



SUSTAINABLE
TIMBER
ACTION

BUYING SUSTAINABLE TIMBER

A guide for public purchasers in Europe

2nd edition – October 2013

ICLEI
Local
Governments
for Sustainability



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This guide has been produced by the Sustainable Timber Action in Europe project. More information on the project can be found at the back of the guide, or on the project website www.sustainable-timber-action.org. The recommendations are based on a detailed Background Report, which can be found on the project website.



Project Coordinator:
ICLEI – Local Governments for Sustainability



Fundación Comercio para el Desarrollo (COPADE)



Forest Stewardship Council – Italy (FSC-Italy)



National Association of Local Authorities in Italy (ANCI)



Madrid City Council



Miskolc City Council



The City Government of Rakvere



Alba Local Energy Agency (ALEA)



With the assistance of the European Union

1. INTRODUCTION

Illegal and unsustainable forest practices, together with land conversion for agriculture, are the main causes of deforestation and forest degradation. 50% of the world's forests have been lost in the last 50 years¹, with 130,000 km² lost annually. Deforestation today accounts for more than 18% of all global carbon emissions - more than the entire transport sector.²

These changes have major social as well as environmental impacts. More than a fifth of the world's population, including many indigenous groups in the developing world, rely on forest resources for their livelihoods (FAO, World Bank)³, communities which are consequently vulnerable to deforestation and forest degradation. Poor labour conditions and security for workers in forestry and processing operations are also a concern in the timber industry. Respect for the ILO Core Conventions⁴ is increasingly referenced in sustainable timber policies.



NATIONAL SUSTAINABLE TIMBER PROCUREMENT POLICIES

Several EU Members States (Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, and the UK) have adopted sustainable timber procurement policies and others have developed policies for certain product categories (furniture and paper) or have promoted them in the framework of their national procurement legislation.

An ad hoc working group on public procurement of wood and wood-based products has also published a report and recommendations on incorporating the sustainability goals of the EU and its Member States in timber procurement policies.⁵

The STA website contains a database of resources from different European countries, including policies, tools, guidance and training programmes: www.sustainable-timber-action.org

¹ See www.cpet.org.uk

² The Stern Report (2007) - Stern, N., The Economics of Climate Change, The Stern Review, Cabinet Office - HM Treasury, January 2007

³ See, for instance, www.fao.org/forestry/livelihoods/en/

⁴ Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111) - See online at: www.ilo.org

⁵ Report of the 'Standing Forestry Committee ad hoc Working Group VI on forest information and monitoring.'
Online at: http://ec.europa.eu/agriculture/fore/publi/index_en.htm



What is this guide for?

This guide is designed to provide European public authorities with assurance that the timber products they buy are being produced sustainably.

It offers a straightforward procurement model with text which can be directly inserted into tendering documents. It also offers guidance for authorities that wish to go beyond this and combine sustainable timber procurement with other policy goals (section 3 onwards).

By purchasing, for instance, tropical timber, which may be better suited for certain outdoor products, public procurers can combine tropical forest preservation with sustainable development policies, provided they ask for *certified* sustainable tropical timber.

In several EU countries national sustainable timber procurement policies have been developed to mitigate illegal and unsustainable forest practices (see Box on page 3, with further information included in Annex 2).

If your country has a policy in place you will need to ensure consistency with this.

What timber products do you buy?

Public authorities purchase wood or timber directly or indirectly for a number of products and works, from construction and flooring to furniture, paper and packaging.

For the purposes of this guide a timber product is one that contains wood or wood fibre, including 'recycled' materials, though the recommendations do not directly focus on paper.



WHAT TIMBER PRODUCTS DOES THIS GUIDE COVER?

- Furniture
- Playground items
- Construction products (window frames, wall panels, flooring, etc.)
- Wood chips for energy production
- Fencing
- Pallets & packaging
- Site hoardings

The recommendations are not designed for the procurement of paper products. Many guides on sustainable paper procurement already exist, with some listed on page 24 of this guide.

What is sustainable timber?

A standard definition of sustainable timber, covering environmental, social and economic impacts, will typically consider the following issues:

LEGALITY –

that the forest owner/manager holds the legal right to harvest, and timber is harvested, processed and traded in compliance with relevant international, national and regional laws.⁶

ENVIRONMENTAL SUSTAINABILITY –

that the forest is managed in a way which preserves the health of the forest for future generations. For example maintaining the resources of the forest, the health and biodiversity of the forest ecosystem.⁷

SOCIAL SUSTAINABILITY –

that timber is harvested, processed and traded with respect to the rights and working conditions of those directly affected, for example the traditional usage rights of indigenous populations, or the labour conditions of forest workers.

ECONOMIC SUSTAINABILITY –

that the forest is managed in a financially feasible way, i.e. revenues exceed real costs and necessary investments to secure future yield are being made.

→ **SECTION 2** provides a standard model for the procurement of sustainable timber products

**THE EUROPEAN SUSTAINABLE
TROPICAL TIMBER COALITION**

ICLEI is a supporting partner of the European Sustainable Tropical Timber Coalition (STTC) which hopes to bring of up to 10 million ha of tropical forest under sustainable management by 2015. The EU STTC aims to boost the market for sustainable tropical timber - with public procurement seen as a key tool. It brings together partners from local, regional and national governments, as well as from the private sector. It offers direct support to local governments which commit to sustainable timber procurement.

