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Public procurement of sustainable timber

- Rules, guidance, criteria for sustainable timber and assessment of certification schemes

In 2013, the Danish government launched a new joint strategy for smart public procurementⁱ. An important element of this strategy is the decision that central government purchase sustainable timber. It reads:

"The government will ensure that government institutions only purchase verifiably sustainable timber and timber products, also in connection with use of timber in state construction projects."

To achieve this goal, in collaboration with the Ministry of Finance, the Ministry of Environment has issued a circular that stipulates the conditions for ensuring sustainable timber in public works contracts, public supply contracts and public service contracts for the stateⁱⁱ. The circular applies to all ministries and other state institutions under the ministers' power of instruction and covers a wide variety of timber products, including paper and paper-based products. The circular does not apply to the purchase of timber for energy purposes. See *Annex 1* for an English translation of the circular.

Alongside with the circular, new and revised guidelines on public procurement of timber have also been developedⁱⁱⁱ. The guidelines serve as a practical tool for implementation of the commitments in the circular. Government-owned companies, municipalities and regions are not obliged to comply with the regulations in the circular; however, they are encouraged to follow them or similar procurement policies based on the guidelines.

The guidelines include a definition of "sustainable timber", which has been developed for easy reference in requirement specifications in tendering material etc. "Sustainable timber" in this context is defined as timber that is either "sustainably produced timber", "recycled timber" or – within specified rules and procedures – combinations with "legally harvested timber". See *Annex 2* for an English translation of all definitions used in the circular and guidelines.

In addition to the definition of sustainable timber, a number of system criteria for the assessment of certification schemes have been established with the aim to provide concrete recommendations for proof of sustainable timber as defined in the guidelines.

The majority of all established criteria are, where applicable, identical or similar to corresponding CPET criteria developed for use in the UK Government's procurement policy for timber and for the assessment of certification schemes^{iv}. In undertaking assessments of schemes against the DK criteria, advantage has been taken of the current CPET assessments of certification schemes against the corresponding CPET criteria. Where the DK criteria and CPET criteria are identical, or are assessed by the Nature Agency to be equivalent, the CPET assessments have been used.

The Nature Agency has on this basis assessed the certification schemes, FSC and PEFC, and found that they both currently can offer sufficient proof of sustainable timber as defined in the Danish guidelines on ensuring sustainable timber.

The full list of criteria used for assessing certification schemes and the results of the FSC and PEFC assessments is reproduced in *Annex 3*. The annex includes, where applicable, a reference to the corresponding CPET criteria.

The Nature Agency recognizes that a number of revisions of relevant standards and guidelines for both FSC and PEFC have been launched since 2010 (when the CPET assessments referred to were carried out). The Agency has striven to take this into account to some extent, but has not performed an exhaustive review of all relevant new or revised background papers from the FSC and the PEFC. Should the Nature Agency become aware of relevant changes to the standards or guidelines for FSC or PEFC, which may give rise to amending the overall assessment of the schemes, the Nature Agency will reconsider the assessments and, if necessary, revise the guidelines in this field.

Based on the findings above, the guidelines suggest reference to FSC, PEFC or similar as possible proof of compliance with the requirements for "sustainable timber", whilst also suggesting that other appropriate means of proof should be accepted for larger contracts. For smaller contracts (i.e. contracts that are less than DKK 500,000 for purchase of goods and less than DKK 300,000 for construction works, and not thought to be of interest for foreign suppliers) a simpler model is offered for consideration. This simpler model suggests setting out minimum requirements directly for timber that is or has been CoC certified against the FSC or PEFC systems.

The new rules and guidelines were developed after consultation with the Environment Ministry's external reference group on public procurement of timber products and on the basis of a public consultation conducted in May 15 to June 6 2014. They replace all former guidelines issued by the Agency on public procurement of legal and sustainable timber^v.

Contact person:

Christian Lundmark Jensen

clj@nst.dk

Phone: +45 7254 3000 / direct 7254 2602

ⁱ Strategi for Intelligent Offentligt Indkøb, The Danish Government, October 2013

ⁱⁱ Cirkulære om sikring af bæredygtigt træ i statens aftaler om vareindkøb, tjenesteydelser og bygge- og anlægsarbejder, Danish Ministry of the Environment, June 2014

ⁱⁱⁱ Vejledning om sikring af bæredygtigt træ i offentlige aftaler om vareindkøb, tjenesteydelser og bygge- og anlægsarbejder, Danish Ministry of the Environment, June 2014

^{iv} UK Government Timber Procurement Policy: Definition of Legal and Sustainable Timber for Procurement, Fifth Edition, CPET June 2013; UK Government Timber Procurement Policy, Criteria for Evaluating Certification Schemes (Category A Evidence), CPET, April 2010.

^v The first guidelines in this area were published in 2003 (tropical timber only). Following a public consultation in 2007 on draft criteria for legal and sustainable timber (all timber), new guidelines was developed in 2010 on the basis of the criteria of FSC and PEFC. The new guidelines complete the plan to establish a specific list of sustainability criteria, which can be directly referred to in requirement specifications for sustainable timber.