

CHINA'S EFFORTS FOR TIMBER VERIFICATION

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The paper outlined the general description of China's mis-conducts of forest harvesting, illustrated the measures the forestry authority takes to cope with these mis-conducts, acknowledged the current irrelevance to the procurement policies of Japan, and prospected the future perspectives of tackling them by developing timber tracing system, establishing company credibility system, implementing government green timber procurement policy, and carrying out forest certification, so as to promote responsible and sustainable forest management.

Keywords: mis-conduct of forest harvesting, timber certificate scheme, government green timber procurement policy, timber tracing system, forest certification

In a recent decade, illegal logging and illegal trade has been rampant in a global context. Due to such illegal logging, many countries, such as Indonesia and Cambodia in Asia, Russia in Europe, Brazil in Latin America, Papua New Guinea in Oceania and Democratic Republic of Congo in Africa, are suffering serious environmental problems of mass destruction of virgin, natural and secondary forest resources, threatened habitats of rare and endangered animal and plant species, and rapid loss of biodiversity, also causing a lot of economic problems such as loss of tax revenue and social problems such as local society conflict etc. Tackling illegal logging is a global challenge.

GENERAL DESCRIPTION

Since 1998 when adopting Nature Forest Protection Program (NFPP), China's timber import has increased significantly with a total of 134 million cubic metres in round wood equivalent (RWE) in 2005, especially from Russia and Indonesia where illegal logging is still rampant.

China is now the world's both leading importer and exporter of timber and timber products. The Government of China attaches great importance to the sustainable forestry development and takes it as the sole fundamental forestry development strategy in a long run. Through various efforts for a long period, the Government of China has obtained great achievements in tackling illegal logging and illegal trade. At present, there is very very rare case of illegal timber trade due to previous several years of continued joint efforts by the forestry sector, commerce sector and custom sector etc, as well as bilateral cooperation with respective trade countries. Forest harvesting has been also in a right track in meeting with relevant laws and regulations. However, due to several reasons, there are still some, although quite small, cases of mis-conducts of forest harvesting which does not fully comply with relevant laws and regulations. We can not regard all these mis-conducts of forest harvesting as illegal logging, but this does have some negative implication. As such, the forestry authority has been taking a serious of measures in tackling these mis-conducts of forest harvesting.

Furthermore, the Government of China, mainly

through the State Forestry Administration (SFA) and the Ministry of Commerce (MOC), is actively tackling this issue by improving domestic policy and regulation monitoring system and strengthening international cooperation. China is now a member of both North East Asia Forest Law Enforcement and Governance (FLEG) Process and South East Asia Forest Law Enforcement and Governance Ministerial Conference Process.

TIMBER CERTIFICATE SCHEME

China has had a very effective forest resources monitoring system for several decades. This system aims to protect and utilize forest resources and ecological environment, to strengthen the monitoring management for forest conservation, forest harvesting, timber production, timber marketing and timber consumption etc, and to actively extend technology for saving the timber and substituting the timber, so as to accelerate the development of resource saving and environmentally friendly society.

The key element of this system is the documentation management with timber certificate issuance in the stage of forest harvesting and timber transportation and marketing. This system may be called as "timber certificate scheme". Annual allowance cut (AAC) quota, forest harvesting plan and forest harvest certificate (timber concession), as well as code of forest harvesting and reasonable timber making are very strictly implemented. The forest authority checks the AAC quota and forest harvesting certificate and verification of timber origin (also through stamp labeling (seal) and forest harvesting certificate and document), as well as timber transportation certificate and buying invoice (also through timber transportation certificate and document). In some places, the forestry authority also checks timber selling certificate and document in timber marketing stage and timber processing certificate and document in timber processing stage when these regulations are applicable. The forest authority is granted by the laws and regulations to sternly deal with any cases of logging without any certificate, stolen logging and severe deforestation. Such strengthened monitoring management system for the timber origin and marketing is proved to be very effective.

However, there is no any further custody management after the timber is sold out, such as for timber processing (some places has), product packaging, product loading and unloading, product transportation, product marketing and product consumption etc. As such, it is eventually impossible to identify the origin of timber just from the timber products. The monitoring system for such chain of custody should be further strengthened. The government is supposed to strengthen timber monitoring management system through developing plan, improve laws and regulations and standards, enhance policy guidance, increase technical support, strengthen publicity and education, and enhance institutional development. The development of timber tracing system for whole stages of chain-of-custody is also being suggested^[1].

