

## **Response of Forest-products Identification Promotion Conference to Japan's Wood Procurement Policy Measures to Counter Illegal Logging**

Kouji Kadoya<sup>1</sup>

Secretary-General, Forest-products Identification Promotion Conference  
c/o Japan Federation of Wood Industry Associations, 6F Nagata-cho Bldg., 2-4-3 Nagata-cho, Chiyoda-ku, Tokyo  
100-0014

The Forest-products Identification Promotion Conference (FIPC) was founded to promote voluntary identification of tree species, place of origin, processing type, etc. of forest products. In April 2006, the Japanese government started implementing their policy to give priority to legally harvested wood/wood products in government procurement. In response to this, the FIPC revised its charter in March 2006, and sought the status of a certification body as specified in the guideline of the Forestry Agency. Currently, there are more than 100 such certification bodies in Japan. However, the FIPC is unique in that it can operate a certification system that is based on the Forestry Agency's guideline and goes beyond the boundaries of industry segments or geographical areas.

**Keywords:** Place of origin, tree species, processing type, voluntary labeling

### **Introduction**

The Green Purchasing Law was revised and the wood procurement policies of governmental bodies were changed. Now national and local governments give priority to procuring wood that is legally verified. Thus, certification activities of legal wood suppliers by industry organizations commenced, based on the Forestry Agency's *Guideline for Verification on Legality and Sustainability of Wood and Wood Products*.<sup>2</sup> Currently, there are over 100 bodies that certify legal wood suppliers in the nation, such as Prefectural Federation of Wood Industry Associations, and the Prefectural Federation of Forest Industry Associations, and the FIPC is one of them.

The primary aim of the FIPC is to establish a uniform set of rules to voluntarily identify the tree species, place of origin, processing type, etc., in the labels of wood/wood products, and to promote fair and just implementation of such rules.

In response to the government's decision to give priority to legal wood/wood products in their procurement exercise after the enforcement of the Green Purchasing Law in April 2006, the FIPC revised its charter in March 2006, and decided to seek the status of a certification body as specified in the said guideline.

This paper will explain the background of the establishment of the FIPC, and the current status of legal wood supplier certification.

### **Japan's Forest Management and Green Procurement of Wood and Wood Products**

#### **Legislation Concerning Forest Management**

Japan has two principal pieces of legislation concerning forest management: The Basic Law on Forest and Forestry, and the Forest Law.

The former is a product of a revision of the Basic Law on Forestry and was enacted in 2002. It is the highest-level legislation concerning forests, and it specifies "the basic philosophy for forest and forestry

and the basic matters concerning its implementation." The law advocates as its principal philosophy, 1) fulfillment of multi-faceted functions of forests and 2) sustainable and healthy development of forestry industry. The law further specifies 1) promotion of forest enhancement and 2) assured conservation of forests as the policy measures to practice the said philosophy. It also provides that the Basic Plan for Forest and Forestry should be developed to comprehensively and systematically implement forest and forestry policy measures.

The Forest Law aims to "specify the basic matters concerning forest plans, protection of forests, and other forests; plan for forest maintenance and growth and forest productivity increase; and thereby contribute to conservation of the national land and development of the national economy." This is to realize one of the philosophy statements in the Basic Law, "the fulfillment of the multi-faceted functions of forests."

The forest planning system and the protection forest system specified by the Forest Law are the components most closely related to "the legality at the time of logging" as described in the said guideline.

#### **The Forest Planning System and its Operational Status**

The Forest Law specifies two-phase planning by the national forest plan and the regional forest plan, and their operational-level planning in the municipal forest enhancement plan and the forest operation plan.

The national forest plan is developed by the Ministry of Agriculture, Forestry and Fisheries every 5 years for a term of 15 years, and its scope encompasses all the forests of the nation. The plan is developed in accordance with the above-said Basic Plan, and considers the status of enhancement of conservation facilities, etc. The regional forest plan is developed by the prefectural governors every 5 years for a term of 10 years in accordance with the national forest plan. The scope of the regional forest plan encompasses the privately owned forests in the 158 forest planning areas of the nation. These plans determine the basic

matters regarding forest enhancement and conservation, such as the locations and areas of the forests by each function of forests, and their enhancement and conservation objectives.

The municipal forest enhancement plan is developed by the municipality every 5 years for a term of 10 years, in accordance with the above-said regional forest plan. Its scope encompasses the privately owned forests within the municipal area.

Forest owners/operators prepare a forest operation plan for a term of 5 years, singularly or jointly with others, if a joint enhancement is appropriate for the forest in question. They submit the plan to their city/town/village mayor, and seek the approval that the forest operation plan in question is appropriate. This is the tool to link the individual forest operators to the three forest plans: The national forest plan, the regional forest plan, and the municipal forest plan. Approximately one half of the nation's privately owned forests are thought to be under a forest operation plan.

