



International Symposium on Legality Verified Wood 2010

– Activities in Japan to tackle illegal logging issue –

REPORT

December 10(Fri.)-11(Sat.), 2010

Organizers: Japan Federation of Wood Industry Associations (JFWIA)
& Japan Lumber Inspection and Research Association (JLIRA)

Sponsors: The Forestry Agency of Japan
Ministry of the Environment of Japan

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This report is uploaded in the “Goho-wood” website.
(URL <http://www.goho-wood.jp/world/>)

Preface

This report was compiled from the International Symposium on Legality Verified Wood 2010—Activities in Japan to Tackle Illegal Logging Issues held December 10-11, 2010 in Tokyo, primarily as a summary of Part 2 “Japanese Activities of Wood Legality Verification and Tackling Illegal Logging Issue” and Part 3 “Japanese Activities of Legality Verification, Development of Tackling Illegal Logging Issue and Forecasts” which were sponsored by the Japan Federation of Wood Industry Associations.

The Japanese Government has been implementing a policy since 2006 for preferential purchasing of wood and wood products that are verified as being legally and sustainably produced. At this Symposium, concerned parties from inside and outside Japan discussed the issues and achievements to date in the efforts made by the Japanese wood industry since that time to supply legality verified wood products.

We sincerely hope that this report, which highlights efforts by the Japanese wood industry, will serve as a reference for people working within Japan and overseas to tackle illegal logging.

Hideo Namiki, President
Japan Federation of Wood Industry Associations

February 2011

Opening Remarks of Hideo Namiki

December 10, 2010

Chairman, Japan Federation of Wood Industry Associations
President, Japan Lumber Inspection and Research Association



As the Chairman of the Japan Federation of Wood Industry Associations, and member of the Board of Directors of the Japan Lumber Inspection and Research Association, I would like to take this opportunity to welcome you all and to say a few words about this Symposium.

Before all else, I wish to welcome the many participants who have joined us in the International Symposium on Legality Verified Wood 2010 to be held over the two-day period of today and tomorrow. I would like to extend a special welcome and to express my gratitude to the presenters, panelists, and numerous participants that have traveled long distances from Indonesia, Sarawak in Malaysia, China, the European Union, and the United States to be with us here. Please allow me to also welcome Director-General Yoshitsugu Minagawa of the Forestry Agency, to whom we are

deeply indebted for his constant guidance and advice, for making time in his very busy schedule to attend this Symposium.

This Symposium was organized with a view to eradicating illegal logging from the world. More specifically, it is our earnest hope that this Symposium will lend fresh impetus to activities against illegal logging by providing a forum for presenting and discussing the measures being taken in Japan and the other participating countries, and that these discussions will contribute to the development of shared awareness and cooperation in these activities. Four and a half years have passed since Japan's forestry, lumber, and wood industries launched their full-fledged activities against illegal logging in 2006. It was in February 2006 that the Forestry Agency of Japan issued the Guideline for Verification on Legality and Sustainability of Wood and Wood Products. The Guideline was drafted to promote measures taken by the Japanese government mandating procurement by government, etc. of legality and sustainability verified wood and wood products in accordance with the Law on Promoting Green Purchasing.

Responding to these government actions and policies, Japan's forestry, lumber, and wood industry associations and other related organizations came together in 2006 to establish industry-wide voluntary mechanisms and arrangements to ensure compliance with the Guideline of the Forestry Agency with an aim to creating systems for supplying wood and wood products whose legality and sustainability have been verified and to promoting the use and proliferation of such products. We are also engaged in introducing and informing other countries of the various systems and activities that have been undertaken in Japan for legality verification. Among these activities is the Action Plan formulated by Japan and Indonesia for promoting countermeasures against illegal logging. Based on this Action Plan, our two countries are cooperating in the development of wood traceability technologies.

This two-day Symposium is organized around presentations on issues related to illegal logging with the aim of stimulating an active and frank exchange of views among participants. It is our most earnest hope that these discussions will promote activities against illegal logging in countries throughout the world. In closing, I wish to state that our highest goal is the elimination of illegal logging from the face of the earth, and our ultimate dream is that symposiums such as this will become completely unnecessary in the future.

Thank you.

Congratulatory Address from Yoshitsugu Minagawa, Director-General of the Forestry Agency

Friday, December 10, 2010

I extend to you my heartfelt congratulations on successfully holding the International Symposium on Legality Verified Wood 2010.

I would like to take this opportunity to express my sincere gratitude to all participants for your understanding and cooperation in the promotion of forestry administration. It is my great pleasure to note the presence of many distinguished guests. From Indonesia, we have with us Dr. Agus Justianto, Director, Forest Utilization and Production Planning of Ministry of Forestry, and 31 other participants representing the Ministry of Forestry and the forestry industry of Indonesia. From the State of Sarawak in Malaysia, we have here with us 13 representatives of government agencies and the forestry industry. Other guests in this symposium include participants from the United States, China, and Europe.



As you well know, the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 16) is currently taking place in Mexico. Forestry related issues constitute one of the important subjects of the Conference, with special emphasis on the pressing question of how to cope with deforestation in developing countries from the perspective of climate change.

Illegal logging is one of the factors directly contributing to deforestation and forest degradation. Not only does illegal logging damage the forest ecosystem but it is also widely acknowledged to pose a major challenge to maintaining biodiversity and pursuing sustainable forestry management.

Yet another problem of illegal logging is that it supplies wood to the international markets at unfairly low prices that do not properly reflect costs. This upsets the distribution of wood in Japan and other wood consuming countries, raising fears of a seriously negative impact on forestry and forestry industries.

Reflecting its adherence to the basic principle that “We will not use illegally logged wood,” Japan has taken positive action against illegal logging. For instance, based on the provisions of the Law on Promoting Green Purchasing, in fiscal 2000 Japan introduced measures mandating government procurement of legality and sustainability verified wood and wood products. Considerable progress has been made in related areas. A system has been developed for supplying “Gohowood,” or legality verified wood, with approximately 7,700 businesses throughout Japan currently participating.

Based on the Joint Announcement and Action Plan concerning countermeasures to illegal logging signed by Japan and Indonesia in 2003, our two countries are working jointly to develop various technologies, such as a wood tracking system.

During this symposium, I understand that various presentations will be given on programs being implemented in Japan, as well as presentations on initiatives being pursued by such wood producing countries as Indonesia and Malaysia, and by such wood consuming countries as the European Union and the United States.

I believe this symposium provides an excellent opportunity for all participants to share information on countermeasures to illegal logging in Japan and other countries. It is my most earnest hope that this gathering and sharing of information will add greater momentum to activities aimed at eliminating illegally logged wood from the markets of the world.

The United Nations has designated 2011 as the International Year of Forests. We welcome this designation as a valuable opportunity to raise global awareness of the importance of sustainable forestry management and preservation. We also look forward to the International Year of Forests to inform the people of Japan and the rest of the world of our undertakings aimed at rehabilitating Japan’s forests and forestry industry.

I would like to conclude my remarks by extending to you my best wishes for the success of everyone gathered here today and to request the continued cooperation of all participants in promoting countermeasures to illegal logging.

Thank you.

Outline of the Symposium

1. Background and purpose

The Japanese Government included wood and wood products verified as being legally and sustainably produced (hereinafter referred to as Gohowood) in its Law on Promoting Green Purchasing in 2006. Since then the wood industries in Japan have endeavored to provide Gohowood in accordance with the “Guideline for verifying the legality and sustainability of wood and wood products,” announced by the Forestry Agency. Gohowood is now recognized in the Japanese market as a base index for green procurement of construction companies, and local and national government.

In Indonesia, wood traceability system developing program under the action plan for the cooperation in combating illegal logging and the trade in illegally logged timber and wood products between the Ministry of Agriculture, Forestry and Fisheries of Japan and the Ministry of Forestry of Indonesia started in 2004 brings fruitful outputs. In other producer countries or areas, some types of legality secure traceability systems installed to wood and wood products markets.

Those activities have introduced a credible and distributable system for verifying Goho (=legal) wood and wood products in international symposiums¹.

Activities to combat illegal logging are spreading not only in timber producing countries, but also consuming countries including the EU and the US. It is important to share Japan’s experiences including those concerning Gohowood.

In this context, the International Symposium on Legally Verified Wood 2010 -Activities in Japan to tackle illegal logging issues- will be held to introduce activities in Japan and to clarify the meaning of Gohowood in the context of global activities.

¹ International Seminar in Tokyo for Tackling Illegal Logging, 2007- Response of the world to the Procurement Policies of Japan - 26(Mon) - 27(Tue) February, 2007 (<http://www.goho-wood.jp/world/event/event1-1.html>)

International seminar for tackling illegal logging, 2007 II in Yokohama “A credible and distributable system for verifying Goho(=legal) wood and wood products” December 3 & 4, 2007 (<http://www.goho-wood.jp/world/event/event5-report.html>)

The Roundtable Meeting on Gohowood targeting the G8 Summit was held on 27 June, in Tokyo (<http://www.goho-wood.jp/world/event/conference1.html>)

2. Outline of the Symposium

- (1) Title: International Symposium on Legality Verified Wood 2010
-Activities in Japan to tackle illegal logging issues-
- (2) Date: December 10(Fri.)-11(Sat.), 2010
- (3) Venue: Tokyo Fashion Town Hall 500
(Neighborhood of Tokyo Big Sight, Ariake, Koto-ku, Tokyo)
- (4) Organizers: Japan Federation of Wood Industry Associations
Japan Lumber Inspection & Research Association
Sponsors: The Forestry Agency of Japan
Ministry of the Environment of Japan
- (5) Program
Opening Session:
Part One: Development and Operation of Wood Traceability System
Part Two: Activities in Japan to Tackle Illegal Logging Issues
Gohowood Promotion Project and Recent Development in the Japanese Market (The Forestry Agency)
(Timber Industry Associations, Housing Industry, Consumer Grope, Environmental NGO etc.)
Part Three: Panel Discussion
Japan's Legality Verification Efforts and International Measures to Combat Illegal Logging: Developments and Future Prospects
Panelists: Invited guests from Indonesia, Malaysia , China, the EU and the US
- (6) Joint Event
A poster presentation will be held in the corner of the same meeting room for "All about Imported Gohowood -Summary of the verification of Gohowood of imported timber products "
- (7) Expected Participants (two hundred)
Related persons from the Administration Organization/ Timber Industries/ Housing Industries/ Consumer Organizations/ Environmental NGO/ Academic Organizations/ Diplomatic Organizations in Tokyo/
- (8) Language
Japanese/ English simultaneous translation



International Symposium on Legality Verified Wood 2010
 —Activities in Japan to tackle illegal logging issue—
 Agenda

Organizers: Japan Federation of Wood Industry Associations (JFWIA)
 & Japan Lumber Inspection and Research Association (JLIRA)
 Sponsors: The Forestry Agency of Japan
 Ministry of the Environment of Japan
 Date: December 10th-11th
 Venue: Tokyo Fashion Town Hall 500
 TFT Building, 3-4-10 Ariake, Kotou-ku, Tokyo, 135-8072, Japan

December 10

9:30-10:00	Registration
10:00	Opening
	Opening Remarks Mr. Hideo NAMIKI, President of Japan Federation of Wood Industry Association (JFWIA) & Executive Director of Japan Lumber Inspection and Research Association (JLIRA) Mr. Yoshitsugu MINAGAWA (Director General, the Forestry Agency of Japan)
10:30	Part 1 "Development and Operating of Wood Traceability System for Legality Verification of Wood and Wood Products, and Relational Policies "
10:30-10:40	Opening Remarks by Mr. Ryuich GOTO, President, JLIRA
10:40-11:00	"Development and Operating of Wood Traceability System" Mr. Ryo SASAKI, General Manager, JLIRA
11:00-12:05	"Indonesian Timber Legality Assurance System Development and Legality Verification" Ministry of Forestry, the Republic of Indonesia
12:05-12:15	Q&A
12:15-13:30	Lunch
13:30-14:20	"Indonesian Timber Traceability Operation in Indonesia" The Indonesia Ecolabelling Institute (LEI)
14:20-14:30	Q&A
14:30-15:00	Coffee Break
15:00-16:20	"Legality Verification of Logs in Sarawak" Datu Haji Len Talif Salleh, Depty Permanent Secretary of the Ministry of Planning and Resource Management, Director of Forests of Forest Department Sarawak and the Managing Director / Chief Executive Officer of the Sarawak Forestry Corporation
16:20-16:30	Q&A
16:30-17:30	Discussion
17:30	Part 1 Closing

