

UNECE/FAO POLICY FORUM ON PUBLIC PROCUREMENT POLICIES FOR WOOD AND PAPER PRODUCTS AND THEIR IMPACTS ON SUSTAINABLE FOREST MANAGEMENT AND TIMBER MARKETS  
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## PUBLIC PROCUREMENT POLICIES FOR FOREST PRODUCTS AND THEIR IMPACTS

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## Outline of the Presentation

1. Objectives
2. Lessons learnt in GPPs
3. Overview of the policies
4. Impacts
5. Role of governments
6. Discussion agenda

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## Objectives

- synthesize the available information on the public “timber procurement policies”
- present a comparative analysis
- assess potential impacts
- identify key issues for further discussion

**Difficulty:** PPPs are a moving target

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## Lessons learnt - GPPs

- GPPs are **market catalysts**: impact depends on how other actors take up similar policies
- **Supporting measures** are needed: communication, technical advice, training, awareness raising,
- **Targeted criteria** vs. broader environmental/(social) criteria
- **Supply availability** (market analysis)
- Focus **demand** side on largest market segments (building construction sector)
- **Transaction costs** (lack of information)
- **Level of obligation**: middle ground (obligation to establish agency-wise GPPs)
- **Implementation and outsourcing**

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## Overview - countries

### National policies

1. Pioneers or otherwise advanced
  - ♦ DEN, NET, UK
2. Recent policies
  - ♦ BEL, FRA, JAP, NZL
3. Upcoming, under preparation
  - ♦ GER, SPA, etc.
4. “On the margin” (eco-labelling, GPPs)
  - ♦ CAN, SWE, etc.

### Sub-national policies

- ♦ Local governments in several countries

### Related initiatives: Green building

- ♦ Canada, US, UK

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## Overview - policy objectives

- **Immediate:** Response to civil society criticism and activist campaigns: morally unacceptable to use illegal timber in public projects
- **Broad goals:** Promote SFM, good forest governance (and sustainable consumption)
- **Specific objectives:**
  - ♦ Ensure legal origin and legal compliance in the origin of products
  - ♦ Establish and promote market preference to sustainably produced timber

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## Level of obligation

- Level of obligation **varies** from mandatory to voluntary (differences between legality and sustainability)
- Affected by **general rules** of public procurement
- **Market situation** (“whenever possible”)
- Assurance of legality becoming as a **baseline** (mandatory) requirement

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## Requirements and definitions

- Legality
  - Sustainability (contents of the standard)
  - Certificates
  - Alternative documentation and verification
- **Definitions and requirements vary**  
 → **Assessments establishing equivalence vary as well**  
 → **Alternative documentation still largely open**

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## Market impacts

- Demand: leverage impact of 10-25%
- Buyers: need for improved coherence in requirements, facilitation
- Theoretical potential supply vs. availability (legal and sustainable)
- Cost impacts: supply chain, transaction costs of procurement
- Trade diversion
- Substitution

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## Forest and economic impacts

- **Forest management:** direct and indirect impacts
- **Governance**
  - ◆ Key problem countries
- **Equity**
  - ◆ Small-scale private forests
  - ◆ Community forests
  - ◆ Developing countries

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## Role of governments

- **Dual role:** regulator and buyer
- **Setting the standard** for all purchasing policies
- **Kicking off** the mainstreaming process

### Issues to be addressed:


- Complementarity as policy instrument
- Need for supporting tools and additional measures in implementation
- Support to developing countries

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## Discussion agenda: additional salt

1. Use of **internationally** agreed vs. **nationally** developed definitions and requirements
2. Measures to increase **commonality** between national requirements
3. Requirements for other **means of verification** than certification
4. Clarification of the **compatibility** with the international legal framework
5. Measures to increase **effectiveness** of the procurement policies to contribute to the intended goals (SFM and legality)
6. Possible **trade distortion** and negative **equity impacts**
7. Undue promotion of **substitution**
8. Lack of **market information** on potential demand and supply, and associated monitoring
9. Need for **exchange of information** between countries.

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Special thanks go to the 34 people who have contributed to the study !

**Thank You for the attention !**

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