If a forest owner/operator chooses not to prepare the above-described forest operation plan, and if he/she wishes to cut down trees standing in a privately owned forest in the scope of a regional forest plan, the owner/operator must submit a logging plan to the municipal mayor. The logging plan must explain the location of the forest, the area to be logged, the logging method, the ages of the trees to be logged, the forest regeneration method after logging, the logging period and tree species, and other relevant information.

Forty-five percent of the nation's forests are designated "protection forests" and any logging in these forests requires a permit from the prefectural governor of the jurisdiction.

The biggest issues of forest management in Japan are effective use of forests planted after the war, and their care and management, such as thinning. Inappropriate logging practices are rather unlikely to be seen in this country.

Our nation does not have any domestic legislation to regulate processing, transport, import, and use of wood and wood products. The nation, however, is required to fulfill the obligations of a signatory to international treaties, such as the CITES (Convention on International Trade in Endangered Species.)

### **The Movement of Green Procurement of Wood, and Response to the Movement**

From April 2006, the Japanese government implemented its policy measure to give priority to wood and wood products, of which the legality is verified, in their procurement exercise in accordance with the Green Purchasing Law. In response to this development, efforts were made to rapidly establish a system to supply legal wood and wood products. The establishment phase of such a system is near completion.

The change in the government's wood procurement

policy significantly influenced wood procurement policies of private enterprises: Furniture manufacturer associations and other groups published their codes of conduct to counter illegal logging, and residential home manufacturers are in discussion to clearly define their legal wood procurement policies.

### **Establishment of the FIPC and its Activities**

#### **Labeling of Tree Species, Place of Origin, and Processing Type**

The FIPC aims to fulfill its accountability as a group of wood suppliers and contribute to diffusion of legal wood use, by disclosing information to wood users and consumers through voluntary labeling of forest products indicating the tree species, places of origin, and processing type.

Consumers are increasingly sensitive with the quality, standards, and place of origin information about agricultural and fishery products, foods, and other sundry commodities used in their daily life. In order to respond to the needs of consumers, wood suppliers need to disclose such information about wood supplies, and send the message that wood is a material consumers can use safely, without harm to their health, and with peace of mind.

Therefore, the FIPC concluded that wood labeling indicating its place of origin, tree species, and processing type would be the way to fulfill the wood industry's accountability and social responsibility to consumers, builders, and carpenters. The FIPC was established as the mother organization to promote and encourage the establishment of a labeling system for information disclosure and its stringent and responsible practice. The FIPC concluded that disclosing the place of origin, etc. would serve as a tool to exclude illegally harvested wood from the market.

#### **The Activities of the FIPC**

The FIPC is an independent organization of businesses that wish to actively disclose wood identification information. The members of the FIPC label their products in an accurate manner and according to the rules specified by the FIPC, so that the place of origin, tree species, and processing type may be clearly identified. The FIPC also implements activities to communicate the aim and necessity of such labeling, and to ensure the credibility of the labels.

A business must pass a qualification audit to become a FIPC member. Once qualified as a member, the business undergoes a qualification renewal audit every three years. To ensure the impartiality, fairness, and transparency of these audits, the audit committee members come from research organizations, non-government organizations (NGOs) and consumer groups. All members are from non-wood and wood product industry.

The label must indicate the place of origin, tree species, and processing type, as well as the name of

the FIPC.

The place of origin is normally the name of a nation, but the business may opt to indicate the name of an area in brackets next to it. The reason is as follows: In Japan, it is a traditional and commonplace practice for a wood supplier to indicate the area of origin of the wood, and such indication serves as the brand of wood they sell. The FIPC assumed that allowing the indication of the area of origin would make it easier for the Japanese wood distribution industry to widely accept the FIPC labeling system.

The FIPC decided to take the common name approach to the tree species indication. Some tree species are called by names uniquely known within the wood supply industry, and many discussions were necessary to determine the names to be used in the tree species labels. However, the FIPC felt that it was a mandate of its labeling system to let the consumers know the accurate names of trees, which they tend to use without recognizing them.

The processing type indication was introduced to distinguish mainly between natural wood and laminated timber. However, more recently, it has proved useful for distinction between plywood, LVL (Laminated Veneer Lumber), MDF (Medium Density Fiber Board), and OSB (Oriented Strand Board).

The above-discussed information items are written on a label or sticker together with the logo shown below, and attached to the wood/wood products for shipment.



If a complaint is received regarding the labeling and its contents, the audit committee investigates the matter by hearing, site inspection and other means, and takes appropriate measures. These include requesting improvement, a corrective action order, or disqualification and a public announcement thereof, depending on the findings of the investigation.