<i>December 11</i>	
9:00-10:00	Registration
10:00-10:10	Opening Remarks for Part 2 & Part 3 by Dr. Motoaki OHKUMA, Chairman, Council for Tackling Illegal Logging and promotion of Goho-wood
10:10	Part 2 "Japanese Activities of Wood Legality Verification and Tackling Illegal Logging Issue"
10:10-10:40	"Japanese Activities for legality Verified Wood Products and Purchases" Mr. Makoto OZAWA, Director, Wood Trade Office, the Forestry Agency of Japan
10:40-10:50	Break
10:50	1) Wood Suppliers' Activities in Japan (10:50-11:35)
10:50-11:05	A) Mr. Yoshikazu MATAHIRA, Executive Director, Federation of Shizuoka Wood Cooperative Society
11:05-11:20	B) Mr. Yasuhiro O-hashii, Executive Director, Japan Lumber Importers' Association
11:20-11:35	C) North Japan Log Distribution Cooperative Society
11:35	2) Wood Buyers' / Consumers' Activities in Japan
	A) Mr. Tokiharu OKAZAKI, Vice President, FoE Japan
	B) Mr. Shinichi NAKATA, Material and Trade Director, Japan Wooden House Industry Association
	C) Ms. Minako Ohishi, Vice Chairwoman, Environment Committee, Japan Consumer's Life advisor Consultant Association
12:20-12:30	Q&A
12:30-14:00	Lunch
14:00	Part 3 "Japanese Activities of Legality Verification, Development of Tackling Illegal Logging Issue and Forecasts."
14:00-14:15	Indonesia; Ms. Listya Kusumawardhani, Director, Forest Revenue and Forest Products Trade
14:15-14:30	Malaysia; Mr. Semilan Ripot, Revenue Manager, Sustainable Forestry and Compliance Division, Sarawak Forestry Corporation
14:30-14:45	China; Mr. Zhu Guangqian, Director, Senior Engineer, China Timber Distribution Association
14:45-15:00	E.U.; Mr. Vincent van den Berk, Programme Coordinator, European Forest Institute
15:00-15:15	U.S.A.; Dr. David J. Brooks, Director for Natural Resources and Environmental Reviews, Office of Environment and Natural Resources, U.S. T.R.
15:15-15:30	Coffee Break
15:30-16:50	Discussion
16:50-17:10	Closing

Part 1
Development and Operating of Wood
Traceability System for Legality
Verification of Wood and
Wood Products, and Relational Policies
(Outline only)

Part 1 Development and Operating of Wood Traceability System for Legality Verification of Wood and Wood Products, and Relational Policies (Outline)

Part 1 of the international symposium, “Development and Operating of Wood Traceability System for Legality Verification of Wood and Wood Products, and Relational Policies,” was held based on the results of a project on the development and commercialization of wood traceability technologies that can be introduced to Indonesia, based on an Action Program set by Japan and Indonesia in June 2003 for cooperation in combating illegal logging and the trade in illegally logged timber and wood products. This part of the symposium was sponsored by the Japan Lumber Inspection & Research Association (JLIRA). The proceedings are summarized as follows. (JLIRA has prepared a separate report of Part 1, as the sponsor. Please refer to the report for details.)

Following greetings from the sponsor by JLIRA President Ryuichi Goto, JLIRA General Manager Ryo Sasaki introduced the overall contents of the project in his presentation “Wood Traceability System: Developing and Operating.” Mr. Sasaki explained the main contents of Part 1 – introducing efforts in the two countries Indonesia and Malaysia, considering the importance of traceability in combating the illegal logging problem – and explained the development of the traceability system in Indonesia, which has been moving forward since 2004.

Next came two reports from the Indonesian side, Mr. Maidiward, Directorate of Forest Products Processing and Marketing, Ministry of Forestry, the Republic of Indonesia, presented a report entitled “Indonesian Timber Legality Assurance System,” and Mr. Alan Purbawiyatna of the Indonesia Ecolabelling Institute (LEI) spoke about the “Wood Traceability System Operating in Indonesia.”

The former report explained the contents of the Timber Legality Assurance System (TLAS) which Indonesia has developed in collaboration with consumer countries, and how Indonesia will use TLAS as means to realize sustainable forestry management. The latter report presented an outline of the traceability system which Indonesia has jointly advanced with Japan covering logs right from the felling site. TLAS is being implemented as a system which generates merits for forest managers, governments, and consumers.

Next from the State of Sabah in Malaysia Mr. Len Talif Salleh, (Deputy Permanent Secretary, Ministry of Planning and Resource Management; Director of Forests, Forest Department, State of Sarawak; Managing Director & Chief Executive Officer, Sarawak Forestry) presented a report entitled “Legality Verification of Logs in Sarawak.” Mr. Talif Salleh, who is responsible for this issue at the government of Sarawak, which is the center of timber exports from Malaysia to Japan, gave a detailed explanation of the State of Sarawak’s legality verification system and the basis for certificate issuance.

The Part 1 presentations were followed by a question and answer session with the conference participants.

Part 2
Japanese Activities of Wood Legality
Verification
and Tackling Illegal Logging Issue

International symposium 2010 day 2 greetings from Chairman Okuma

Motoaki Okuma, Chairman,

Council for Tackling Illegal Logging and Promotion of Goho-wood

Efforts to Supply Legality Verified Wood and Significance of this International Symposium



Thank you for the introduction.

Ladies and gentlemen, thank you very much for joining this second day of our international symposium program, from the early morning. Our second day program focuses on countermeasures to illegal logging, centered on Japan's efforts for certification of goho-wood, or legality verified wood. Five years have passed since the Japanese government decided to purchase legality verified wood products on a preferential basis and the wood industry began working to supply them. This is also our fifth international symposium.

For a brief history of the symposium, please refer to the distributed material. The first international seminar took place in February 2007. In 2008, we held the Roundtable Meeting on Goho-wood toward the G8 Summit, "Discussions with Members of GLOBE International on Future Measures for a Legal Wood Supply System."

Feb. 2007 International Seminar in Tokyo for Tackling Illegal Logging, 2007: Response of the World to the Procurement Policies of Japan

Dec. 2007 International Seminar for Tackling Illegal Logging, 2007 II in Yokohama: A Credible and Distributable System for Verifying Goho (=legal) wood and Wood Products

June 2008 Roundtable Meeting on Goho-wood for the G8 Summit: Discussions with Members of GLOBE International on Future Measures for a Legal Wood Supply System

Dec. 2009 The 2009 Symposium on the Promotion of Wood and Wood Products with Verified Legality: Goho-wood Efforts to Address the Illegal Logging Problem

We have held these international symposiums consistently maintaining a stance toward expanding imports of legality-verified wood based on the Forestry Agency guidelines, and thus contributing to the illegal logging countermeasures of each country.

Through these efforts, I think that the Japanese approach has gained some position within the international activities. This is shown by the acceptance of the term goho-wood with the key concept of being widely applicable.

Wood and wood products pass through complex processing and distribution routes, and it is not possible to efficiently check all products at several processing locations. Thus Chain of Custody (CoC) systems become necessary. These certify businesses engaged in processing and distribution, and entrust them with providing information on legality and sustainability.

The FSC, PEFC, SGEC, and other forest certification bodies have designed frameworks to guarantee the credibility of certified businesses using third-party inspections. However, having an industry body provide CoC certification is original to the Forestry Agency guidelines. We think this is very important from the standpoint of being widely applicable and efficient.

Our intention is to express the universality and importance of this approach by using the term goho-wood. The participants at the Roundtable Meeting with members of GLOBE International kindly understood this term. We hope you will give further consideration to Japan's legality verified wood supply system.

This year's symposium is also significant in that it is being held at a critical time when the demand for goho-wood is expanding in the Japanese market. Moreover, the act to promote the use of wood in public buildings came into effect from this autumn, and I think that is also an important factor. I would like you to note how goho-wood procurement has gone beyond the government, and is now also expanding in the private sector.

Another characteristic is the establishment of countermeasures to illegal logging as policies in the United States and Europe as consumption countries. Those will also be introduced here today.

I hope we can examine the illegal logging problem and our future approaches at this symposium, amid the international developments. I look forward to your enthusiastic participation throughout today's program, to make this a successful symposium.

Thank you very much for your attention.

Outline of Supply of Legality Verified Wood

違法伐採対策 ——日本の取組について—— “Goho-wood” Japan's measures against illegal logging



我が国は、1998年の英国でのサミットにおいて、世界の森林に関する行動計画である「G8森林行動プログラム」(違法伐採対策を含む)について合意し、また、2000年のG8九州・沖縄サミット以来、「違法に伐採された木材は使用しない」という基本的考え方に基づいて、違法伐採対策の重要性を一貫して主張してきたところです。

こうした中、違法伐採対策として、木材輸出国における木材追跡技術の開発、衛星データを用いた森林の把握技術の開発、関係諸国との情報交換、国際熱帯木材機関が実施する違法伐採プロジェクトに対する支援等を行ってまいりました。

さらに、2005年(平成17年)7月に英国で開催されたG8サミットの結果を踏まえ、新たな違法伐採対策として、「**グリーン購入法**」により、合法性・持続可能性が証明された木材を政府調達の対象とする措置を2006年(平成18年)4月に導入しました。



In 1998, at the Birmingham Summit in England, Japan endorsed the G8 Action Program on Forests, which is an action plan that concerns forests of the world (concerning, among other things, measures against illegal logging), and since the Kyushu-Okinawa Summit in 2000, Japan has constantly advocated the importance of measures against illegal logging, based on the principle that 'illegally harvested timber should not be used.'

In the meantime, Japan has worked to develop technologies for timber tracing in timber-exporting countries and for checking the state of forests using satellite data, exchanged information with related countries, and supported projects against illegal logging implemented by the International Tropical Timber Organization (ITTO) in order to address the issue of illegal logging.

Moreover, based on the discussions at **the G8 summit at Gleneagles in UK in July, 2005**, the Japanese Government introduced, as a new action against illegal logging, measures to ensure that **it procures wood with verified legality and sustainability under the Green Purchasing Law in April, 2006**.

政府調達による違法伐採対策とガイドライン Procurement Policy of Government and the 'Guideline'



政府は、**グリーン購入法**により、政府調達の対象とする木材・木材製品について、合法性・持続可能性が証明されたものとする措置を2006年4月から導入しました。対象となるのは、木質材料が原料として使用されている、紙類、文具類、オフィス家具等、ベッドフレーム、公共工事資材(製材、集成材、合板、単板積層材、フローリング等)の5分野の木材・木材製品です。

これらの木材・木材製品の合法性・持続可能性については、各事業者において自主的に証明し、説明責任を果たしていただくこととなります。林野庁では、木材・木材製品の供給者が合法性・持続可能性の証明に取り組むに当たって留意すべき事項等を「**木材・木材製品の合法性・持続可能性の証明のためのガイドライン(日本語、英語)**」として公表しており、この中で3つの証明方法を例示しております。



The Japanese Government determined the inclusion of wood and wood products verified as being legally and sustainably produced (Goho-wood) in the list of designated procurement items based on the Law Concerning the Promotion of the Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Law No. 100 of 2000) (the Green Purchasing Law), **starting from April 2006**. The following five categories of wood and wood products are among the designated procurement items under the Basic Policy on Promoting Green Purchasing:

- ① Paper (Example: form papers, printing papers, etc.)
- ② Stationery (Example: business envelopes, notebooks, etc.)
- ③ Office furniture (Examples: chairs, desks, shelves, etc.)
- ④ Interior fixtures and bedding (Example: bed frames)
- ⑤ Public works material (Example: lumber, glued laminated timber, plywood, laminated veneer lumber, flooring, etc.)

Individual companies must voluntarily certify the legality and sustainability of wood and wood products and are expected to be held responsible for the above. The Forestry Agency indicates examples of 3 methods of verification of the legality and sustainability of wood and wood products in the '**Guideline for Verification on Legality and Sustainability of Wood and Wood Products (Japanese, English)**.'

ガイドラインで示された合法性の証明方法 Verification methods indicated in the 'Guideline'



木材・木材製品の合法性等の証明については、
林野庁が作成した「ガイドライン」に次の3つの方法があげられています。
In the 'Guideline' which was made by Forestry Agency, examples of methods of verification on legality and sustainability of wood and wood products are three methods as follows.

1. 森林認証を活用する方法

1. Forest certification system and chain of custody system

森林認証 (SGEC, FSC, PEFC等) の認証マークにより証明する方法です。

This is a method that utilizes certification seals under forest certification systems and chain of custody systems (such as SGEC, FSC, and PEFC certification).



2. 業界団体の認定を受けた事業者が証明する方法

2. Verification method by company under the authorization of association

各業界団体が自主的な行動規範を作成した上で、個別の事業者を認定し、認定を受けた事業者が「合法性等証明書」を次の段階の業者に渡すことにより、証明の連鎖を形成する方法です。

This is a method, in which respective associations in the wood industry, after developing their voluntary code of conduct, certify individual companies and the above certified companies (authorized as Goho-wood suppliers) give a "certificate of legality and sustainability" to the company at the next level to form a chain of verification on legality and sustainability.