You can find more detailed information on the support for public procurers on the STA website:
www.sustainable-timber-action.org/the-coalition/





⁶ For a comprehensive definition please see the EU Timber Regulation (995/2010)

⁷ For an internationally accepted definition please see that provided by FOREST EUROPE: www.foresteurope.org



Sustainable forest management certification

Sustainable forest management certification schemes provide independent, third party verification that timber is sourced from sustainably managed forests. These schemes include mechanisms for tracing products from the forest of origin through the supply chain, to the end consumer. The certification of the supply chain is called Chain of Custody (CoC) certification.

There are two main international schemes:

- The Forest Stewardship Council (FSC) – www.fsc.org
- The Programme for the Endorsement of Forest Certification (PEFC) – www.pefc.org

Both of these schemes require compliance with the principles of legality, environmental, social and economic sustainability addressed above, including observing the ILO core conventions throughout the supply chain, and protecting the rights of indigenous populations. Most sustainable timber procurement policies accept either label as one way of demonstrating compliance with their sustainability requirements.



EU FORESTRY STRATEGY

On 20 September 2013, the European Commission has issued a long-awaited policy framework that addresses increasing demand for wood while making sure that forests are sustainably managed.

By 2020, member states will have to show that all forests are sustainably managed. To achieve this, the European Commission will develop “objective” and “ambitious” criteria by 2015 but it has to be seen to what extent it can ensure compliance with these.

A “cascade” principle prioritises uses, starting with wood-based products. This hierarchy also puts re-use and recycling before bioenergy. All forest-related policies are brought together and a number of “strategic orientations” are listed in each of these areas. For climate for example, member states must show how they intend to increase forests’ mitigation potential by mid-2014. Actions to protect biodiversity are also included.

The EU Forestry strategy: http://ec.europa.eu/agriculture/forest/strategy/communication_en.pdf

Going beyond sustainable forest management

The following sections provide recommendations for public authorities that wish to go beyond the purchase of timber from sustainably managed forests and combine sustainable timber procurement with other policy goals such as fair trade, awareness raising, support of local and regional SMEs etc. (section 3 onwards).

1 – SUPPORTING FAIR TRADE IN TIMBER

Trading relationships within the international timber market often mean that forest communities and small forest companies do not sufficiently benefit from the global trade – receiving low prices for their produce, and enjoying little security of livelihood.

The concept of fair trade is designed to ensure that producers in the developing world receive a fair price for the goods they produce, and has proved successful in improving the lives of many families across the world for many other commodities⁸. So far, however, the concept has not been widely applied in the timber sector.

Some initiatives are now starting which combine sustainable forest management and fair trade. Public authorities are well placed to provide the market for fair trade timber products which these initiatives require to be successful, and help drive sustainable development patterns and capacity building in the global South.

→ **SECTION 3** provides options for addressing fair trade principles in timber procurement

2 – AWARENESS RAISING AND SUPPORT FOR SMES

Public authorities may also consider using their timber procurement actions to promote other policy goals.

→ **SECTION 4** presents guidance on:

- Raising awareness of sustainable forestry through procurement
- Supporting small timber businesses in Europe

⁸ According to Fairtrade International, more than 1.2 million producers and workers in 58 developing countries are now benefitting from global sales of Fairtrade labelled products





1. INTRODUCTION

3 – ESTABLISHING A SUSTAINABLE TIMBER PROCUREMENT POLICY

The most effective examples of sustainable timber procurement are based on a clear policy commitment – either as a standalone timber procurement policy or as an element of another policy on, for example, climate protection, or sustainable procurement more widely.

Such policies help to provide the management support across the organisation generally required to make actions effective and permanently embedded in regular procurement.

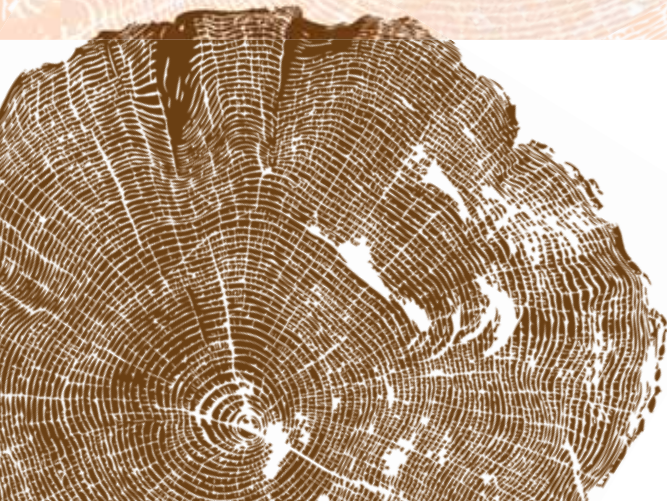
→ **SECTION 5** presents a model for the development of a sustainable timber procurement policy

WOOD FIRST

Timber is a renewable resource and, if sourced correctly, a highly sustainable one. Increased demand for sustainable timber in construction helps to encourage sustainable forest management, increases supply of forest cover, and also performs a useful carbon storage function – with CO₂ contained within the building itself.

Some public authorities are putting in place a “wood first” policy, which requires sustainably sourced wood to be considered, where feasible, as the primary construction material in all new-build and refurbishment projects.

See: www.woodforgood.com



Why buy sustainable timber?

