AN EMERGING FRAMEWORK FOR TIMBER BUILDINGS

ALIGNING EU PUBLIC PROCUREMENT, POLICIES, AND STANDARDS TO SHAPE THE FUTURE OF SUSTAINABLE CONSTRUCTION

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PURPOSE OF THIS BRIEFING

This briefing is the second in a series of publications that provide an overview of recent developments in policy and standards and their direct implications for stakeholders in the construction sector and timber industry. It will help them anticipate and prepare for forthcoming policy and standardisation changes as we provide insights into how these sectors can align their practices with environmental best practice.

This briefing is intended for professionals, policymakers, and advocates of green policies and standards within the construction sector and timber industry, and provides them with actionable information to navigate the evolving policy landscape.

SUMMARY

This briefing explores how key EU policy frameworks can better support sustainable timber and bio-based construction through clearer climate alignment, forest protection, and demand-side incentives:

- **Construction and forest-related legislation**
- **The EU Public Procurement Directives**

The first section **reviews recent and upcoming developments in EU legislation** relevant to the use of timber and other bio-based materials in construction, including the Energy Performance of Buildings Directive (**EPBD**), the Construction Products Regulation (**CPR**), the Carbon Removal Certification Framework (**CRCF**), the EU Deforestation Regulation (**EUDR**), as well as new initiatives on closer-to-nature forestry and forest monitoring. These frameworks increasingly recognise climate and biodiversity considerations, but further alignment and safeguards are still needed.

The second section explores **the untapped potential of public procurement** to drive demand for sustainable construction materials. A revision of the EU Public Procurement Directives is on the horizon; this briefing therefore identifies opportunities to integrate mandatory green criteria and reward long-term environmental performance, helping transform procurement into a key driver of decarbonisation and circularity in the sector.

POLICY AND STANDARDS DEVELOPMENT IN CONSTRUCTION, TIMBER, AND FORESTS

Updates on the relevant EU policy frameworks

Regulating embodied carbon of buildings and construction products

The EU recently overhauled two cornerstone laws for the construction sector: the Energy Performance of Buildings Directive (EPBD) and the Construction Products Regulation (CPR). In both policies, the EU largely adheres to a material neutrality approach, deliberately excluding specific incentives for bio-based materials. The recent revisions, however, establish frameworks for mandatory calculation and reporting of climate impacts - for buildings under the EPBD (using whole building lifecycle assessments), and under the CPR for construction products placed on the EU market using environmental product declarations (EPD).[1]

Some implementation details are still pending, particularly the specific methodologies for the calculations[2], but these frameworks offer a key opportunity to demonstrate the comparatively **lower embodied carbon impacts of sustainable timber** and other bio-based materials, as well as broader market recognition of these materials.

Recognising carbon storage in construction

The Carbon Removal and Carbon Farming Regulation (CRCF) is the only existing EU legislative initiative that explicitly supports bio-based construction - it recognises the **biogenic carbon storage** effect of long-lasting materials like timber. The CRCF aims to establish a **voluntary certification framework** for construction-stored carbon. Once certified, stored biogenic carbon could be used to attract project financing, including through carbon removal certificates or public funding instruments - such as green public procurement (GPP). The credibility of this mechanism will depend, however, on the use of removal certificates (**avoiding greenwashing, particularly from offsets**) and on the development of a robust methodology, which includes adequate monitoring of carbon storage. The CRCF sets a minimum of 35 years for carbon storage in buildings, but this could be made longer by certification schemes.

Safeguards will be essential to ensure that the CRCF does not inadvertently encourage overspecification of timber in certified buildings or justify unsustainable forest harvesting, e.g. putting excessive emphasis on stored carbon at the expense of building whole life carbon emissions. A balance must be struck for this certification to reward resource-efficient design, material circularity, and design for deconstruction - helping to steer the sector toward lower-impact constructions.

Ensuring legal timber sourcing

One major regulatory advancement for timber transparency came with the EU Deforestation Regulation (EUDR), adopted in 2023. The EUDR aims to tackle the EU's contribution to global deforestation and forest degradation by requiring due diligence from market operators – this includes geolocation and satellite-based proof that timber was not harvested from land deforested after 2020.

