BUYING RIGHT?
IMPLEMENTATION OF THE UK'S TIMBER PROCUREMENT POLICY 2017
Forests represent some of the most valuable ecosystems on Earth: home to well over half the world’s land-based species, regulating the climate and weather patterns, and supporting the livelihoods of billions of people.
FOREWORD

Forests represent some of the most valuable ecosystems on Earth: home to well over half the world’s land-based species, regulating the climate and weather patterns, and supporting the livelihoods of billions of people.

Yet deforestation and forest degradation is happening around the world at an alarming rate. The threats to forests are many, including the demand for timber, fuelwood, pulp and paper. Without good stewardship, the trade in timber products can have significant negative environmental and social impacts. But forestry industries have a valuable role to play in supporting sustainable livelihoods in rural areas and creating incentives to manage forests sustainably.

At WWF we have long recognised the potential for trade in timber to help drive more sustainable management of forests both in the UK and overseas, and worked closely with businesses to make this happen. Our Global Forest and Trade Network brings together companies that recognise the business case for trading only in legal and sustainable timber products, and ensure their trade is generating benefits for people and nature.

However, sustainable business needs a strong policy framework to thrive. Without government action, companies paying fair prices and managing forests sustainably risk being undercut by unscrupulous actors. Through its own purchasing activities, the government can help create incentives for sustainable business, and drive markets toward sustainably produced goods. Since the mid-1990s, WWF has engaged with governments and the wider public sector of several countries on public procurement policy. It is a key sustainability mechanism for governments, recognised in the Sustainable Development Goals (SDGs) and the New York Declaration on Forests.

The UK is one of the biggest importers of timber products in the world: in 2016 it was the fifth largest importer globally, and one of the fastest growing. For more than 20 years the UK government has shown recognition of the value of sustainable public procurement, initially establishing a voluntary Timber Procurement Policy, which became mandatory in 2000. However, policies are only as strong as their implementation: this valuable incentive mechanism needs adequate resourcing to be effective. This report tracks how well the central government is doing in delivering its commitments on sustainable public procurement of timber products.

As the UK prepares to leave the EU, there will be changes to the legal framework for public procurement. We want to see the government recognise the potential value of green public procurement more generally in supporting better business and driving more sustainable markets – and working with stakeholders to make that happen. There needs to be a continued expectation that procurement spend be used for pursuing a number of public policy aims, including sustainable development.

Ultimately, green public procurement needs to be bigger and more ambitious if it is to help deliver the SDGs, and the positive environmental footprint envisaged under the UK government’s 25 Year Environment Plan.

- **Beyond policy**, adequate resourcing is needed to support implementation of the Timber Procurement Policy and green public procurement more widely, and to monitor performance.

- **Beyond central government**, there needs to be further effort to widen the application of green public procurement policies. The impact of sustainability policies could be increased significantly if the purchasing power of the wider public sector was included. This would include the health service, schools, universities, local authorities and statutory bodies, along with central government departments.

- **Beyond forestry products**, the UK has adopted Government Buying Standards for food, which recognise several commodities from our lands and seas that are threatened by over-exploitation, and markets that need to be shifted to more sustainable demand patterns. Whilst this recognition is welcome, a more comprehensive approach to sustainable food would generate greater benefits to people, biodiversity and the climate.

- **Beyond national borders**, the UK can demonstrate global leadership on sustainable public procurement. This is a critical element of working with other governments and industry to meet the ambitious international targets in the New York Declaration and the SDGs, to reduce deforestation and promote sustainable markets in timber and other commodities.

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SDG 12
PUBLIC PROCUREMENT IS IDENTIFIED IN THE SUSTAINABLE DEVELOPMENT GOALS
THE UK’S TIMBER PROCUREMENT POLICY

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.

Since at least the 19th century, governments have used their purchasing power in the market – which, given their size, is often substantial – as a tool to achieve public policy objectives. In response to growing public concern over global deforestation and, in many forest-rich countries, extensive illegal logging, many governments have started to use public procurement policy in this way to grow the market for legal and sustainable timber and timber products. Over 30 countries, mostly in the EU, now possess this kind of timber procurement policy or have incorporated specifications for timber products in their wider green procurement policy.”¹

The public sector is a major purchaser of timber for a variety of purposes, including paper products, furniture and timber used in construction, refurbishment and maintenance. By requiring government purchasers to specify legal or sustainable products, governments can help to exclude illegal and unsustainable timber from the market: the evidence suggests that, by encouraging suppliers to modify their sourcing practices, this can have a wider impact on the timber market than just the direct impact of public purchases. The UK was one of the first countries to introduce such an approach, adopting voluntary guidance encouraging government departments to purchase timber and wood products from legal or sustainable sources in 1997; this became a binding commitment in 2000. This can be seen as part of a developing global response to the problem of illegal logging and deforestation (see Table 1.1).

The EU’s approach to sustainable procurement began with the Voluntary UK timber procurement policy (TPP) issued, encouraging legal or sustainable timber. The UK was one of the first countries to introduce such an approach, adopting voluntary guidance encouraging government departments to purchase timber and wood products from legal or sustainable sources in 1997; this became a binding commitment in 2000. This can be seen as part of a developing global response to the problem of illegal logging and deforestation (see Table 1.1).

The UK and other European governments sign the Amsterdam Action Plan, aiming to reduce deforestation, including the role of public procurement. The EU publishes a feasibility study on actions to address deforestation, including the role of public procurement.
IMPLEMENTATION OF THE UK’S TIMBER PROCUREMENT POLICY 2017

1.1 DETAILS AND SCOPE

The UK’s timber procurement policy (TPP) has been modified on a number of occasions since it was first introduced, and is described in full in the government’s Timber Procurement Advice Note.²

Public authorities are now required to purchase legal and sustainable timber products or recycled products. This applies to all virgin timber and wood-derived products used on the government estate, including temporary site works and material provided by suppliers. The terms are defined in some detail: ‘legal’ includes five different criteria and ‘sustainable’ has 12 main criteria, most of which have several sub-criteria. The definition of ‘legal’ was amended slightly in 2015 to bring it into line with the EU Timber Regulation.

The term ‘legal and sustainable’ is defined also to include products with a Forest Law Enforcement, Governance and Trade (FLEGT) licence – i.e. products exported from countries which have signed a Voluntary Partnership Agreement (VPA) with the EU and established a legality assurance system to ensure that all their exports have been produced legally. Only one licensing scheme, that of Indonesia, has started operating, though several other VPAs partner countries are in the process of establishing such a scheme. As of February 2018, six VPAs have been agreed in total, and nine are in negotiation. The TPP also establishes a category of ‘equivalent to FLEGT-licensed’ for products from timber producers in a country which has agreed a VPA and has put in place all the requirements for the licensing system but not yet officially implemented it.⁴

If sustainable products are not available, legal-only products can be procured, but this exemption is intended to be used only in rare situations where a specific type of product or timber species is needed for which alternatives are not available – for example for use in marine defences or in the refurbishment of a historic building.