TO ENSURE COMPLIANCE WITH NATIONAL OR LOCAL GOVERNMENT POLICIES AND TARGETS –

An increasing number of national governments have sustainable timber procurement policies in place (see box on page 3). Many local governments are also setting ambitious targets.

TO IMPROVE YOUR CARBON FOOTPRINT –

Purchasing timber from sustainably managed sources can help reduce carbon emissions caused by deforestation. Timber used in construction also helps to store carbon. Carbon emissions related to the transportation of timber products can also be addressed.

TO GAIN PUBLIC RECOGNITION –

An effectively implemented commitment to purchasing sustainable timber will help boost the image of your organisation, and also reduce the risk of bad publicity from pressure groups.

TO HELP PROMOTE SUSTAINABLE DEVELOPMENT –

Purchasing sustainable timber can help preserve the health and functions of global forests for future generations and help protect the rights and livelihoods of people who depend on them, and ensure decent working conditions for forest workers.

TO HELP PRESERVE TROPICAL FORESTS AND GENERATE INCOMES IN THE SOUTH –

Purchasing tropical timber where it makes sense (e.g. outdoor furniture) can contribute to the conservation of tropical forests and help people depending on them to make a living without turning tropical forests into grasslands, plantations or engaging in illegal logging.





Illegal timber

Illegal logging remains a major cause for concern globally, contributing significantly to deforestation and degradation, and threatening the livelihoods of forest communities and law-abiding commercial operators.

As of 3 March 2013, the EU Timber Regulation (EUTR) requires all timber on the EU market to come from legal sources. Operators placing timber on the market for the first time will be required to have a due diligence system in place.

The EUTR is a key element of the EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan that sets out actions to prevent the trade in illegal wood, to improve the supply of legal timber and to encourage demand for wood coming from sustainably managed forests. FLEGT has established **Voluntary Partnership Agreements (VPAs)** between the EU and several timber producing countries for the implementation of a licensing system to ensure that no illegal wood enters the EU from participating countries. As of October 2013, six countries (Cameroon, Central African Republic, Ghana, Indonesia, Liberia, Republic of Congo (Brazzaville)) are developing the systems agreed under a VPA, seven countries (Democratic Republic of Congo, Gabon, Guyana, Honduras, Ivory Coast, Malaysia, Vietnam) are in a negotiating phase, and around 12 countries from Africa, Asia and Central and South America have expressed interest in VPAs⁹. Essentially, FLEGT-licensed timber will be considered as legal for the purposes of the EUTR. However, please note that at the moment no FLEGT-licensed timber is currently available.

Such reliable licensing systems are essential components in ensuring legality, and providing the necessary framework for sustainable forest management. In recognition of this, the UK sustainable timber procurement policy requires FLEGT licensed timber to be accepted as an alternative to timber from sustainable sources, as a way of stimulating demand.

Although the EUTR cannot fully guarantee that all timber purchased by public authorities comes from legal sources, the risk will be considerably lower from 2013.

⁹ See FLEGT website online at: www.euflegt.efi.int/portal/home/vpa_countries/





2. SUSTAINABLE TIMBER PROCUREMENT MODEL

The Sustainable timber procurement model presented below provides criteria for inclusion in all stages of a typical procurement process – subject matter, technical specifications, award criteria, and contract clauses.

Sustainable forest management

Under the technical specifications, two options are provided for defining sustainable forest management:

OPTION 1: Reference to the latest FSC and PEFC standards or equivalent

OPTION 2: Definition based on the UK Government's Timber Procurement Policy¹⁰

OPTION 1 provides a simple and precise approach to defining sustainable forest management to apply within a tender. The FSC and PEFC standards are freely available on the internet to be included as annexes, and provide a simple and reliable form of verification, although other forms of proof of compliance must also be accepted. The principles underlying the standards also address social criteria such as indigenous peoples' and workers' rights. This option reflects the approach currently taken in the national timber procurement policies of Denmark and Germany (see Annex 2)

OPTION 2 instead provides a concise definition of sustainable forest management covering nine principles, including labour and welfare, health and safety¹¹. Social criteria such as the issue of indigenous peoples' and workers' rights are however not included. This definition is taken from the UK Government's Timber Procurement Policy (TPP), although does not include the legal and social criteria which the TPP also requires. This option could be seen as a pragmatic approach for procurers legally uncomfortable to include social criteria as in most cases the timber offered will be certified FSC or PEFC which in fact include social criteria.

There are differing legal interpretations about the extent to which social criteria may be included within technical specifications. Each purchasing organisation would therefore need to take its own decision on whether to take the complete coverage of sustainable management issues of Option 1, or the less complete reference framework of Option 2.

Note: Procurers are advised to first check their own national timber procurement policies including the national reference framework (definition) where ever that exists¹².

¹⁰ See www.cpet.org

¹¹ After discussion with key stakeholders Defra decided to move the text of the criterion relating to labour, welfare and health and safety to the sustainability criteria, rather than the social criteria, to help make it clear this criterion could be used in technical specifications, unlike the existing social criteria, which are seen as related to the performance of a contract and therefore included in the contract performance clauses. [cpet, *Minor Update to the UK Government Timber Procurement Policy Definition of Legal – Explanatory Note*, 2013]

¹² This is particularly the case in frontrunner countries such as the Netherlands, United Kingdom, Denmark, Germany, Belgium and France. Like the UK, the Netherlands, have put substantive efforts in elaborating a set of criteria to serve as a reference framework which is fully operational.