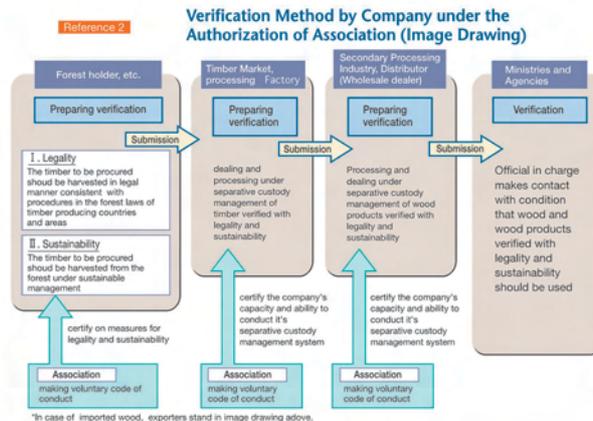
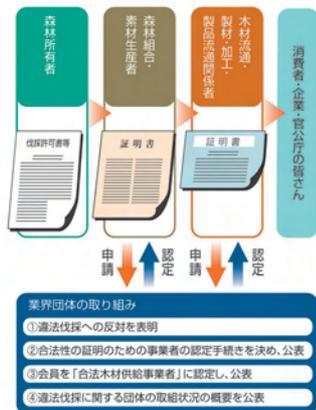
3. 事業者独自の取り組みによる方法

3. Verification method by original measure of each company

個別の事業者が独自に伐採から入荷に至るまでの流通経路等を把握した上で証明する方法です。なお、2の業界団体認定の証明方法と同等レベルの信頼性が確保されるよう取り組む必要があります。

Companies such as those of a large scale, not adopting methods 1 or 2, verify legality and sustainability via their original measures under comprehension of the distribution process from harvesting to delivery. Please note that it is necessary to work to ensure a similar level of reliability as that of the verification method by company under the authorization of association as described in 2 above.

業界団体の認定を受けた事業者による証明方法 Verification Method by Company under the Authorization of Association



Keynote Report Summary

Makoto Ozawa

Wood Trade Office, Forestry Agency of Japan



Japan's Experience in Addressing Illegal Logging

Report Outline

In this keynote report, I will explain Japan's experience in addressing illegal logging. The presentations following this report will introduce the efforts of individual dealers and consumers.

This keynote report today has three main themes:

1. Japan's efforts;
2. The progress made so far; and
3. Next steps

The basic principle of Japan's efforts is not to use illegally harvested timber.

Japan is advancing domestic and international efforts based on the understanding that promoting the use of legality verified wood will reduce the use of illegally harvested timber.

1. As domestic measures, the Law on Promoting Green Purchasing requires government organs to procure legality verified wood, and a guideline has been set for that purpose.
2. Japan depends on imports for approximately 70% of its wood, so measures for imported wood are essential. Japan is engaged in bilateral and multilateral efforts to expand legality verified wood. As introduced in an earlier report, the bilateral efforts include the development of a wood traceability system in Indonesia, and the holding of experts meetings with Malaysia. We have also made progress in relations with China, as I will explain later. In multilateral efforts, the International Tropical Timber Organization (ITTO) with 60 member states including both production and consumption countries is implementing diverse projects mostly in the production countries, and Japan is providing support predominantly to those projects related to measures to address illegal logging.

The Law on Promoting Green Purchasing is leading our efforts to promote the procurement of legality verified wood. Specifically, the law designates paper, stationary, materials

for public works and other items as eco-friendly goods which must be given priority in government procurement. The verification of the legality and sustainability of wood and wood products follow the guidelines published in 2006. The guidelines stipulate the following three methods of verification.

1. Certification of sustainable forest management through forest certification, with verification that the wood and wood products are, or are processed from, wood harvested from certified forests.
2. Certification of businesses by industry associations based on voluntary codes of conduct. This method is the most common, with a chain of custody of businesses certified by related associations at each distribution stage from the forest (upstream) to the consumers (downstream).
3. Verification by individual companies disclosing their standards and processes.

Performance

The progress achieved from 2006 through 2009 is summarized as follows.

- Number of certifying associations: 108 ⇒ 140
- Number of certified companies: 4,900 ⇒ 7,600
(The certified companies include distributors, processors, and importers).
- Share of legality verified domestic round wood (percentage of certified wood in total shipments of certified companies) 40% ⇒ 63%

The total domestic wood materials production volume is on the order of 17 million cubic meters, of which around 4 million cubic meters, or more than 20%, are legality verified wood. Excluding timber from forest thinning, which is not subject to certification, the share is around 30%. The share of legality verified imported plywood is 75%.

In the expansion of bilateral cooperation and dialogue, I would like to mention cooperation with China. The pie chart shows Japan's 2009 wood and wood products imports on a value basis. The value of imports from China is the highest. By volume, there are large imports from Australia and other countries, but the imports from China consist of highly processed products with high unit value and thus have the highest value. China is a processing trade country which imports round wood and exports processed wood products, so measures are also required where China sources its wood imports. At the Third Japan-China High-Level Economic Dialogue in August 2010, substantial agreement was reached on a memorandum for Japan-China cooperation on measures to combat illegal logging, and on taking action. In private-level activities, I understand that there was an exchange with the Japan Federation of Wood Industry Associations last week, and I am looking forward to Mr. Zhu's report on efforts in China in Part 3 with deep interest.

Turning to the future issues and the direction of future efforts, first we want to further strengthen our efforts to date via complete implementation of green purchasing by public organs. Second, we want to spread green purchasing to private businesses and consum-

ers. It is particularly important for consumers to know green purchasing. Third, we want to improve the credibility of legality verification.

As for the first issue, the complete implementation of government efforts is being promoted with the Ministry of Agriculture, Forestry and Fisheries Plan to Promote the Use of Wood, which includes numerical targets. There was also a great step forward this year. A new law, the Act for Promotion of Use of Wood in Public Buildings, has been in force from October 1, 2010. In addition to setting the basic policy for the use of wood in public buildings, this Act also stipulates promoting the use of wood structures and wooden finishing as much as possible in public use buildings and public buildings including government buildings, retirement homes, and gymnasiums. In Japan to date the building fire prevention regulations have been very strict, especially for public buildings and other locations where people gather. Revisions to these regulations are now being advanced so that government policy will basically specify the use of wood structures for low-height buildings with three stories or less, and promote the use of wooden finishing (the use of wood in interiors, etc.) for other buildings. Moreover, the basic policy clearly stipulates promoting the use and supply of legality verified wood. The arrangement of the supply system for legality verified wood is becoming necessary amid these efforts to advance the procurement of goods with a low environmental load as much as possible.

As for the second issue, spreading green purchasing to private businesses and consumers, in addition to approaching supply business close to final consumers, presentations are also being made at such events as Eco Products Exhibitions. This year's exhibition is taking place right now at the adjacent Tokyo Big Sight. In the use of media, strengthening information provision, especially via the Internet, is an important issue. Little information has been provided about legality verified wood in Japan so far. In particular, there are few English-language web pages, so intensive efforts are being planned for the current fiscal year. Efforts to promote the use of legality verified wood in housing include a system for preferential treatment in the construction of long-term quality housing. The Ministry of Land, Infrastructure, Transport and Tourism is spearheading this system. The lifetime of Japanese housing is exceptionally short, so this system provides preferential measures for the use of legality verified wood in long-term quality housing which meets certain standards. I understand it has been effective in spreading awareness of legality verified wood in the private sector. Through such measures, we seek to gain broader recognition of legality verified wood.

Finally in the third issue, improving the credibility of legality verification, we are focusing our efforts this year on the compilation of databases. We plan to compile databases for the legal (goho) wood navigation web page with such information as the names of individuals involved with legality verification, and the volumes being handled. The main point is to provide web access to information on individuals and organizations dealing with legality verified wood. The second point is to boost transparency so that businesses can easily see the results of handling legality verified wood and the social responsibility.

To summarize, the basic stance in Japan is to respect the autonomy of the wood industry, and to further strengthen and expand its efforts. The merits of this approach include easy participation both inside and outside Japan, and low costs so that regulation does not

lead to higher wood prices or increase the government burden. The cost issue is particularly important. In Japan, wood can easily be replaced by other materials, and if measures to address illegal logging increase wood prices, then they might actually obstruct the use of wood, which is an environmentally friendly material. For that reason, to promote the use of legality verified wood, cost increases must be avoided. As for the government burden, while the government is implementing such efforts as holding these types of symposiums and compiling databases for monitoring, it would be difficult for the government to bear any additional burden. It is desirable to take what actions we can with a comparatively low government burden, so the cooperation of domestic businesses is very important.

The future direction is summarized in this slide regarding the expansion of both the supply and demand for legality verified wood. The upper half of the slide presents quantitative measures for expanding supply and demand, while the lower half shows qualitative measures to improve credibility. In this way, we want to increase the use of legality verified wood on the wood market by both increasing quantity and improving quality. In particular, on the demand side the awareness of legality wood among consumers in general remains low. Accordingly, we are now examining labeling measures for legality-verified wood products whereby consumers could make choices on the market. We are working to further expand the distribution of legality verified wood through such approaches, and we will continue striving as an organization involved with legality verification in Japan.

違法伐採対策の推進について

Japan's Experience in Addressing **Illegal Logging**



goho WOOD
Goho (=Legal) Wood
Advance Mark

平成22年12月11日
December 11th, 2010

小澤 眞虎人
OZAWA Makoto

林野庁木材貿易対策室長
Director, Wood Products Trade Office, Forestry Agency



INTERNATIONAL YEAR
OF FORESTS · 2011

本日のテーマ

Overview of the presentation

我が国の取り組みの概要

Japan's efforts

合法木材を巡るこれまでの成果

Progress made so far

今後の課題と取り組み方向

Next Steps

我が国の基本的な考え方と主な取組

基本的な考え方: 違法に伐採された木材は使用しない

basic principal: **illegally harvested timber** should not be used

○国内対策 (Domestic measures)

- グリーン購入法を用い、合法性の証明された木材を政府調達に Green procurement policy
- 「木材・木材製品の合法性、持続可能性の証明のためのガイドライン」の策定
Guideline for verification on legality and sustainability of wood and wood products

○二国間協力 (Bilateral cooperation / dialogue)

- 「日本とインドネシアの違法伐採協力に関する行動計画」(2003.6) / 木材追跡システムの開発
Action Plan for the Cooperation in Combating Illegal Logging and the Trade in Illegally Logged Timber and Wood Products between Japan and Indonesia
- マレーシアとの森林専門家会合 The Expert Group Meeting on Sustainable Forest Management with Malaysia

○地域・多国間協力 (Regional / multilateral cooperation & dialogue)

- 国際熱帯木材機関 (ITTO) を通じた支援
Contribution through International Tropical Timber Organization
- アジア森林パートナーシップ (AFP) (2002~) Asian Forest Partnership
- 森林法の施行とガバナンス (FLEG) 閣僚会合 (世界銀行) Regional FLEG (Forest Law Enforce and Governance) Ministerial Meeting (World Bank)

グリーン購入法の概要

Outline of Law on Promoting Green Purchasing

国等による **環境配慮品** の調達の推進に関する法律
Law Concerning the Promotion of Procurement of **eco-friendly Goods and Services** by the State and Other Entities

基本方針 (Basic Policy)

- 各機関が調達方針を作成する際の基本的事項
- The way for setting green procurement policy

2006年から、合法性等の証明された木材・木材製品を環境物品
(紙類、文具、ベッドフレーム、オフィス家具、公共工事資材) に位置づけ
In 2006, Legality Verified Wood and Wood Products have been put on Eco-Friendly Goods List

義務 (Compulsory)

国会、各省庁等
(Ministries, Diet, etc.)

調達方針の作成、公表
Making and publicizing a Procurement Policy

調達実績の公表
Announcing the result

努力義務、一般的責務 (Effort)

地方公共団体等
Local Governments

- 調達方針の作成
Endeavor to make a green procurement policy

民間事業者、国民 Private Sector

できる限り環境物品等を選択
Selecting eco-friendly goods as far as possible when purchasing goods

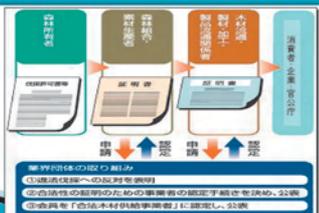
「木材・木材製品の合法性、持続可能性の証明のためのガイドライン」における証明方法

Outline of the Guideline for Verification on Legality and Sustainability of Wood and Wood Products

証明方法 Methods of Verification

- 森林認証とCoC認証を活用した方法 (Forest certification system and CoC (chain of custody) certification system)
- 業界団体による自主的行動規範に基づく事業者認定による方法 (Verification by companies under the authorization of association)
- 個別企業による自主的証明方法 (Verification by original measure of each company)

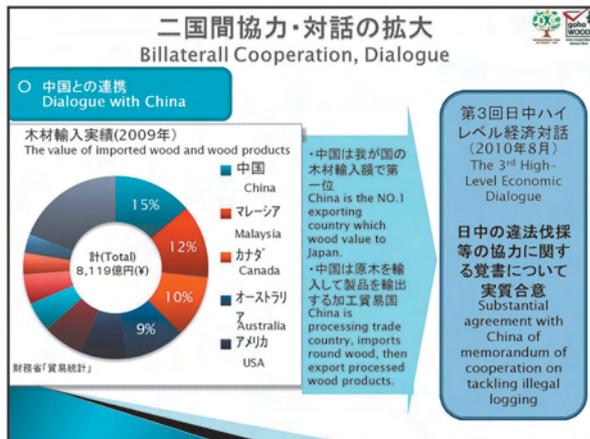
業界団体による自主的行動規範に基づく事業者認定による方法の流れ Flowchart of method



これまでの実績 (団体認定による証明方法)

Progress achieved in the past 4 years (2006→2009)

