



# **SUSTAINABLE TIMBER:** A GUIDE TO PROCUREMENT FOR THE PUBLIC SECTOR

# ABOUT PEFC

The Programme for the Endorsement of Forest Certification (PEFC) is a non-profit, non-governmental organization dedicated to promoting sustainable forest management through independent third-party certification.

PEFC works throughout the entire forest supply chain to promote best practice in the forest and ensure that timber and non-timber forest products are sourced with respect for the highest ecological, social and ethical standards. Thanks to its eco-label, customers and consumers are able to identify products from sustainably managed forests.

PEFC is an umbrella organization. It endorses national forest certification systems developed through multi-stakeholder processes, tailored to local priorities and conditions that meet PEFC International's globally recognized Sustainability Benchmarks.

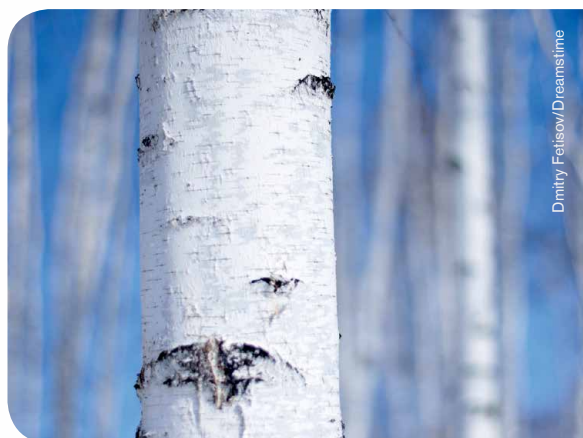
With some 30 endorsed national certification systems and more than 240 million hectares of certified forests, PEFC is the world's largest forest certification system.

PEFC is committed to conserving forests and their invaluable biodiversity, and safeguarding the livelihoods of the communities and families that own, work, and live in and around them.



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Dmitry Feisov/Dreamstime

# INTRODUCTION

Local governments and public institutions around the world realize that sustainability in procurement is a key responsibility and an important element in forward-looking policies and activities. It is an integral part of the role of the public sector to contribute to the aspirations of their constituency and to meet their needs within the limits of our planet.

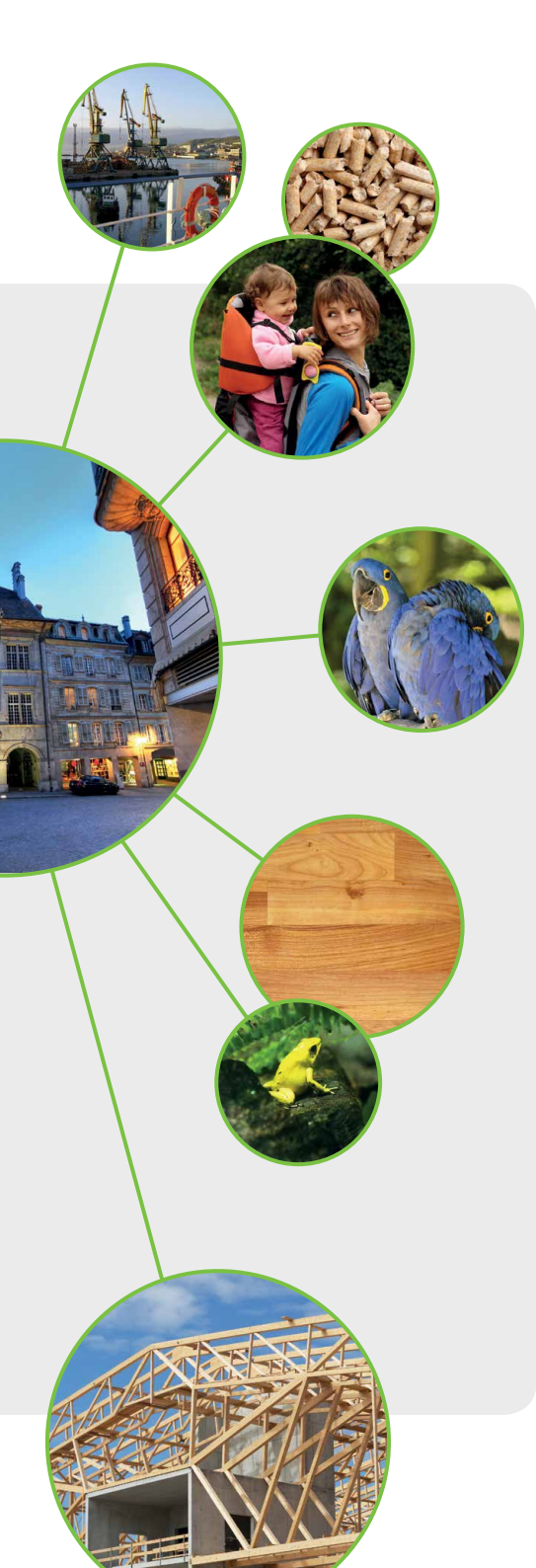
As the world grapples with a growing number of challenges including climate change, natural resource-depletion, biodiversity loss, poverty, and population growth, many solutions have been offered as part of efforts to achieve a greener world. Yet it is becoming increasingly clear that we need to work harder to foster the transition to more sustainable patterns of production and consumption.

