term. Note that forest properties in this model are influenced by a range of other factors besides climate. In this model, climate may change the species composition which in turn changes the forest's windthrow susceptibility and consequently would affect windthrow damage and species diversity. In this case these indirect climatic effects were not strong enough and/or were masked by other factors influencing forests dynamics to serve as reliable sources of information about climatic developments.

Figure 1

3.2. Combining different sources of evidence

When several lines of climatic evidence are used in combination, the manager's belief state can converge on the actual climate scenario in a single 10 year time step (Figure 2). This happens no matter what the actual scenario is. For forest variables, however, the time needed before complete confidence in the actual scenario is reached is somewhat longer (20 years). Combining two forest variables i.e. **TBP** and biodiversity (species richness) may yet delay the inference and add more uncertainty e.g. $w_2 = 76\%$ (standard deviation around 42%), when the actual climate change scenario is **SMHI** or **HCCPR** compared to climate variables (temperature and

precipitation). This is less ($w_2 = 65\%$) when we combine all three evidence from forest variables **TBP**, species richness and windthrow damage (standard deviation = 42%).

Under the climate change scenarios **SMHI** and **HCCPR**, combining a forest variable (i.e. **TBP**) with a climate variable (i.e temperature) was not as efficient as combining two climate variables. When forest and climate variables were combined, 100% confidence in the actual climate was not achieved for twenty years. In this case, a confident belief in the actual climate change scenario could be reached after two decades of observations (i.e. after twenty years at 2030).

Figure 2

3.3. Management decisions over time

With the adaptive management concept of this paper it turns out that in the Black Forest area, at the initial decision point (2010), the optimal decision for **TBP** maximization throughout the entire planning horizon (2010-2100) would be **M2** (Uneven-aged mixed forest), irrespective of the initial beliefs. In this case, **M2** is therefore dominant. Note that this result also depends on the initial state of our case study in the Black Forest area ([Temperli et al. 2012](#)) and the values for maximum **TBP** varies between 7.2-9.5 m³/ha/year. However, although **M2** is the optimal choice at the first decision point (2010), it loses dominance at the next decision point in the middle of the planning horizon (2050), where a change in management scheme may be considered. Thus we focus the presentation of results under **TBP** objective on the 2050 decision point, cf. Table 2. As shown in Figure 1, the decision maker will know the true underlying climate with some certainty by 2050. At this point, if climate change is taking place and the objective is to maximise biomass production, **TBP**, adaptation will result in a switch from **M2** to **M4** (i.e. natural vegetation, see detail in section 2.2.3). Table 2 shows details of the changes in management regimes for the decision point in 2050.

To maximize **TBP**, the adaptive decision under **SMHI** or **HCCPR** is to switch to **M4**, whereas continuing with **M2** is only best option if there is no change in climate state (Historic scenario). Perfect decisions (grey areas – and perfect in the sense of having beliefs in accordance

with the true scenario) may not be different from decisions under doubt ($w_{is} < 100\%$), but they support decision-makers with correct expectations about the performance of management actions e.g. for the maximization of **TBP**. For example, the perfect decision on **TBP** maximization under the actual scenario **SMHI** will be **M4** with **TBP** = 8 m³/ha/year, where the same decision **M4** will be made under a high uncertainty ($w_5 = 34\%$, evidence = **ADI**) with a misleadingly high estimate of **TBP** = 10 m³/ha/year (+25% comparing to the factual case).

Table 2

To minimize windthrow damages, optimizing management decisions is more complicated even if changes in windthrow activity were not included in the scenarios. As we show in Table 3, the initial decisions (in 2010), are slightly more sensitive to the initial beliefs regarding the future climate development. Depending on the set of initial beliefs, any of the management regimes, except **M1** (Even-aged Norway spruce, the business as usual management regime), may come into consideration. However, **M4** (relying on natural vegetation) is dominant under strong **HCCPR** beliefs and, in most cases, the dominant choice under the **SMHI** and **Historic** scenarios. **M2** (Uneven-aged mixed forest) and **M3** (Uneven-aged Douglas/silver fir) would be optimal decisions if the initial belief in the **Historic** scenario is strong ($> 60\%$) under the **Historic** and **SMHI** climate scenarios, respectively. **M4** is the optimal adaptive decision if the simulated realised scenario is **SMHI** and results in a minimum of 0.19 m³/ha/year biomass loss for the planning horizon (2010-2090). The decision is changed to decision **M3** if the initial belief is imperfect ($w_{2I} = 0-40\%$) based on a misleadingly high expected biomass loss of 0.23-0.27 m³/ha/year (+2-4 % compared to the simulated realised case in grey area).