EU policymakers agreed in December 2024 to delay implementation, which will now start on 30 December 2025 for large operators and 30 June 2026 for small and micro-enterprises, but the EUDR remains a critical tool, particularly for protecting primary and old-growth forests. Recent attempts to simplify rules for operators and lower the risk of different sourcing countries and due diligence requirements risk weakening the regulation's effectiveness.[3, 4] Strong and consistent enforcement by national authorities will be essential to uphold its credibility.

For the construction sector, the **EUDR can be a valuable assurance mechanism for sustainable timber sourcing**, but only if its implementation and oversight remain strong. Industry actors should continue to advocate transparency and enforcement.

Addressing the gap: Ecological forestry certification

Despite regulatory efforts, no existing EU law currently provides a clear and harmonised framework to identify and support ecological forest management practices, such as closer-to-nature forestry.[5] While voluntary certification schemes like FSC and PEFC are widely used, **sustainable forest management certification criteria vary significantly** across Member States and are inconsistently aligned with biodiversity-friendly forestry principles.[6]

The European Commission's 2023 Guidelines on Closer-to-Nature Forest Management acknowledge the importance of ecological practices. Emerging labels like Ekoskog and the Association for Ecological Forestry Certification aim to fill this gap by offering higher ecological standards - but these initiatives are still in their infancy and forester participation remains low.

To increase the supply of ecologically-grown timber foresters who are willing to shift their practices towards ecological management will require support, via training, finance mechanisms, or supply chain partnership agreements – to name a few.[7]

Towards transparency in forest health

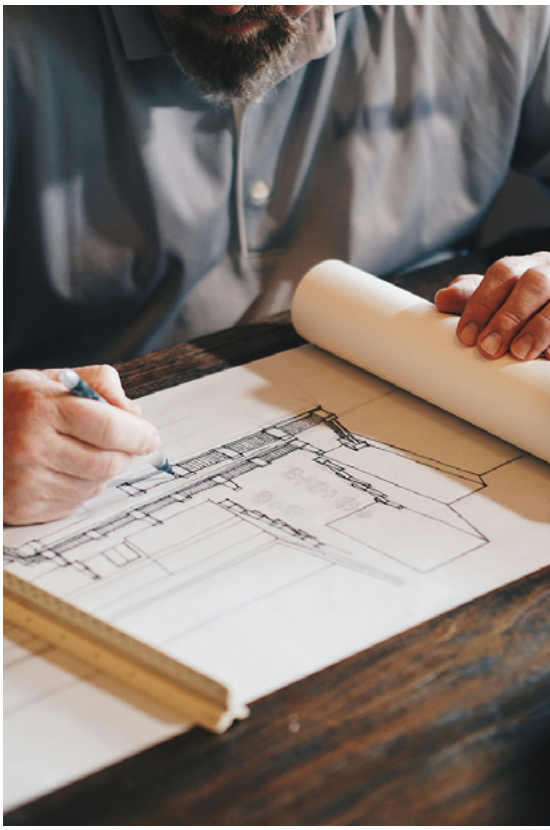
In late 2023 the European Commission proposed the Forest Monitoring and Resilience Regulation, which is now under political negotiation. The proposed framework would establish a pan-European forest monitoring system that combines remote sensing data with ground-based measurements to assess the state and health of EU forests.[8]

By improving transparency on the impacts of different forest management approaches, this initiative could lay the groundwork for trustworthy and science-based timber sourcing systems. It also has the potential to enhance the effectiveness of green public procurement, by enabling tenderers to share information on the ecological performance of wood products' supply chains.

The current EU political cycle will be a real test of decision makers' ability to set a framework that supports the construction sector to source wood sustainably.