Key to this transition are the actions of local governments and public institutions, which are major consumers of a wide variety of products and services. It is estimated that in Europe alone, the public sector spends more than 2,000 billion (or 19% of Europe's GDP) on procuring goods and services.<sup>1</sup> Furthermore, the public sector is well positioned to behave as a model and set an example for desirable behaviour and thereby substantially impact the conduct of the private sector and consumers.

It is this mix of purchasing power and leadership that drives the sustainable production of goods: local governments



<sup>1</sup> [www.iclei-europe.org/topics/sustainable-procurement](http://www.iclei-europe.org/topics/sustainable-procurement)



and public institutions can send the right signals to the marketplace and positively influence private sector behaviour and private procurement decisions. The direct and indirect impacts of sustainable procurement decisions by local authorities, therefore, cannot be overestimated.

For many employees, forests may seem remote from their office environment. Yet, a quick glance at our surroundings reveals the presence of a huge number of timber and wood-based products: from buildings and doors, chairs and desks, pencils and paper, to packaging – the list is endless.

Forests are among the most biodiverse ecosystems in the world. They provide goods (timber, fibre, non-wood forest products) and services (flood control and climate regulation), and sustenance (food and livelihoods) and recreation facilities (scenic trails and hiking paths). Some 1.6 billion people globally are believed to rely directly on forests for their day-to-day livelihoods.

Crucially, forests and the goods and services they provide are renewable resources. Forests will continue to yield these benefits indefinitely if they are managed and utilized in a manner that is environmentally friendly, socially equitable, and economically viable.

Sustainable timber procurement is one way of contributing to the continuing health and vitality of the world's forests.



# POLICIES, LEGISLATIVE AND REGULATORY ACTIONS

Aware of the importance of promoting sustainable forest management, national and local governments around the world have made sustainable timber procurement a key requirement of public purchasing. Many have put in place regulatory frameworks and legislation to this effect. Additionally, many have legislation in place to tackle illegal logging and help prevent illegally harvested wood or timber from unsustainable sources entering the market.

PEFC certification is accepted by public procurement policies globally as providing evidence for sustainability and legality.

## PROMOTING RESPONSIBLY-SOURCED TIMBER

Examples of policies that require the procurement of timber and wood products from sustainably managed forests can be found at all levels of government. These include supranational policies such as the EU Green Public Procurement Policy,<sup>2</sup> which aims to help stimulate a critical mass of demand for more sustainable goods and services that would otherwise be difficult to get onto the market. In addition to this EU-wide provision, several individual EU Member States have also developed national sustainable procurement policies including Belgium, Denmark, Finland, Germany, the Netherlands, and the United Kingdom.

Similarly, Australia, Canada, Japan, and New Zealand, among others, have also developed national-level policies and regulations. Within countries, regional policies<sup>3</sup> and initiatives by local governments also exist. In the Netherlands, for example, four municipal governments recently signed a voluntary policy statement to promote sustainable forest management through public procurement (see box).<sup>4</sup>



### **Four Dutch municipalities sign sustainable sourcing policy statement**

The four Dutch municipalities of Vlissingen, Terneuzen, Hulst and Kappelle in the Zeeland region, recently signed a joint policy statement (for an example, see page 12) aimed at promoting sustainable forest management. In this statement, the four municipalities pledge to only procure timber and wood-based products from those forests that are managed in compliance with requirements outlined by certification systems, including PEFC.

Thanks to this initiative, the four municipalities are able to send a powerful message to forest owners and managers and suppliers of timber and wood-based products aimed at encouraging

sustainable practices while also maintaining the widest possible supply of responsibly-sourced products.