However, in spite of this initial variation, once the decision maker reaches the next decision point (2050), there is a general preference for switching to **M3** (see Table 2) in order to minimize the windthrow damage for the rest of the planning horizon (2050-2090). This adaptation is not

needed if **SMHI** is the realised climate change scenario and **M3** was already chosen as the optimal solution in 2010. Similar to **TBP** maximization, decisions for the minimization of windthrow disturbances under the condition of imperfect knowledge about the actual climate change scenario ($w_{i5} < 100\%$) are the same as when beliefs coincide with perfect knowledge (grey area) and the decision (continue with or switch to **M3**) is constant, but the expected outcomes can be different and misleading.

Table 3

4. Discussion

4.1. Belief updates based on different sources of information

When uncertainty cannot be described by a simple known stochastic process or probability density function, but is instead reassessed in the form of beliefs, the adaptive decision behavior depends strongly on what sources of information that beliefs rely on, and how these are linked to the underlying stochastic process of interest (Yousefpour et al., 2012). The implementation of effective adaptive management in response to climate change requires that managers have access to accurate information regarding the direction and magnitude of climate change, and an accurate assessment of how the system will respond to the climate drivers. Climate variables may be direct evidence of climate change, but are not necessarily easily available or straightforward to interpret. In contrast, forest data are well known to forest decision-makers, but may be influenced by factors other than climate, and there may be significant time lags before the forest ecosystem responds to the climate signal. However, monitoring forest state to adapt the management actions to the new conditions e.g. simulating forest growth under climate change is currently the most applied and recommended procedure in forest management (Jacobsen and Thorsen, 2003; Millar et al., 2007; Bernetti et al., 2011). We found that climate variables were the most efficient sources of information for rapidly revealing the simulated climate change scenario to a manager. Simulations

suggested that an aggregate climate variable, such as a drought index, and forest response variables were less efficient. Moreover, if there is no change in climate conditions, most climate sensitive variables will be able to reveal this fact with certainty sooner ($w_2 = 100\%$) or later ($w_6 = 100\%$) depending on the variable under observation (Figure 1). The reason for this in our model is the considerable difference between climate variables across climate scenarios as defined in Table 1.

Evidently, the results of the present study are subject to a set of assumptions especially about the trends and variability of forest and climate variables and the set of climate change realizations. Assuming a higher standard deviation than $\sigma_i = 0.3$ would delay the recognition of the actual climate change realization e.g. to several decades and a lower standard deviation would accelerate the recognition unrealistically e.g. to less than a decade. Considering different set of potential climate change realizations in the study will affect the results. The more divergent climate change realizations, the faster recognition of the actual realization. The important qualitative contribution of our study; that the type and combination of information matter for expectation formation and adaptive behavior, remain valid in spite of the model determinism.

Focusing on short-term climate changes may be a poor basis for long-term decisions in forest management (Bugmann, 2003). Long-term analysis of management strategies for multiple rotations has a long tradition in forestry (Pukkala and Miina, 1997; Jacobsen and Thorsen, 2003; Spiecker, 2004). Adaptation to climate change necessitates the implementation of actions in the short term (Kirilenko and Sedjo, 2007; Yousefpour and Hanewinkel, 2009; Williams, 2011) to prevent forests from being adversely affected in the long term (Millar et al., 2007; Xu et al., 2009). Analysing the impacts of climate change on the risks of forest disturbances (e.g. windthrow, fire) may improve decisions about the timing and the appropriate adaptive actions to mitigate the loss and severe damages (Millar et al., 2007; Bernetti et al., 2011). In our study, the risk of windthrow is not related to the climate state but to the forest state, which in turn is affected by climatic

413 conditions. This is the reason why windthrow was a poor variable for the recognition of actual
414 climate state (Figure 1) and may have been more affected by management actions than climate
415 change.

