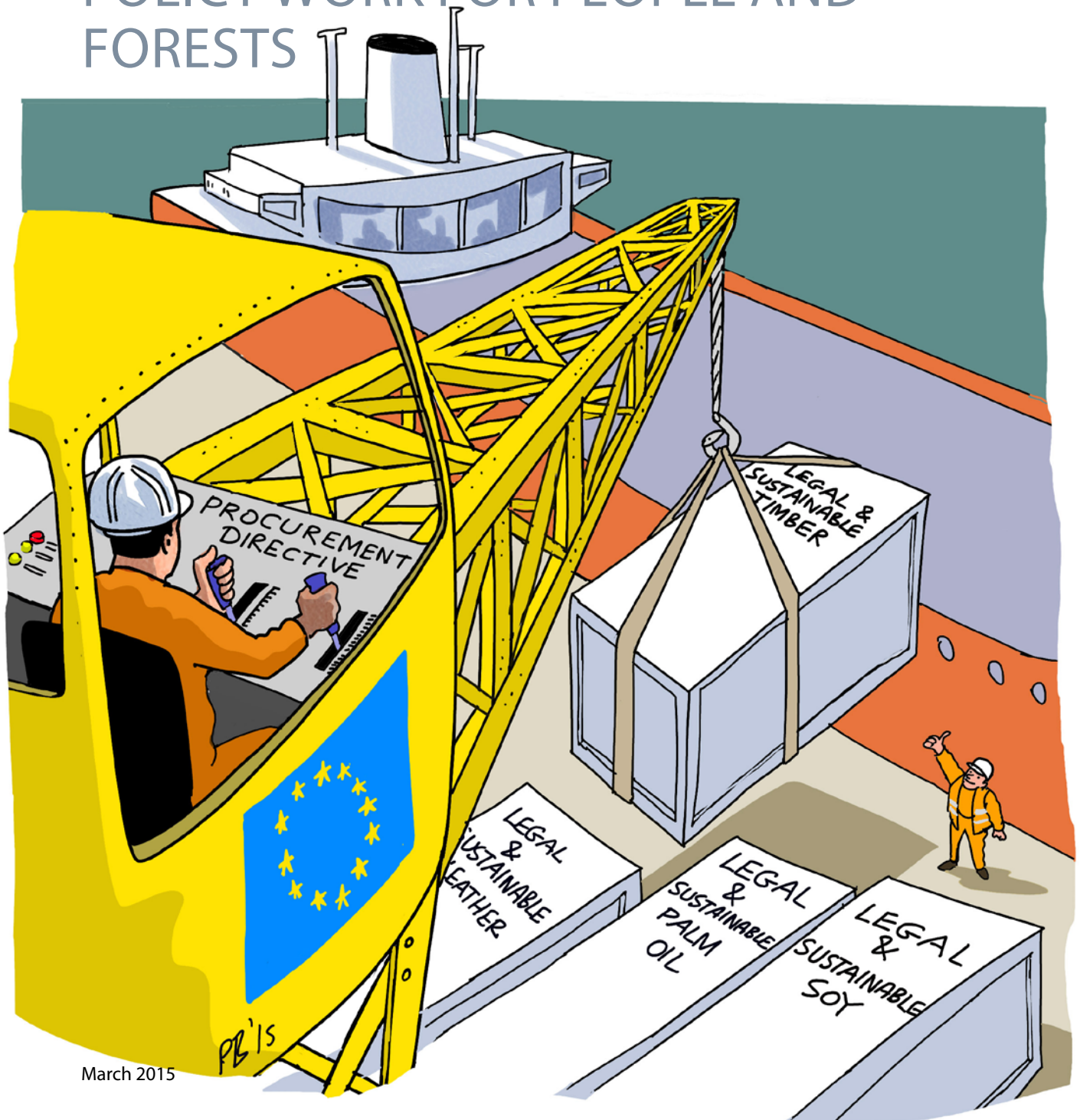


The Power of Public Purchasing

MAKING EU PUBLIC PROCUREMENT
POLICY WORK FOR PEOPLE AND
FORESTS





Acknowledgements

The Power of Public Purchasing: Making EU Public Procurement Policy Work for People and Forests