2. SUSTAINABLE TIMBER PROCUREMENT MODEL

Tackling illegal timber

From March 2013 the EU Timber Regulation (EUTR)¹³ prohibits the placing of **illegally harvested timber** and timber products on the EU market. The legislation will require that due diligence is applied by companies that first place timber products on the EU market. This procurement model therefore does not request additional proof of legality.

The reason this guide does not include FLEGT timber is that if an individual public authority wishes to be sure that the timber products it procures comes from a sustainably managed forest, then a FLEGT license doesn't guarantee this. Though some VPAs include conditions that cover several sustainability aspects, the reality is that there is no FLEGT-licensed timber on the market yet.

Reduce – reuse – recycle

In line with a local triple R policy (Reduce - Reuse – Recycle) this standard model also allows for **recycled timber** to be provided by suppliers as an alternative to timber from SFM sources.

SEEKING A COMMON REFERENCE FRAMEWORK ON SUSTAINABLE TIMBER PROCUREMENT

An informal process of alignment of national sustainable timber procurement policies by frontrunner governments has been kick-started at a recent meeting hosted by the Netherlands. There appeared to be a shared conviction that a common reference framework for a sustainable procurement of timber can help to effectively contribute to sustainable forest management as well as enable other member states to adopt a sustainable procurement policy for timber. [Status: October 2013]

¹³ Ibid



RECOMMENDED PROCUREMENT CRITERIA

A – Subject matter and technical specifications

OPTION 1

SUBJECT MATTER:

'Purchase of [product] made of sustainable and/or recycled timber'

TECHNICAL SPECIFICATIONS:

Sustainable forest management or recycled content

At least 70% of the raw material of the [timber product] must either:

1. come from **sustainably managed sources**, in accordance with the latest standards of FSC or PEFC (FSC-STD-01-001 (version 4-0), PEFC ST 1003:2010) or equivalent⁽ⁱ⁾
or
2. derive from post- or **pre-consumer**⁽ⁱⁱ⁾ **recycled material**.
or
3. consist of a combination of material from sustainably managed sources and recycled material

For the avoidance of doubt, compliance with the above standards will be assessed only in relation to the specific production arrangements proposed for the contract in question.

Verification

1. The contractor [supplier, bidder] must agree to provide either of the following forms of proof, when the final goods are delivered⁽ⁱⁱⁱ⁾:
 - a) An invoice containing a valid FSC or PEFC CoC number linked to the product in question specifying the percentage of certified material, ^(iv)^(v) or
 - b) Any equivalent means of proof.^(vi)
2. The contractor [supplier, bidder] must agree to provide credible documentation when the final goods are delivered which specifies the percentage of recycled content.
An invoice containing a valid FSC or PEFC CoC number linked to the product in question, with a declaration specifying the percentage of recycled content will be accepted as proof of compliance^(vii), as will any other equivalent means of proof.

OPTION 2

B – SUBJECT MATTER:

'Purchase of [product] made of sustainable and/or recycled timber'

TECHNICAL SPECIFICATIONS:

Sustainable forest management or recycled content

At least 70% of the raw material of the [timber product] must either:

1. come from a forest which is managed in accordance with a definition of sustainable that meets the requirements set out below:
[insert definition of sustainable forest management from Annex 1 – page 25]
or
2. derive from post- or pre-consumer⁽ⁱⁱ⁾ recycled material.
or
3. consist of a combination of material from sustainably managed sources and recycled material.



2. SUSTAINABLE TIMBER PROCUREMENT MODEL

Verification

1. The contractor must agree to provide either of the following forms of proof, when the final goods are delivered (iii):
 - a) An invoice containing a valid FSC or PEFC CoC number linked to the product in question specifying the percentage of certified material, (iv) (v) or
 - b) Any equivalent means of proof. (vi)
2. The contractor [supplier, bidder] must agree to provide credible documentation when the final goods are delivered which specifies the percentage of recycled content.
An invoice containing a valid FSC or PEFC CoC number linked to the product in question, with a declaration specifying the percentage of recycled content will be accepted as proof of compliance (vii), as will any other equivalent means of proof.

Notes

- (i) For Option 1, for legal reasons procurers should include the latest FSC and PEFC standards for sustainable forest management as an annex in the tender documentation. They should inform themselves of the latest FSC and PEFC standards for sustainable forest management from the FSC and PEFC websites. For FSC, version 5-0 of the given standard will come into force in the near future.
- (ii) Post-consumer waste is material discarded at the end of its useful life. Pre-consumer waste relates to material discarded along the supply chain prior to it being sold to the consumer, e.g. during manufacturing processes. FSC and PEFC have quite different certification requirements for recycled products. FSC requires a minimum of 85% post-consumer recycled material. The remaining 15% must be pre-consumer recycled material. PEFC requires a minimum of 70% post- or pre-consumer recycled content, with the remainder coming from non-controversial sources.
- (iii) As in most cases it will not be possible to assess the origin of the timber products tendered for until they are delivered, it is important for purchasers to include clear requirements on demonstrating proof of compliance within the final contract signed with the supplier. See section on contract clauses below.
- (iv) In a small number of cases (about 1.5% of certified suppliers), FSC may certify products with only 50% content from sustainable sources, therefore the percentage must be requested. PEFC requires a minimum of 70% certified content, so will always demonstrate proof of compliance with this criterion.
- (v) If the authority is unclear about the validity of an FSC or PEFC certification, the procurer may wish to follow the guidance available on the website of the UK central point of expertise for timber procurement (CPET) at www.cpet.org.uk
- (vi) If a contractor [supplier, bidder] does not have relevant FSC or PEFC certification, but supplies equivalent evidence, when checking equivalence the procurer may wish to follow the guidance available on the website of the UK central point of expertise for timber procurement (CPET) at www.cpet.org.uk. Note: The contractor may also consider including a clause that in case of reasonable doubt of compliance during the contract period an external audit might be arranged, on the expense of the contractor. The criteria and procedure must be well defined.
- (vii) The supply of timber products carrying the FSC or PEFC recycled label is currently quite low, although increasing in certain countries. The majority of products carrying the recycled label are paper-based. Other forms of verification will therefore likely be provided by suppliers. Note: While FSC and PEFC look at the origin of the raw material only, other recycling labels look also at the production process (e.g. exclusion of harmful substances). It is up to the contracting authorities to decide whether they want to award additional environmental considerations.