- 合法木材の供給に取り組む事業者及び供給量の拡大
Supply of legality verified timber increased
- ✓ 認定団体数 Number of participated associations 108 → **140**
- ✓ 認定事業者数
Number of participated companies 4,906 → **7,661**
- ✓ 国産の素材生産に占める割合
Share of legality verified domestic round wood
40% → **63%**
- ✓ 輸入合板に占める割合
Share of legality verified imported plywood **75%**



- ### 今後の課題と取り組み方向
- (1) 公的機関によるグリーン購入の徹底
Enhance green procurement by central and local gov
 - (2) 民間企業・一般消費者等への普及
Dissemination to private sectors and consumers
 - (3) 合法性証明の信頼性向上
Improve credibility of legality

- ### (1) 公的機関によるグリーン購入の徹底
- #### ① 国、地方公共団体の取り組みの徹底
- 国の機関における政府調達徹底
Ensure green procurement by **Ministries+**
- 地方公共団体によるグリーン調達の推進(県レベルの徹底と市町村への拡大)
Ensure green procurement by **local government**
- 農林水産省木材利用推進計画の策定
Policy of promoting wood utilization by MAFF
Dec.10 2009
- 農林水産省が率先して、公共土木工事、補助事業による施設整備、庁舎営繕、物品購入において、合法木材等の木材利用を推進
- 政府全体→地方公共団体→民間企業・一般消費者まで波及
Extension of wood utilization from government to private sector & consumer

- ### ② 公共建築物における木材の利用促進に関する法律 Act for Promotion of Use of Wood in Public Buildings
- ▶ 平成22年10月1日施行 In force on Oct. 1st, 2010
 - ▶ 国が公共建築物における木材利用の促進の基本方針を策定し、「可能な限り木造化、木質化」を進めるという方向性を明確化、地方公共団体や民間の事業者等の主体的な取組を促進
 - ▶ Formulate the basic policy of promoting use of wood on public buildings, Clarify directions as much as possible of wood, urged local governments and private companies to act on their initiative.
 - ▶ 国の基本方針に、**合法木材の利用と供給の促進を明記**
 - ▶ Stipulate for utilization of legality wood to public buildings and promotion of supply

- ### (2) 民間企業・一般消費者等への普及 Dissemination to private sectors and consumers
- 最終消費者に近い供給事業者(住宅、家具、DIY等)へのアプローチ
Collaborate with DIY, Furniture, housing industry
- ・エコプロダクツ展、DIYショー等への出展 Exhibition
 - ・DIYショップと共同したプロモーション Collaborate with DIY shop
- 住宅等への利用促進 Promote housing utilization
- ・長期優良住宅の建設の際の優遇措置 Privilege measures for long-term quality house
 - ・民間企業による木材調達基準の作成の拡大 Accelerate making wood procurement policy by private companies
- メディアの活用
Utilize media such as Goho-wood navi, radio, newspaper etc.
- ・合法木材ナビを一般消費者向けに改良 Improvement Goho-wood navi general
 - ・ラジオ・新聞広告等 Radio and newspapers etc
 - ・合法木材推進マークの作成 Creation the logo

- ### (3) 合法性証明の信頼性向上 Improve reliability of legality
- 合法性証明に取り組む団体・事業者のデータベースを作成
Establish a Database of associations and verified companies
- 各団体・事業者により取り組まれている合法性証明について、第三者によるモニタリングを実施
Conduct monitoring by third parties
- 生産国における実態調査を実施
Check the reliability of imported wood by trace back study

まとめ: 我が国の違法伐採対策のスタンス
Conclusion : Position of Japan

木材を取り扱う業界の自主性を尊重し、ボトムアップを図る
 Bottom up approach with respect for voluntary participation of wood industry

特色 characteristics

- ・ 国内外を問わず参加が容易
 Easy participation inside and outside the country
- ・ コスト負担が小さく、木材価格の上昇や行政負担の拡大を招かない 【他資材(金属、プラスチック等)との競合にも対応】
- ・ Not be increase wood price (adapted to compete with other material such as metal and plastics)
- ・ 国内外の木材・木材製品を差別しない Non discriminatory to imported and domestic wood.

方向: 合法性の証明された木材の①「供給・需要の拡大」、②「質的向上」を通じ木材市場を満たす
 Direction : Fill the wood market with verified legality wood through ①Extension of supply and demand, ②Improvement of credibility

① 合法木材の供給・需要両面での拡大
 Expansion of supply and demand

供給の拡大 Expansion supply	需要の拡大 Expansion demand
○海外 International 中国との覚書締結 Conclusion memorandum with China 生産国における技術協力 Cooperation with wood producing countries	○公共建築物等への木材利用促進 Promotion of use of wood for public buildings ○消費者の認知度向上を目的としたPR Dissemination for increase consumers recognition
○国内 Domestic 供給者を対象とした働きかけ、研修等 Training for suppliers	○合法性を製品に表示することによる選択の促進(検討中) Encouragement choice by labeling for legality

② 合法木材の質的向上
 Improvement of credibility

○海外 International トレーサビリティ技術の開発と普及 Development traceability techniques 生産国の実態調査 Trace back study in producing country	○国内 Domestic 供給者のデータベース作成 Establishment data base for supplier 証明のモニタリング Monitoring for verification
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Japanese Activities for Legality Verified Wood Products and Purchases

● Presenter Information

Name	Yoshikazu Matahira
Affiliation	Shizuoka Prefectural Federation of Lumber Co-operative Association
Title	Managing Director
Career summary	<p>1977 Entered Shizuoka Prefectural Federation of Lumber Co-operative Association</p> <p>1979 Seconded to Shizuoka Prefecture Indonesia Corp. as director</p> <p>1984 Returned to Shizuoka Prefectural Federation of Lumber Co-operative Association as planning section chief</p> <p>2001 Appointed as advisor</p> <p>2009 Appointed as managing director</p>



● Report Outline

Title: Promoting a Joint Government-Wood Producers Certification System

● Report Summary

1. Coordinated Administration of Certificates of Origin and Goho-wood Certification

In Shizuoka Prefecture, while cooperating with government policies to promote local production for local consumption, we are advancing efforts toward constructing a system for the legal and cyclical use of forest resources in the wood industry through joint administration of the Shizuoka Prefecture wood products certification system*¹ established by Shizuoka Prefecture in FY2002 and the goho-wood supplier certification system established by the Shizuoka Prefectural Federation of Lumber Co-operative Association (hereafter, “Prefectural Lumber Federation”) in FY2006 based on the Forestry Agency guidelines.

Concrete measures for goho-wood were launched in FY2006. Shizuoka Prefecture changed its basic policy on the procurement of prefectural environmental products, and the prefecture, the Prefectural forestry federation, the Prefectural Lumber Federation and individual lumber cooperative associations are jointly administering the group certification system.

Based on consideration of the supply conditions for goho-wood, Shizuoka Prefecture made certificates of origin and goho-wood certification requirements for wood used in its public works and in the subsidy program for housing using local materials*² as part of the prefecture s procurement policy from FY2010, following trial implementation in FY2009.

From 2010, certificates of origin were also made requirements in assistance programs for

housing using local materials independently established by the City of Shizuoka, Hamamatsu City, and other local cities and towns. So certification systems have rapidly spread in the domestic lumber field.

Meanwhile, the supply of legality verified imported wood is also beginning to gain momentum, with the addition of a category for local resources use (the provision of additional subsidies for houses using at least 50 percent legality verified wood in the building frame) under the Long-term Superior Housing Promotion Project implemented by the Ministry of Land, Infrastructure, Transport and Tourism from FY2010.

2. Strict Management Using Outside Inspectors

To make the group certification system for smaller suppliers more reliable, the Prefectural Lumber Federation accepts certification applications, with membership as a requirement to become a certified supplier, at our individual member associations. The Prefectural Lumber Federation is working toward strengthening the cooperative structure, while boosting industry solidarity.

To those ends, the Prefectural Lumber Federation has sought outside experts for all our certifying inspectors, right from the establishment of the goho-wood system. We are working to secure the reliability and transparency of the system through (1) strict certification inspection committees, (2) practical training sessions for the managers of certified suppliers, (3) site inspections of certified suppliers and (4) tracing inspections on public works projects. And to spread the certification system and publicize goho-wood we hold (5) system explanation meetings for designers and contractors and (6) housing exhibitions and goho-wood fairs for the general public.

Separate operations inspections and periodic inspections are also implemented on public works ordered by the prefecture for the certificate of origin system for prefectural wood, which is administered in coordination with the goho-wood certification system. The credibility of the system for certifying wood produced in the prefecture is rising further.

3. Administrative Issues and Future Direction

The issues regarding the various certification bodies have become apparent from the actual state of certification of suppliers in the prefecture. Specifically, because various bodies exist that certify goho-wood suppliers, the certification bodies must accept applications using suitable judgment criteria, such as (1) by administrative territory (national and prefectural), and (2) by industry or business category (industry organizations and the Prefectural Lumber Federation); disclose related information and otherwise recognize their respective responsibilities and roles; and seek a division of duties accordingly.

Preferential policies to support the use of certified forest (FSC) lumber in public works projects ordered by the major cities of the prefecture began from FY2010, and wood industry members in the cities surrounding areas are now considering applying for FSC certification (CoC group certification) in addition to group certification, which verifies legality.

Considering these trends, the Prefectural Lumber Federation aims to clarify the contribution to resolving environmental problems through the correct operation of the certification system, and to link this to strengthening solidarity in the wood industry through smooth system administration while gaining consumer understanding.

The position of legality verified wood has become clear as the act to promote the use of wood in public buildings came into effect from this autumn. The Prefectural Lumber Federation will take advantage of this opportunity to redouble our efforts toward ensuring the transparency and credibility of our group certification system, which has now entered its fifth year.

- *1. Shizuoka Prefecture wood products certification system (in Japanese)
(<http://www.s-mokuren.com/seido.html>).
- *2. Shizuoka superior wood materials housing support project (in Japanese)
(<http://www.pref.shizuoka.jp/sangyou/sa-380/index.html>).

Japanese Activities for Legality Verified Wood Products and Purchases

● Presenter Information

Name	Yasuhiro Ohashi
Affiliation	Japan Lumber Importers' Association (JLIA)
Title	Executive Director
Career Summary	<p>1970: Entered Sumitomo Corporation, Timber Department, Southsea Timber Section (based in Tokyo; primarily engaged in the import and sales of southsea wood [logs, lumber and plywood] through postings to the Philippines, Malaysia and Indonesia).</p> <p>2000: Seconded to Sumisho Kenzai (the present Sumisho & Mitsuibussan Kenzai Co., Ltd.)</p> <p>2004: Retired from Sumitomo Corporation and was appointed JLIA Executive Director. Presently also serving as a member of the Council for Tackling Illegal Logging and Promotion of Goho-wood [legal wood]</p>



● Report Outline

Title: Import and Supply of Legality Verified Wood: Current Conditions and Issues

For 34 years after entering Sumitomo Corporation (Timber Department) in 1970, I was primarily engaged in the import and sales of southsea timber (logs, lumber and plywood), with postings in Davao, Kota Kinabalu, Sibul and Jakarta. I have served in my present post since 2004. The Japan Lumber Importers' Association (JLIA) operates with membership fees from our members, who handle timber and building materials, and our main work is to provide information to our members. We also exchange information and opinions with the Japanese government (the Forestry Agency) and with domestic and foreign industry associations as a representative of Japan's main timber importers. I have participated in efforts to establish a supply system for legality verified wood right from the start as a member of the commission for tackling illegal logging.

JLIA members import about 60% of the major timber items imported into Japan. Almost all JLIA members have become JLIA authorized goho-wood suppliers in accordance with the Forestry Agency guidelines to establish a supply system for goho-wood. Goho-wood is wood granted legality certificates individually for specific shipments based on the Forestry Agency guidelines.

In carrying out the prerequisite training and monitoring of members, it became clear to JLIA that while there is strong demand for legality certified wood from manufacturers using logs as raw materials, demand from the wholesalers and distributors who purchase those products is still weak, with ample room for growth. We also found that the certification demand for tropical

timber is greater than that for timber from conifers.

Amid the stagnant demand for legality certified wood from domestic distributors, for the time being many JLIA members are issuing legality certificates to those purchasers who demand them on a priority basis. Meanwhile, JLIA members are requesting exporters to provide legality certificates because the demand for certificates is expected to increase in the future and because they need to be able to respond if certificates are requested after sales are completed. However, while some exporters voluntarily issue legality certificates, other exporters are reported to be reluctant to meet the buyers' requests.

As written in the Forestry Agency Guidelines, the first methods of verifying legality are the forest certification system and the chain of custody (CoC) certification system. The second method is to become JLIA certified. JLIA members are already certified through this second method, but they also work to gain CoC certification to be certified under the first method as well. The majority of JLIA members have already gained FSC and/or PEFC-CoC certification, and the number of such certifications has been rising over the past few years in particular. In fact, JLIA members who have obtained CoC certification account for 80-90% of the total volume of wood imports by JLIA members, so at JLIA a forest certified wood supply system is being established.