416 **4.2. Combination of evidence and effects of adaptation on forest management**

417 We applied Dempster's rule of combination ([Senz 2002](#); [Raje and Mujumdar 2010](#)) for
418 considering more than one source of information to simulate the process of forming a belief about
419 climate change. The combination results show that direct climate observations outperform forest
420 variables as short-term indicators of climate state. Furthermore, we combined climate and forest
421 variables to examine the efficiency of such combinations and found that they were less efficient
422 than a combination of two climate variables, but equally efficient as two forest variables.
423 Nevertheless, combining a climate variable with supplementary evidence, either in the form of
424 forest state or additional climate variables generally does speed up updating the beliefs towards the
425 recognition of the true climate trajectory. We note, however, that the application of Dempster's rule
426 should be investigated further for the case of climate change in order to apply a suitable type of
427 Dempster's rule for data fusion (e.g. [Jøsang and Pope 2011](#)).

428 Adaptive management has been suggested as the most promising avenue of research to deal
429 with decision making under uncertainty (Williams, 2012) especially the uncertainty inherent in
430 climate change ([Heltberg et al. 2009](#); [Probert et al. 2010](#); [Williams, 2011](#); [Yousefpour et al. 2012](#)),
431 whether this will in fact lead to a change in management or not. Moreover, Hahn and Knoke ([2010](#))
432 outline that adaptive management maintains or even increases future options depending on the
433 adaptive capacity of a system. In our example of adaptive forest management in the Black Forest,
434 we found that a decision maker who focuses on total biomass production will initially favour
435 conversion to an uneven-aged mixed forest. If the objective is to minimize windthrow damage,
436 there will be a need for diverse interventions and adaptation measures by switching the management

437 scheme through planning horizon. After revealing the actual scenario at the middle of planning
438 horizon (2050), all management schemes would be switched to the robust strategy of uneven-aged
439 Douglas/silver fir to maintain a windthrow resistant uneven-aged stand structure by adapting
440 species mixture to dryer climate for the rest of the period (2050-2100, Table 2).

441 **4.3. Implications for future research**

442 We have focused on Dempster's rule of combination, but we stress that there are alternative
443 rules for the combination of information in evidence theory. Many of these are adapted versions of
444 Dempster's rule (e.g. [Sentz 2002](#); [Raje and Mujumdar 2010](#); [Trokanskaya et al. 2011](#); [Bernetti et al.](#)
445 [2011](#)), whereas others are more general ([Jøsang and Pope 2011](#)).

446 In the simulations undertaken in this study, we found swift convergence in the decision
447 maker's beliefs towards the actual scenario. This is true for the updating based on a single variable
448 (Figure 1), and even more so for the case of combined evidence. The scenarios (**Historic**, **SMHI**
449 and **HCCPR**) are quite different from each other. This, in combination with the limited variation
450 we allow around the inherent trend of the scenarios, implies that the distributions over a few
451 decades diverge enough for most of the information sources to result in full or almost full
452 concentration of the belief mass. Future research should focus on relaxing this restriction of the
453 current simulations, and analyse the effects of variation in climate state variables across a more
454 comprehensive set of possible climate scenarios. Furthermore, due to the computationally heavy
455 forest simulation model used here, our simulations had to be restricted to ten-year intervals and two
456 decision points only. While this has no influence on the qualitative results of our study, it does not
457 suffice to answer important "real-world" questions such as those referring to the optimal timing of
458 management switches. The conceptual approach presented in this study may be combined with
459 balancing economic and environmental optimization procedures to chive multiple goals and manage
460 the decisions' risks.