B – Award criteria

The award criteria presented here are applicable for both the procurement models outlined above.

AWARD CRITERIA:

(Note: Assumes the application of the “most economically advantageous tender” (MEAT) model)

Higher % of SFM timber

Up to 20 points ⁽ⁱ⁾ will be awarded to [timber product(s)] where more than 70% of the raw material either:

1. comes from sustainably managed sources according to the definition included in the technical specifications.
or
2. derives from **post- or pre-consumer recycled material**.
or
3. consists of a combination of material from sustainably managed sources and recycled material

20 points will be awarded to products containing 100%. 0 points will be awarded to products containing 70%. Points will be awarded on a sliding scale in between.

Verification

- a) The verification requirements are identical to those outlined in the technical specifications.

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C – Contract clauses

As in most cases it will not be possible to assess the origin of the timber products tendered for until they are delivered, it is important for purchasers to include clear requirements on demonstrating proof of compliance within the final contract signed with the supplier. This should include:

- The definition of sustainable forest management and/or recycled content included in the technical specifications
- The form of verification required from the supplier upon delivery of the product
- The procedure to be followed and penalties to be incurred for non-compliance

The UK Government’s Timber Procurement Advice Notice, provides precise wording which may be included in contracts. See: www.cpet.org.uk

Note

- ⁽ⁱ⁾ The exact MEAT award model used and number of points allocated to this award criterion will depend on the typical procurement model of the contracting authority, and the importance which they wish to give to it. The example gives 20 points out of 100 for the % of SFM timber.

3. SUPPORTING FAIR TRADE IN TIMBER PROCUREMENT

This award criteria option is for public authorities who wish to use their timber procurement actions to promote fairer trading relations that benefit forest communities and smaller timber processing companies in developing countries.

Market availability

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At present there are very few products on the market that combine both sustainable forest management and fair trade certification, although some initiatives have begun (see Table 1).

Applying this criterion is unlikely at present to lead to significant purchases; however it does send a strong signal to suppliers that a market would exist for such products. Such market signals are invaluable in enabling timber companies to make a business case for investing in such schemes.



Recommended procurement criteria

The following criteria can be added to the 'standard model'

AWARD CRITERIA:

(Note: Assumes the application of the “most economically advantageous tender” (MEAT) model)

DEFINING FAIR TRADE

1. 20 points will be awarded to [timber product(s)] produced according to the following principles of fair trade¹⁴, endorsed by the European Parliament Resolution on Fair Trade and Development (2005/2245(INI))¹⁵.
 - a) A fair producer price, guaranteeing a fair wage, covering the costs of sustainable production and living. This price needs to be at least as high as the Fair Trade minimum price and premium where they have been defined by the international Fair Trade associations for the specific product(s) in question;
 - b) Part payments to be made in advance if so requested by the producer;
 - c) Producers are involved in standard-setting;
 - d) Transparency and traceability throughout the supply chain to guarantee appropriate consumer information;
 - e) Conditions of production respecting the eight International Labour Organization (ILO) Core Conventions;
 - f) Respect for the environment, protection of human rights and in particular women's and children's rights and respect for traditional production methods which promote economic and social development.
 - g) Capacity building and empowerment for producers, particularly small-scale and marginalised producers and workers in developing countries, their organisations as well as the respective communities, in order to ensure the sustainability of fair trade;
 - h) Support for production and market access for the producer organisations;
 - i) Awareness-raising activities about fair trade production and trading relationships, the mission and aims of fair trade and about the prevailing injustice of international trade rules,
 - j) Monitoring and verification of compliance with these criteria, in which producer organisations must play a greater role, leading to reduced costs and increased local participation in the certification process,
 - k) Regular impact assessments of the fair trade activities.

For the avoidance of doubt, application of the above principles will be assessed only in relation to the specific production arrangements proposed for the contract in question.

VERIFICATION

The contractor [supplier, bidder] must provide either:

- a) Products carrying a Fairtrade label (Fairtrade Labelling Organizations International)
- b) Products imported and distributed by Fair Trade Organizations (recognised by World Fair Trade Organization)
- c) Any equivalent means of proof

¹⁴ Please note, the principles presented have been slightly modified to ensure the direct link to the subject matter of the contract.