Commenting on the decision to adopt this policy, Jacques Damen, Executive Councillor of the Vlissingen Municipality noted, "as leaders among our communities, it is incumbent upon us to set an example and encourage sustainable practices among our constituents. By adopting this policy, we are sending a message to our suppliers and the community at large that we are committed to working towards sustainability in all areas of life and especially in the all-important forest ecosystem."

In addition to policies and regulations promoting sustainable procurement, many governments, at all levels, have put in place legislation to prevent timber from illegal sources entering their markets and to discourage illegal logging.



Jiri Hera/Dreamstime

<sup>2</sup> [http://ec.europa.eu/environment/gpp/index\\_en.htm](http://ec.europa.eu/environment/gpp/index_en.htm) for further information (accessed January 2012)

<sup>3</sup> [www.works.qld.gov.au/downloads/tdd/Sus\\_timber\\_proc\\_policy.pdf](http://www.works.qld.gov.au/downloads/tdd/Sus_timber_proc_policy.pdf) and [www.maf.govt.nz/portals/0/documents/forestry/forestry-nz/illegal-log/twpp.pdf](http://www.maf.govt.nz/portals/0/documents/forestry/forestry-nz/illegal-log/twpp.pdf) for examples of 'contract clauses' (both sites accessed January 2012)

<sup>4</sup> <http://pefc.org/index.php/news-a-media/general-sfm-news/news-detail/item/853-dutch-municipalities-look-to-the-future> (accessed January 2012).





## AVOIDING ILLEGAL TIMBER



The European Union Forest Law Enforcement Governance and Trade (FLEGT) Action Plan sets out actions to prevent the import of illegal wood into the EU, to improve the supply of legal timber and to increase demand for wood coming from responsibly managed forests.

A central element of the Action Plan are Voluntary Partnership Agreements (VPAs) with 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 February 2012, VPAs exist between the EU and Cameroon, Central African Republic, Ghana, Indonesia, Liberia, and the Republic of Congo.

A second element is the EU Timber Regulation<sup>5</sup>, which makes it an offence to place illegally harvested timber and timber products on the EU market and requires EU traders to exercise “due diligence”: to minimize the risk that products contain illegally harvested timber<sup>6</sup>.

In the USA, the 100-year old Lacey Act, one of the most important pieces of legislation for US agencies seeking to combat wildlife crime, has been amended to include a ban on trade in illegally-sourced plants (including trees) and their products.

In addition to regulating the US market, the strength of this piece of legislation rests in its acknowledgement and support of other countries' efforts to govern their own natural resources and in the incentives it creates for companies and others trading in plant and plant products to do the same. This gives it global relevance. Concretely, as part of efforts to address illegal logging and other illegal plant trade, the Lacey Act bans all trade in plant and plant products (such as furniture, paper, or timber) that are illegally sourced from any US state or foreign country. Furthermore, the Act requires importers to declare the country of original harvest and list the names of all plant species contained in their products, and establishes penalties for violations of the Act, including confiscation of goods and vessels, fines, and even custodial sentences.<sup>7</sup>

<sup>5</sup> The EU Timber Regulation comes into force in March 2013  
[http://ec.europa.eu/environment/forests/timber\\_regulation.htm](http://ec.europa.eu/environment/forests/timber_regulation.htm) (accessed January 2012)