461 **5. Conclusions**

462 Uncertainty regarding climate change and its impacts on forests identifies the need for more
463 accurate regional climate projections and forest models, and highlights the fact that forest managers
464 make decisions within an uncertain environment. Modelling and analytic approaches that explicitly
465 take into account how managers may update their beliefs about actual climate developments have
466 the potential to lead to more robust policies regarding adaptive management. Continuous
467 observation of climate states by the decision maker, and comparisons with the predictions of
468 various climate models should ensure advancements in knowledge and updated assessment of the
469 likely degree of changes. In the application analysed in this paper we find that updating climate
470 beliefs based on climate data is superior to forest data, because the latter may include feedback
471 processes and lags whereas the former directly and more rapidly indicates the direction and the
472 degree of changes in climate. This is important for forest management as the tradition of forest
473 managers is to observe what is happening in the forest and climate data may not be so easily
474 acceptable and understandable. We found that a combination of evidence increase the value of the
475 information considerably, but still information reflecting more directly climate change variables are
476 the most important sources. Our results stress the importance of getting a better understanding of
477 how forest managers form beliefs about future climate change and its impacts. If substantial groups
478 of forest managers are reactive or base their beliefs on past observations and experiences from
479 forest management ([Hoogstra, 2008](#); [Jacobsen et al 2010](#)), our results shows that they may continue
480 to rely on risky non-adapted forest management strategies for a considerable part of the next
481 century.

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Appendix A: Detailed description of simulated management regimes

This appendix contains additional information on the implementation of the five management regimes in LandClim. An overview and the details on the quantification of harvesting and entry thresholds are presented in Table A1.

1. Even-aged Norway spruce (EN)

The objective of this management regime is the profitable production of Norway spruce timber, whereas other forest goods and services (FGS) such as forest diversity are only promoted to the legal minimum. The final harvest is accomplished as a clear cut when the dominant trees in the stand reach the production target of 45 cm diameter at breast height (DBH; Spiecker et al. 2004, p. 140). After harvest the stand is replanted with Norway spruce. In the course of stand development, a tending prescription to control species mixture and multiple thinning operations are conducted to decrease competition-induced growth reductions and mortality (Duncker et al. 2007, pp. 21 and 22).

2. Uneven-aged mixed forest (UM)

The aim of mixed forest management is the simultaneous provision of timber, wildlife habitat, forest diversity and recreation opportunities. For economic reasons Norway spruce is maintained also on sites, where it does not occur naturally. Mixed forest management aims at a structurally rich Norway spruce dominated continuous-cover forest, whereby naturally regenerating deciduous tree species and silver fir contribute 20-40% basal area to the species mixture (MLR 1999, pp. 23f.). Trees are harvested individually or in groups, when species-specific target diameters are reached (target diameter harvest; Spiecker et al. 2004, p. 140). Dominance of the crop tree species Norway spruce and silver fir (*Abies alba* Mill.) is promoted by a tending and thinning prescription applied to small and medium-sized trees, respectively. Due to the low natural regeneration of Norway spruce in the lower part of the study area, 80 spruce saplings of 0.01 t biomass are planted per ha every decade. Assuming a maximum rotation length of 200 years this corresponds to the recommended maximum planting density of 1600 saplings per ha (MLR 1999, pp. 23f., Duncker et al. 2007, pp. 18f.).

3. Natural vegetation (NV)

The promotion of forest diversity and resilience to disturbances by converting the Norway spruce forest to the predominately deciduous natural vegetation is the aim of this management regime. Natural vegetation is understood as the species mixture and stand structure that develops as a result of the local environmental conditions and disturbance regimes under a minimum of anthropogenic interventions. The strategy is to reduce Norway spruce dominance by target diameter harvest and heavy thinning (MLR 1999, Spiecker et

al. 2004). Thereby spruce timber can be harvested, while at the same time natural regeneration is promoted in the gaps opened by the thinnings. To account for fellings to safeguard hiking trails and other infrastructure, a small proportion of large trees is harvested each decade. Other than that, no management is applied. We did not implement a prescription that aims to remove or suppress the regeneration of the neophyte Douglas-fir. This might collide with the term “natural vegetation”, but was intended in order to reveal the post-management competition dynamics of the current species pool that includes Douglas-fir.

4. Uneven-aged mixed Douglas/silver fir (UD)

This adaptive management regime pursues the adaptation of the species mixture to projected changes in climate by converting the present Norway spruce forest to a Douglas-fir (*Pseudotsuga menziesii* (Mirbel) Franco var. *menziesii*) and silver fir dominated forest. The main management goal is the production of coniferous timber and the promotion of deciduous species to foster forest diversity is of minor importance. To promote Douglas- and silver fir other species including Norway spruce are heavily thinned in both early and medium development stages. Norway spruce trees are harvested throughout once they reach the production target, whereas 20% of the number of harvestable trees of other species including Douglas- and silver fir are excluded from harvest to increase stand structural diversity. In order to account for an increased windthrow risk under climate change (e.g., Blennow and Olofsson 2007) we implemented the production target for Douglas-fir lower as it is currently recommended (48 instead of 80 cm DBH; MLR 1999).