¹⁵ This document provides a definition as agreed upon by members of the European Parliament.

www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2006-0207+0+DOC+PDF+Vo//EN



3. SUPPORTING FAIR TRADE IN TIMBER PROCUREMENT

Table 1: Examples of timber products from both sustainably managed and fair trade sources

Type of forest product: Tables, chairs, benches
SFM scheme used: FSC
Fair Trade schemes used: FLO
Name and Website: Fairtrade Deutschland
www.fairtrade-deutschland.de
www.quadrato.net

Type of forest product: Furniture, outdoor furniture, flooring, office wood material and wood craft
SFM scheme used: FSC
Fair Trade schemes used: WFTO
Name and Website: COPADE
www.copade.org

Type of forest product: Wood, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm; railway or tramway sleepers
SFM scheme used: FSC
Fair Trade schemes used: WFTO
Name and Website: FORCERT
www.forcert.org.pg

Type of forest product: Engineered Flooring
SFM scheme used: FSC
Fair Trade schemes used: FLO
Name and Website: Kährs, Sweden
www.kahrs.com

4. COMBINING WITH OTHER POLICY GOALS

Accompanying awareness raising activities

Some local authorities have included requests for awareness raising activities on sustainable timber or fair trade to be carried out by suppliers when tendering. These may target staff of the administration, local businesses or the local community (or all three). This has proved to be a successful means of supporting the activities of local NGOs, raising the profile of the public authority, and of course educating people.

From a legal perspective, when adding this award criterion on top of the 'Standard Model' it is recommended to amend the 'subject matter' of the tender to create a stronger link between subject matter and award criteria.

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Recommended procurement criteria

SUBJECT MATTER:

Purchase of [product] made of sustainable and/or recycled timber, together with accompanying awareness raising activities'

AWARD CRITERIA:

(Note: Assumes the application of the "most economically advantageous tender" (MEAT) model)

DEFINING AWARENESS RAISING

1. Up to 10 points will be awarded to suppliers offering awareness raising activities targeting <include target group> on the topic of sustainable timber/fair trade. Points will be awarded on the basis of likely effectiveness of the activities proposed.

VERIFICATION

The contractor [supplier, bidder] must provide a short and structured description of the type of activities planned for the duration of the contract (maximum 4 pages)



4. SUPPORTING OTHER POLICY GOALS

Supporting small timber business in Europe

Some public authorities may pursue a strong policy in favour of smaller timber businesses – especially if they are located in forest-rich regions. In order to meet European procurement rules it is critical to ensure that other European companies are not discriminated against in public tenders.

Approaches aimed at encouraging smaller timber businesses to participate in public tenders and allow them to compete with bigger operators include:

- Splitting tenders into smaller lots, which are then more manageable for smaller operators
- Working with local or regional timber businesses outside of tender competitions to ensure their capacity to compete. An open and transparent market dialogue with potential suppliers in the pre-procurement phase is recommended.

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RESPONSIBLE TIMBER IN CONSTRUCTION/BUILDING WORKS

Most of the timber consumed by public authorities in Europe is used in construction¹⁶. Timber is not typically purchased by the authorities themselves but rather by the construction companies carrying out the work. When procuring construction works, it is however straightforward to request that the timber used meets the standards outlined in this guide, and require the contractor to present proof.

Good practice: London Olympics 2012

The Olympic Delivery Authority (ODA) has committed to using sustainably sourced timber only – certified by either FSC or PEFC – in its Sustainable Development Strategy.

The entire London 2012 Olympic Park development has achieved dual Project Certification from both PEFC and FSC for its timber usage – the first dual Project Certification in the world. Another prominent and sustainable Olympic venue is the Velodrome: Only certified wood was used on the external cladding. Sustainably sourced Siberian Pine was used for the tracks.

www.cpet.org.uk/cpet-news/news%20stories/olympic-park-achieves-dual-fsc-and-pefc-project-certification

¹⁶ E.g. 60-70% of the timber provided by members of the UK Timber Trade Federation -> www.ttf.co.uk.



4. COMBINING WITH OTHER POLICY GOALS

Considering the carbon footprint of transportation

The transportation of timber and timber products over large distances can lead to significant CO₂ emissions, depending on the form of transport used. Contract performance clauses can be used for reducing CO₂ or other greenhouse gas emissions associated with transport or production, provided they are not used in a discriminatory way.

Ways to address this can include¹⁷:

- Having the product delivered in the appropriate quantity. This often means a bulk delivery, as this will be more environmentally efficient in terms of transport impact per item than having smaller quantities delivered more often.
- Requiring that goods be delivered outside peak traffic times to minimise the contribution of deliveries to traffic congestion
- Requiring that the supplier takes back (and recycles or reuses) any packaging that comes with the product

Having environmental contract clauses is only effective if compliance with these clauses is properly monitored. Appropriate penalties for non-compliance or bonuses for good performance should be included within the contract. It is noteworthy that an increasing number of eco-labels include also requirements for displaying CO₂ emissions data during transport.

¹⁷ See also 'EC Buying Green Handbook', online at: <http://ec.europa.eu/environment/gpp/pdf/handbook.pdf>



5. SUSTAINABLE TIMBER POLICY

The following table outlines a step-by-step approach to the development of a sustainable timber policy and measures accompanying its implementation.