Japan's Long-Life Quality Housing Law and the Act for Promotion of Use of Wood in Public Buildings call for the use of legality verified wood, and the private sector is also taking measures to shift to eco panels, green lumber and other sustainable materials. Amid this trend, JLIA reconfirmed its commitment to the positive procurement and domestic supply of legality verified wood at our annual general meeting. In the sense that the legality certifications are linked, the verification method used by JLIA authorized suppliers has the same effect as the verification method used in the forest certification system and the CoC certification system. To ensure the reliability of the system, all JLIA authorized suppliers need to accurately understand the verification system and make proper use of it. For that reason, JLIA seeks to educate members by visiting every member once every eighteen months and offering training for managers as well as persons in charge. At the same time, JLIA also evaluates JLIA authorized suppliers' measures through monitoring. In these ways, we seek to maintain and improve the reliability of the system. As a result, a trend has arisen among JLIA members to shift to a proactive policy of domestic sales of imported legality verified wood specifically as legality verified wood, rather than waiting for a spike in the demand for legality verified wood.

To boost the effectiveness of these Japanese efforts, however, it is critical that exporters understand Japan's approach and supply legality verified wood. Fortunately, some exporting countries have their own public CoC systems, and I understand that many of the main exporting countries are managing forests on a sustainable basis so we expect that legality is verified by forest certification and CoC certification under a third-party certification system. With CoC certification, simply stipulating that a shipment is CoC certified wood and writing the certification number on the shipping documents make the documents into a legality certificate. Sometimes only a copy of the CoC certificate is submitted, but that is not enough, because a legality certificate (completed shipping documents) is required for each shipment under the Forestry Agency guidelines. We sincerely hope that exporting countries will actively issue legality certificates and cooperate with our efforts in Japan to take the lead in spreading the use of legality verified wood.

International Symposium 2010
 ~ Activities in Japan to
Tackle Illegal Logging Issue ~
Goho-Wood
 "Supplying the Legality and Sustainability Verified Wood"
 11th December 2010
 Tokyo, Japan
 Japan Lumber Importers' Association (JLIA)
 Executive Director Y. Ohashi

JLIA

GREEN PROCUREMENT POLICY and GOHO-WOOD

Guideline for Verification on Legality and Sustainability by Forestry Agency

- **Definition of Legality and Sustainability**
 - Legality: Harvested in Legal Manner Consistent with Procedure in the Forest Laws and Regulations
 - Sustainability: Harvested from the Forest under SFM
- **Methods of Verification (Illustration)**
 - 1) Forest Certification, CoC Certification System
 - 2) Verification by Private Enterprises Authorized by Relative Association
 - 3) Self Verification by Private Enterprises

"GOHO-Wood" : Receive and submit the written certificate of legality (& sustainability) for each individual shipment, under separate custody.

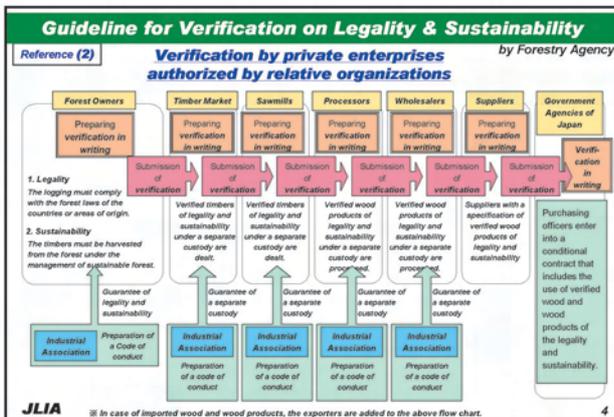
JLIA

Imports of The Legality Certified Timber
(Unit: 1,000m³)

Apr.2010~Sep.2010 (6-months)	TOTAL IMPORTED (A)	CERTIFICATE RECEIVED (B)	(B)/(A)
	Logs	1,545	829
Lumber	1,861	51	2.7%
Plywood	1,214	1,083	89.2%
Other Panel	177	10	5.6%
G. TOTAL	4,797	1,972	41.1%

Apr.2009~Mar.2010 (12-months)	TOTAL IMPORTED (A)	CERTIFICATE RECEIVED (B)	(B)/(A)
	Logs	2,396	786
Lumber	2,827	60	2.1%
Plywood	2,052	1,846	90.0%
Other Panel	233	15	6.5%
G. TOTAL	7,508	2,707	36.1%

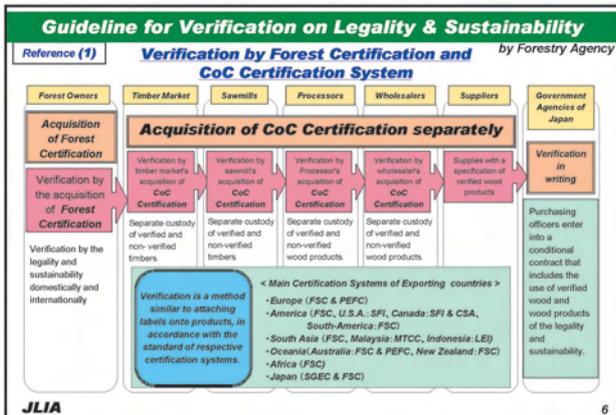
JLIA



Verifying the Legality

- 1) Verifying the legality by **Export Permits** endorsed by the government under the chain of custody system
 < Example >
 CANADA (for Logs only), MALAYSIA, INDONESIA
 (New TLAS is implemented)
- 2) Members **authorized by the association** verify the legality (& sustainability) in writing
 < Overseas Association >
 - American Hardwood Export Council (U.S.A.)
 - DALEXPORTLES Association (FE Russia)
 - Quebec Wood Export Bureau (Canada)

JLIA



JLIA Members & CoC Certificate Holders

By: JLIA Members only

As at Nov. 2010

JLIA Member Companies	Regular Importers	CoC Certificate Holders	
	41	FSC	PEFC
		23	23

Authorized by organizations: 100%

Share in Japan: abt. 60%

Presumed share among JLIA members (in terms of M3):
 FSC: 91%
 PEFC: 80%

Acquisition of CoC Certificate (JLIA Members)	before	2006	2007	2008	2009	2010	
	FSC:	4	6	3	5	5	(Total 23)
	PEFC:	7	3	1	7	5	(Total 23)

JLIA 7

Promoting the Use of WOOD for the Public Buildings

01 Oct. 2010 07 Jan. 2010

WOOD is defined as Domestic-Wood and Others

可能な限り木造

公共建築物に木材利用促進法が施行

認定材・合法木材を対象に

The government notified that the Wood Products to be used for public buildings shall require Legality (and sustainability) Certification.

JLIA 8

Japanese Industry shifting to ECO | Green-Products

Asahi Wood-Tec	Panasonic Group	Misawa Homes
<p>Asahi Wood-Tec: Announced to achieve 100% ECO-FLOOR by March 2012.</p> <p>Using not only FSC-CoC certified plywood from Indonesia and Falcata plywood, but also PEFC-CoC certified plywood from Malaysia & poplar/Eucalyptus/ Kamerere plywood as well.</p>	<p>Panasonic Group "GUIDELINE" (made in cooperation with WWF Japan)</p> <p>No.1 Category: (First Priority) FSC certified, or otherwise certified by other forest certification system.</p> <p>And, the reused timber like PB.</p> <p>No.2 Category: (Conformable) Legality of the harvest verified, or company certification under association authorization.</p> <p>No.3 Category: (to be eliminated) Legality not confirmed.</p> <p>Panasonic Denko aims 100% of eco-friendly materials for wooden floor within the year 2011, which is now abt. 30% only.</p>	<p>Misawa Homes "GUIDELINE"</p> <p>In 2010: Identifying fully the Supply Source.</p> <p>In 2011: Confirming fully the forest license cutting permit.</p> <p>In 2014: Increase the use of timber certified by Forest Certification System up to 70%.</p> <p>Also check the appropriateness of Forest Management and the Traceability, making use of WWF Japan's "Responsible Purchasing Checklist".</p>

JLIA 9

JLIA Members acquiring CoC certificate

2010.2.27

FSCに代えて PEFCのCoC取得

合法木材の販促を促す

JLIA announced to place emphasis on importing / supplying GOHO-Wood in Japan, in view of the policy of the government as well as private sector.

JLIA members are acquiring CoC Certificate to promote "GOHO-Wood" in Japan.

JLIA 10



Forest Management Certificate

森林認証書 (FM認証書)
Forest Management Certificate

This is to certify that

operates a
Sustainable Forestry Initiative Program

SFIS 2005-2009

for the following scope of registration

The Sustainable Forestry Initiative® System as it applies to the **forest management** activities of **management planning, silviculture, road construction and maintenance, the harvest of logs from the forest, ownership and delivered to company log sorting facilities and the operation of local facilities.**

Certificate No: CS01-0017511 Original Certification Date: February 24, 2005
File No: 01229 Current Certification Date: February 24, 2006
Issue Date: October 27, 2005 Certificate Expiry Date: February 23, 2011

W. J. ... *H. K. ...*

Wang Jie
General Manager

Dr. ...
SFI Chain of Custody System Lead

ANAB SUSTAINABLE FORESTRY INITIATIVE PEFC

JLIA 12

CoC Certificate

Chain of Custody Certificate

This is to certify that KPMG Performance Engine Inc. has received the production of

CoC認証書
CoC Certificate

and approved for its Company's Chain of Custody (CoC) and tracking system which have a credible basis for: (1) tracking the source of wood that processed by these facilities, and (2) ensuring that the origin from the facilities which is covered by "FSC Certified" will be used for the purpose of wood that originating from these facilities from "FSC Certified" materials operations. The Company's Chain of Custody system conforms to all essential aspects of the requirements of ISO-Certified Chain of Custody of Forest Based Products - Requirements.

The Chain of Custody System certification applies to the following operations:

The production and sale of fire and handcut lumber from the

This chain of custody certification is given subject to the terms and conditions governing the use of the certificate as described in the agreement between KPMG Performance Engine Inc. and the holder. Where Chain of Custody certification also requires the registration compliance with the requirements of the PEFC Certified wood products from the certified wood products operations which are not the registered PEFC certified wood products operations for those which are certified under one or more of the following conditions: the USA 2005 Sustainable Forestry Management Standard or the Sustainable Forestry Initiative (SFI) Standard.

Certificate No: 1483-06
Issue Date: September 28, 2007
Expiry Date: September 27, 2010

ANSI PEFC

JLIA 13

Forest Management Certificate

森林認証書 (FM認証書)
Forest Management Certificate

This is to certify that

operates a
Sustainable Forestry Initiative Program

SFIS 2005-2009

for the following scope of registration

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W. J. ... *H. K. ...*

Wang Jie
General Manager

Dr. ...
SFI Chain of Custody System Lead

ANAB SUSTAINABLE FORESTRY INITIATIVE PEFC

not enough for certifying the legality.

JLIA 14

CoC Certificate

Chain of Custody Certificate

This is to certify that KPMG Performance Engine Inc. has received the production of

CoC認証書 **not enough for certifying the legality.**

and approved for its Company's Chain of Custody (CoC) and tracking system which have a credible basis for: (1) tracking the source of wood that processed by these facilities, and (2) ensuring that the origin from the facilities which is covered by "FSC Certified" will be used for the purpose of wood that originating from these facilities from "FSC Certified" materials operations. The Company's Chain of Custody system conforms to all essential aspects of the requirements of ISO-Certified Chain of Custody of Forest Based Products - Requirements.

The Chain of Custody System certification applies to the following operations:

The production and sale of fire and handcut lumber from the

This chain of custody certification is given subject to the terms and conditions governing the use of the certificate as described in the agreement between KPMG Performance Engine Inc. and the holder. Where Chain of Custody certification also requires the registration compliance with the requirements of the PEFC Certified wood products from the certified wood products operations which are not the registered PEFC certified wood products operations for those which are certified under one or more of the following conditions: the USA 2005 Sustainable Forestry Management Standard or the Sustainable Forestry Initiative (SFI) Standard.

Certificate No: 1483-06
Issue Date: September 28, 2007
Expiry Date: September 27, 2010

ANSI PEFC

"Certificate of Legality" is required for each individual shipment.

Shipping documents become the Certificate of Legality (and Sustainability), on condition that the documents state (1) the Legality is certified (CoC certified), with (2) registered number (CoC Certificate number)

JLIA 15

Verification by FM & CoC certification system

Certification of Legality and Sustainability

Shipping documents (Invoice, Packing List)

LOT 04FSC 2225 PCS RADIATA PINE LOGS J GRADE 3.9M FSC-CoC Certified

FSC CERTIFICATE NO. SW-COC-00195 "FSC PURE"

COMMERCIAL INVOICE

Invoice No: 1483-06
Invoice Date: 2007-09-28
Invoice To: ...
Invoice From: ...

Country of origin: FINLAND
Country of destination: JAPAN
Port of origin: ...
Port of destination: ...

Quantity: 2225 PCS
Net weight: 402.268
Gross weight: ...