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ISBN: 978-1-906607-46-3

March 2015

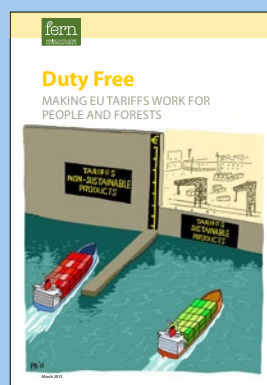
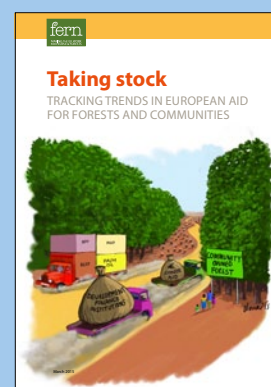
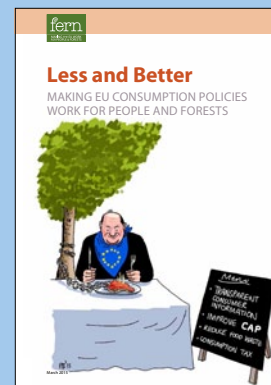
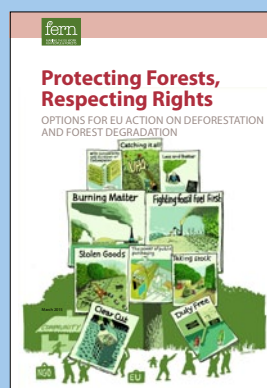
Fern would like to thank the Ford Foundation and the UK Department for International Development for their financial support. The views expressed do not necessarily reflect the funders' official positions.



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"I do not want a Europe stuck on the sidelines of history ...
I want a Europe at the heart of the action, a Europe which moves forward, a Europe which exists, protects, wins and serves as a model for others."

Jean-Claude Juncker, President of the European Commission, Opening Statement in European Parliament, 15 July 2014

The EU has set itself the goal of ending deforestation by 2030. More than 70 per cent of deforestation in the tropics is the result of land being cleared for commercial agriculture. 36 per cent of the crops and livestock products that were grown on deforested land and traded internationally, was consumed by the EU: twice as much as China and Japan combined. Even in 2015, with China's consumption increasing at a rapid rate, the EU still has a far larger footprint per person than China.

Much of this deforestation is illegal. In 2012 alone the EU imported EUR six billion of soy, beef, leather and oil palm that came from land illegally cleared of forests. Not only is our consumption destroying forests: it is undermining global governance and the rule of law.

Market pressure from consumers who do not want to be party to this trail of destruction is increasing. Far-reaching corporate commitments on zero deforestation have shown that businesses are also ready to act. But consumers and companies cannot act alone.

The EU, as one of the largest importers of forest risk commodities needs to act and serve as a model for others. It must base its policies on the fact that many of the world's forests belong to communities who depend on them. Forest protection will not work, therefore, unless it goes hand in hand with respecting and strengthening communities' tenure rights.

This report is one of a series presenting recommendations to the EU for an Action Plan to halt deforestation and respect rights, looking at EU aid, climate, consumption, financial, illegal logging, renewable energy and trade policies. Together, the series forms a comprehensive action plan for the EU, available at www.fern.org/EUdrivers.

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Acronyms

CPET	Central Point of Expertise on Timber
CSR	corporate social responsibility
FLEGT	Forest Law Enforcement, Governance and Trade
FSC	Forest Stewardship Council
GM	genetically modified
GDP	Gross Domestic Product
GPP	Green Procurement Policy
MSC	Marine Stewardship Council
NAP	National Action Plan
NGO	non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
PEFC	Programme for the Endorsement of Forest Certification
RSPO	Round Table on Sustainable Palm Oil
SFM	Sustainable Forest Management
TPAC	Timber Procurement Advisory Committee
VPA	Voluntary Partnership Agreement

Summary

The potential of sustainable public procurement as a policy instrument is well understood and recognised, and it is widely used for timber and timber products. While the UK's requirement for sustainable palm oil is the only example so far of an EU Member State procurement policy for an agricultural commodity associated with deforestation, public procurement policies are already widely used for food, particularly at the regional and local levels.