### Legal Wood Supplier Certification

In accordance with the clear government procurement policy as specified in the Green Purchasing Law in force from April 2006, the Forestry Agency proposed a set of guideline on methods to prove the legality of wood. The guideline states that an industry organization may conduct a qualification audit of its member, and certify it as a legal wood supplier.

The FIPC is an organization that fulfills the

requirements to conduct the legal wood supplier certification in light of the Forestry Agency's guideline, and there was no doubt that such certification should become one of the FIPC's businesses. Therefore, it revised its charter in March 2006 and enacted the "voluntary code of conduct concerning illegal logging countermeasures" and started its legal wood supplier certification as an industry organization.

### Certification Method and Logo

As explained before, the FIPC was originally established to ensure the identification of place of origin, tree species, and processing type of wood, and its members have passed a rigorous qualification audit. The FIPC therefore concluded that the members needed only to answer a few additional questions and receive a few more audits to meet the requirements specified in the said guideline for legal wood supplier certification.

The FIPC member qualification audit is performed on the assumption that separation by tree species and place of origin, appointment of a responsible person, and control of the documented body of evidence are the most important components of its member qualification audit. These requirements are the same as those for proof of legality, where separation of verified and un-verified wood supplies is required. Therefore, the FIPC concluded that a member could be certified as a legal wood supplier if it rigorously controls the separation of verified and un-verified wood supplies.

A certified business is permitted to put the FIPC logo including the capital letter "L," on their product label indicating the tree species, place of origin and processing type. The "L" mark as shown below may not be used alone. It must accompany a label of the place of origin and other required information.



### Current Status of Legal Wood Suppliers

After the commencement of legal wood supplier certification in June 2006, we have certified 45 businesses.

### Scheme to Prove Legality

The FIPC proves the legality of wood in accordance with the Forestry Agency's guideline, and the legality is defined as follows: "The procedure of logging the trees was appropriate in light of the legislation concerning

forests in the state or area where the trees originally grew."

In the case of domestically produced wood and wood products, those of which the legality is proven by the indication of a legal wood supplier certification number, or those harvested from forests certified by Sustainable Green Ecosystem Council (SGEC), Forest Stewardship Council (FSC), and other forest certification bodies, are recognized as legal wood/wood products.

In case of imported wood/wood products, the FIPC verifies their legality in accordance with the said guideline as follows: The FIPC checks the distribution route from the production of the wood in question to the factory, etc. of the applicant business, requests the submission of proof of legality in light of the legislation of the exporting country from which the wood is harvested and exported, conducts an audit at the FIPC audit committee meeting, and certifies the legality of the wood in question, if its legality is considered rationally proven. Once a supply is certified, the FIPC only considers the subsequent supplies of wood legal if the identical importing route is used.

### **Scheme of Separative Management**

The normal distribution of domestic wood is as follows: The forest owner sells standing trees to log producers, and they cut the trees and ship the logs to the log markets. The logs are sold to lumber manufacturers by auction or bidding. The lumber is shipped to lumber markets nationwide and sold to timber manufacturers, again by auction or bidding.

As wood and timber products go through many stages in their distribution route as described above, strict separative management each of these stages must be ensured.

### **Future Tasks and Perspectives**

#### **Current Problems and Required Improvements**

Japan has Japan Agricultural Standards (JAS) and Approved Quality (AQ) for quality standard labeling systems for wood and wood products. There are also chain of custody (CoC) forest certification systems such as FSC and SGEC to guarantee the sustainability of the forests from which the wood and wood products come. The FIPC's labeling system is an indication of information such as place of origin and tree species, which are not included in these other labeling systems.

On the other hand, the consumer's interest in the place of origin and tree species is weaker than their desire to know more about food products and sundry items that are more directly connected to the state of their health. Wood is used for building residential homes but consumers do not buy them directly, and therefore, their desire to know its place of origin is not very strong.

As a consequence, the wood industry's interest in this issue is not very high, and the number of participating

wood supply businesses is still low. However, the FIPC believes that the demand for legal wood/wood products will grow stronger in the future, and the FIPC intends to operate its labelling system as a means of wood information disclosure together with legality verification.

Needless to say, the accuracy, fairness, and transparency of the labeling system must be strictly maintained.

### **Expectation for and Requirements of Green Procurement**

The Green Purchasing Law is the government's first step in tackling the most serious environmental issues for us all. Our future challenge is to spread this practice to not only governmental bodies, but also local municipalities, private enterprises, and generic consumers.

If specific demand from the consumer side is not present, the supplier side normally does not embark on the costly information disclosure. The public administration needs to advocate more about the importance of legality labeling.

The FIPC recognizes the importance of the information disclosure about wood supplies, and will reinforce its educational and PR activities for consumers.

### **Reference Materials**

[1] *Voluntary Code of Conduct to Counter Illegal Logging*, Japan Office Institutional Furniture Association, June 2006

[2] *Forest-products Identification Promotion Conference Rule Book*, May 2006