Four steps for policy implementation¹⁸

STEP 1: START

- 1.1 Allocate staff member(s) responsible for implementation and monitoring
- 1.2 Identify whether sustainable timber procurement could play a role in any existing policy or resolution
- 1.3 Benchmark if and which purchased products are already sustainable (baseline)

STEP 2: COMMITMENT

- 2.1 Identify suitable products and areas for procurement and potentially awareness raising
- 2.2 Develop a timber policy:
 - Ensure alignment with existing national policies
 - Use existing examples from other authorities
 - Try to involve local civil society and local timber companies in the development of a timber policy
- 2.3 Formally adopt the policy (political commitment)

STEP 3: CAPACITY BUILDING AND AWARENESS RAISING

- 1.1 Inform personnel and regular suppliers/contractors of the policy and what it means for them
- 1.2 Organise a training programme for procurers and other relevant personnel
- 1.3 Implement complementary awareness raising activities (e.g. Forest Weeks, Forest Capital Award etc.)

STEP 4: ACTION & MONITORING

- 4.1 Specify sustainable timber explicitly in your relevant contracts
- 4.2 Check and record basic information on compliance with the policy requirements when tendering
- 4.3 Keep a record and monitor progress and barriers

¹⁸ See also CPET's '6 Steps for the implementation of a responsible timber procurement policy' online at: www.cpet.org.uk. This website also contains a model policy document.



5. SUSTAINABLE TIMBER POLICY

Further ideas

BENEFITING FROM PUBLICLY OWNED FORESTS

There are other ways in which public authorities can help promote sustainable forestry. Over half of Europe's forests are publicly owned, and many public authorities are ensuring their forests are sustainably managed, and applying for certification with either FSC or PEFC.

- **GOOD PRACTICE: Certifying publicly owned forests in Germany**
Many German states and local authorities are aiming at getting sustainable forestry certification for their own forests. Over 5.5 million ha of German publicly owned forests are PEFC certified. All the state forests of North Rhein-Westphalia and the City of Pfullingen are FSC certified, as are many city-owned forests. Hannover has a dual-certified (FSC and PEFC) forest.
- **GOOD PRACTICE: Using publicly owned forests in tenders**
There are public authorities (e.g. Veneto Region, Italy) who have required in their tender that the processing and delivering of timber furniture must be carried out by using wood from their publicly owned forests.

AWARENESS RAISING

Awareness raising campaigns – targeted at employees of the authority, to regional timber companies, and/or to the general population – can also prove very valuable in supporting the implementation of a successful policy. These may not need to relate to procurement directly, but more broadly on the topic of sustainable timber or fair trade.

- **GOOD PRACTICE: Awareness raising in Rakvere, Estonia**
Estonia is a forest-rich country, and each year one Estonian city is selected for the *Forest Capital award*. In 2012 Rakvere, which is 14.3% covered with city-owned forest, won the title.
The City used this opportunity of increased media attention to promote sustainable forestry to a wider audience through targeted seminars involving SME's, local authorities and citizens.
- **GOOD PRACTICE: Awareness raising in the UK**
In 2008 -2009 CPET worked with the UK Timber Trade Federation and WWF-UK on a campaign specifically targeting awareness raising with Local Authorities. The campaign involved sending out letters to councillors and developing targeted workshops and guidance available on the CPET website. Since 2010 CPET has been working in partnership with WWF-UK supporting the 'What Wood you Choose?' campaign to encourage the uptake of procurement policy by Local Authorities.
For details: www.cpet.org.uk



GUIDANCE ON SUSTAINABLE PAPER PROCUREMENT

The advice presented in this guide is not intended for use in paper procurement. Many other sources of guidance on sustainable paper procurement exist:

- GPP Training Toolkit (includes product sheet and tender criteria for paper):
http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm
- WWF Guidance on responsible paper procurement:
<http://checkyourpaper.panda.org/paperbuyingtips/>
- Guidance produced by the World Resources Institute and the World Business Council for Sustainable Development -
www.sustainableforestprods.org
- Check out the websites of relevant labels such as Blue Angel, Nordic Swan, FSC, PEFC, EU-Ecolabel, Bra Miljöval, Umweltzeichen and others.
- See also guidance provided at national (National Action Plans on GPP) or regional level.
- Further guidance and resources may be found on the Sustainable Procurement Resource Centre:
www.sustainable-procurement.org



SUSTAINABLE TIMBER ACTION IN EUROPE (STA)

STA aims to assist European public authorities in making sure the wood/timber products they buy are produced and traded in a sustainable and fair way.

Public authorities in Europe purchase huge quantities of timber-based products each year, for building and civil construction, office and outdoor furniture, and office paper and stationery - an estimated 15% of all timber and paper sold in Europe. Much of this timber is illegally or unsustainably harvested. Furthermore, local communities and smaller forest enterprises often benefit little from such trade.

The Sustainable Timber Action project aims to inform public authorities in Europe about the human and environmental impacts of the timber trade, and how they can contribute by purchasing timber responsibly.

In addition to this guide, the project has carried out a series of training activities for local authorities and European timber SMEs, specifically in Estonia, Germany, Hungary, Italy, Romania, and Spain. Pilot sustainable timber procurement actions have also been undertaken with public authorities across Europe.

The project is co-funded by the European Union through the EuropeAid Programme "Non-State Actors and Local authorities in Development".