This report concludes that Member States should add criteria for sustainable foodstuffs to these procurement frameworks, and the European Commission should add them to the EU Green Public Procurement standards. Member States should also revise their timber procurement policies to require that products are not just legal but also sustainable, based on their own sustainability criteria, and use them to support Voluntary Partnership Agreements (VPAs) by expressly accepting Forest Law Enforcement, Governance and Trade (FLEGT)-licensed timber.

Tropical timber ready for export in Congo. Public Purchasing is a key part of the EU's Forest Law Enforcement, Governance and Trade Action Plan.

© jlane Boles/FlickrCC



Introduction

Public procurement is the acquisition of goods and services from a third party on behalf of a public agency, such as a government department or local authority. It can cover an enormous range of items, from military hardware to office stationery, and from school meals to consultancy services. In developed countries, purchasing of goods and services by public authorities – central, regional and local government and their agencies – is estimated to account for an average of about 12 per cent of Gross Domestic Product (GDP).¹

The way in which public procurement is used can have a significant impact on the overall direction of the market and the market share of particular products. Indeed, governments have used their purchasing power in the market as a tool to achieve public policy objectives since at least the 19th century.² Environmental objectives have grown in importance with the gradual rise in concern over pollution and resource depletion since the 1960s; and it has become commonplace to reflect this in purchasing requirements for items such as recycled paper, ozone-friendly refrigerators and air-conditioners, and energy-efficient office equipment.

Government purchasing varies significantly across product sectors, from very high proportions (e.g. defence, road-building) to very low ones (e.g. consumer goods). Even where levels are low, however, the evidence suggests that procurement policies can have a broader impact on consumer markets. Suppliers' preferences for relatively simple supply chains magnify the effect of public sector preferences; if they need to supply sustainable timber for

public purchasers, for example, they tend to prefer to supply the same products to their other customers. One estimate suggested that government procurement could achieve leverage of up to 25 per cent of the market (compared with about 10–12 per cent for direct purchases) when knock-on effects were included.³

In general the public sector is an important purchaser of forest-risk commodities such as timber and, in its role as a purchaser of food and catering services for schools, universities, nurseries, hospitals, care homes, canteens, prisons and the military, for agricultural commodities such as palm oil, soya and beef. Public sector purchasing therefore has considerable potential to affect EU markets for these products.

These kinds of criteria are relatively straightforward to introduce. Many countries already possess some form of green procurement policy, and criteria for legal and sustainable timber or sustainable foodstuffs can be tailored to fit; in general no new legislation is needed. The main challenge is to ensure that government buyers understand the criteria, and can ensure quickly and efficiently that they purchase products that meet them.

"In developed countries, purchasing of goods and services by public authorities is estimated to account for an average of about 12 per cent of GDP"

1 Organisation for Economic Cooperation and Development (OECD), 'Size of public procurement market', in *Government at a Glance 2011*, OECD Publishing http://dx.doi.org/10.1787/gov_glance-2011-46-en. Higher figures often quoted for procurement (16–20 per cent or sometimes even higher) usually relate to total government consumption, including spending on employee costs such as salaries and pensions, which are not relevant to procurement spend.

2 See McCrudden C, *Buying Social Justice: Equality, Government Procurement and Legal Change*, OUP, 2007.

3 Simula M, 'Public procurement policies for forest products – impacts.' Presentation at UN Economic Commission for Europe/Food and Agriculture Organisation policy forum on public procurement policies for wood and paper products and their impacts on sustainable forest management and timber markets, 5 October 2006.



In the Netherlands, the share of certified timber and panel products grew from 13 per cent in 2005 to 34 per cent in 2008 and 68 per cent in 2011. © Mathew Wilson/FlickrCC

Lessons to be learned from timber procurement policies

Largely in response to the growing concern over illegal and unsustainable logging, at least 26 countries, mostly in the EU, have now adopted some form of timber procurement policy at the central government level.⁴ Although some have been implemented more recently than others, and they vary in design, the evidence suggests that they are having a positive effect on increasing market share for verified legal and sustainable timber. Governments are an important purchaser in some sectors – for example, in the UK the public sector is thought to account for 30–50 per cent of the demand for office furniture⁵ – and, as noted above, procurement policy can also have a wider effect, partly through the impact on suppliers and partly through the signals it sends to the market.