5. Uneven-aged mixed oak (UO)

The goal of this conversion regime is to adapt the Norway spruce forest to increasing temperatures and drought by promoting oaks and associated drought-resistant species. A diverse mixed oak forest is considered to be more resistant to windthrow and insect disturbances than a coniferous monoculture (Spiecker et al. 2004, Wermelinger et al. 2008). The conversion of the present Norway spruce forest is undertaken by two shelterwood cuts followed by under-plantings of oak (MLR 1999, pp. 27 and 28, Spiecker et al. 2004, pp. 139-142). Within a first 30-year period each stand is entered consecutively starting with the most stocked one. By cutting gaps 50% of all stems are harvested except for the drought-adapted species (LandClim drought tolerance parameter ≥ 0.33 , cf. Henne et al. 2011). These stands are under-planted with drought-tolerant downy oak (*Quercus pubescens* Willd.) saplings. In a second 30-year period this prescription is repeated the same way, such that within 60 years all stands are entered twice. After this initial conversion phase, target diameter harvest is applied to the resulting uneven-aged oak forest (Table A1). Douglas-fir is suppressed by tending and thinning throughout in order to promote the less competitive oaks and other drought-adapted species, whereas natural regeneration of other species is allowed in both the conversion and the subsequent period.

Table A1: Overview and quantification of business-as-usual (columns 2 and 3) and adaptive (columns 4-7) management scenarios.

Management scenarios				
	Even-aged Norway spruce (EN)	Uneven-aged mixed forest (UM)	Natural vegetation (NV)	Uneven-aged Douglas/silver fir (UD)
				Conversion period (2001-2060) Continuous cover period (2061-2200)
Objective	Timber	Timber/biodiversity	Biodiversity	Species adaptation, timber
Management overview	Highest possible timber production through clear cut when 100 dominant trees/ha (D_{dom}) > 45 cm diameter at breast height (DBH). Following clear cut stands are replanted with Norway spruce and later thinned to increase growth.	Timber production in species and structurally rich forest of high ecological and recreational value. Stands are thinned to promote regeneration and promote conifers. Target diameter harvest is applied.	Conversion of Norway spruce forests to the autochthonous forest. Norway spruce is removed by thinning and target diameter harvest. Tracks are secured by removing unstable old trees.	Future timber harvest is secured by promoting drought-adapted Douglas- and silver firs. Norway spruce is removed by thinning. Maintenance of uneven-aged stand structure by target diameter harvest.
Tending	Enter all stands every decade			
	DBH < 12 cm: Thin to 1750 N. spruce and 88 (5%) other stems/ha	DBH < 12 cm: Thin 30% of stems other than N. spruce and Silver fir	DBH < 12 cm: Thin 70% of N. spruce stems	DBH < 12 cm: Thin 70% of Douglas-fir stems
Thinning	Enter all stands every decade			
	If D_{dom} > 18 cm: DBH $\geq$ 12 cm: Thin to 600 N. spruce and 30 other stems/ha If D_{dom} > 27 cm: DBH $\geq$ 12 cm: Thin to 300 N. spruce and 15 other stems/ha	DBH > 32 and < 48 cm: Thin 30% of stems other than N. spruce and silver fir	DBH > 32 and < 48 cm: Thin 70% of N. spruce stems	DBH > 32 and < 48 cm: Thin 70% of Douglas-fir stems
Harvest	Enter all stands every decade			
	If D_{dom} > 45 cm Clear cut: Harvest trees of all species and sizes	DBH > 48 cm: Harvest 80% of stems of all species	DBH > 48 cm: Harvest 100% of N. spruce stems DBH > 100 cm: Harvest 5% of stems of all species	Enter 1/3 of all stands every decade ranked by biomass Stand opening: Harvest 50% of all stems except for drought tolerant species*. DBH > 32 cm: Harvest 80% of downy oak and Scots pine stems DBH > 48 cm: Harvest 80% of other stems
Regeneration	Plant 4000 N. spruce saplings/ha after clear cut	Natural regeneration plus planting of 80 N. spruce saplings/ha per decade	Natural regeneration	Natural regeneration plus planting of 2667 downy oak saplings/ha after stand opening

* Drought tolerant species: *Castanea sativa* Mill., *Larix decidua* Mill., *Quercus pubescens* Willd., *Pinus sylvestris* L., *Sorbus aria* (L.) Crantz, *Sorbus aucuparia* L., *Tilia cordata* Mill.