The TPP is mandatory for central government departments, executive agencies and non-departmental public bodies. It does not apply to the ‘broader public sector’ – the National Health Service, schools and universities, public corporations and local government – which is a significant limitation on the policy; between them these bodies may account for as much as 80% of public sector procurement spend.³ They are, however, encouraged to adopt the same or a similar timber procurement policy.

The TPP also does not apply to the devolved administrations in Northern Ireland, Scotland and Wales. In fact, the administrations in Northern Ireland and Wales have both decided to adopt the UK TPP. Due to concerns over the burden of sustainability certification on small woodlands and producers, the Scottish government has not endorsed the requirement for sustainable timber. It prefers an older version of the TPP, which required legal but only encouraged (rather than required) sustainable products.² However, it also promotes the use of UK Government Buying Standards (see below), so if Scottish government buyers use these, in practice they are procuring legal and sustainable products, as in the rest of the UK.

The TPP is mandatory for central government departments, executive agencies and non-departmental public bodies. It does not apply to the ‘broader public sector’ – the National Health Service, schools and universities, public corporations and local government – which is a significant limitation on the policy; between them these bodies may account for as much as 80% of public sector procurement spend.³ They are, however, encouraged to adopt the same or a similar timber procurement policy.

The TPP is a relatively easy way for procurement officers to ensure they are purchasing products that meet the TPP criteria.

EU procurement rules require that procurement policies must rest on criteria, not on whether a product has been certified by any particular scheme. So the system must also be able to assess any claims by suppliers that their products meet the legality and sustainability criteria, even if they are not certified by any recognised scheme. This is the so-called ‘Category B’ evidence (Category A refers to the certification schemes). When it existed, CPET carried out these assessments, but now this procedure must be carried out by the procuring body. In practice this route has been infrequently used; one example is for greenheart, an exceptionally durable hardwood often used in marine environments, but not yet covered by any certification scheme.

The TPP requirement for legal and sustainable timber is only one of a wide range of environmental criteria which UK procurement policy aims to meet. These are set out in detail in the Government Buying Standards developed by the Department for Environment, Food and Rural Affairs (Defra) to make it easier for public bodies to issue tenders to procure sustainably. To date, standards have been developed for 11 groups of products, including paper, furniture and timber for buildings and construction projects – the main timber-using sectors.³ All these include the TPP requirements for legal and sustainable products, and often other criteria too. For example, the Government Buying Standard for furniture includes the requirement for it to be designed for disassembly to facilitate reuse, refurbishment and repair.³

The government makes procurement advice, assistance and coordination available to departments through the Crown Commercial Service (CCS), the government executive agency established in 2014 (replacing the Government Procurement Service) to maximise value for money in public procurement. The CCS aims to reduce the cost of common goods and services bought by all or most departments; the government can use its buying power to negotiate a better combination of price and quality. This procedure mostly operates through framework agreements reached by CCS with one or more providers for particular goods or services. Departments can use the frameworks to buy goods and services themselves, either by choosing a particular supplier listed under the framework or by undertaking a direct competition among the framework suppliers. In 2015–16 departments bought £6.8 billion of goods and services through CCS frameworks, out of total purchasing of £29 billion by central government departments.² An alternative procurement route for CCS to consolidate departmental demand to buy common goods and services itself on behalf of departments; in 2015–16, £2.5 billion of common goods and services were purchased by CCS in this way. In all cases, the Government Buying Standard criteria are included in CCS framework agreements and purchases.

As an alternative to purchasing directly or through CCS, some departments agree broad-ranging outsourced supply contracts with companies, designed to meet all their procurement needs, or their needs for a particular group of products or services, over the contract’s lifetime. This is particularly common for facilities management or building maintenance, but is also used for furniture, paper, printing services and sometimes procurement in general. The Government Buying Standards requirements (including the TPP criteria) should then be embedded in the contracts, and it becomes the supplier’s responsibility to comply with them.
Some departments share procurement services between them: this includes the Department for Communities and Local Government and the Department for Education; and the Ministry of Justice, Home Office, Department for International Trade and Department for Exiting the EU.

Departments differ widely in their levels of procurement spend. Figure 1.2 contains data for common departmental spend (goods and services that are bought by all or most government departments) in 2015-16. As can be seen, the highest levels are by those departments which own or use extensive offices or other property (such as barracks or prisons) throughout the country.

Table 1.3 contains data specifically on procurement spend on timber products: paper, furniture and timber for construction. These are annual averages taken from the Greening Government Commitments reports (see Section 3). As in Figure 1.2, the Ministries of Defence and Justice are the largest purchasers of timber products, accounting for over 80% between them. Given their size in terms of numbers of employees and numbers of properties (MoJ covers the prison estate), this is as would be expected.

Table 1.2:
COMMON DEPARTMENTAL SPEND 2015-16 (£ BILLION) 12

Table 1.3:
DEPARTMENTS’ PROCUREMENT SPEND ON TIMBER PRODUCTS, ANNUAL AVERAGE, 2012-13 TO 2015-16 (£’000) 13
1.3 REPORTING

Monitoring the implementation of the TPP (and, indeed, of sustainable procurement policy in general) has always proved a challenge.

In 2002, for example, environment minister Michael Meacher admitted that “the lack of available data makes it impossible to monitor performance” of the TPP.\(^1\) The government has been keen not to put too many bureaucratic burdens on public sector purchasers, but in turn this has meant that the data needed to monitor performance has often been lacking.

In 2008, CPET was tasked with trying to measure the impacts of the TPP. It conducted a case study of the construction sector,\(^2\) and published a study of impacts more broadly in 2010, though this was based on a survey of stakeholders rather than on quantitative data.\(^3\) The latter study concluded that:

> Based on published reports and the findings of the stakeholder consultation exercise undertaken for this study it is fair to say that the Government has made gradual progress towards full implementation of its timber procurement policy within all mandated bodies over the past 10 years but is by no means there yet. A very subjective estimate would be that 50–60% of relevant contracts contain sustainable timber requirements but only 10% of deliveries are checked for compliance.

There are significant differences between individual organisations both in terms of the actual requirements used and level of implementation. There is also evidence of a lack of compliance checking i.e. to ensure that the timber product procured and delivered actually meets the contract requirements.\(^4\)

Policies are only as strong as their implementation. Robust monitoring is needed to demonstrate the government’s commitment to upholding the TPP.
1.4 THE GREENING GOVERNMENT COMMITMENTS FRAMEWORK

In 2010–11, the government established a new framework for sustainable development policy. This identified procurement as a key element in meeting the government’s sustainability objectives for its own operations.

This was accompanied by a pledge to be: ‘open and transparent with more of our sustainable operations and procurement performance data, so that the public and Parliament can hold us to account’.14

As part of this approach, the government published the Greening Government Commitments, which set out the steps by which it aimed to reduce the environmental impact of its own operations. This included targets for reductions in greenhouse gas emissions, flights, waste, paper consumption and water consumption, and a sustainable procurement commitment to: ‘ensure government buys more sustainable and efficient products and engages with its suppliers to understand and reduce the impacts of its supply chain’.15 It also included a transparency element, requiring departments to make a range of information available on their websites about how they applied and monitored their use of Government Buying Standards.