Market research substantiates the conclusion that public procurement policies can increase the market share of legally and sustainably sourced timber. In the UK in 2008, certified timber and panel products (domestic production and imports) accounted for over 80 per cent of the market, up from 55 per cent in 2005.⁶ As one study concluded:

There is an undeniable shift in the behaviour of the timber trade, in particular the leading more progressive companies, and the UK government's timber procurement policy has had a significant impact and been one of the drivers for this change, along with NGO (nongovernmental organisation) pressure and corporate social responsibility [CSR] policies aimed at managing risk.⁷

Similarly, in the Netherlands, the share of certified timber and panel products grew from 13 per cent in 2005 to 34

4 See Brack D, *Promoting Legal and Sustainable Timber: Using Public Procurement Policy*, Chatham House, September 2014. Countries with timber procurement policies include, in the EU, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Slovenia, Spain, Sweden and UK; and outside the EU, Australia, China, Japan, Mexico, New Zealand, Norway and Switzerland.

5 Efeca, *An Assessment of the Impacts of the UK Government's Timber Procurement Policy*, 2010, p 65.

6 Moore N, *UK Timber Industry Certification*, UK Timber Trade Federation, 2009.

7 Efeca, op. cit., p iii.



In the Netherlands, the share of certified paper and paperboard reached 33 per cent in 2011.

© Daan van Beek

per cent in 2008 and 68 per cent in 2011, while the share of certified paper and paperboard reached 33 per cent in 2011.⁸ In 2011 a survey of the timber markets in six EU countries (Denmark, France, Germany, Italy, the Netherlands and the United Kingdom) concluded that 'the public sector and commercial big buyers – DIY, wholesaler, retailer and other large enterprises – are the main drivers generating demand for SFM [sustainable forest management]-certified timber'.⁹

In ensuring that purchases meet their policies' criteria, in practice all the timber procurement policies make use of the private timber certification schemes devised to promote sustainably produced wood products, the main ones being the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). Some countries have drawn up their own criteria for sustainability and legality and assessed the extent to which the certification schemes meet them; others have decided simply that particular certification schemes, or a wider range of evidence,

such as simpler legality verification schemes or sometimes industry self-certification, are adequate to meet their criteria.

Although many of these policies' criteria include FLEGT-licensed timber, not all of them do; the Netherlands, for example, regards a FLEGT licence as evidence that timber has been legally sourced, but not necessarily sustainably produced. Creating a demand for FLEGT-licensed timber, however, can have a greater impact on reducing forest degradation and promoting sustainable development than simply purchasing timber certified as coming from well-managed forests through a voluntary scheme. This is because, while the VPAs do indeed focus on legality rather than a broader set of sustainability criteria, their impact in shifting forest sector practices towards sustainability across a whole country is arguably greater in light of the direct link between the broad governance and forest sector reforms that a timber-producing country must undergo in the course of VPA processes and its ability to issue FLEGT licences. Studies have shown that meeting all VPA legality requirements would reduce certification costs by 60 to 80 per cent.¹⁰

8 Probos, 'Market share of sustainably produced timber doubled in three years: government target exceeded', available at <http://www.probos.nl/images/pdf/bosberichten/bosberichten2013-02English.pdf>

9 De Boer A, Hentschel G, *European Timber Trade Federation Annual Survey: The European Market for Verified Legal and Sustainable Timber*, April 2011, p. 6.