RESPONSE TO PROCUREMENT POLICIES OF JAPAN

It is quite encouraging that Japan adopted the procurement policies to tackling illegal logging through verify the legality and sustainability of timber. This is not just the procurement policy itself, but is a comprehensive system which also includes the supporting mechanism of verification of legality through sectoral and self verification, as well as sustainability through forest certification scheme both for forest management and chain of custody^[2,3]. It is also quite encouraging that this policy has been proved to be effective just for less than one year, and there are a number of countries such as Indonesia, Malaysia, Papua New Guinea and Russia which actively respond the policy.

Very unfortunately, however, China has not had at the moment a complete timber tracing and monitoring management system, and its current timber certificate scheme just cover the custody before the timber is processed. So, it is impossible to identify or verify the origin of timber just from the final timber products. As such, the procurement policies of Japan are not applicable to China at the moment.

Nevertheless, as both China and Japan are important timber trade partners due to great and continuously increased timber products export from China to Japan (furniture and plywood), it is timely that China needs to think about the actions in respond to the procurement policies of Japan, not only for trade market access but also for the responsible and sustainable forest management within China which is the primary and final objective of forestry development in China.

FUTURE PERSPECTIVE

It is recognized that like many countries in the world, China faces challenges in timber monitoring system along with all chain of custody due to technical, financial and other constraints. However, a lot of efforts are being initiated by the government, the academia, and the industry to improve such system.

Efforts by the government

The government has made a lot of efforts to improve forest laws and regulations, enhance its forest law

enforcement, and strengthen the capacity of forest law enforcement expertise. Strengthened forest law enforcement was listed by the State Forestry Administration as one of the major two tasks of the forestry sector across the country in 2004.

The government also encourages forest certification as the market based instrument to promote sustainable forest management. The State Council (SC), China's top governing body, stipulated in its Resolution to Accelerate Forestry Development "to actively carry out forest certification work and try to be in line with international practices as soon as possible". The State Forestry Administration is now initiating the National Forest Certification Scheme of China. The Chinese Academy of Forestry (CAF) had already developed the National Standard for Forest Certification in China (for forest management) and has nearly finished the development of the National Standard for Chain-of-Custody Certification in China (for COC), both of which are commissioned by the State Forestry Administration. Besides, the Chinese Academy of Forestry is also in the process of establishing, under the support of the International Centre for Bamboo and Rattan (ICBR) (which is also affiliated under the State Forestry Administration) and Zhejiang Provincial Forestry Department (ZPFD), an independent and third party forest certification body to be accredited by both Certification and Accreditation Administration (CNCA) and State Forestry Administration. It is expected that this National Forest Certification Scheme of China will be formally launched within this year of 2007^[4].

As the National Forest Certification Scheme of China is currently aimed at domestic objectives to promote sustainable forest management, it is quite enough for meeting the requirement of procurement policies of Japan in terms of legality of timber origin, regardless whether China's scheme could be or not be recognized by Japan. It is known to all that currently there are dozen different forest certification schemes in the world, international such as FSC and PEFC, regional or national. The standards among different schemes are different, so the sustainability to be verified according to different standards may not be mutually recognized, but the legality of different schemes should not be doubt to be clear.

In terms of forest certification practices, as of December 31, 2006, there have been 5 forest management units certified by FSC scheme for forest management with a total forest area of 442,500 ha and covering both natural forests and plantation, and 221 timber processing companies certified by FSC scheme for chain-of-custody, including those in Hong Kong, Macau and Taiwan.

Efforts by the academia

The academia, mainly the Chinese Academy of Forestry (CAF) which is the national research institution on forestry sector in China, is currently initiating government green timber procurement policy and timber tracing system to the government for consideration as very effective measures to tackle mis-conducts of forest harvesting in China and to promote responsible and sustainable forest management. This initiative is also submitted to the British Government for possible funding

and it is likely that the initiative is to be funded for further research^[5].

According to the proposed government green timber procurement policy, all the government organizations and government-funded institutions across the country will only buy the timber products listed in the government endorsed timber products and timber producing companies, which could either verify the legality of timber origin or verify that the timber products is made from timber coming from sustainably managed forests certified by either National Forest Certification Scheme of China or any internationally recognized forest certification scheme such as FSC or PEFC.