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Figures' Caption

Figure 1 Updating beliefs about actual climate change scenario, when Bayesian updating is based on the observation of different climate and forest variables drawn from 100,000 Monte Carlo samplings. Size of squares shows the degree of beliefs (the bigger the square, the higher the belief) and the shade of squares illustrates the variance of updated beliefs (the darker the square, the less sensitivity to initial beliefs).

Scenario = Actual climate change scenario i.e. **Historic**, **SMHI**, **HCCPR** (see details in Table 1) , **ADI** = Annual Drought Index & **TBP** = Total Biomass Production, [†]Average belief mass in the actual climate change scenario, where averaging is across initial beliefs varied systematically in 20% intervals, $w_{1i} = \{0, 0.2, 0.4, 0.6, 0.8, 1\}$ and summing up to 100% (i.e. $\sum w_{1i} = 1$, e.g. $w_{1(Historic)} = 0.2$, $w_{1(SMHI)} = 0.6$ and $w_{1(HCCPR)} = 0.2$), ^{*} Standard deviation in the measured belief mass in the actual climate change scenario , $w_1 - w_9$ = Belief on the actual climate change scenario over time (2010-2090, e.g. w_5 = belief at 2050), cf. [†] and ^{*}

Figure 2 Combining evidence about the actual climate change scenario and based on the observation of different climate and forest variables at 2020 (w_2).

Historic, **SMHI**, **HCCPR** = Climate change scenario (see details in Table 1) , **ADI** = Annual Drought Index & **TBP** = Total Biomass Production, w_2 = belief about the actual climate change scenario at 2020 (after ten years of observations)

Actual Scenario	Variable	Updated beliefs (%)								
		w_1	w_2	w_3	w_4	w_5	w_6	w_7	w_8	w_9
Historic	Temperature	$\in [0,1]$								
	Precipitation	$\in [0,1]$								
	ADI	$\in [0,1]$								
	TBP	$\in [0,1]$								
	Biodiversity	$\in [0,1]$								
	Windthrow	$\in [0,1]$								
SMHI	Temperature	$\in [0,1]$								
	Precipitation	$\in [0,1]$								
	ADI	$\in [0,1]$								
	TBP	$\in [0,1]$								
	Biodiversity	$\in [0,1]$								
	Windthrow	$\in [0,1]$								
HCCPR	Temperature	$\in [0,1]$								
	Precipitation	$\in [0,1]$								
	ADI	$\in [0,1]$								
	TBP	$\in [0,1]$								
	Biodiversity	$\in [0,1]$								
	Windthrow	$\in [0,1]$								

Scale of illustrations:

Figure 1

Figure 2

Table 1: Climate change scenarios i.e. regional circulation model realizations for the IPCC AR4 A1b emission scenario at 828 m a.s.l. in the Black Forest case study area.

Climate scenario	Temperature [°C]			Precipitation [mm]		
	Annual	Summer ^a	Winter ^b	Annual	Summer ^a	Winter ^b
Historic (1950-2000)	7.1	12.4	1.8	1086	573	513
SMHI (2081-2100)	9.3	14.6	4.0	1041	491	550
HCCPR (2081-2100)	11.7	17.3	6.1	1042	473	569

SMHI: Model (RCA30/CCSM3) realization by the Swedish Meteorological and Hydrological Institute ([Kjellström et al. 2011](#)), **HCCPR**: Model (HadRM3Q0/HadCM3Q0) realization by the Hadley Center for Climate Prediction and Research ([Collins et al. 2006](#)).