10 IDH Position Paper, *Mainstreaming Sustainability in Tropical Timber*, available at www.idhsustainabletrade.com/site/getfile.php?id=338

Public procurement for agricultural products

The public sector is a major purchaser of food and catering services, for schools, universities, nurseries, hospitals, care homes, canteens, prisons and the military – though clearly the extent of the public sector spend varies with the level of state involvement in these services. Procuring the future, a 2006 report from the UK Sustainable Procurement Task Force, identified food as the third most important of ten priority sectors for UK sustainable procurement policy. Its analysis was based on a mixture of total spend (i.e. impact in the market), scope to do more, and risks.¹¹ At the time, public spending on food and catering amounted to 2.1 per cent of total procurement spend: GBP 3.2 billion, about 10 per cent of the total UK catering sector.

The European Commission's 2008 communication on green procurement, *Public Procurement for a Better Environment*, similarly identified food and catering services as the second of ten priority sectors.¹² An analysis for the UK government estimated that, in 2009, 7–12 per cent of the total import of palm oil and palm kernel oil imported into the UK was consumed by the public sector.¹³

Interest in using public procurement policy for food has grown significantly in recent years, triggered mainly by concerns over food safety and healthy eating (particularly for schoolchildren), environmental impacts and a desire to source locally. In general, these approaches have tended to be adopted by local and regional authorities rather than by central government (though in most countries these account for the bulk of public sector purchasing of food and catering services), but there are examples of both. The main aims of these programmes have been to promote healthy, fresh, seasonal, organic and locally sourced food. Fairtrade-labelled products sometimes feature, as does certified sustainable fish; but otherwise, certified



South African hake processing team. In its Government Buying Standard for Food and Catering, the UK has specified that all fish must be Marine Stewardship Council certified.

© Leonard Faustle / Marine Stewardship Council / FlickrCC

11 UK Department for Environment, Food and Rural Affairs, *Procuring the Future: Sustainable Procurement National Action Plan: Recommendations from the Sustainable Procurement Task Force*, 2006, pp 11, 71.

12 European Commission, *Public Procurement for a Better Environment*, 2008, p 8.

13 Proforest, *Mapping and Understanding the UK Palm Oil Supply Chain: Final Report to the Department for Environment, Food and Rural Affairs*, Defra, April 2011, p 6.

"In 2009, 7–12 per cent of total palm oil imported into the UK was consumed by the public sector."

sustainable food products such as palm oil, soy or beef have generally not been included.

There are also examples of the application of public procurement policies to food and catering by central government, for example for dairy products in Austria (aiming to increase the supply of organic and non-genetically modified (GM) products),¹⁴ for organic food for school meals in France (with a national target of 20 per cent organic food by 2017)¹⁵ and for sustainable fish in school meals in the UK (the 'Fish and Kids' project of the Marine Stewardship Council (MSC)).¹⁶ Several governments are attempting to develop comprehensive frameworks for sustainable procurement. The UK, for example, has adopted a Government Buying Standard for Food and Catering, setting out 39 sets of criteria, 24 of which are mandatory, with the other 15 being best practice. These include:

- using organic or similar products: at least 10 per cent (mandatory, 40+ per cent is best practice)
- all fish must be sustainable (MSC or Marine Conservation Society or equivalent) (mandatory)
- at least 50 per cent tea and coffee to have been fairly traded (mandatory)
- all tea, coffee, cocoa and bananas to have been fairly traded (best practice)
- from the end of 2015, palm oil must be from sustainable sources (mandatory).¹⁷

That last criterion is the only example of a Member State central government's procurement policy aimed at the sustainable procurement of an agricultural commodity associated with deforestation.

In October 2012, the UK government announced that it was adopting the target of 100 per cent sourcing of credibly certified sustainable palm oil by the end of 2015, an announcement made jointly with 14 trade associations and NGOs.¹⁸ The government added the requirement for sustainability for palm oil, palm kernel oil and derivatives to the Government Buying Standard for Food and Catering (see above). Eight specific sustainability criteria are included in the Standard, based closely on the Round Table on Sustainable Palm Oil (RSPO) system.¹⁹

The government also commissioned the Central Point of Expertise on Timber (CPET, the advisory service set up to help implement the timber procurement policy) to expand the system and to provide an advice and information service on sustainable palm oil for businesses and government procurers, including a helpline, web resources, newsletters and seminars.²⁰ The government also pledged to work with the organisations involved in the national statement to monitor progress towards the target, and to encourage other consumer nations to switch to sourcing sustainable palm oil. Progress reports so far estimate that in 2012, 52–60 per cent of the palm oil used in the UK was certified sustainable; by 2013 this had risen to 55–71 per cent.