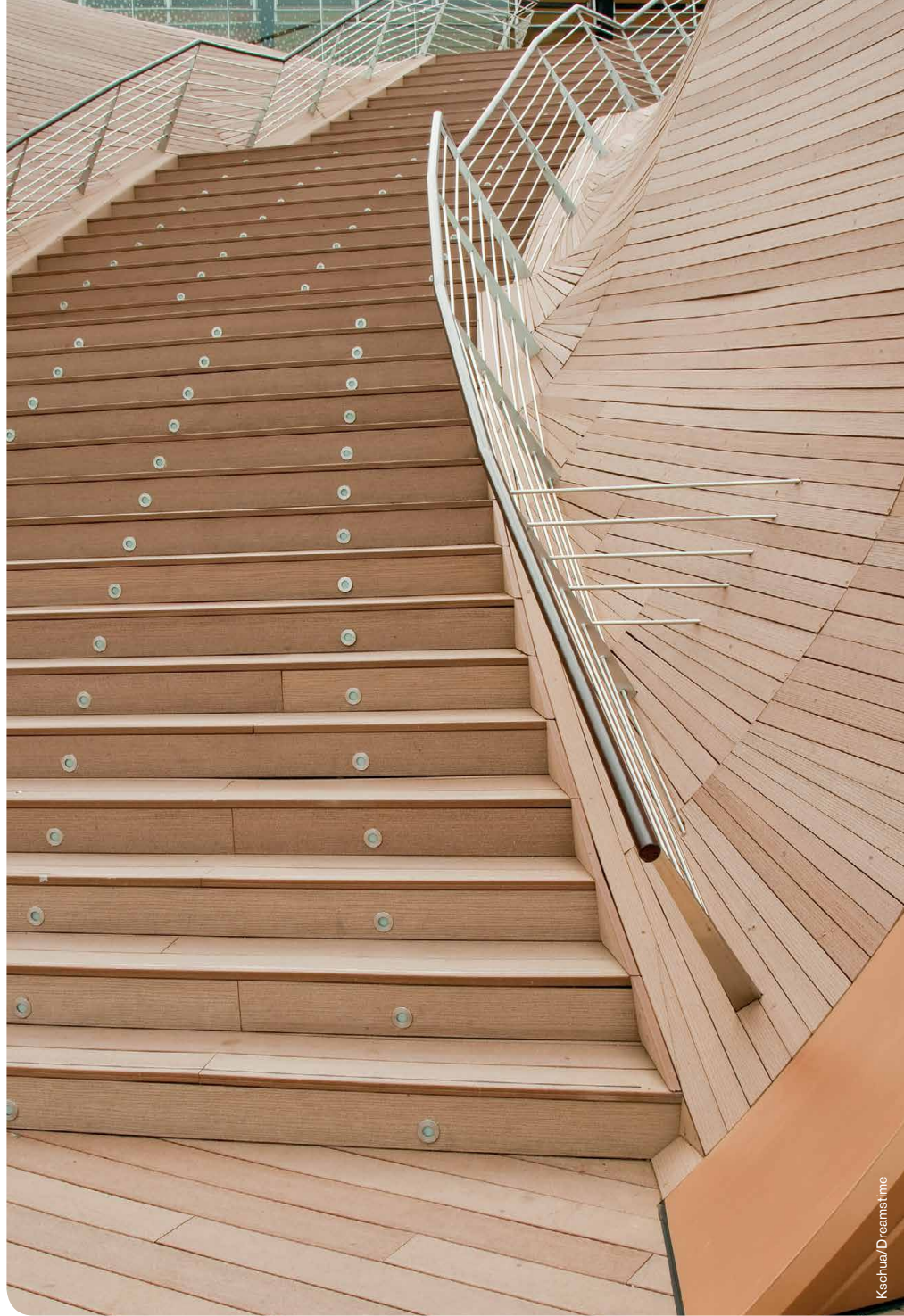
<sup>6</sup> [www.cpet.org.uk/eu-timber-regulation](http://www.cpet.org.uk/eu-timber-regulation) (accessed January 2012)

<sup>7</sup> [www.eia-global.org/lacey/P6.EIA.LaceyReport.pdf](http://www.eia-global.org/lacey/P6.EIA.LaceyReport.pdf) (accessed January 2012)

# BENEFITS OF SUSTAINABLE TIMBER PROCUREMENT

Local governments and public institutions find that sustainable timber procurement can reduce overall costs; offer significant opportunity to use materials, resources and energy more effectively; and encourage local employment and stimulate markets for innovative new products and services. Specifically, sustainable timber procurement policies and the promotion of timber and wood-based products are beneficial in:

- **Demonstrating legal and regulatory compliance** – PEFC certification is widely accepted by procurement policies and is regularly adapted to ensure alignment with current and upcoming legislations and regulations.
- **Realizing cost savings and financial benefits** – procurement decisions are often focused on initial purchase price without consideration of follow-up costs. Sustainable timber procurement policies can encourage smarter, more efficient procurement that considers follow-up costs, such as disposal and recycling at the end of a product's life. Substantial cost savings are possible.
- **Driving local innovation and developing potential markets** – working with local suppliers, the public sector can encourage innovative approaches for the use for sustainable timber and provide potential markets for resulting new products, giving suppliers a competitive advantage both nationally and internationally.
- **Rewarding responsible local companies** – companies that source wood responsibly are forward-thinking and demonstrate ethical business behaviour. Local governments and public institutions can reward these companies and encourage further actions by sending the right signals to the marketplace through sustainable timber procurement policies.
- **Creating local green jobs** – the forest sector is essential for the transition to a green economy and offers important employment opportunities specifically in small, local enterprises and in rural areas.
- **Demonstrating responsibility to the local constituency; improving public image** – implementing sustainable timber procurement policies allows local governments and public institutions to demonstrate their commitment to sustainability – locally and globally. It also increases public awareness of the importance of sustainable forest management and in turn enhances positive perceptions of the public sector.
- **Contributing to global sustainability** – sustainable timber procurement is a practical means to lead by example and positively contribute to the sustainable management of the world's forests.