Leveraging public procurement to support sustainable construction

Driving sustainability, innovation, and value for money



The EU is still establishing the regulatory environment to assess and support the climate benefits of circular and sustainably-sourced bio-based materials; the market uptake of these solutions therefore remains slow. One of the most powerful tools to accelerate this transition is **public procurement**. With public authorities accounting for nearly a third of construction investments in the EU, procurement policy has the potential to signal a strong demand for sustainable building materials and practices. A more strategic and harmonised approach to green procurement in EU law, particularly via the revision of the **EU Public Procurement Directives**, could unlock climate, innovation, and industrial benefits across the construction value chain.[9]

EU public procurement policy: An untapped lever for climate mitigation

Public procurement represents a powerful lever for delivering the European Green Deal, one that can foster innovation, and strengthen the EU's competitiveness. Accounting for approximately 14% of the EU gross domestic product (over €2.4 trillion annually)[10], **public procurement shapes** demand in construction, transport, energy, and social services. In the construction sector specifically, public projects account for 31% of investments.[11] A 2023 study concluded that **green public procurement of buildings can address 19% of greenhouse gas emissions** from EU public procurement.[12]

The implementation of the **EU Public Procurement Directive** has not, however, fully achieved its strategic potential. Currently, it allows Member States to consider environmental, social, and innovation-based criteria under the "most economically advantageous tender" (MEAT) principle. This allows long-term environmental costs to be included in procurement decisions, but **in practice, more than half of contracts are awarded solely based on lowest price** – thus undermining quality, innovation, and sustainability in the construction sector.[13] Tenders that offer good value for money in the longer term can be identified using approaches such as lifecycle costing (LCC), which take long-term maintenance and replacement costs into account to identify higher price-quality alternatives. The construction sector is a perfect candidate; data on materials' environmental impact will be increasingly available thanks to the Construction Products Regulation (CPR), which has made environmental product declarations (EPDs) mandatory.

In 2016, the European Commission presented a set of criteria: Office Building Design, Construction and Management. The document recommends tools such as whole building lifecycle assessment (LCA), environmental product declarations (EPDs), and the use of recycled and reused materials. While useful, **these criteria are voluntary and their limited uptake has failed to create systemic incentives** for greener innovation, or investment in sustainable materials like bio-based timber.

Several sectoral laws, including the **Ecodesign for Sustainable Products Regulation** and the revised CPR, hint at the growing relevance of **sustainability in procurement**. The implementation of the Energy Performance of Buildings Directive (EPBD), could also help establish emissions-based green public procurement (GPP) requirements. Under the Public Procurement Directives, **public authorities often procure at the lowest price** instead of considering value for money (long-term cost-effectiveness) and sustainability. Without robust rules on beyond price procurement in the Directives these sectoral provisions risk being left unimplemented.

An opportunity in the upcoming revision

The revision of the EU Public Procurement Directives, announced in Commission President Ursula von der Leyen's 2024–2029 Political Guidelines, offers a timely opportunity to harness public purchasing power in support of climate, innovation, and industrial policy goals by strengthening the framework for green public procurement.

Rethinking procurement for a sustainable built environment

Companies, business associations, public authorities, think tanks civil society organisations and other stakeholders have come together to form Buy Better to Build Better. This new coalition, co-led by ECOS, calls on regulators to unlock the full potential of green public procurement and drive sustainability and innovation in the construction sector. Together, in our Manifesto for Sustainable Procurement in Construction, we call on EU policymakers to:

1. **Simplify procurement with common EU GPP criteria to create demand for low-carbon and circular construction solutions**
   Revise procurement rules to prioritise long-term value, integrating environmental and social impacts. Lifecycle tools like EPDs and Building Information Models should become standard in providing environmental performance information in tendering processes.
2. **Strengthen the internal market with overarching public procurement rules beyond lowest price**
   Revise procurement rules to prioritise long-term value, integrating environmental and social impacts. Lifecycle tools like EPDs and BIM should become standard in tendering processes.
3. **Simplify and standardise EU-wide tracking of GPP**
   Establish harmonised systems across the EU to track the uptake of green public procurement and improve data transparency for better policy and market decisions.
4. **Support public authorities in implementing GPP**
   Provide public buyers with clear guidance, training, and opportunities for peer learning to ensure green criteria are implemented effectively on the ground.

Join the movement

Green public procurement is a powerful lever for transforming the construction sector and achieving Europe's climate and competitiveness goals. ECOS and partners invite public authorities, industry actors, and civil society to endorse the Manifesto for Sustainable Procurement in Construction and collaborate towards a future-ready procurement system.

ABOUT ECOS

ECOS is an independent international NGO with a network of members and experts advocating for environmentally-friendly technical standards, policies and laws. We ensure the environmental voice is heard when they are developed and drive change by providing expertise to policymakers and industry players, leading to the implementation of strong environmental principles.

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