European public procurement policies for timber products and impacts on the market for certified products

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UK Central Point of Expertise on Timber

Forest Governance & Sustainability Standards
COMIFAC/GTZ workshop
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The Central Point of Expertise on Timber
CPET’s role

- Funded by UK Government
- Operated by Proforest
- Information on the UK Government’s timber procurement policy requirements
- Advice on how public sector buyers and their suppliers can meet the policy
- Support UK Government
Purpose and drivers of procurement policies

1. International commitments
2. Concerns about illegal logging and unsustainable forest practices
3. National strategies for sustainable consumption
4. Climate change mitigation

Identified in: The pros and cons of procurement, ITTO Technical series, April 2010
Strongest direct driver: NGO pressure

Photos: Greenpeace and www.ruralstar.com
Requirements from public sector in EU

Source: EU Market conditions for ‘verified legal’ and.., Oliver (2009)
EU Timber regulation
- The ‘Due Diligence regulation’

‘The placing on the market of illegally harvested timber or timber products shall be prohibited’

- Due diligence on import and production in EU
- Traceability of timber through the EU supply chains

The legislation will be implemented end 2012 and enforced via checks at national level, penalties and monitoring organisations.

Equivalent to the US Lacey Act ‘prohibition’

Source: Due diligence draft regulation voted for in European Parliament July 2010. European Council expected to adopt regulation end 2010
EU Timber market

- EU is the largest consumer of timber products in the world
- 14% of imports from tropical zones ~26% by volume
- 53% of Africa’s total export value to EU
- UK is 4\textsuperscript{th} biggest net importer of wood products after US, China and Japan

Source: EU Market conditions for ‘verified legal’ and..., Oliver (2009)
Public procurement policies

~66% of total EU import of tropical saw logs and veneer logs

Source: EU Market conditions for ‘verified legal’ and..., Oliver (2009)
The effect of the public policies

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>Germany</th>
<th>Belgium</th>
<th>DK</th>
<th>UK</th>
<th>NL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal/central government</td>
<td>Mandatory</td>
<td>Mandatory</td>
<td>Mandatory</td>
<td>Voluntary(^1)</td>
<td>Mandatory</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Local Authorities</td>
<td>Guidance and active promotion</td>
<td>Guidance and active promotion</td>
<td>Guidance</td>
<td>Guidance and active promotion</td>
<td>Guidance and active promotion</td>
<td>Guidance and active promotion</td>
</tr>
<tr>
<td>Coverage of public sector(^2)</td>
<td>Up to 25%</td>
<td>Fed. 5% states more significant</td>
<td>5-10 %</td>
<td>15-25% of tropical timber</td>
<td>8%-15%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

- Significant spill-over effect on private sector with alignment of requirements
- Indirect implementation of policy by private sector

1. Mandatory for furniture and paper via central government framework contracts.
2. Source: EU market conditions for “verified legal” and “verified legal and sustainable” wood products, FFI, 2009
The UK Government’s Timber Procurement Policy

2000-2009:
The UK Government will actively seek to procure only legal timber, and preferably sustainable timber.

2009 (1 April) ~ 2015:
All timber and wood-derived products must be from independently verifiable Legal and Sustainable sources or FLEGT-licensed timber.

~ 2015- : Sustainable timber only
The requirements of the public policies

<table>
<thead>
<tr>
<th>Current requirement</th>
<th>France</th>
<th>Germany</th>
<th>Belgium</th>
<th>DK</th>
<th>UK</th>
<th>NL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt. criteria to evaluate schemes/evidence</td>
<td>Legal, sustainable preferred</td>
<td>Sustainable only</td>
<td>Sustainable only</td>
<td>Legal, sustainable preferred</td>
<td>Sustainable or FLEG licensed</td>
<td>Sustainable</td>
</tr>
<tr>
<td>No</td>
<td>No not published</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

1. The German policy is currently under review.
# Sustainability requirements (in broad outline)

<table>
<thead>
<tr>
<th>Sustainability</th>
<th>Belgium (Draft)</th>
<th>Denmark (Draft)</th>
<th>UK</th>
<th>Nether-lands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legality</strong></td>
<td></td>
<td>✓ <strong>Identical</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forest health and vitality</td>
<td>✓</td>
<td>✓ <strong>Identical</strong></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Production functions of forest resources</td>
<td>✓</td>
<td>✓ <strong>Identical</strong></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Protection functions of forest resources</td>
<td>✓</td>
<td>✓ <strong>Identical</strong></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Biological diversity</td>
<td>✓</td>
<td>✓ <strong>Identical</strong></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Extent of forest resources (conversion)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Social requirements</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tbody>
</table>