14 European Commission, *GPP in Practice: A National Framework Contract for Green Dairy Products* (not dated); available at http://ec.europa.eu/environment/gpp/pdf/news_alert/Issue32_Case_Study69_Austria_dairy_products.pdf

15 European Commission, *GPP in Practice: Organic Food Procurement for School Catering Services*, May 2014.

16 For further information, see the websites of the MSC (<http://www.msc.org>) and Fish and Kids (<http://www.fishandkids.org>).

17 *The Government Buying Standard for Food and Catering Services*, Defra, July 2014.

18 *Sustainable Production of Palm Oil: UK Statement*, Defra, October 2012.

19 *Guidance on Government Buying Standards for Food and Catering Services*, <http://sd.defra.gov.uk/documents/GBS-guidance-food.pdf>

20 See <https://www.gov.uk/government/policies/sustaining-and-enhancing-trees-forests-and-woodland/supporting-pages/using-sustainably-produced-palm-oil>

EU Green Procurement Policy

Within the EU, public procurement policy is a matter of Member State competence, although general procurement rules are set at EU level (see below). Nevertheless, the European Commission has tried to encourage Member States to adopt broad green procurement policies. In 2003, the European Commission encouraged Member States to draw up publicly available National Action Plans (NAPs) for greening their public procurement. By November 2014, 22 EU Member States had adopted a National Action Plan or equivalent document; six had not.²¹ Food was included in the plans of at least 11 Member States: Belgium, Cyprus, Finland, France, Italy, Latvia, Lithuania, Malta, Slovakia, Slovenia and UK.²²

"...including criteria for sustainability in procurement policies for timber products or for food and catering is permissible under EU procurement rules."

In 2008 the Commission also began a programme of developing common Green Procurement Policy (GPP) criteria, with the aim of opening up procurement contracts to companies across the EU. By February 2015, criteria had been agreed for 21 product groups, including food and catering services and copying and graphic paper, construction, wall panels and furniture.²³ Their adoption is voluntary for EU Member States. In each case they include core criteria, which are recommended for use by all public authorities, and comprehensive criteria, recommended for public authorities wishing to purchase products that are least damaging to the environment.

The food and catering criteria are designed to encourage organic production, sustainable fishing and high standards of animal welfare, among other things; there is no direct

relevance to forest-risk commodities. The timber products criteria include a requirement that any virgin timber used must be legal; acceptable forms of proof include FSC or PEFC or equivalent, FLEGT licences, or a declaration of legality accompanied by a chain-of-custody tracking system.

There is no absolute requirement for sustainability, but extra points are awarded for evidence of sustainable forest management, as defined by various international SFM processes; FSC, PEFC or equivalent, or 'other appropriate means of proof', are accepted as evidence. Given that the EU Timber Regulation now requires legality of all timber products on the EU market, the GPP criteria are not exactly ambitious. The criteria are subject to regular revision, however, and those for furniture and office buildings (replacing those for construction) are currently being reviewed.

The GPP criteria are steadily being taken up across the EU, and five EU Member States – Bulgaria, Cyprus, the Czech Republic, Malta and Slovenia – have so far adopted the GPP criteria for one or more of the four timber product categories. Fourteen other Member States have their own timber procurement policies not based on the GPP criteria.

EU procurement rules

As discussed above, EU Member States develop and apply their own procurement policies, but the EU sets out principles to which the individual policies must conform. These aim to ensure that public procurement policies operate in a transparent way, that suppliers are treated equally (e.g. they forbid discrimination on the basis of nationality), and achieve best value for taxpayers and consumers of public services.

The EU rules allow significant scope for including environmental criteria. This has on occasion been controversial, particularly in relation to criteria for sustainable production, where it has been argued that some aspects of the way in which the products are produced, grown or harvested are not relevant to the subject matter, and should therefore not be included in the technical specifications of the procurement tender.