# PEFC & RESPONSIBLE SOURCING

## PEFC - YOUR ASSURANCE OF RESPONSIBLE SOURCING

PEFC is a valuable tool for local governments keen to develop and implement a green public procurement policy for sustainable timber procurement.

PEFC is the world's largest forest certification organization with over 240 million hectares of forest and forest land certified to PEFC's Sustainability Benchmarks, which are widely accepted within public procurement policies. This makes sourcing PEFC-certified products a key tool for local governments and public institutions to engage in sustainable timber and timber products' procurement, and ensures compliance with government directives and legislation.

In countries with PEFC-endorsed forest certification systems, many public forests have obtained PEFC certification – your local forest might be among them.

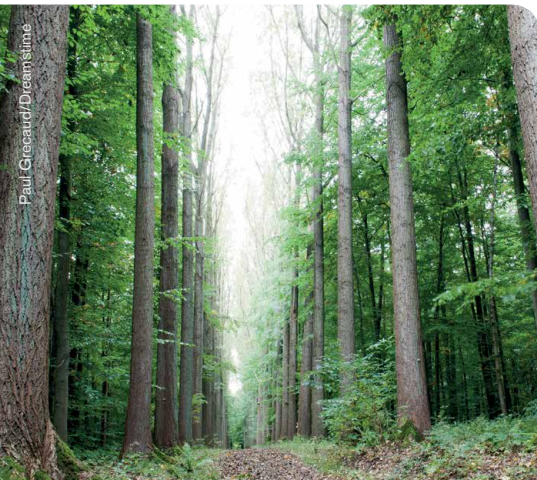
### Elements of PEFC Certification

#### PEFC **Sustainable Forest**

**Management** certification provides assurances that the wood used in products comes from sustainably managed forests. It builds upon globally recognized principles, guidelines and criteria developed by international and intergovernmental bodies. It also incorporates references to the UN Declaration on Indigenous Peoples' Rights and the ILO Convention 169 on Indigenous and Tribal Peoples. It is the first forest certification standard to do so, making it the most far-reaching and inclusive global forest certification standard.

PEFC **Chain of Custody** certification is a mechanism for tracking certified material from the forest to the final product to ensure that wood, wood fibre or non-wood forest produce contained in a product or product line can be traced back to certified forests. PEFC Chain of Custody certification can be used to demonstrate compliance with sustainable timber procurement policies, legislation and regulations that accept PEFC as proof of origin.

The **PEFC logo** – the green trees symbol – allows procurement officials and consumers to easily identify PEFC certified products with confidence.





# MAKING PEFC AN INTEGRAL PART OF A RESPONSIBLE TIMBER PROCUREMENT POLICY

There are several ways local governments and public institutions can demonstrate their commitment to responsible timber procurement, by:

- **Sourcing PEFC-certified products**

Local governments can choose to source only timber and wood-based products, e.g. products that carry the PEFC logo and/or label.

- **Promoting certification among suppliers**

Local government procurement officers can confer preferred status on suppliers of products from sustainably managed forests. PEFC certification provides such evidence.

- **Making PEFC certification a core part of the tender process**

Local governments can include environmental criteria in the tender process, in line with existing regulations, to specify that timber products must originate from sustainably managed forests, as demonstrated through PEFC certification for example.

- **Considering Project Chain of Custody certification for future developments**

PEFC Project Chain of Custody certification involves specific implementation of regular Chain of Custody certification to particular projects limited in time and scope. It is well suited to the needs of local governments for projects including new

build commercial and office buildings; private and social housing projects; renovation and refurbishment schemes; airports and railway stations; schools, playgrounds, skate parks and sports arenas; boats and harbours; event and trade show infrastructure (stages, seating, stands, etc.); civil engineering projects such as bridges and tunnels; and others. It is also adapted to public-private partnerships involving specific one-off projects.