At present, there are two kinds of government procurement policies, both of which prove to be quite effective. One is for general commodity items, mainly for key government infrastructural projects and for major government consumption of vehicles and electronics as well as some special services such as printing and conference services etc. The other one is very much related to forestry sector, and of course could be extended to the tracing of timber origin.

Just on October 24, 2006, the Ministry of Finance (MOF) and the State Environmental Protection Administration (SEPA) jointly issued the government green product procurement policy. It has been effective from January 1, 2007 for all government organizations and government-funded institutions in central and provincial levels, and will be effective from January 1, 2008 for all government organizations and government-funded institutions across the country. This government green product procurement policy is focused on the "green products", which means that the process of manufacture is environmentally friendly with minimum damage both for human health and the environment. The first list of this policy includes 856 products in 14 categories by 81 companies, which cover 17 products by 9 wood-based panel companies, 24 products by 10 wooden flooring companies and 6 products by 5 furniture companies. All these products and companies are granted with environmental certification/verification labels by government accredited certification/verification bodies^[6]. Although currently the policy does not mention any forest certification or even the verification of legality of timber origin, it is a great signal that eventually the verification of legality of timber origin and forest certification could be incorporated into the current policy or as a separate government green timber procurement policy as suggested by the academia.

With regard to the timber tracing system, it is also the domestic need of China to improve the present "timber certificate scheme" which just traces timber flow from logging to processing but no furthermore. The proposed timber tracing system will fill such gap so that the end users, even the end users from the countries importing timber products from China, could be able to identify the legality and/or sustainability of the timber products they buy. Although actually it is a challenging task to well develop such timber tracing system due to technical constraints, it is still encouraging that once this timber tracing system is developed, it will surely improve the timber monitoring management system, thus encouraging the good conduct of forest harvesting and responsible forest management, and from the other side

tackling any mis-conduct of forest harvesting.

Efforts by the industry

The timber industry itself is also realizing the importance of responsible timber processing behavior. China Timber Distribution Association (CTDA, a timber marketing association), which consists of nearly 600 major timber processing companies across the country covering manufacturing, marketing (whole sale or retail), international trade and research sub-sectors etc, is initiating a pilot campaign of "Credibility Assessment System for Timber Sector in China". Such system consists of two aspects, "Qualified Suppliers Assessment System for Timber Sector in China" and "Company Credibility Assessment System for Timber Sector in China". The key point of such system is to regulate codes of conduct for the timber sector (both for processing and marketing through government behavior). At present, China Timber Distribution Association is persuading the government, mainly through the State-owned Assets Supervision and Administration Commission of the State Council to adopt such system as a government procurement policy. The system contains a lot of assessment indexes classify into 4 grades, marked with A, B, C and D, and value as points with full points of 100. Such indexes cover mainly 6 fields, such as basic qualification certification and assessment, basic management and competition level assessment, basic management capacity assessment, basic economic debt-paying capacity assessment, marketing credibility record assessment, and social responsibility assessment^[7]. If the system is adopted by the State-owned Assets Supervision and Administration Commission of the State Council (it is likely), all the government-owned companies have to abide by this system as the supplier chain, and all the government-funded institutions shall be encouraged to buy the products manufactured by the listed companies (both processing and marketing). The social responsibility assessment may include the label or record showing or verifying that the timber products are made of timber coming from certified or legally sourced forest resources, and some others. Currently the social responsibility assessment does not include timber legality or sustainability, but it is likely to include as there is an effort for appealing China Timber Distribution Association to include the forest certification (especially COC label) into the assessment system, and try to persuade this association to increase the weight of points if the products is certified or legally sourced. This will also be an effective tool for verify the legality or sustainability of timber origin.

CONCLUSION

It is quite clear that at the moment, the procurement policy of Japan has little implication in China as it is not applicable to China. However, as the Chinese Government and the Chinese people are realizing that the responsible forest management is increasingly important, more and more efforts will be made from all works of life to promote responsible and sustainable forest management. Government green timber procurement policy, timber tracing system, forest certification schemes (whether national or international) and timber company credibility assessment system, and maybe some more others, all will surely improve the

verification of legality and sustainability of timber origin, and will very easily link to the procurement policies of Japan, and any other countries around the world.

China attaches great importance to the international cooperation, also in the forestry and timber trade sector. It will have a brighter future for both China and Japan, and all other timber trade partners, to work and cooperate together to make full use of all kind of approaches, schemes, mechanisms etc to promote responsible and sustainable forest management and international timber trade.

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