The requirements of the Greening Government Commitments applied to all central government departments and non-ministerial government departments in England, together with their arm’s-length bodies (executive agencies and executive non-departmental public bodies; exemptions from reporting were permitted for some of these, mostly the smaller ones).16 For the sustainable procurement commitment, departments were required to report progress in incorporating the Government Buying Standards in procurement contracts of values above the threshold set under EU rules (for most supplies for central government, this is currently £34,000) for key product groups: construction, timber used in construction, furniture, paper, information and communication technology, and vehicles; food and catering was added in 2012–13. The transparency element included requirements to publish information on the systems departments used for food procurement and the sustainability standards set for construction projects.

Departments’ performance in meeting the Greening Government Commitments were reported annually. When WWF conducted its first survey of public bodies’ implementation of the TPP, in 2013, only one annual report on implementation had been published, covering 2011–12. Since many departments had not then started to record the purchases they had made which were compliant with the Government Buying Standards, its data was not particularly useful. Subsequent reports have contained better quality (though not complete) data, and these are analysed with respect to compliance with the TPP in Section 3. This also discusses the new Greening Government Commitments reporting requirements published in 2016, which include some significant changes for reporting on sustainable procurement.

1.5 THE WWF SURVEY 2013

For more than twenty-five years WWF has worked to promote demand for legal and sustainable timber and wood products.

This has included regular assessments of local authority timber procurement policies16 and, in 2011, an assessment of central government’s timber procurement policy based on published data.

In 2013 WWF invited all UK central government bodies to complete an online survey about their implementation of the TPP. The survey contained 63 questions, although only the largest bodies with significant procurement spend would have had to answer them all. These included questions covering each of the three main categories of timber products (paper, furniture and timber for construction and maintenance) about who procured the products for the organisation, how the application of the TPP was implemented, communicated and monitored, what contact the organisation had had with CPET and data on volumes or value of the recycled, legal and sustainable products procured by the organisation or its contractors.

The response rate was exceptionally poor, particularly (and perhaps unsurprisingly) among the large number of (often small) non-departmental public bodies – though some gave quite detailed responses. The decision was therefore taken to focus the analysis on the highest tier: the ministerial departments, government departments headed by a Secretary of State or other senior minister, with their own resources (voted for by Parliament) and accountable, through their ministerial team, to Parliament. Even for these the initial response rate was poor, so WWF used freedom of information requests to extract the information from non-responders.

The analysis of the responses, together with data taken from the second Greening Government Commitments annual report (2012/13), was published in early 2015.17 In summary, the report found that:

- Less than a third (6 out of the 21) of the central government departments required to implement the TPP achieved full compliance.
- Only 3 out of 10 departments which answered the question considered that they themselves were fully implementing the TPP.
- Less than 10% of the relevant contracts were checked for compliance.
- Of the ten departments that answered the question, only half had a system in place for monitoring implementation of the TPP. Of those five, only two had an independently audited system.
- Just over half of the central government departments had made use of the CPET advisory service.

The report contained a scorecard judging departments’ performance against the Greening Governments Commitments data, the survey questions on approach and implementation and on monitoring, and departments’ self-assessments of their implementation of the TPP. The Treasury scored best, closely followed by the Home Office and the Department for Work and Pensions. The Ministry of Justice, The Northern Ireland Office and the Department for Education scored worst.
In July 2017, WWF invited all UK government departments to complete a survey about their implementation of the TPP. This followed on from the 2013 survey (see Section 1.5). But, thanks to the data now available in the Greening Government Commitments reports, it needed to contain far fewer questions and ask for less detail than in 2013 (see Section 3 for an analysis of the Greening Government Commitments data).

The WWF survey was sent to a total of 23 departments. We followed the Greening Government Commitments in not approaching the six remaining ministerial departments: the Northern Ireland, Scottish and Welsh Offices and the Office of the Advocate-General for Scotland; and the Offices of the Leaders of the House of Commons and House of Lords, which are based within the Cabinet Office and do not possess their own procurement functions.

The response was rather better than in 2013: 17 departments responded to the initial request to complete the survey. As in 2013, freedom of information requests were used to extract information from the remainder; five responses were generated in this way.

We were interested primarily in issues the Greening Government Commitments reports did not cover, including the use of outsourcing companies for procurement functions, and the systems departments used to monitor their implementation of the TPP, including monitoring of outsourced functions. The questions therefore covered the following issues:

- How the department procured each of the three categories of timber products (paper, furniture and construction timber): directly through its own procurement officers, on its behalf by another body, or through contractors; and the extent to which CCS frameworks were used.
- What system the department used for ensuring that the timber products procured met the requirements of the TPP, as expressed in the Government Buying Standards.
- The requirements placed on the procurement of small volumes of timber products, below the EU procurement threshold, together with a request for an estimate of the proportion of total procurement spend this represented.
- A request for any comments on the department’s performance reported in the Greening Government Commitments annual reports, particularly where the performance was poor. (These are summarised in Section 3.3.)

The remaining body, the National Crime Agency, did not respond, which appears to put it in breach of its duties. (The NCA is exempt from freedom of information requirements because of the need to protect its officers, victims, witnesses and partners, but it also has a duty to publish information on a range of non-sensitive issues, including its own spending.)

Joint reports were received from two clusters of departments which shared procurement functions. The Foreign & Commonwealth Office (FCO) provided information separately for its operations in the UK and overseas (the overseas operation also procures for other UK government offices such as Department for International Development (DFID) facilities, through the ‘One HMG Overseas’ process) and for its two executive agencies: FCO Services (which designs, builds and provides secure services in embassies, high commissions and other government facilities overseas) and Wilton Park, a conference-organising and hosting body. The survey did not ask other departments to make information available on their executive agencies, so these two are not included in the analysis below. We have included FCO overseas operations: although the estimated 70% of FCO procurement spend which is in its facilities outside the UK is not subject to reporting under the Greening Government Commitments, the department has always aimed to apply the TPP to it.

This left 19 responses, from:

- Attorney General’s Office (AGO);
- Department for Business, Energy and Industrial Strategy (BEIS);
- Cabinet Office (CO);
- Department for Communities and Local Government (DCLG) and Department for Education (DfE) (joint response);
- Department for Digital, Culture, Media and Sport (DCMS);
- Department for Environment, Food and Rural Affairs (Defra);
- Department for International Development (DFID);
- Department for Transport (DfT);
- Department of Health (DH);
- Department for Work and Pensions (DWP);
- Food Standards Agency (FSA);
- Foreign and Commonwealth Office (FCO) (two responses: UK and overseas);
- HM Revenue & Customs (HMRC); HM Treasury (HMT);
- Ministry of Defence (MoD);
- Ministry of Justice (MoJ), Home Office (HO), Department for Exiting the European Union (DEXEU) and Department for International Trade (DIT) (joint response);
- Office for National Statistics (ONS);
- UK Export Finance (UKEF).
2.1 PROCUREMENT ARRANGEMENTS

As discussed in Section 1.2, departments procure supplies either by purchasing them themselves, or by another agency purchasing them on their behalf, and sometimes by outsourcing their procurement functions to commercial companies.