- **Obtaining forest certification for publicly-owned forests**

Many forests are publicly-owned. Obtaining PEFC certification for these forests is a key way for local governments to demonstrate the responsible management of these publicly-owned commodities.

- **Implementing a sustainable timber procurement policy**

Join a growing number of local governments and public institutions expressing their commitment to sustainable forest management as demonstrated e.g. by PEFC certification in sustainable timber procurement policies. You'll find a draft policy on the next page.

# SAMPLE SUSTAINABLE TIMBER PROCUREMENT POLICY

## Policy Statement

### Promoting Sustainable Forest Management through Sustainable Procurement

We, the [insert name of organization/business] recognize that:

- forests are essential for human survival and well-being. They are among the most biodiverse and valuable terrestrial ecosystems on the planet. They provide us with food, oxygen, shelter, recreation, and spiritual sustenance; and they contribute to the livelihoods of 1.6 billion people worldwide. The biodiversity of forests - the variety of genes, species, and forest ecosystems - underpins these goods and services, and is the basis for long-term forest health and stability.
- promoting ways to use forest biodiversity in a sustainable way, and with clear social and economic benefits for the poor, is important.
- forest certification provides evidence of sustainable forest management, yet at present, less than 10% of the world's forests are certified. Mainstreaming forest certification systems (such as PEFC and FSC) will assist in promoting sustainable forest management.

As a user of timber and wood-based products, [insert name of organization/business] recognizes that it has a responsibility to current and future

generations and will therefore strive to promote sustainable forest management. By demanding products from sustainably managed forests, we aim to stimulate the improvement of forest management and discourage unsustainable management practices.

We, [insert name of organization/business], will give preference to suppliers who can demonstrate that their products originate from sustainably managed forests.

We consider it important that the origin of our wood-based products can be demonstrated through credible, independent Chain of Custody certification based on international standards and norms. In this context, we recognize credible third-party certification systems accepted by government procurement policies and guidelines, such as the *UK Central Point of Expertise of Timber* or the *EU Green Public Procurement* criteria, as evidence of responsible and sustainable sourcing. These include the Programme for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council (FSC), the two largest forest certification systems globally.

Signature:  
[insert name of person responsible]

Date & place:



# FURTHER INFORMATION



## PEFC - Ready to Assist You

The framework under which local governments operate may vary depending on the national context.

National PEFC member organizations will be happy to assist you in your efforts to integrate PEFC in sustainable timber procurement policies and processes. To find out more information about PEFC in your country, please visit: <http://bit.ly/national-members>

## Contact PEFC International

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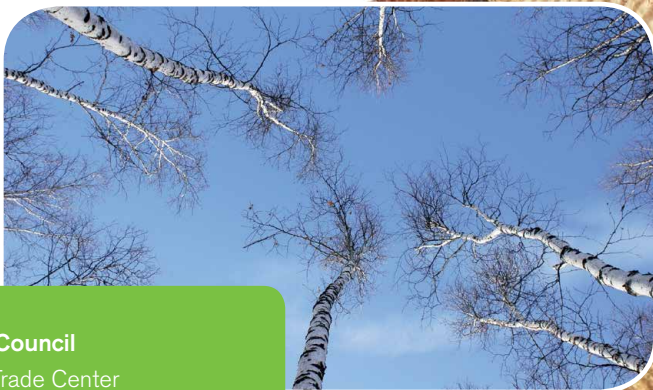
**e** [info@pefc.org](mailto:info@pefc.org)

[www.pefc.org](http://www.pefc.org)

## PEFC Resources

PEFC has produced a variety of publications and resources to assist you further. These include:

- PEFC Project Chain of Custody Certification: An Introduction  
<http://bit.ly/project-coc-intro>
- PEFC Project Chain of Custody Certification: One Project, One Message  
<http://bit.ly/project-coc>
- Certified Wood Solutions for the Furniture Sector  
<http://bit.ly/furniture-sector-solutions>
- PEFC Certified Paper for the Print, Packaging and Publishing Industries  
<http://bit.ly/print-packaging-publishing>
- Architects, Designers and Certified Timber  
<http://bit.ly/architects-designers>
- Construction and PEFC Certified Timber  
<http://bit.ly/ygnBUA>
- Sample Procurement Policy  
<http://bit.ly/sample-proc-policy>



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