^a April-September; ^b October-March

Table 2 Optimal decisions for adaptation to climate change at the foreseen decision point (2050) depending on updated beliefs and using different climate or forest variables

Actual scenario	Variable	w_s (%), Belief at 2050)			Decision on management scheme		
		Historic	SMHI	HCCPR	TBP↑	OBJ	Windthrow↓
Historic	Temperature	100	0	0	Continue with M2	14	Switch to M3
	Precipitation	100	0	0	Continue with M2	14	Switch to M3
	ADI	35	33	32	Continue with M2 / Switch to M4	10	Switch to M3
	TBP	100	0	0	Continue with M2	14	Switch to M3
	Biodiversity	100	0	0	Continue with M2	14	Switch to M3
	Windthrow	84	6	10	Continue with M2	13	Switch to M3
SMHI	Temperature	0	65	35	Switch to M4	8	Continue with/Switch to M3
	Precipitation	0	100	0	Switch to M4	8	Continue with/Switch to M3
	ADI	32	34	34	Switch to M4	10	Continue with/Switch to M3
	TBP	0	100	0	Switch to M4	8	Continue with/Switch to M3
	Biodiversity	0	90	10	Switch to M4	8	Continue with/Switch to M3
	Windthrow	7	91	2	Switch to M4	9	Continue with/Switch to M3
HCCPR	Temperature	0	35	65	Switch to M4	8	Switch to M3
	Precipitation	0	0	100	Switch to M4	8	Switch to M3
	ADI	32	34	34	Switch to M4	10	Switch to M3
	TBP	0	0	100	Switch to M4	8	Switch to M3
	Biodiversity	0	10	90	Switch to M4	8	Switch to M3
	Windthrow	11	3	87	Switch to M4	9	Switch to M3

Historic, SMHI, HCCPR = climate change scenario (see Table 1), ADI = Annual Drought Index, TBP = Total Biomass Production, M1-M4 = Management schemes implying different set of silvicultural interventions in planning horizon (see details in section 2.2.3), ↑ = Objective is to maximize a service, ↓ = Objective is to minimize a damage

OBJ = Value of the adaptive decision in biomass (m³/ha/year), Grey area = The realised adaptive decision including perfect knowledge i.e. w_{fs} = 100% about the actual climate change scenario

Table 3 Optimal decisions at $t = 2010$ depending on initial beliefs, when the objective is to minimize windthrow damage

w_T , (% Initial belief)			Decision on management scheme					
Historic	SMHI	HCCPR	Actual scenario					
			Historic	OBJ	SMHI	OBJ	HCCPR	OBJ
0	0	100	M4	0.19	M4	0.19	M4	0.19
0	20	80	M4	0.19	M4	0.19	M4	0.19
0	40	60	M4	0.19	M4	0.19	M4	0.19
0	60	40	M4	0.19	M4	0.19	M4	0.19
0	80	20	M4	0.19	M4	0.19	M4	0.19
0	100	0	M4	0.19	M4	0.19	M4	0.19
20	0	80	M4	0.29	M4	0.22	M4	0.17
20	20	60	M4	0.29	M4	0.22	M4	0.17
20	40	40	M4	0.29	M4	0.22	M4	0.17
20	60	20	M4	0.29	M4	0.22	M4	0.17
20	80	0	M4	0.29	M4	0.22	M4	0.17
40	0	60	M4	0.40	M4	0.25	M4	0.15
40	20	40	M4	0.40	M4	0.25	M4	0.15
40	40	20	M4	0.40	M4	0.25	M4	0.15
40	60	0	M4	0.40	M4	0.25	M4	0.15
60	0	40	M2	0.45	M3	0.27	M4	0.13
60	20	20	M2	0.45	M3	0.27	M4	0.13
60	40	0	M2	0.45	M3	0.27	M4	0.13
80	0	20	M2	0.46	M3	0.25	M4	0.12
80	20	0	M2	0.46	M3	0.25	M4	0.12
100	0	0	M2	0.47	M3	0.23	M4	0.10

Historic, **SMHI** and **HCCPR** = Climate change scenario (details in Table 1), **OBJ** = Minimum windthrow damage ($\text{m}^3/\text{ha}/\text{year}$) expected in average over the planning horizon (2010-2100), **M1-M4** = Management schemes implying different set of silvicultural interventions in planning horizon (see details in section 2.2.3), Grey area = The realised adaptive decision including perfect knowledge i.e. $w_T = 100\%$ about the actual climate change scenario