Procurement functions can be outsourced in their entirety, or for particular sectors such as facilities maintenance, which may include supplying furniture. Construction work always involves using external contractors.

CCS framework agreements with individual suppliers or groups are very widely used, not only by departments but also sometimes by procurement management companies. Of the 19 departments responding:

- For paper, 13 used CCS frameworks all the time and four most of the time; FCO overseas used them when available, and the remaining department left purchasing decisions to its outsourced supplier.
- For furniture, eight used CCS frameworks all the time, four most of the time and three some of the time. FCO overseas used them when available, and two departments left purchasing decisions to their outsourced suppliers.
- CCS frameworks are less extensive for construction and maintenance, and in any case most departments have no, or only occasional, procurement needs in this sector; nine departments answered ‘not applicable’ to this question. Of the other 10, one said it used CCS frameworks all the time, three some of the time and four none of the time, while two left the decision to contractors.

The survey did not ask departments to name the particular CCS-approved suppliers they used, but several provided information. A few departments used CCS framework agreements which list several possible suppliers; several departments used individual suppliers. This included Banner Business Services, named by five departments as a supplier of paper; Banner developed the ‘closed loop’ system of collecting, shredding and recycling confidential documents into copier paper, though it also provides other types of paper and a wide range of other office supplies. APS Group was mentioned as a supplier of printing services by two departments. For furniture, Flexiform Business Furniture was mentioned by one department and Senator International Ltd by two. One department used YPO as well as CCS frameworks for furniture; originally the Yorkshire Purchasing Organisation, YPO is the UK’s largest formally constituted local authority purchasing consortium, jointly owned by 13 local authorities.

Under its own framework agreement, MoJ purchases furniture mainly from Amaryllis, which supplies products remanufactured by prisoners under the Newgate brand; DWP also purchases furniture from this source.

Table 2.1 lists the organisations to which departments outsourced their procurement services. The ‘services procured’ column lists only the timber products procured, but these companies will in general provide other services too. (Contractors for specific construction projects are not included.)

<table>
<thead>
<tr>
<th>Company</th>
<th>Department</th>
<th>Timber products procured</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Ltd</td>
<td>DFID</td>
<td>All products</td>
</tr>
<tr>
<td>Arcadis</td>
<td>BEIS</td>
<td>Total facilities management (furniture, construction)</td>
</tr>
<tr>
<td>Crown Commercial Services</td>
<td>HMT</td>
<td>Paper, furniture</td>
</tr>
<tr>
<td>EMCOR</td>
<td>DH</td>
<td>Facilities management (construction/maintenance for minor projects)</td>
</tr>
<tr>
<td>Interserve</td>
<td>Defra &amp; DTE/DCLG</td>
<td>Facilities management (all products)</td>
</tr>
<tr>
<td>Piggott &amp; Whitfield</td>
<td>CO</td>
<td>Construction</td>
</tr>
<tr>
<td>Telereal Trillium</td>
<td>DWP</td>
<td>Estate management (furniture using Amaryllis, construction/maintenance)</td>
</tr>
<tr>
<td>UK Shared Business Services Ltd*</td>
<td>BEIS</td>
<td>Paper (using Banner and APS)</td>
</tr>
<tr>
<td>Vinci</td>
<td>ONS</td>
<td>Facilities management (small furniture items)</td>
</tr>
<tr>
<td>Unspecified</td>
<td>DfT</td>
<td>Furniture, construction (new total facilities management contract from February 2018)</td>
</tr>
</tbody>
</table>

* UK SBS is a company wholly owned by its public sector customers and shareholders: BEIS, the seven UK Research Councils, Innovate UK and the Higher Education Funding Council for England. DfT provided documents from their facilities management and construction contractors outlining their timber purchasing policy, which included the requirement to source FSC or PEFC-certified products (or, for one company, just FSC products).
2.2 ENSURING AND MONITORING COMPLIANCE

The key question for the WWF survey was the systems departments used to ensure that their supplies, whether procured directly or via outsourced companies, complied with the requirements of the Government Buying Standards (and, therefore, the TPP).

Departments reported a number of ways of ensuring compliance. Most departments provided a considerable level of detail in answering this question in the survey, though some gave much shorter responses; the listing of departments under each of the sub-sections here should not, therefore, be assumed to be exhaustive.

**RELIANCE ON CCS FRAMEWORKS**

As noted above, products supplied under CCS framework agreements should automatically be compliant with Government Buying Standards. Three departments (AGO, FSA, UKEF) relied on the fact that they only purchase products through CCS frameworks (and, in FSA’s case, also YPO) to guarantee compliance, and used no other system. BEIS uses CCS itself as its procurement agent. The department commented that: ‘where proportionate to the procurement, the CCS procurement lead will work with HMT to consider relevant procurement policies and how potential providers should be assessed in their ability to meet the obligations of these policies’.

**REQUIREMENTS WRITTEN INTO INVITATIONS TO TENDER AND CONTRACTS**

Where CCS frameworks are not used – for example in construction projects – requirements for compliance with Government Buying Standards or, more narrowly, the TPP, can be written into the initial invitation to tender and the final contract. BEIS, DEF/DCLG, DfID, Defra, DfT, DH, FCO, HMRC, MoD and HO/MoJ all mentioned that they did this. FCO and MoD provided copies of the final contract. The MoD contract also includes a requirement for regular reporting of data. DWP’s contract with its facilities management contractor includes a clause requiring it to ensure that it maintains and is able to provide copies of records demonstrating ‘FSC or similar certification for works involving the use of timber’.

CO, DH and DWP all mentioned the fact that they procured FSC-certified products as evidence of compliance. Perhaps surprisingly, CO stated that, as part of its environmental policy, ‘all timber products are to be procured from FSC sources’. While this is compliant with the TPP, EU procurement rules do not allow public bodies to require products certified to particular certification schemes, so the policy should not limit procurement only to FSC products. DH stated that its furniture supplier, Flexiform, is FSC-certified (this does not mean that all its products are necessarily FSC, though in fact the company website states that they are) and that its main timber product purchased.

**MONITORING**

As noted, whether the documentary evidence required under these contracts is actually checked in practice is another question. HMRC noted that while ‘we include the requirement to maintain evidence of compliance, and whilst there is provision in contracts to produce evidence on request, suppliers are rarely requested to produce this’. Defra stated that ‘we have the right to check but in principle I am not aware that this has happened. We are strengthening contract management and supplier relationship in Defra through which we can evidence further that our suppliers are adhering to the Government Buying Standards.’