21 The 22 member states with a National Action Plan are Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and the UK; the six without are Croatia, Estonia, Greece, Hungary, Luxembourg and Romania.

22 According to the summaries available at http://ec.europa.eu/environment/gpp/pdf/national_gpp_strategies_en.pdf

23 For the latest criteria and background papers, see http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm



European Court of Justice with Rodin's statue. In May 2012, a ruling from the European Court of Justice confirmed that procurement criteria 'based on considerations of an environmental or social nature' were permissible. © Cédric Puisney/FlickrCC

In May 2012, however, a ruling from the European Court of Justice confirmed that criteria 'based on considerations of an environmental or social nature' were permissible. This was the outcome of a dispute case brought by the European Commission against the Dutch government, for allowing the province of North Holland to apply procurement criteria for automatic coffee machines referring to products bearing the EKO organic and Max Havelaar Fairtrade labels.

While finding that criteria such as these were allowed, the Court reasserted the requirement for specifications not to be described simply in terms of conformity with particular labelling or certification schemes. The revision of the EU procurement directives completed in early 2014 makes it clear that technical specifications may relate to production processes and methods provided these are 'linked to the subject matter of the contract and proportionate to its value and its objectives'.²⁴ There should be no doubt, then, that including criteria for sustainability in procurement policies for timber products or for food and catering is permissible under EU procurement rules.

Member States have until April 2016 to include the new procurement directive in their own legislation. The directive makes clear that labelling or certification schemes can be specified in procurement policies as an acceptable means of proof of the criteria, subject to various conditions (e.g. 'our criteria are X, and RSPO certification satisfies X'). It also seems to imply that the criteria can themselves be described by labels (e.g. 'our criteria are the RSPO scheme'), but its wording is not completely clear, and it also allows for those tendering to provide equivalent means of proof that the criteria the government is seeking have been met.²⁵

This seems to imply that the procurement policies which include their own criteria for sustainability are consistent with the procurement rules, while those which contain no definitions of sustainability, but simply list possible means of proof (like several EU Member States' timber procurement policies), may not be consistent – though none have been challenged.

²⁴ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on Public Procurement and Repealing Directive 2004/18/EC, Article 42(1).

²⁵ Ibid., Article 43.

Using public procurement policy for agricultural products



Cocoa producer – Côte d'Ivoire. Palm oil, beef, cocoa, coffee and tea are all commodities to which public procurement policy could potentially be applied.

© SOCODEVI/FlickrCC

Applying procurement policy to timber products is widely accepted, but using it for other forest-risk commodities much less so – the UK procurement policy for sustainable palm oil is almost the only example, though requirements for Fairtrade-labelled cocoa and coffee products are also relevant. Nevertheless, the existing policies provide a framework into which additional criteria could be inserted.

Palm oil, beef, cocoa, coffee and tea are all commodities to which public procurement policy could potentially be applied. They are all used as foodstuffs or ingredients. All are associated with deforestation: cocoa, coffee and tea are less

significant on a global scale than palm oil or beef, but still cause serious damage to forests in some countries, such as Côte d'Ivoire (for cocoa) or India (for tea). All are imported by the EU, and only beef is produced domestically in the EU. All are covered by certification schemes, including RSPO, Rainforest Alliance, UTZ Certified, Organic and Fairtrade, though beef is the least likely to be certified.²⁶

²⁶ It should be noted that while most of these certification schemes contain explicit criteria relating to the protection of forests, the Fairtrade scheme only contains generic criteria on minimising environmental impacts.

"Palm oil, beef, cocoa, coffee and tea are all commodities to which public procurement policy could potentially be applied."

