

STRATEGY FOR PROCUREMENT OF LEGAL AND SUSTAINABLE TIMBER

(REVISION NOVEMBER 2008)

SCOPE

1. This Strategy for Procurement of Legal and Sustainable Timber applies from 1 October 2005 to commercial timber and timber products. Definitions of timber, including legal, recycled and virgin timber, are at Annex A. This policy does not apply to paper, paper products and card. A separate MOD Strategy has been published in respect of the procurement of paper, paper products and card.

VISION

2. Timber and timber products supplied to MOD irrespective of the method and cost of supply, directly or indirectly, for any purpose even where the use is ancillary to the main purpose of the activity (e.g packaging or hoarding) will be procured from a legal and preferably sustainable source.

OBJECTIVE

3. From 1 October 2005, **all** timber and timber products (excluding paper, paper products and card) procured by or on behalf of MOD must be procured from legal sources. In addition, every effort should be made to acquire these items from a sustainable source. Where practicable, the use of reclaimed, re-used or recycled timber or timber products should be considered. All timber and timber products will be independently verified to the standards of the Government's Central Point of Expertise on Timber (CPET) (see: <http://www.proforest.net/cpet>). Contractors will be required to obtain evidence of compliance with this policy before delivery.

4. It should be noted that, from 1 April 2009, only timber and timber products originating either from independently verified legal and sustainable sources or from a licensed Forest Law Enforcement Governance and Trade (FLEGT) partner will be demanded for use on the Government estate, and appropriate documentation will be required to prove it. Furthermore, from 1 April 2015, only legal and sustainable timber will be demanded. Detailed briefing notes on FLEGT can be found at:

http://ec.europa.eu/development/body/theme/forest/initiative/briefing_sheets_en.htm

In addition, the latest (1 August 2008) Government Advice note on timber, which promulgates these new procurement requirements, can be found on the CPET website at:

<http://www.proforest.net/cpet/uk-government-timber-procurement-policy/timber-guidance/>

IMPLICATIONS

5. This means that all staff, contractors and suppliers must comply with these conditions and any supply or tender-bid that fails to do so, in whole or in part, will be

non-compliant and will be rejected. Contractors and suppliers will be required to obtain evidence to prove compliance before delivery.

6. Furthermore, to meet Government Policy requirements, tenderers or suppliers should be invited to offer timber from a sustainable source as an addition to the supply or minimum contract specification. Once the minimum contract requirements (e.g range of goods, delivery, etc) have been met, preference will be given to timber that comes from a verified sustainable source subject to affordability and value for money considerations including risk to reputation.

7. From 1 April 2009, only timber and timber products originating either from independently verified legal and sustainable sources or from a licensed Forest Law Enforcement Governance and Trade (FLEGT) partner will be demanded for use on the Government estate, and appropriate documentation will be required to prove it. Furthermore, from 1 April 2015, only legal and sustainable timber will be demanded.

8. Suppliers being asked to acquire legal and sustainable timber for, or on behalf of, MOD need to understand clearly what MOD buyers mean by these criteria so that the supplier can demonstrate compliance with these agreed terms and conditions. Certification schemes have been developed to offer assurance to suppliers and buyers.

BACKGROUND

9. The need to ensure that all timber is from legal (and preferably sustainable) sources is a key tenet of HM Government policy. All central Government Departments are required to actively seek to purchase their timber and timber products from legal (and, where feasible, sustainable) sources. This policy is supported by the devolved administrations for Scotland and Wales.

10. More detailed background information on the reasons for procuring legal (and preferably sustainable) timber is at Annex B.

MONITORING AND REPORTING

11. Information on MOD's activities in respect of timber procurement has been sought annually for inclusion in the Government's report on its work to address sustainable development on the Government estate. This report is scrutinised by the Parliamentary Environmental Audit Committee (EAC) and the Sustainable Development Commission (SDC). The introduction and publication of MOD's own Sustainable Development (SD) report has set an annual requirement for MOD to publish information relating to our procurement of timber, and for that published information to demonstrate compliance with Government and MOD policy.

12. Procurement of legal (and preferably sustainable) timber also supports the Government's Sustainable Development (SD) Strategy *Securing the Future* published in 2005. In that Strategy, the Government set a goal for the UK to be a leader in the EU on sustainable procurement by 2009. Sustainable procurement – using procurement to support wider social, economic and environmental objectives, in ways that offer real long-term benefits – is how the public sector should be spending taxpayers' money. To meet the 2009 goal, the Government established in May 2005 a

Sustainable Procurement Task Force (SPTF) which was asked to produce a National Action Plan for Sustainable Procurement in 2006. The published National Action Plan noted that: “Unsustainable purchasing of timber, food, etc has a high reputational risk, and is seen by pressure groups, the press and society at large as unacceptable”. However, the Plan also noted that “the Government has already shown that it is possible to make progress in its initiatives on (sustainable procurement of) food and timber”. The introduction of the new requirements on timber procurement from 2009 and 2015 respectively (as outlined in paragraphs 4 and 7 of this Strategy) is in response to both *Securing the Future* and the SPTF National Action Plan.

13. MOD must show that it not only supports the Government’s SD Strategy, and its initiatives on sustainable procurement – especially timber – but is also taking appropriate action. In this context, recording of all MOD procurements of legal (and preferably sustainable) timber is vital. For all purchases or procurements of timber, documentary evidence that the timber was procured from a legal and preferably sustainable source shall be obtained and retained on site for inspection by, or submission to, Safety Sustainable Development and Continuity (SSD&C) Division, on request. From 1 April 2009, the documentary evidence should prove that the timber and timber products purchased or procured came either from independently verified legal and sustainable sources or from a licensed Forest Law Enforcement Governance and Trade (FLEGT) partner. Furthermore, from 1 April 2015, the documentary evidence should prove that only legal and sustainable timber has been purchased or procured.