DFID monitors supplier performance continuously; its single supplier for goods and equipment, AECOM Ltd, is required to submit a monthly performance scorecard, and a further management review is conducted every quarter. One of the management review key performance indicators deals with timber procurement, requiring scrutiny of cost, quantity and the source of origin of any timber product purchased.

CO stated that it used internal and external auditing processes to ensure that its commitment to procure FSC products is upheld through inspection of spot purchases of timber, and management indicators from paper sources (i.e. sales volumes and quantities used). Audits are conducted of FSC compliance of furniture and construction at half-yearly intervals and evidence of this compliance is provided to external auditors. Management indicators for paper purchasing are evaluated quarterly to ensure that Government Buying Standards are maintained, and that paper is purchased from recycled materials where possible. CO also mentioned that it is certified to the ISO 14001 environmental management standard, and passed an ISO 14001 surveillance audit in January 2017.

While DEF/DCLG did not typically ask to see certificates, they did ask their suppliers annually for data on the departments’ total spend on timber and timber products, and spending on certified sustainable products. The right to audit was part of DEF/DCLG’s standard terms and in fact the departments had just completed an exercise for the FCO, where they asked suppliers for compliance with Government Buying Standards on all relevant products supplied to the FCO.

**PRE-ASSESSMENT OF SUPPLIERS**

Departments can pre-assess suppliers to gather details of the procedures they have in place to ensure compliance with the TPP requirements. In effect, this is what CCS frameworks do: they guarantee that products supplied under these agreements are TPP-compliant.

DCMS, DEF/DCLG, DWP, HMRC and HO/MoJ all mentioned that they pre-assessed suppliers, DWP through its total facilities management contractor and DCMS and HMRC where they used suppliers outside CCS frameworks. DCMS noted that their ‘quick check to ensure the supplier is compliant with the requirements ... could be done more formally and a process is under way to put this in place’. DEF/DCLG stated that preferred suppliers were selected through a rigorous process to adhere to the British Standards Institution’s standard for sustainable procurement (BS 8903), a comprehensive framework to implement and test sustainable procurement processes. DEF/DCLG’s facilities management contractor, Interserve, also operates a Vendor Accreditation Management System (VAMS) and the departments confirmed that checks were carried out by their central commercial and central procurement teams via VAMS. Only suppliers accredited in VAMS were used, and vendors were rechecked every two years.
Until December 2017, for most products this threshold was set at €134,000 or £106,047. As can be seen from the totals in Table 1.3, it is likely that this excludes a significant amount of procurement spend, particularly for paper and furniture. The TPP, on the other hand, applies to all supplies regardless of the value of the purchase. One of the survey questions accordingly asked departments what systems they used for purchases of small volumes of timber products, below the EU threshold.

Seventeen departments stated that they applied exactly the same system regardless of the size of the contract. HO/MoJ stated that while most individual paper orders would fall under the threshold, the department had a call-off contract in place that meant spend was consolidated and customers were all directed through the same procurement channels.

BEIS applied CCS frameworks for all of its paper and furniture requirements for all procurements above £10,000 in value. In practice, however, most spend below this level would also be placed through the CCS frameworks. AGO did not respond.

We also asked departments to estimate the proportion of their total procurement spend on timber products which fell below the threshold. Unsurprisingly, most did not collect the data necessary to produce such an estimate, but FCO (UK) estimated 75% and ONS and UKEF both 100%. UKEF estimated its total procurement spend on all timber products of approximately £12,000 in 2016-17.
3 GREENING GOVERNMENT COMMITMENTS

Ignoring the first annual Greening Government Commitments report (2011-12), which contained little precise data on sustainable procurement, there are now four years’ worth of reports against which to measure performance - from 2012-13 to 2015-16.27

As noted in Section 1.4, these include the progress made by central and non-ministerial government departments in England (including most of their arm’s-length bodies) in incorporating the Government Buying Standards in procurement contracts of values above the EU threshold for product groups including paper, furniture and timber for construction. For the later two years, 2014-15 and 2015-16, the paper category was divided into paper for printing and other paper. The Government Buying Standards include the TFF criteria for legal and sustainable or recycled timber products.

The reports include the same departments covered in the WWF survey, except that they predated the departmental reorganisation of 2016, which merged the Department for Energy and Climate Change (DECC) into the Department for Business, Innovation and Skills (BIS) to form BEIS, and created two new departments, DExEU and DIT. The National Crime Agency (NCA) is included for Business, Innovation and Skills (BIS) to form BEIS, and created two new departments, DExEU and DIT. The National Crime Agency (NCA) is included from 2013-14, after its creation in 2013. These reports, and the analysis in this chapter, therefore cover a total of 22 departments (21 in 2012-13).

Each annual report includes six (seven from 2014-15) data points for each department for the procurement of timber products:

1. Percentage (by value) of paper procured meeting or exceeding Government Buying Standards.
2. Number of construction contracts including an explicit sustainable timber procurement clause.
3. Number and percentage (by value) of construction contracts meeting or exceeding Government Buying Standards.
4. Number of contracts for which suppliers provided evidence of compliance with the sustainable timber policy.
5. Whether or not the department makes information available on its website about the sustainability standards it sets for construction projects.

Table 3.1 scores departments for whether they reported data. We gave a score of 1 for each report under the six (or seven) categories listed above (including a ‘not applicable’ report – often the case for construction, which most departments do not regularly procure). And we gave a score of zero for each failure to report. The total score is converted into a percentage of the score the department could have achieved if it had reported on each category.
Only two departments (HMRC and MoJ) managed to report all the data they were supposed to; a further four (AGO, DCLG, DWP, HO) scored 90% or more, meaning that they missed reporting on no more than two category/years over the whole four years. On the other hand, four departments (BIS, DCMS, FSA, NCA) reported less than half the data they were supposed to.

Most worryingly, the rate of reporting has declined in each successive year, from an average score of 88% in 2012-13 (with eight departments reporting all the data they were supposed to) to 60% in 2015-16 (with four departments reporting all data). Just two departments have shown an improvement over the four years, eight have remained the same (including the two which reported all data) and 12 have shown a fall in the rate of reporting.

The reporting rate did not vary much between sectors; it was slightly worse for paper and furniture than for construction. The worst rate was in reporting on the ‘other’ (non-print) paper category in 2014-15 and 2015-16 – this may include specialist types of paper not covered by Government Buying Standards.

3.2 DEPARTMENTS’ PERFORMANCE: COMPLIANCE

Table 3.2 scores departments for compliance with the requirements of the TPP. A score of 3 is given for each time the data show 100% compliance, 2 for 51–99%, 1 for 1–50% and 0 for zero compliance. Categories on which no data is reported are omitted from the scoring. As in Table 3.1, the total score is converted into a percentage of the score the department could have achieved if it had reported full compliance for each category.

The data shows a somewhat better performance than for reporting. Four departments (DCLG, DfE, FSA and UKEF) show 100% compliance in each year for the categories on which they reported (though none of them have a 100% reporting record). Only two departments (DCMS and DFID) ever show zero compliance, in each case only in one year, and only one department (ONS) shows 50% or lower compliance over the whole four years. On average the general level of compliance has not varied much over the four years. Seven departments have improved their performance over the period, 10 have remained the same and five have declined.