The other major forest-risk commodity, soy, is less suited to the application of public procurement policy; it is mainly used as animal feed, which may lead to difficulties in identifying the final food product, and it is also a major component of biodiesel. In 2010, only about 13 per cent of global soy production was directly consumed by humans as food.²⁷ Biofuel policy is likely to have a more direct impact: see Fern's report ► *Burning Matter: Making EU Bioenergy Policy Work for People and Forests*.²⁸

In some countries, private-sector initiatives to eliminate deforestation from supply chains may render public procurement policy unnecessary, if they prove effective. For example, the Dutch Task Force on Sustainable Palm Oil was established in 2010, with the aim of ensuring that all palm oil used in the Dutch market is RSPO-certified by the end of 2015; by 2013 it had achieved 61 per cent, up from 30 per cent in 2011.²⁹ Similar initiatives for palm oil are under way in Belgium, Denmark, France, Germany and Sweden. In other cases, public procurement policy can help to stimulate such private-sector initiatives, as with the UK Palm Oil Statement of 2012.

Public procurement policies for forest-risk commodities should learn from the experience of the timber procurement policies outlined above. In particular, some kind of easy identification scheme for the desired products is essential. Governments have hundreds of procurement officers managing thousands of contracts across a huge variety of products and services; they do not have the time to research or check whether individual products or suppliers meet policy criteria. As noted, for timber the pre-existing forest certification systems have filled that role; without an equivalent certification or labelling system for desirable agricultural products, a procurement policy will be difficult to operate.

If certification schemes are to play this role, some organisation is needed to assess whether their requirements match the criteria, and also whether uncertified products whose suppliers nevertheless claim they match the criteria actually do so. For timber, the UK and Netherlands set up new bodies to do this (CPET in the UK and the Timber Procurement Advisory Committee (TPAC) in the Netherlands). It is also helpful to make support available to government buyers implementing the policy, in the form of advice and training (in the UK, this is provided by CPET) and guidance in purchasing the right kind of products (in the UK, the Government Procurement Service publishes framework agreements and catalogues of preferred products and suppliers). Compliance with the procurement policies should also be monitored, and cases of non-compliance followed up.

The certification systems themselves can be positively affected by the procurement policies. Both the FSC and PEFC systems were revised in response to their initial failure to meet some of the criteria in the UK's timber procurement policy. As noted, the UK's criteria for sustainable palm oil are based very closely on the RSPO standards, so the policy will therefore not be able to exert the same kind of upwards pressure. Of course the existence of more than one certification scheme helps, holding out the possibility of competition in meeting government's criteria (and while there are other palm oil sustainability schemes, RSPO is overwhelmingly dominant).

27 Potts J et al., *The State of Sustainability Initiatives Review 2014: Standards and the Green Economy*, IISD, 2014, p 253.

28 www.fern.org/burningmatter

29 For further information, see <http://www.taskforceduurzamepalmolie.nl>

Recommendations to the EU

Member States should:

- **Develop public procurement policies for forest risk commodities, including palm oil, beef, cocoa, coffee and tea. These should include robust standards and systems for monitoring and implementation.**
- **Base public procurement policies on criteria for sustainability, rather than simply copying the standards incorporated in existing certification schemes. As noted, this helps to put upward pressure on the certification scheme standards. The criteria should be strengthened over time.**
- **Facilitate the implementation of procurement policies by specifying which, if any, available certification schemes can be used to show compliance. The policy standards, as well as the assessments of certification schemes, should be developed through transparent and accountable multi-stakeholder consultation processes.**
- **Support the uptake of and compliance with procurement policies by front-line procurement officers through training and support, such as that provided by CPET in relation to the UK timber procurement policy.**
- **Revise their timber procurement policies to require that products have been sustainably produced, based on their own sustainability criteria (those of Belgium, Denmark, Luxembourg, Netherlands and the UK all offer fairly similar models), and use them to support VPAs by expressly accepting FLEGT-licensed timber.**

The European Commission should:

- **Incorporate criteria for forest-risk commodities, including palm oil, beef, cocoa, coffee and tea, in the food and catering GPP standard.**
- **Revise the standards for the timber-using sectors in the GPP to make 100 per cent sustainably produced products a requirement for the comprehensive criteria.**
- **Develop and implement an ambitious procurement policy for its own procurement.**
- **Provide assistance to Member States in developing procurement policies and encouraging harmonisation between the different Member States' policies.**

"Public procurement can have a significant impact on the overall direction of the market. Palm oil, beef, cocoa, coffee and tea are all commodities to which public procurement policy could potentially be applied."



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