To find out more, or get your authority involved:

Visit: www.sustainable-timber-action.org
Or email: procurement@iclei.org

Annex 1 – Sustainable Forest Management definition

This definition is taken directly from the UK Government's Timber Procurement Policy (TPP)¹⁹: Definition of Sustainable (TPP) , and is intended to be inserted into the specifications under Procurement Model 1. Please note, for compliance with the UK government TPP, evidence must demonstrate compliance with ALL criteria – including the legal and social criteria not included here.

1. The definition must be consistent with a widely accepted set of international principles and criteria defining sustainable or responsible forest management at the forest management unit level.
2. The definition must be performance-based, meaning that measurable outputs must be included and cover all the issues set out in S5 to S9.
3. The process of defining sustainable must seek to ensure balanced representation and input from the economic, environmental and social interest categories.
4. The process of defining sustainable must seek to ensure:
 - a. no single interest can dominate the process; and
 - b. no decision can be made in the absence of agreement from the majority of an interest category.
5. Management of the forest must ensure that harm to ecosystems is minimised. In order to do this the definition of sustainable must include requirements for:
 - a. appropriate assessment of impacts and planning to minimise impacts;
 - b. protection of soil, water and biodiversity;
 - c. controlled and appropriate use of chemicals and use of Integrated Pest Management wherever possible; and
 - d. proper disposal of wastes to minimise any negative impacts.
6. Management of the forest must ensure that productivity of the forest is maintained. In order to achieve this, the definition of sustainable must include requirements for:
 - a. management planning and implementation of management activities to avoid significant negative impacts on forest productivity;
 - b. monitoring which is adequate to check compliance with all requirements, together with review and feedback into planning;
 - c. operations and operational procedures which minimise impacts on the range of forest resources and services; and
 - d. adequate training of all personnel, both employees and contractors; and
 - e. harvest levels that do not exceed the long-term production capacity of the forest, based on adequate inventory and growth and yield data.
7. Management of the forest must ensure that forest ecosystem health and vitality is maintained. In order to achieve this, the definition of sustainable must include requirements for:
 - a. management planning which aims to maintain or increase the health and vitality of forest ecosystems
 - b. management of natural processes, fires, pests and diseases; and
 - c. adequate protection of the forest from unauthorised activities such as illegal logging, mining and encroachment.
8. Management of the forest must ensure that biodiversity is maintained. In order to achieve this, the definition of sustainable must include requirements for:
 - a. implementation of safeguards to protect rare, threatened and endangered species;
 - b. the conservation/set-aside of key ecosystems or habitats in their natural state; and
 - c. the protection of features and species of outstanding or exceptional value.
9. The forest management organisation and any contractors must comply with local and national legal requirements relevant to:
 - a. labour and welfare; and
 - b. health and safety.

Note: *The current definitions of sustainable forest management applied by FSC and PEFC both fulfil the criteria listed here.*

¹⁹ See www.cpet.org (the definition itself can be found here: www.cpet.org.uk/files/2013%2005%2008%20-%20CPET%20Def%20Legal%20-%20Sustainable%205th%20ed%20-%20Final.pdf)

Annex 2 – Comparison of National Timber Procurement Policies

Source: Danish Ministry of Environment, Nature Agency²⁰

	DK	UK	NL	DE	FR	BE	AU
There is a <i>national policy</i> on promotion of public procurement of legal and sustainable timber	✓	✓	✓	✓	✓	✓	✓
• Which includes timber and wooden furniture	✓	✓	✓	✓	✓	✓	✓
• Which also includes wood based paper products	✓	✓	✓		✓	✓	✓
National <i>guidelines</i> on the policy have been published	✓	✓	✓				
There is a national <i>counselling service</i> specifically for timber		✓	✓				
One or more central government departments have engaged in <i>partnership with one or more local governments</i> with sustainable timber procurement amongst the objectives	✓		✓				
There is one or more <i>cross cutting procurement contracts</i> , obligatory for all central government departments and agencies, which includes binding minimum requirements on sustainably produced timber (for one or more types of timber products).	✓			✓			
<i>Defines</i> sustainable timber based on a <i>specific list of nationally established criteria</i>		✓	✓			(✓) ²¹	
<i>Defines</i> sustainable timber as <i>FSC, PEFC or similar</i>	✓			✓			
Acknowledges FSC and PEFC <i>as documentation</i> for sustainable timber	✓	✓	(✓) ²²	✓	✓	✓	✓
<i>EU FLEGT-licensed timber</i> accepted on equal footing with sustainable timber		✓					
<i>Recycled timber</i> accepted on equal footing with sustainable timber	✓						
There are <i>binding national provisions</i> aimed at ensuring that procured timber and/or selected timber products are sustainably produced		✓	✓	✓	✓	✓	✓
• Which are mandatory for <i>local governments/regions</i>							
• Which are mandatory for (some) <i>central government institutions</i>		✓	✓	✓	✓	✓	✓
• <i>Cost estimates</i> on applying the provisions have been carried out							
<i>Reporting</i> and/or other <i>evaluation</i> of implementation has been carried out	✓	✓			✓		

²⁰ Whilst every effort has been made to ensure the accuracy of information on existing national timber procurement policies, The Danish Government takes no liability for any errors or misunderstandings that may be contained in this table. To ensure the most accurate and up to date information on existing national timber procurement policies, checking with the national procurement policy contacts is recommended.

²¹ Based on internationally recognised criteria

²² PEFC is accepted for the dutch market with the exception of MTCS (Malaysian Timber Certification Scheme) timber

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