As with reporting, the compliance rate did not vary much between sectors; the worst rate was in compliance for the ‘other’ (non-print) paper category in 2014-15 and 2015-16.

<table>
<thead>
<tr>
<th>Department</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
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<th>Movement</th>
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<td>↑</td>
</tr>
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<td>HO</td>
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<td>83%</td>
<td>↑</td>
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<td>LOD</td>
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<td>83%</td>
<td>79%</td>
<td>→</td>
</tr>
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</table>
### Table 3.3: Performance Against Greening Government Commitments: Overall

<table>
<thead>
<tr>
<th>Department</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
<th>Average</th>
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<td>58%</td>
<td>30%</td>
<td>45%</td>
<td>53%</td>
</tr>
</tbody>
</table>

**Notes:***

- **Colour coding, annual and average columns:**
  - 100% reporting and compliance
  - 51-99%
  - 1-50%
  - zero

- **General direction of performance:**
  - Up
  - No significant change
  - Down

The average score for all departments over all four years is only 55%. This is due more to failures in reporting than failures in compliance; the fall in the rate of reporting in each successive year has dragged down the overall performance, with just six departments showing an improvement over the four years, five departments showing no significant change (including the best and worst performers) and 11 departments showing a decline. It is possible that some departments are actually complying with the requirements but failing to report it.

Within the Greening Government Commitments overall, the performance on sustainable procurement in general (not just procurement of timber products) has been markedly worse than on other topics. Reporting against the other targets (reductions in greenhouse gas emissions, flights, waste, paper consumption and water consumption) has been almost 100% for all departments over the full four years, and in the vast majority of cases performance has also improved year on year.

Both the 2014-15 and 2015-16 reports commented that there were instances where full reporting on procurement had proved particularly difficult: where Government Buying Standards did not exist – for example for specialist paper supplies or ergonomic furniture – and where total facilities management contracts had been put in place; in the latter case, as the 2015-16 report commented, ‘it is not clear, for example, whether all purchasing has been captured.’ Both reports claimed, however, that awareness had increased, leading to more government contracts taking sustainability into account than ever before (for the 2014-15 report, this was not in fact true, as can be seen from Table 3.2).

Weaknesses in holding contractors to account for their sustainability performance were also highlighted in the House of Commons Environmental Audit Committee’s report into sustainability in the Ministry of Justice, published in February 2018. The report highlighted the Ministry’s Chief Commercial Officer’s own admission that there was not enough emphasis on sustainability in the contract management framework, and ‘During the evidence session, the Ministry said it had a big responsibility to step up to the plate on sustainability when questioned about its procurement practices’.

The combined performance is not impressive. No department has managed both to report all the data they were supposed to and to manage 100% compliance with the TPP requirements. DWP and DCLG have come closest, with DWP managing 96% reporting and 92% compliance and DCLG 93% reporting and 100% compliance.

One of the questions in the WWF survey (see Section 2) asked departments to comment on their performance reported under the Greening Government Commitments. DIT and ONS both believed that there were errors in the reports, and DIT stated they were following this up with Defra. BEIS and FCO both thought that their non-reporting of data in various categories may have been due to the fact that the figures were very low.

DfE/DCLG (which procure jointly) implicitly confirmed the conclusion of the 2015-16 annual report that purchasing by facilities management contractors was difficult to capture by observing that their procurement of paper had moved from using a CCS framework to a contractor. Although, as they said, Government Buying Standards were embedded in the contract, this coincided with their failure to report data. Conversely, FSA, which has one of the worst records for reporting, simply claimed that all their purchases (which were small in volume) were through CCS frameworks – in which case, of course, they should have reported 100% compliance rather than not reporting.

CO, which in fact has an above-average record for reporting, observed that significant refurbishment works undertaken at some of its buildings had ‘resulted in an impracticable resource commitment by the department to evaluate every source of procured timber for construction’, but that no issues had been identified when audits had been conducted of FSC compliance of furniture and construction at half-yearly intervals (see further in Section 2.2).
3.4 THE 2016 REVISION TO THE GREENING GOVERNMENT COMMITMENTS

In December 2016 the government published a revised version of the reporting requirements for the Greening Government Commitments, applying for 2016-2020.

While setting new targets for most of the same topics included in the original version, significant changes were made to the sustainable procurement target. In place of the specific requirements to report on procurement of seven key product groups, departments are now only required to report on the systems they have in place and the (non-specific) actions taken to buy sustainably.

This includes departments’ efforts to embed compliance with the Government Buying Standards in their procurement contracts, ‘within the context of government’s overarching priorities of value for money and streamlining procurement processes’, and to understand and reduce supply chain impacts and risks. Reporting is to set out departments’ achievements in this area and cover their use of the Prioritisation Tool and the Flexible Framework tool – spreadsheets developed by Defra to help departments set up a sustainable procurement process and enable them to measure and monitor progress over time. The transparency commitment – a requirement to publish information on the steps departments are taking to, among other things, procure food and catering services and sustainable construction projects – remains.

The new Greening Government Commitments guidance concludes that: ‘Departments will be issued with a template each year in which to insert a short paragraph of text to outline its actions in relation to each of the above requirements. Each Department has flexibility on how to deliver this and is responsible for putting sustainable procurement into practice’. While there is nothing to stop departments continuing to measure their procurement of timber products, therefore, the requirement to report any specific data on it has been abandoned. No reports under the new framework have yet been published.

In addition, the government closed down the cross-government Sustainable Procurement Working Group, which had been designed to encourage the sharing of good working practices across government. It also abolished the Home Affairs Greening Government Cabinet Sub Committee, which was supposed to monitor departmental performance and encourage further improvement. Under the new framework, ‘Cabinet Office and Defra Ministers hold joint responsibility for overseeing the Greening Government Commitments’. 

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BEYOND TIMBER: PROCUREMENT POLICY FOR COMMODITIES ASSOCIATED WITH DEFORESTATION

It has long been recognised that illegal logging – or even legal logging – is not the main global driver of deforestation.

A series of studies have pointed instead to agricultural production as the major worldwide cause of forest clearance. About half of deforestation worldwide over the last two decades has been associated with pasture and feed for cattle, while the most significant crops are soy, maize, oil palm, rice and sugar cane. Although aggregate domestic consumption of these crops exceeds export volumes, international trade is nevertheless significant, in particular for palm oil and soy.

Accordingly, there is growing interest in exploring measures that could be taken by consumer countries to reduce their consumption and imports of agricultural commodities associated with deforestation. Many private-sector companies have already adopted similar commitments, and in some cases – mainly palm oil – have formed alliances of importers pledging to achieve 100% imports of certified sustainable products by a target date. The New York Declaration on Forests, agreed at the UN Climate Summit in September 2014, included a commitment to: ‘support and help meet the private-sector goal of eliminating deforestation globally’.