14. In addition, arrangements are being put in place for revision to the existing DEFCON 691 and associated DEFFORM. Further guidance on these revised arrangements will be promulgated following formal agreement on planned revisions to the content and requirements of the DEFCON and DEFFORM.

COMPLIANCE

15. **This MOD policy is to be complied with by all MOD contractors, commercial branches, and Service and civilian personnel throughout the Department.**

REVIEW

16. This Strategy for Procurement of Legal and Sustainable Timber will be reviewed annually, with the next review taking place on 1 October 2009.

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DEFINITIONS

“Timber” is deemed to include any product that at some stage in its creation requires the felling of trees and the use of timber so obtained. Such products range from lumber or timber in its raw state to those where the manufacturing processes obscure the wood element. Paper is an example of a wood product where the wood element has been obscured. However, it should be noted that, for the purposes of the MOD reporting requirements on timber, it is intended to omit reporting on procurement of paper, paper products and card; these are the subject of a separate MOD Strategy.

Timber that has been reclaimed or re-used is referred to as “re-cycled” timber. Re-cycled timber means recovered wood that has been in previous use and is no longer used for the purpose for which the trees from which it derives were originally felled. The terms “re-cycled” “reclaimed” and “re-used” are interchangeable and cover the following categories: pre-consumer recycled wood and wood fibre or industrial by-products (but excluding sawmill co-products, which are deemed to fall within the category of virgin wood), post-consumer recycled wood and wood fibre and drift wood.

Timber that is not recycled is referred to as “virgin” timber when the distinction needs to be made for clarity. All virgin timber procured shall be legal timber and legally traded timber.

Where the term “timber” is used as a generic term, it includes both “virgin” timber and “re-cycled” timber.

“Legal timber” and “legally traded timber” refer to the propriety of tree felling in the forest or plantation where the trees in question were grown. The contractor is required to ensure that the organisation or body that felled the trees and provided the timber therefrom – from which the wood supplied in the contract derived – had legal rights use to the forest, holds a register of all local and national laws and codes of relevant practice applicable to forest operations, complied with all relevant local and national laws and codes of practice including environmental, labour and health and safety laws, and paid all royalties and taxes, and is not operating contrary to trade sanctions imposed by organisations such as the United Nations.

“Sustainable timber” is timber or wood supplied from forests that are managed to protect their well-being and sustain future supplies of timber. The use of additional criteria in a contract for the procurement and use of sustainable timber is the preferred choice of the UK Government (including MOD), and should be used if financial considerations support such an approach.

The terms “sustainable sources” and “sustainable forest” or “well-managed forest” refer to production and process methods (known as sustainable forest management standards” that sustain forest biodiversity, productivity and vitality, and minimise harm to ecosystems, including people, that depend on forests for their well-being.

BACKGROUND - THE ISSUE

World Wildlife Fund (WWF) statistics show that globally an area of forest the size of 37 football pitches is lost every minute of every day. Forests represent the single most important stabilising feature of the world's land surface. They absorb carbon dioxide, regulate the hydrological cycle, stabilise and conserve the soil, recycle nutrients and provide valuable habitats for living species. It has also been reported by the World Commission on Forests and Sustainable Development that forests have virtually disappeared in 25 countries; 18 have lost more than 95% of their forests; and another 11 have lost 90%. Currently, much timber used around the world is from illegally logged sources, and many forests are managed with little regard for the long-term environmental and social impacts of tree felling.

The continuing depletion of resources, such as forests, could increase the potential for conflict in regions of the world where tensions exist. Resources exploitation is a major contributor to poverty and instability. Whether financed or sustained through the exploitation of valuable natural resources, including timber, or emerging as a result of competition over natural resources, natural resource related conflict is a major threat to security and development. The World Bank maintains that weak economic growth, dependence on natural resource exports and prior civil conflicts are key drivers of conflict. Natural resources revenues reduce the need for taxation and accountability. They induce contests for control and influence. Both pressures from climate change and access to natural resources may cause conflicts over affordable and habitable land. Land-related conflict and insecurity, exacerbated when there are overlaps with ethnic tensions, can result in loss of state control or collapse of the state.

Resource scarcity and environmental degradation are also increasingly understood to play an important part in generating or exacerbating conflicts. The growing interference in ecosystems from forests to wetlands to coral reefs is among the principal processes of human-induced environmental change.

Conflict may arise as the result of a tightening of supplies (depletion or degradation of natural resources); an unsustainable increase in demand (due to population pressures, or increased per capita consumption, often related to export-led economic models); distributive inequities; or a combination of these factors. Developing countries, particularly those whose economies are heavily geared toward agriculture and other sectors that directly depend on the health of the natural resource base, are most immediately affected by environmental problems. There, the needs and interests of contending groups tied closely to the land – farmers, nomadic pastoralists, ranchers, those extracting the resources – are often incompatible. In some circumstances, human rights atrocities have also been linked to natural resources related conflict, such as those in Liberia. Conflict is a characteristic and cause of failed and failing states. These can provide havens for international terrorist organisations and other organized criminal groups to operate with impunity and therefore pose a threat to international security. It is vital that appropriate conflict prevention steps are taken to stop states slipping towards failure. Given the prevalence of conflict in states with economies driven by natural resources (a World Bank study has shown that countries

with a quarter or more of their income from natural resources are five times more likely to experience conflict) there is no reason why these conflict prevention measures should not include governance of the trade and usage of natural resources.

All of this could lead to greater demand not only for conflict prevention and resolution but also for potential humanitarian and post conflict reconstruction operations.