Lot: LOT 04FSC 2225 PCS RADIATA PINE LOGS J GRADE 3.9M FSC CERTIFICATE NUMBER: SW-COC-00195 "FSC PURE"

JLIA 16

Verification by FM & CoC certification system

Certification of Legality and Sustainability

Shipping documents (Invoice, Packing List)

PEFC-CoC Certified

In accordance with the PEFC (Pan European Forest Certification) scheme, and the Mill Chain of Custody registration number PEFC/02-31-09 SMS 1003-1 SFSLR2582-03 91% or more of the wood goods originate and harvested from PEFC certified forest. 12 months rolling average.

INVOICE

Invoice No: 1483-06
Invoice Date: 2007-09-28
Invoice To: ...
Invoice From: ...

Country of origin: FINLAND
Country of destination: JAPAN
Port of origin: ...
Port of destination: ...

Quantity: 2225 PCS
Net weight: 402.268
Gross weight: ...

Lot: LOT 04FSC 2225 PCS RADIATA PINE LOGS J GRADE 3.9M FSC CERTIFICATE NUMBER: SW-COC-00195 "FSC PURE"

JLIA 17

Verification by FM & CoC certification system

Sales Invoice → **Shipping documents (Invoice, Packing List)**

Certified SFI 100.00%

Certification of Legality and Sustainability

SUSTAINABLE FORESTRY INITIATIVE CERT-0017511

JLIA 18

Major Timber Imports in JAPAN

Building Standard Law Amended ← | → Lehman Shock

Year	Building Standard Law Amended				Lehman Shock				Estimation by JLIA		
	2004	2005	2006	2007	2008	%	2009	%	2010 Jan-Oct	%	
SOUTH-SEA	1,612	1,366	1,372	1,021	-25.6	728	-28.7	423	-41.9	447	+38.4
N AMERICA	3,731	3,384	3,240	3,020	-4.8	2,638	-12.6	2,468	-6.5	2,470	+18.4
RUSSIA	5,922	4,694	4,942	3,986	-19.3	1,888	-52.6	650	-65.6	404	-39.0
NEW ZEALAND	1,081	913	848	808	-4.7	869	+7.6	533	-38.7	611	+36.1
LOGS TOTAL	12,428	10,391	10,423	8,861	-15.0	6,148	-30.6	4,091	-33.5	3,943	+14.7
SOUTH-SEA	586	543	516	450	-12.8	643	+43.1	537	-16.5	480	-6.9
N AMERICA	3,979	3,308	3,427	2,724	-20.5	2,929	+7.5	2,272	-22.5	2,290	+22.8
RUSSIA	861	965	987	954	-3.3	666	-30.1	679	+1.8	533	-7.7
NEW ZEALAND	170	127	172	119	-30.5	138	+15.7	84	-39.2	90	+31.4
CHILLE	348	310	305	343	+12.6	321	-6.5	161	-49.9	170	+34.1
EUROPE	2,968	2,894	3,045	2,654	-12.9	2,009	-24.3	2,036	+1.3	1,851	-6.0
LUMBER TOTAL	8,912	8,147	8,451	7,244	-14.3	6,708	-7.4	5,769	-14.0	5,414	+12.0
PLYWOOD	4,941	4,570	4,881	4,008	-17.9	3,560	-11.2	2,844	-20.1	2,638	+12.1
G-LAM	611	671	806	642	-20.3	404	-37.1	457	+13.0	461	+22.8
G. TOTAL	26,892	23,779	24,561	20,755	-15.5	16,820	-19.0	13,160	-21.8	12,456	+12.3

JLIA Dropped by ▲46% Increasing 19

Promoting the Use of "GOHO-Wood"

To create and expand wood demand is most important, and we insist on promoting the use of wood, including the imported timber as well as the domestic wood.

To promote the Wood and Wood Products in Japan, we will import **GOHO-Wood**, the Legality Verified Timber and FM/CoC-Certified Timber.

Thank you for your kind attention !!!

JLIA 20

Japanese Activities for Legality Verified Wood Products and Purchases

● Presenter Information

Name	Sayumi Takahashi
Affiliation	North Japan Wood Material Distribution Cooperative
Title	Managing Director
Career summary	<p>1984 Graduated from Hokkaido University, School of Fisheries Sciences, Fisheries Department (major in bio-resources)</p> <p>1987 Graduated from Hokkaido University, Faculty of Agriculture, Forestry Department (major in forestry accounting)</p> <p>1987–2002 Nice Corporation, foreign wood division (posted to Portland, Oregon 1994–1998)</p> <p>2004 to present North Japan Wood Material Distribution Cooperative</p>



● Report Outline

Approaches to Wood Legality Verification as a Domestic Log Supplier

A. North Japan Wood Material Distribution Cooperative

Our wood material distribution cooperative was established on April 1, 2003, by materials producers and associated organizations in Iwate Prefecture.

At that time, there was no market for small-diameter, bent, and short timber unfit for regular lumber and other grade B wood, which was left in piles at logging sites. Our cooperative was established to arrange large-lot, stable supply of material to plywood plants located in coastal Iwate Prefecture. We are now engaged in joint sales of wood produced by cooperative members to plywood factories in Iwate Prefecture, Miyagi Prefecture, Akita Prefecture, Aomori Prefecture, and Hokkaido.

In FY2003, our first year, the cooperative had 27 members with joint sales of 26,000 cubic meters. In FY2009, the cooperative had 98 members with joint sales of 222,000 cubic meters.

B. Goho-wood Certification Efforts

1. Legality Verified Wood Supply Trends

Our cooperative understands that wood materials producers are at the starting line of legality verified wood certification, as the origin of wood distribution. We have advanced efforts for the goho-wood system right from the start under the direction of the National Federation of Wood Material Producers Cooperatives, the central organization to which we belong, advised our members as a certification body, and have now certified all 100 of our members as goho-wood suppliers. We also explain to new members that all logs that the cooperative jointly sells to plywood factories are goho-wood, and that certification as a goho-wood supplier is a prerequisite to joining the cooperative.

2. Efforts to Secure Credibility, and Evaluation

We require all goho-wood suppliers to attend training lectures, and have them acquire knowledge regarding the goho-wood system. Our certification renewal training last year was conducted together with two other certifying bodies, and we held a separate additional training session for members with no prior training. We also distribute a goho-wood handbook and a video “Japan’s Actions against Illegal Logging” to new members for self-study, and certify them after their self-study is completed. The self-study is confirmed through submission of “self-study reports” with answers to questions regarding the goho-wood system.

As the basis for goho-wood certification, we urge members to submit upon log production and shipment copies of government documents (notification of legal logging, protected forest logging permits, national or prefecture-owned forest standing timber sales contracts, etc.) that are the proof of legality. We file these documents and regularly compare them with shipment documents to the plywood plants. This is to ensure that all the raw materials are goho-wood.

Meanwhile, at the logging sites we call for safety measures and for clear signage identifying the businesses conducting the logging.

3. Certificate Use

The certified supplier number and the phrase “from a sustainable forest” are submitted together to plywood factories on delivery slips, in lieu of certificates, as proof that the materials jointly sold through the cooperative are goho-wood. The plywood factories maintain the chain of custody (CoC) by attaching copies of our cooperative’s delivery slips together with their certificates, in response to requests from trading companies and housing suppliers for goho-wood certification.

4. Issues

While the use of goho-wood certificates is spreading at plywood factories, paper mills, large-scale lumber and laminated wood factories, certificates are often not requested for shipments to local, medium and small lumber plants, and many suppliers still do not voluntarily issue certificates. We must make further efforts both upstream and downstream to advance education on the importance and advantages of goho-wood.

Turning to the maintenance of management books and other documents, almost all the suppliers conduct receipt, shipment, and inventory management by binding their shipping slips (in place of certificates). The individual suppliers require highly detailed guidance.

Wood Buyer's/Consumer's Activities in Japan

● Presenter Information

Name	Tokiharu Okazaki
Affiliation	Friends of the Earth (FoE) Japan
Title	Secretary General
Career summary	Responsible for plant exports at a heavy electric machinery manufacturer for over 30 years. Entered FoE Japan after retirement. Engaged in preparing policy proposals for such fields as environmental and social considerations in climate change and overseas economic cooperation. Attended the 2002 World Summit on Sustainable Development as a councilor to the Japanese government delegation.



● Report Outline

Title: Campaign to Spread the Procurement of Fair Wood (wood which does not destroy forests)

Report Summary

Brief Self-Introduction

FoE Japan participated in the 1999 WTO (from the standpoint of opposing timber trade liberalization) together with the Japan Federation of Wood-industry Associations and the National Federation of Forest Owners' Cooperative Association. Since that time, we have pursued measures against illegal logging and promoted the use of domestic timber from the NGO perspective.

Efforts for Legal Wood by Your Organization

We have been promoting the use of legal wood, wood which does not destroy forests, and wood from sustainable managed forests among (1) the central government and local government bodies, (2) private enterprises, and (3) consumers ever since. "Promotion of Fair wood among all strata of Japanese society" was selected by the Ministry of the Environment as a Best Policy Proposal in 2004 (one of two proposals selected that year). We were deeply involved with preparing the government wood purchasing guidelines during the revision of the Law on Promoting Green Purchasing.

In our work with the private sector, we have provided support to Sekisui House, Ltd. and other housing suppliers in compiling wood procurement policies, and supported Fair wood procurement by furniture manufacturers. We have also been advancing public (consumer) education and promotion through the (Fairwood Café) for the past two years.

Evaluation of Japan's Supply of Legal Wood

FoE Japan's forestry team began from works to conserve forests in the Russian Far East, and our measures against illegal logging began from conservation of tropical forests in Indonesia. As for Russia, the Japan Federation of Wood-industry Associations and the import industry have also implemented countermeasures, and it may be said that direct imports of illegally logged wood have dramatically decreased. Regarding Indonesia, we understand that the mixing of illegally logged wood in plywood and other wood products has greatly decreased as well, thanks to government and industry level efforts.

Significance of Efforts Together with the Wood Industry Based on Consumer Trends

FoE Japan's initial efforts were with the Ministry of the Environment, but developed into illegal logging countermeasures involving the wood industry as well when the Forestry Agency got the wood industry involved after the issue was addressed by the G8. We are proud that the information that we have gathered from around the world as an international environmental NGO is proving useful in terms of both quantity and quality. Our fFair wood activities are unique for an environmental NGO as they are a joint undertaking with industry, but we think they have proven effective.

Our public (consumer) and local public body education and promotion activities, however, still have a long way to go. The abovementioned (Fairwood Café) has been held once per month to introduce furniture, wooden tableware, organic sweets and other items, and otherwise make people more familiar with forests and wood, but it has not always attracted enough customers/participants.

Future Issues

We need to expand our campaigns to reach areas that cannot be covered under the present illegal logging countermeasures.

1. Some wood products imported from China, particularly furniture and flooring, contain wood from rare tree species. Furniture and flooring procurement guidelines are awaited.
2. In expanding the use of domestic wood, the distribution of cedar, cryptomeria, and other conifers is getting organized, but the market and distribution for useful broad-leaved trees/timber needs to be reconstructed. While this may be considered a niche market, it is necessary to grasp the resource and demand volumes, and to construct a sustainable supply structure and chain..
3. Turning to domestic illegal logging countermeasures, the question is, how can we revive abandoned and unmanaged forests? If nothing is done, instead of revival, will such forests only increase? The government's Forest and Forestry Revitalization Plan does not include measures to address this.
4. Western countries are beginning to introduce protection measures like so-called ke those under the (Lacey Act) as border measures against illegal logging. In Japan, the government says the time is not right for such measures, but are there any alternatives?

フェアウッド調達 の普及活動経過

- 違法伐採材の輸入阻止から始まった
- 国産材の活用推進が林業再生に繋がる
- 国内各層へのフェアウッド普及啓発
- グリーン調達・木材のガイドライン
- フェアウッド・パートナーズ(民間企業へ)
- フェアウッド・カフェ(施主・家具購入者へ)
- イベントでの普及啓発(ショールーム・デザイナー)

国際環境NGO FoEJapan / 地球人間環境フォーラム

Fairwood Campaign

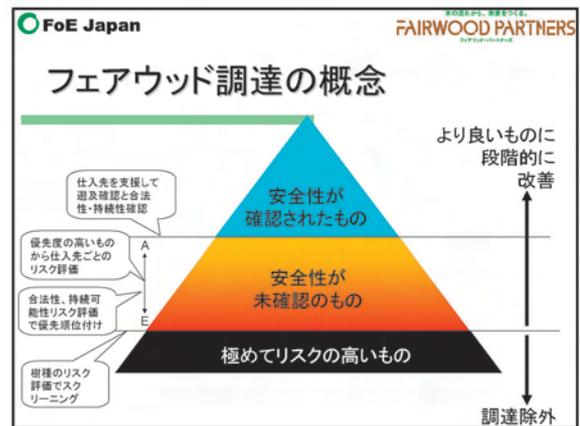
FoE Japan & Global Environment Forum

- What is 'Fairwood'
- Demand side advocacy (X supply side A.)
 - ① government
 - ② private company
 - ③ consumer or individual purchaser
- ① Green Procurement Law & it's guide line
- ② Fairwood Partners such as House Builder Furniture Manufacturer, Event Designer
- ③ Fairwood Café & Movie Show

フェアウッドとは: What is Fairwood?