Following the experience of timber procurement, the possible use of public procurement policies to require agricultural commodities not associated with deforestation is receiving increasing attention. Public-sector bodies are major purchasers of food and catering services for schools, nurseries, hospitals, care homes, care homes, prisons and the military, and procurement policies for food and catering are widespread, generally promoting healthy, fresh, seasonal, organic and sometimes locally sourced food. In general, however, criteria relating to deforestation have not been included, though this is beginning to change.

The government subsequently added the requirement for sustainability of palm oil, palm kernel oil and derivatives to the Government Buying Standard for food and catering; the eight sustainability criteria included in the standard are based heavily on those in the Roundtable on Sustainable Palm Oil (RSPO) standard. The government commissioned CPET to elaborate the system further 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. In addition, it pledged to work with the organisations associated with the national statement to monitor progress towards meeting the target and to encourage other consumer countries to switch to sourcing sustainable palm oil.

As well as the provisions relating specifically to palm oil, the food and catering Government Buying Standard also contains a ‘best practice’ suggestion (i.e. not a requirement) that all cocoa, coffee and tea should be fairly traded. While these commodities are not significant drivers of deforestation at the global scale, they are all associated with deforestation in some countries. Fairtrade certification, however, only contains generic environmental criteria rather than specific criteria related to deforestation.

Successive progress reports from CPET showed steadily increasing volumes of palm oil used in the UK to be certified sustainable, from 24% of total UK purchases in 2009 to 87–108% in 2015 (depending on the methodology; precise data proved difficult to acquire). CPET published its final report in 2017, and although it recommended further monitoring of the figures, and encouragement for increasing the proportion accounted for by segregated and mass-balance palm oil rather than book-and-claim purchases (essentially, an offset system), the government has to date made no further commitments, and has not announced any plans for extending procurement policy to other agricultural commodities associated with deforestation.

This is despite the UK’s pledge, made jointly with Germany and Norway during the UN summit which adopted the New York Declaration, to ‘work with other consumer countries to promote national commitments that encourage deforestation-free supply chains, including through public procurement policies to sustainably source commodities such as palm oil, soy, beef and timber’. Indeed, in November 2016 the government confirmed: ‘We do not currently have any plans to extend our procurement policies to soy and beef’.

The government has, however, engaged fully in the group of countries which, in December 2015, agreed two Amsterdam Declarations: Denmark, France, Germany, Netherlands, Norway and the UK, later joined by Italy. Under the ‘Amsterdam Declaration in Support of a Fully Sustainable Palm Oil Supply Chain by 2020’, the governments agreed to support the goal of a fully sustainable palm oil supply chain, as set out in the separate private-sector Amsterdam Declaration. This aimed to coordinate the activities and targets of various private-sector national initiatives in achieving 100% sustainable palm oil (defined as RSPO-certified or equivalent, at minimum) in Europe by no later than 2020.

Under the separate ‘Amsterdam Declaration Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries’, the same group of governments reiterated the New York Declaration commitment to ‘support and help meet the private-sector goal of eliminating deforestation from the production of agricultural commodities such as beef and leather, palm oil, paper and pulp [and] soy … by no later than 2020’ and extended it to other commodities such as rubber and cocoa (of which EU member states collectively are the world’s largest importer). While there is no specific reference to public procurement policy in either declaration, they both anticipate developing a range of policies and measures to source deforestation-free commodities. This group of countries has continued to meet periodically and has engaged with industry and civil society. The UK (through DFID) has provided funding for its secretariat. The group discussed the possible use of public procurement policy at its meeting in October 2017, and may return to the topic in future.

The UK government’s 25 Year Environment Plan, published in early 2018, indicates the intention for further engagement on deforestation linked to supply chains. It does not however make any specific reference to the use of public procurement in this regard.
CONCLUSIONS AND RECOMMENDATIONS

Public procurement is an important tool in achieving sustainability objectives, using the government’s substantial buying power to influence the characteristics of products offered on the market. Perhaps of equal importance, it sends a signal to business and consumers about what products qualify as ‘desirable’ in terms of sustainability.

Successive UK governments have recognised this and signalled their commitment, through the New York and Amsterdam Declarations, to using public procurement policy in particular to tackle deforestation.

Timber procurement policies have proved of value in growing the market for legal and sustainable timber products, helping to create protected markets where they are not undercut by illegal and unsustainable – and therefore cheaper – competitors. The UK was one of the earliest countries to adopt such a policy, and the UK TPP displays many positive characteristics: it is mandatory (many countries have voluntary policies), it requires legal and sustainable products (some countries simply require legal products); and it carefully defines what it means by ‘legal’ and ‘sustainable’ (some countries have very loose or no definition).

The TPP has always, however, suffered from problems with reporting: for most of the 21 years since its introduction, the extent to which government departments were actually complying with it has never been clear. The Greening Government Commitments reporting framework introduced by the coalition government in 2011 was in principle a good means of addressing this, but it has been dogged by weaknesses in reporting. As revealed in Section 3.1, levels of reporting steadily fell from 2012-13 to 2015-16. Problems seemed to have been caused in particular where the products procured were not covered by Government Buying Standards (in which case purchasing officers simply needed to have asked for proof of FSC or PEFC certification) or where procurement functions were contracted out.

The extent to which reporting problems were followed up with departments is not clear, but appears to be limited or non-existent. Why, for example, were BIS and DCMS (to choose two of the worst examples) allowed not to report any procurement data at all (for all products covered by the Greening Government Commitments, not just timber) for two out of the four years analysed here?

Closer examination of the reports suggests that some at least of the problems with reporting could have been resolved relatively easily. For example, FSA told us that it procured all its paper (which accounts for 70% of its procurement spend on timber products) through CCS frameworks, so it should be 100% compliant with the TPP requirements – yet it failed to report this under the Greening Government Commitments for three out of four years.

There seems no reason why a simple email or phone call could not have sorted this out and given FSA a 100% reporting and compliance record.

The increasing tendency to outsource procurement functions to facilities management contractors seems to have created particular problems, as some departments do not appear to have put in place adequate systems to capture the data; this was commented on in two Greening Government Commitments reports and in the Environmental Audit Committee’s investigation into practices in the Ministry of Justice. Once again, however, this should not be difficult to resolve; as our survey revealed, several departments do appear to have managed to embed relevant key performance indicators, including requirements to report, in their contracts. We appreciate that all departments suffer from a lack of resources, but presumably outsourcing procurement functions frees up time in the department’s procurement team, some of which could then be used to ensure that contractors are fulfilling their obligations through data reporting and a requirement for annual progress reports.

Setting aside the problems with reporting, departments’ performance against compliance with the TPP is better – though, with an average of 79% over the four years covered by the Greening Government Commitments reports, not as good as one would hope for in the implementation of such a long-standing policy (see Section 3.2). Nevertheless, several departments show a 100% or near-100% record, and more departments have improved over the period than have declined. However, it is a matter of concern that the two departments with the largest volume of timber procurement – the Ministries of Defence and Justice (see Table 1.3) – display below-average performance (though not by much).