For details see [http://www.cpet.org.uk/international-context/international-policies-1](http://www.cpet.org.uk/international-context/international-policies-1)
## Evidence accepted

<table>
<thead>
<tr>
<th>Current requirement</th>
<th>FR</th>
<th>Germany</th>
<th>BE</th>
<th>NL</th>
<th>UK</th>
<th>DK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest certification schemes accepted as ensuring sustainability</td>
<td>FSC +PEFC</td>
<td>FSC +PEFC</td>
<td>FSC +PEFC</td>
<td>FSC +PEFC(^1)</td>
<td>FSC +PEFC (+FLEGT)</td>
<td>FSC +PEFC</td>
</tr>
<tr>
<td>Alternative evidence/the ‘or equivalent’ to meeting the requirements</td>
<td>Limited guidance</td>
<td>No guidance</td>
<td>No guidance</td>
<td>Detailed guidance</td>
<td>Detailed guidance</td>
<td>Some guidance</td>
</tr>
</tbody>
</table>

1. National schemes relevant for NL market assessed.
FLEGT licensed timber

- UK policy accepts FLEGT licensed timber as equivalent to ‘sustainable timber’
- The UK policy recognises that FLEGT VPA process potentially delivers ‘sustainability’ nationally and across all forests in a country
- Other member states are still to clarify position on FLEGT
Certification schemes
- Category A evidence UK

Assessed against the sustainability criteria

+ criteria for the standard-setting process, certification, accreditation and chain of custody

Bi-annual review of accepted schemes and of other relevant schemes

Forest Stewardship Council (FSC)

Programme for Endorsement of Forest Certification Schemes (PEFC)

28 endorsed national schemes

UK assessment results, 2008
Certificate number to be checked online and invoice/delivery note to be checked at delivery

Certification schemes
-Category A evidence UK

For more training: CPET workshops!

Certification schemes
- Category A evidence UK

Invoice

Chain of Custody Certificates

Forest management Certificate
Availability of certified timber

- 25% of import to EU is likely to have derived from a certified source
- Certified wood in the UK supply chain grew from 65% in 2006 to an estimated 85% in 2010
- Tropical timber: estimated 20% certified in UK

Source: EU Market conditions for ‘verified legal’... Oliver (2009) and UK TTF (2009)
Other types of credible evidence
- Category B evidence UK

- Evidence that shows
  - Traceability through supply chain (CoC)
  - Compliance with legality and sustainability criteria

- Equivalent to Category A evidence
- Assessed on a case-by-case basis
Preparing Category B evidence

Checklist 1
Supply chain information

Legality: Checklist 2
(Forest source information on legality)

Sustainability: Checklist 3
(Forest source information on sustainability)
• Only where no Sustainable or FLEGT-licensed or alternative timber is available, will evidence ensuring legality only be accepted.

• Preference will here be given to timber from sources that are demonstrably in an active programme to improve and certify forest management.
Legality verification systems

There are several verification schemes that may provide adequate assurance of legality for example:

- OLB (Origine et Légalité des Bois)
- SmartWood VLC
- SGS Timber Legality & Traceability Verification (TLTV) VLC

Support programmes:

- Global Forest and Trade Network
- Timber Trade Action Plan TTAP

The systems are evaluated by CPET under the Framework for evaluating Category B evidence
Concluding comments

• The ultimate aim of procurement policies is to promote sustainable forest management especially in the tropics.

• Do not want to discourage the use of tropical timber, but ensure legality and sustainability.

• Recognise that there are challenges and a need to work with tropical producers.

• The theory: A demand and a market create an incentive for producer countries to ensure legality and sustainability.

1Identified in: The pros and cons of procurement, ITTO Technical series, April 2010
Concluding comments

- UK, Denmark, Netherlands and other EU member states see significant merits in further alignments and cooperation on key issues in PPP via the European Commission

- Working to harmonise requirements to create a level playing field for suppliers

\*Identified in: The pros and cons of procurement, ITTO Technical series, April 2010
Recommendations

- COMIFAC member states should work towards enforce legislation as a first step with the aim of ensuring sustainability
- Join the FLEGT VPA process
- And encourage FSC (and PEFC) forest certification
Thank you

Comments and Questions

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