森林を破壊しない木材

- [Reduce, Reuse] 修理・再生した木製品
- [Recycle] 古材や廃材を再使用した木製品
- [Goho Wood] 最低限、違法伐採でない木材
- [Domestic, Neighborhood Wood] 近くの森林から生産された木材
- [Community, Fair-traded Timber] 地域住民が自ら適切に森林管理している木材
- [Sustainably managed Forest] 信頼できる第三者機関の森林認証を受けた木材



FoE Japan FAIRWOOD PARTNERS

合法性リスク評価の数値化 Numerical Evaluation

評価	評価指針	CPI (腐敗認知指数)
5	違法伐採推定割合 10%未満	0~2 以下
4	10%以上	2~4 以下
3	30%以上	4~6 以下
2	50%以上	6~8 以下
1	70%以上	8~10 以下

* Illegal Logging Percentage
* Corruption Perceptions Index

FoE Japan FAIRWOOD PARTNERS

フェアウッド調達方針

木質素材を活用する企業に最重要のCSR調達

社内外に対して基本的な方向性を明示

「こんな木材は買わないようにします」

- 絶滅危惧種
- 違法に生産・取引された木材
- 生態系に悪影響を与えている木材
- 先住民や地域社会、労働者の権利が生活環境に悪影響を与えている木材

高リスク材の把握と回避

「こんな木材を買っていきます」

- 信頼のある森林認証を受けた木材 (または同等の証明のある木材)
- 建築廃材、リサイクル材
- 輸送負荷の少ない木材

フェアウッド材へのシフト

設計デザイン、下請け業者とのコミュニケーションにおいて、木材選定・調達のガイドラインとして活用。


FoE Japan



フェアウッド調達基準の実践、成果、課題 Fairwood Procurement Policy

- 実践 Practice is still LIMITED
 - 部分的なフェアウッド材の採用(国産材や認証材)は多くのメーカーで実践されつつある
 - リスクの把握と回避の仕組みを取り入れている所はまだ多くない
- 効果 EFFECT direct & indirect is BIG, if introduced
 - 仕入先の建材メーカー/商社等への効果は非常に大きい
 - 社員への意識啓発、創意工夫意欲の刺激
- 課題 WHAT to be solved
 - 地域の中小製材所や建材メーカーとの新規取引のハードル
 - 将来的には営業地域ごとに近くの産地・製材所から分散調達できる仕組みに発展させる必要

フェアウッド応援宣言 乃村工芸社 [ノムラ木材調達ガイドライン]

「NOMURA GREEN MANNER of DESIGN」
 「環境ソリューション委員会」では、
 「ノムラグループ品質・環境・安全方針」に基づき、日々の業務活動において、全社員が環境の視点でお客様に付加価値を提供できることを目指して(ノムラ・グリーンマナー憲章)の作成を検討しており、その一環として、
「ノムラ木材調達ガイドライン」を発表し、
「Fairwood Support Declaration」を行います

フェアウッド・カフェ／上映会



Wood Buyer's/Consumer's Activities in Japan

● Presenter Information

Name	Shinichi Nagata
Affiliation	Wooden Home Builders Association of Japan
Title	Materials Distribution Department Manager
Career summary	Entered Matsushita Electric Works (the present Panasonic Electric Works Co., Ltd.) in 1976; assigned to the building products sales division. Spent the next 34 years in the sales division responsible for housing companies and contractors, and served as the head of the Nagoya and Western Tokyo sales offices, and then as the head of sales for Hokkaido. Seconded to the Wooden Home Builders Association of Japan since April 2010.



● Report Outline

Title: Toward Spreading Legality Verified Wood in the Wooden Housing Industry

I am presently responsible for the Materials Distribution Department at the Wooden Home Builders Association of Japan. Our Association was established as a public interest corporation in 1986 to contribute to the spread and sound development of wood-frame housing. Our chairman is Mr. Ryu Yano, the chairman of Sumitomo Forestry Co., Ltd. We have a total of 463 member companies comprising 357 wooden housing suppliers and 106 materials manufacturers and others. Member efforts toward legality verified wood have been conspicuous at Sumitomo Forestry, Sekisui House, Ltd., the Panasonic Group and other large firms. As a very recent development, compared with a few years ago, medium-sized firms have also been increasingly writing about such topics as “a forest material-cycle society,” “preventing global warming” and “CO2 sinks” on their websites, exhibiting a high level of environmental awareness, even if they do not explicitly mention certified wood.

In an Association members' questionnaire conducted two years ago, just 9 percent of the members were using certified wood. The possible issues at that time were (1) low recognition (2) the question of necessity, and (3) uncertain costs. Over the past two years, however, the environment surrounding legality verified wood has greatly changed, and it may be said that winds are shifting in the housing market. That shift is evident from the following four items.

- 1) Spread of Long-term Superior Housing Model Projects (Implemented by the Ministry of Land, Infrastructure, Transport and Tourism from FY2008)
 - Initially in FY2008, as selection criteria, there were no comments regarding the wood environment, just “use of lumber and other local building materials...” but in FY2009 the phrasing was changed to “use of wood produced from sustainable forests” and “projects that have a strong ripple effect.” The expression was then changed greatly in FY2010 to “work toward the revitalization of forest production activities and correct forest management, and build a material-cycle local economy and society” with a much clearer and more specific stance toward certified wood.

- Applications from a total of 119 companies in the wooden housing category were selected in five public solicitations from FY2008 through FY2010. The initiative has a great ripple effect, as well over a thousand companies and corporate groups applied.
 - Efforts by the Wooden Home Builders Association of Japan
The Association's "Long-life Wooden Home Model" (jointly proposed with 51 small- and medium-sized Association members) was selected in FY2010, and one reason for this is the specification that wood from sustainable forests (certified wood) is used for the majority of the building frame.
- 2) Certification of Long-term Superior Housing Construction Plans (instituted from June 2009)
 - A cumulative total of 115,909 homes (detached houses) were certified through October 2010. Since this August, an average of 9,400 houses have been certified each month, with long-term superior housing remarkably accounting for approximately 35 percent of all new housing starts (detached houses).
 - 3) FY 2010 Wooden Home Promotion Project (Ministry of Land, Infrastructure, Transport and Tourism)
 - 200,000 yen subsidy for the use of local legality verified materials in long-term superior housing by small- and medium-sized housing manufacturers.
 - 4) Promotion of Wood Use in Public Buildings
 - The promotion of wood use in public buildings is expected to spread wood use in buildings in general.
 (e.g.) Ministop to Open Eco-Conscious Stores (from Nikkei Shimbun, November 19, 2010)
 First store to open February 2011, and with stores to increase at a pace of 20 stores per year. These stores are built using domestic certified wood.

In this way, sparked by the long-term superior housing program, housing companies can no longer avert environmental issues as they have in the past. The recognition of certified wood is also greatly increasing. In wooden housing, it is also becoming necessary to take special note of certified wood produced from sustainable forests as materials.

As for the third issue noted above, which is the cost aspect, even if the increased costs are viewed as an environmental tax, the key factor is the extent to which the cost increases can be limited. I hope we will take advantage of this opportunity to combine our wisdom and address this.

木造住宅業界における合法木材の普及に向けて

平成22年12月11日
(社)日本木造住宅産業協会
資材・流通部 永田進一

(社)日本木造住宅産業協会のご紹介

(目的)木造軸組住宅の普及と健全な発展に寄与するために、1986年に設立された公益法人です。

(会長)矢野 龍(住友林業 株式会社 会長)

(会員) 463社(平成22年3月31日現在)

- ・一種A会員 91社(木造住宅供給・資本金5000万以上)
- ・一種B会員 266社(木造住宅供給・資本金5000万未満)
- ・二種正会員 45社(部材供給メーカー)
- ・三種正会員 27社(設計事務所等)
- ・賛助会員 34社(協会の事業に賛同)

1

会員企業の取り組み

(ホームページより抜粋)

- ・住友林業 企業の社会的責任として、合法性及び持続可能な森林経営からの調達に関して、各事業分野ごとに具体的な目標を設定し、毎年の見直しを図り、それを行動原則として取組んでいる。
 - ・積水ハウス 生物多様性の取り組みとして「10の木材調達ガイドライン」指針を設定し、違法伐採問題に取り組んでいる
 - ・パナソニックグループ(パナホーム・パナソニック電工含む)
生物多様性保全及び森林資源保護に関する社会要請の高まりを受け、木材の持続可能な調達を目指し、調達する木材については、森林認証材とする(平成22年6月22日 日経新聞)
- ※その他 地場の中堅住宅会社においては、認証材と明確に記述されていないが、数年前と比べ、「森林循環型社会」、「地球温暖化防止」、「CO2吸収源等」の記述が多く見られ、環境に対する認識の高さを感じる。

2

平成20年度 木住協会員における意識調査

(一種会員へのアンケート調査による 2009年3月)

<2年前の実態>

質問:森林認証制度(FSC、SGEC等)を採用していますか?

(はい) 9% (A会員:15%、B会員:6%)

※3年前の認知度調査では、
認証制度 知っている 37% (A会員 51% B会員 32%)

<平成20年(2年前)時点での課題>

①知名度の低さ ②コスト面の不明確さ ③必要性が低い

3

合法木材普及に向けて

(住宅戸建市場の風向きが変わってきた)

(1)長期優良住宅先導事業の普及

●本事業は、国土交通省が平成20年度から実施。長期優良住宅の普及啓発に寄与する先導的事業に対して助成を行う事業である。

- ・H20年度第一回 応募 603件 採択 24件(住宅新築部門)
- ・H20年度第二回 応募 325件 採択 26件(同上)
- ・H21年度第一回 応募 232件 採択 24件(木造等循環社会)
- ・H21年度第二回 応募 134件 採択 14件(同上)
- ・H22年度第一回 応募 152件 採択 31件(同上)

※合計 木造等循環社会形成部門において、119社の採択がなされ、応募した会社、グループも含め、数千の企業が関連している。補助戸数 5000戸/年(内 戸建 約3000戸)

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●「木造等循環社会形成部門」における評価の変遷

(評価のポイント)

- ・H20年度第一回 「木材など地域の建築資材」の活用は、評価できる。今後、さらなる意欲的な提案が望まれる」
- ・H20年度第二回 「地域材の活用だけでなく、地域の木造振興の施策とも連携した展開を今後期待したい。」
- ・H21年度第一回 「地域材にこだわらず、国産材を活用したうえで、幅広い分野にわたる提案がなされており、波及効果が高い提案は優位に評価した。」
- ・H21年度第二回 「持続可能な森林から産出された材(外国産材含む)を活用したうえでの木質材料全体としての利用の提案は、普及・波及効果が高い。」
- ・H22年度第一回 「林業生産活動の活性化と森林の適正な整備促進を図り、循環地域経済社会を構築する提案が多く見られた」

5

●木住協の「長期優良住宅先導モデル事業」の取り組み

- ・平成22年度「木住協ながい木の家モデル」・採択
～持続可能な選(よどり)の家～
(ポイント)・構造躯体の過半に「持続可能な森林(認証材)から
産出された木材」の使用を提案し、採択されました。
・51社の中小規模の会員との共同提案であり、普及・
波及効果が見込まれる。(補助金対象棟数 100棟)

●その他の提案(森林認証材関連)

- ・平成22年度「九州における産直型森林認証の住まい」
(提案者名:熊本の杉・天然乾燥研究会・3年連続)

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(2)長期優良住宅建築等計画の認定状況

<認定制度は、平成21年6月4日から運用>

認定実績(平成22年10月まで)

	平成21年度	平成22年度							合計
	21年6月～ 22年3月	4月	5月	6月	7月	8月	9月	10月	
一戸建て住宅	56198戸	6,502	6,835	8,484	9,521	9,248	9,629	9,492	59,711戸
共同住宅等	929戸	82	25	947	70	33	94	262	1,513戸
月合計	57127戸	6,584	6,860	9,431	9,591	9,281	9,723	9,754	61,244戸
建築着工数 (持家)				24827	27040	26783			
比率 (長期優良)				3	3	3			
				8%	4%	6%			

(3)平成22年度木のいえ整備促進事業について

(長期優良住宅促進事業)

<事業の概要>

・中小住宅生産者により供給される木造住宅で、下記の要件を満たす長期優良住宅に対する支援を実施。

- ①長期優良住宅の認定②履歴情報の整備③建築過程の公開

<支援内容>

- ①一戸当たり 100万円 を限度に補助。
②「持続可能な森林経営に資する地域材の活用」により、20万円を限度に補助。

※都道府県等による産地証明制度により認証された木材。

※民間の第三者機関により認証されて産出された木材。

※林野庁作成のガイドラインに基づき合法性が証明された木材。

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(4)公共建築物等における木材の利用促進化

<基本方針>合法性等の証明された木材の円滑な供給の確保を図る。

・新築需要・約240万㎡/年(2003～2008年平均・木造建築可能な全て)

(主に建て替えが需要のメイン)

・一般の建築市場への木造化普及の可能性

一般の建築物への波及効果が見込まれ、そのターゲット需要は、約1500～1900万㎡(2～3階建て)と推定。

(但し建築の規制緩和と、それに合わせた技術開発が前提)

(森林総合研究所 公開講演会 青井主任研究員資料より)

(参考)「ミニストップが環境配慮型店舗」(11月19日 日経新聞より)

・来年2月に一号店を開き、年20店ペースで増やす。木材は、認証機関が認証した国産材使用。(太陽光併用)

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まとめ

- ・このように、2年前と比較し、CO2による地球温暖化問題を発端として、環境に対して、企業や住宅会社のレベル認識が大きく変わってきている。

・(課題)

- ①合法木材の知名度・認識度 ⇒◎
- ②その必要性(様々な諸策による) ⇒◎
- ③コスト⇒環境税に見合うコストの検討要
<皆様の益々のご繁栄を祈念致します。>

10

Wood Buyer's/Consumer's Activities in Japan

● Presenter Information

Name	Minako Oishi
Affiliation	Nippon Association of Consumer Specialists (NACS)
Title	Vice-chairperson, Environment Committee
Career summary	Currently vice-chairperson of the Nippon Association of Consumer Specialists (NACS) Environment Committee. Worked as a high school home economics teacher, and then in a milk and rice consultation office. Actively participates in corporate stakeholder meetings and government commissions to deliver the voice of consumers and ensure that information from enterprises and organizations properly reaches consumers.