Having conducted an inquiry into sustainability in one of these departments, the Environmental Audit Committee could usefully now examine the other. Some departments clearly have managed to establish what appear to be reasonably rigorous systems for monitoring and reporting on implementation of the TPP – including, for example, DFID, the Cabinet Office and DfE/DCLG (see Section 2.2) – and apart from DFID, which appears to have had problems in one year, these departments score above average for both compliance and reporting. Not all departments answered our survey questions in as much detail, so it is possible that others have reasonably good systems in place too.

To sum up, departments perform worse on reporting than on compliance with the TPP, but some departments display near to complete compliance and have good monitoring systems in place – so it is clearly possible to implement the TPP fully and report against it comprehensively. Given this, it is extremely disappointing that in 2016 the government decided to remove the procurement reporting requirements from the Greening Government Commitments. The government should have taken steps to improve reporting rather than end the need for it – and, as discussed above, some of these steps could have required a very low input of resources.

No report under the new Greening Government Commitments reporting framework has yet been published. Given the removal of the procurement reporting requirement, at the very least, departments should be required to provide full details of their systems for ensuring compliance with Government Buying Standards and the TPP, and in particular how they apply these systems to outsourced procurement providers. The fact that the new guidance states that ‘Departments will be issued with a template each year in which to insert a short paragraph of text to outline its actions’ does not create much confidence that this level of detail will be provided. It would be helpful if the Environmental Audit Committee examined reporting under the new arrangements, in an attempt to gauge the impacts the changes make on performance.
An alternative approach to department-based reporting would be to commission a study to measure the extent to which the entire UK economy is purchasing certified timber. If the figure is close to 100%, arguably there would be no need for detailed reporting of departmental performance. This is the approach the government adopted for palm oil (see Section 4), and the Dutch government similarly monitors on a regular basis penetration of certified timber across the economy in the Netherlands. We recognise that this would be more difficult for timber in the UK, for which there far more importers than for palm oil, or for timber in the Netherlands, but it would be possible, at the very least as a one-off study, and would help to illuminate the question of whether regular reporting by departments is required.

This report examines timber procurement in central government, but it is worth remembering that the TPP does not apply to the ‘broader public sector’ – the National Health Service, schools and universities, public corporations and local government – which between them account for a significant proportion of public sector procurement spend. In the past, government, mostly through CPET, has made attempts to promote the TPP throughout the public sector. These efforts should be taken up once again now that CPET no longer exists, and extended to other commodities associated with deforestation, such as palm oil or cocoa. If the government is serious about fulfilling its commitments under the New York and Amsterdam Declarations, it should be taking these steps.

RECOMMENDATIONS:

- The government should reverse the 2016 decision to abandon reporting on procurement in the Greening Government Commitments.
- If this is not possible, the government should require departments to include detailed descriptions in their Greening Government Commitments report of their systems for implementing and monitoring the TPP requirements, and in particular how they apply them to outsourced contractors.
- The Environmental Audit Committee should be encouraged to examine the impact of the new Greening Government Commitments reporting framework on procurement performance.
- The Environmental Audit Committee should also be encouraged to examine sustainability in the Ministry of Defence, as the department with the largest procurement spend (for timber products and for everything else).
- The government should consider a one-off study or regular studies of the penetration of certified timber in the UK economy.
- The government should take steps to promote implementation of the TPP among the broader public sector, outside central government.
- Public procurement policy should be extended to other commodities associated with deforestation, in line with the government’s commitments under the New York and Amsterdam Declarations; palm oil was a good start, but other commodities are important too.
ENDNOTES

1. Duncan Brack, ‘Promoting Legal and Sustainable Timber: Using Timber Procurement Policy (Chatham House, September 2014). As of late 2017, at least 33 countries, including 24 in the EU, now have such a policy.


4. Timber Procurement Advice Note, section 4.2.

5. Sustainable Procurement in Government: Briefing for the House of Commons Environmental Audit Committee (National Audit Office, February 2013), p. 11. Note that the figure may not be accurate; it is difficult to find precise figures for public procurement spend.


8. In fact BS 8903 has recently been superseded by ISO 20400, which was developed from the earlier BSi standard.


11. The answer to a Parliamentary Question on the topic from Baroness Parminter in October 2015 (HL2761), answered 30 October 2015 stated merely that ‘guidance will continue to be made available through the GOV.UK website’.


18. Ibid., p. 8.


22. For the latest, see Barlow (2014) The Right Tree A scorecard of UK local authorities’ responsible wood and paper procurement (WWF, May 2012).

23. Implementation of the UK’s Timber Procurement Policy: Analysis of WWF survey responses (WWF-UK, February 2013); http://assets.wwf-.

24. Four are ‘non-ministerial departments’: FSA, HMRC, NCA and ONS. The rest are ‘ministerial departments’.

25. See Revised framework document for the National Crime Agency (Home Office and NCA, May 2015), Section 9 and Annex section B.

ABBREVIATIONS AND ACRONYMS

AGO Attorney General's Office

BEIS Department for Business, Energy and Industrial Strategy (from 2016)

BIS Department for Business, Innovation and Skills (until 2016)

CCS Crown Commercial Service

CD Cabinet Office

CFET Central Point of Expertise on Timber (until 2016)

DCLG Department for Communities and Local Government

DCMS Department for Digital, Culture, Media and Sport

DfE Department for Education

DECC Department for Energy and Climate Change (until 2016)

Defra Department for Environment, Food and Rural Affairs

DeEU Department for Exiting the European Union (from 2016)

DFID Department for International Development

DfT Department for Transport

DH Department of Health

DIT Department for International Trade (from 2016)

DWP Department for Work and Pensions

FCO Foreign and Commonwealth Office

FLEGT Forest Law Enforcement, Governance and Trade

FOI Freedom of Information Act

FSA Food Standards Agency

FSC Forest Stewardship Council

HMRC Her Majesty’s Revenue & Customs

HMT Her Majesty’s Treasury

HO Home Office

MoD Ministry of Defence

MoJ Ministry of Justice

ONS Office for National Statistics

PETC Programmes for the Endorsement of Forest Certification

SDG Sustainable Development Goal

TPP Timber Procurement Policy

UKEF UK Export Finance

VPA Voluntary Partnership Agreement
The UK government’s very substantial buying power makes public procurement an important tool in achieving sustainability objectives. The government’s buying choices can affect the characteristics of products offered on the market. And this can send businesses and consumers a clear signal about which products are ‘desirable’ in terms of sustainability. Successive UK governments have recognised this and signalled their commitment to using public procurement policy to tackle deforestation and illegal logging.

However, any mechanism to promote sustainable development will only be effective if it’s implemented well. In this report, we examine how effectively the government is implementing its timber procurement policy. We also make a number of recommendations on ways to strengthen its effectiveness.

Given how urgently we need to tackle global deforestation and fulfil the UN’s Sustainable Development Goals, this report also recommends extending sustainable public procurement commitments to other commodities that threaten the world’s forests.