● Report Outline

Title: Our Lifestyle is All Connected to the World: Let's Learn about Product Life Cycles
Consumer specialists serve as a bridge linking consumers and enterprises. We feel it is important to pay attention to the full product life cycle when selecting products giving consideration to the environment. The NACS conducts ongoing activities to increase, as much as possible, the number of green consumers toward the formation of a sustainable future society through such activities as holding consumer lectures with local governments and participating in environmental advisory councils.

Report Summary

The NACS Environment Committee has been conducting research and activities toward the formation of a sustainable society since 1999. The Committee conducted survey research on effective environmental labels and environmental reports as communications tools between enterprises and consumers, and compiled the nine principles of environmental labels that green consumers seek and a checklist. Also, while consumers may only be concerned about what they can perceive directly, to select products that are truly environment-friendly it is important to take interest in entire product life cycles ranging from raw materials procurement through to transportation, production, sales and post-use disposal and recycling. The NACS holds consumer workshops on topics such as product life cycles and conducts other activities to increase, as much as possible, the number of green consumers toward the achievement of a sustainable future lifestyle.

Last year, the NACS published the pamphlet "Our Lifestyle is All Connected to the World: Let's Learn about Product Life Cycles" as the conclusion of three years of activities. The pamphlet is being used by environmental educators.

Turning to wood products, unfortunately Japanese consumers do not show strong interest in the wood sources, even though 70 percent of Japan is covered with forests. Many consumers understand that using recycled paper is good for the environment, but there are still not many consumers who are concerned enough to ask where the timber originally came from, and how it was sourced. Yet this is due to the lack of the type of information that consumers are interested in. No consumers want to purchase items that are bad for the environment. So we feel the problem is the present insufficient provision of information by the suppliers.

In efforts to learn about the life cycle of paper diapers, we conducted surveys and research on the environmental impact at each stage. Because paper diapers are disposable products, they are believed to have large environmental effects at the logging sites where timber is cut for the raw materials, and at places where crude oil is extracted.

While correctly informing consumers that timber from illegal logging still exists and regarding the impact from illegal logging on the natural and social environment, it is also important to make a broad appeal, for example, with information on FSC and PEFC wood certification and SGEN domestic wood certification as reliable standards for selection by consumers, and on products effectively utilizing thinned lumber.

Recently, these certification labels are finally being seen on familiar items such as stationery goods, household articles, and copy paper. [If PowerPoint materials are prepared, photos of certification labels on actual products are available.] It is hoped that large volumes of legality verified wood will be used at schools and other public facilities from now on as a result of its inclusion in the Green Purchasing Law (Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities).

I visited coffee farms in Guatemala last year. My strongest impression was their explanation that they had gained Conservation International certification at the request of Canadian consumers. Also, a farm owner who had gained Rainforest Alliance certification had done so as a means to convey their environmentally sensitive cultivation methods and concern to consumers. Ultimately, society changes depending on what consumers demand and what consumers choose. I think that, like others, Japanese consumers must do more to raise their voices.

わたしたちの暮らしは すべて世界につながっている

～商品の一生を知ろう～

社団法人 日本消費生活アドバイザー・コンサルタント協会
環境委員会副委員長 大石美奈子

2010.12.11 合法証明木材に関する国際シンポジウム



(社) 日本消費生活アドバイザー・ コンサルタント協会 (NACS) とは

NIPPON ASSOCIATION of CONSUMER SPECIALISTS

- 1988年6月発足
- 全国7支部 約3,800名(2010年6月)
- <http://www.nacs.or.jp/>
- NACS環境委員会
 - ・ 1999年4月から正式に活動
 - ・ 持続可能なくらしをめざし、ライフスタイルの見直しや環境に配慮したくらしのための提案を広く行う
 - ・ 現在のテーマは「商品の一生を知ろう」



「商品の一生」を知ろう

商品には「原料の調達」から「消費・リサイクル」に至る長い一生があり、その過程でさまざまな環境問題が生じています。それらの問題にも目を向け、商品の選択に生かしましょう！



紙おむつの一生

製品の種類	原料の調達				製造	消費・リサイクル
	原料の調達	加工・製造	輸送	消費・リサイクル		
紙おむつ	森林資源の確保と持続可能な森林管理の推進、森林・海洋資源などの採取、製材・製紙、環境にやさしい工場	紙の加工・製造、製品の検査、製品の梱包・製造後の加工	製品の輸送	製品の消費・リサイクル	製品の製造	製品の消費・リサイクル
紙おむつの原料	森林資源の確保と持続可能な森林管理の推進、森林・海洋資源などの採取、製材・製紙、環境にやさしい工場	紙の加工・製造、製品の検査、製品の梱包・製造後の加工	製品の輸送	製品の消費・リサイクル	製品の製造	製品の消費・リサイクル
紙おむつの製造	森林資源の確保と持続可能な森林管理の推進、森林・海洋資源などの採取、製材・製紙、環境にやさしい工場	紙の加工・製造、製品の検査、製品の梱包・製造後の加工	製品の輸送	製品の消費・リサイクル	製品の製造	製品の消費・リサイクル
紙おむつの消費・リサイクル	森林資源の確保と持続可能な森林管理の推進、森林・海洋資源などの採取、製材・製紙、環境にやさしい工場	紙の加工・製造、製品の検査、製品の梱包・製造後の加工	製品の輸送	製品の消費・リサイクル	製品の製造	製品の消費・リサイクル



- ・ まず、消費者が「商品の一生」を知ろうと行動することが重要

しかし、
企業からの情報がないと、
消費者は **関心を持ってない**



<おせち容器の表示>



- ・ 「知る」ことから「問題意識」が広がり、
必ず **賢明な選択・購入**につながる



身近なFSC認証ラベル例 (タワシ、チラシ、ノート)




国産材・間伐材表示例 (割り箸、封筒、駅弁)



日本では、国産の木材があまり使われていません。このため、手入れが行き届かないヒノキ、スギなどの人工林が増え、輸入する必要がある状態です。国産材を消費することで、国産材の需要を高め、国産材の持続可能な利用を促すことができます。



流通の取組み例  ミニストップ

国産FSC認証材を使用した
環境配慮型店舗を展開

太陽光発電装置やLED照明を導入した
「省CO2モデル事業」の環境配慮型店舗で

あわせて、

**国産FSC認証材を100%使用した、業界初となる
「木造建築&太陽光発電装置」店舗を展開**

輸入木材に関する世界的な動き

○米国改正レーシー法

○欧米での違法伐採対策法

日本でも、消費者・事業者を含めた
国全体としての取組みを

○グリーン購入法、**プラスα**

**みんなが幸せになる木材製品を
選ぼう！**



- 環境に大きな負荷をかけたい消費者はいない
⇒ 「**違法伐採の木材製品**は使いたくない！」
- 消費者が声をあげれば、問題解決につながる
- 「生産」から「廃棄・リサイクル」までの、持続可能な取組みを示して欲しい！

NRCS

消費者は、知らなければ
想像することもできない



木材輸出国、政府、事業者は、
**持続可能な方法で森林を管理、利用し、
その取組みを
日本の消費者に伝えてほしい**

NRCS

Mr./Ms. Topicalnomi (party concerned with Indonesian forests)

In these discussions of legality verified wood and certification, there are presently various certification systems, and they are not unified or consistent. While mutual certification would be good, the systems are presently all separate. There is also a danger from generalization, because systems that are not credible might be included. So care must be taken if the systems are standardized. High standards are needed. How high are the Japanese standards compared with global standards?

Mr. Toma

The Japanese certification system trusts the data provided by producers. It is a mixed system recognizing everything from easy beginning efforts to high standards. Nevertheless, we do not find this satisfactory, and we are moving to gradually step up to more certain verification and certification of sustainability. We are also advancing mutual understanding, giving consideration to the current conditions in each country. To those ends, we have arranged opportunities such as this seminar. I think this afternoon's reports and panel discussions will answer your question.

Mr./Ms. Alisia

I come from the Ministry of Forestry. I would like to address my question to the consumer specialist. I understand you have been distributing questionnaire surveys to the general public because you want to deepen recognition of the certification of legality verified wood among the people. I also understand that it has been difficult to actually heighten awareness. I think distributing a Q&A pamphlet is another good means of spreading information even further. Are you taking this kind of approach?

Ms. Ohishi

At this point, we have not gone that far. As I mentioned in my presentation regarding the certification of coffee farms, consumer awareness regarding timber is also growing, and we plan to conduct a consumer survey from now on.

Mr. Talif Salleh

My question is for Mr. Okazaki of FoE Japan. Thank you very much for your excellent presentation. My question concerns the Fairwood Caf . I think this is a very good effort, but I am concerned about the content of the movies. In particular, I want you to secure fairness in production. At times, NGO personnel just take one-sided unauthorized footage and leave. While the fairness in Fairwood is surely important, I think that fair play in movie production is also important. We really want to see the content. It would be good if people could watch good movies with fair content at the Fairwood Caf .

Mr. Okazaki

Thank you very much for your comment. We sometimes receive such criticism from parties engaged in so-called business. We try to be as clear as possible about where our footage is from, what sort of permissions was given for the filming, and when it was taken. We provide information together with the footage so that the viewers can judge for themselves how close the images are to the truth, and if they were taken using hidden cameras. We appreciate your continued comments in the future.

Mr. Mishiba (FoE Japan)

I do not know if this is a comment or a question. I want to speak a few words as a Japanese consumer. Industry and government parties have advanced measures for legality verified wood, and arranged a supply system. However, we have heard that there are business and other costs involved, and that the efforts to date have not led to actual widespread popularization. According to UN reports, forests are still diminishing. While this may be nobody's fault, we have also heard that it is difficult to take action without consumer awareness without the demand from buyers. So conversely is this the consumer's fault? I feel this basic question. Ms. Oishi said the problem is simply that consumers are not aware, and that they would take action if they receive information. So I would like the government and wood industry to make greater efforts toward conveying information to consumers, rather than just beginning with approaches toward the businesses they can reach.

Mr. Toma

Thank you very much for your comments summarizing Part 2 of our Symposium. We will now continue with Part 3, "Japanese Activities of Legality Verification, Development of Tackling Illegal Logging Issue and Forecasts."

Part 3
Japanese Activities of Legality
Verification, Development of Tackling
Illegal Logging Issue and Forecasts

Section 1 Report

Chair: Shin Nagata, Professor, Graduate School of Agricultural and Life Sciences, the University of Tokyo

born on January 13, 1952

1974.3 Bachelor of Agriculture (in Forestry) from the University of Tokyo

1976.4 Master of Agriculture (in Forestry) from the University of Tokyo

1983.5 Ph.D. (in Economics) from Yale University, New Haven, CT. U.S.A.

1987.3 Associate Professor of Forest Policy, the University of Tokyo (-1995.5)

1987.8 Visiting Associate Professor of Economics, University of the Philippines, Dilliman, R.P. (-1988.3)

1995.6 Professor of Forest Ecology and Society, the University of Tokyo

1996.4 Professor of Forest Policy, the University of Tokyo

Member of Council for Tackling Illegal Logging and promotion of Goho-wood

Chairman of Sub-council for Promotion of Supply System of Legality Verified Wood



● Report 1

Combating Illegal Logging in Indonesia



● Report Outline

Name:

Listya Kusumawardhani

Report Title:

Combating Illegal Logging in Indonesia

Report Outline:

Thank you very much for your kind invitation. Today, I will explain the efforts to combat illegal logging in Indonesia.

The topics of my presentation today are as shown on this slide (Slide 2).

I will begin with information from the State Minister of Environment of the Republic of Indo-

nesia Rachmat Witoelar.

Illegal logging in Indonesia is on a declining trend, and has decreased by 75% in the last decade. The number of cases was 720 in 2005 and 1,705 in 2006, but only 81 cases have been reported so far in 2010.

This graph, which was presented earlier by one of my colleagues (Alan Purbawiyatna), shows the trend in wood raw materials. The materials supply depends on plantation forests. The production from natural forests is declining.

This slide presents Indonesia's framework to curb illegal logging. A presidential decree (Presidential Decree No. 4 of 2005) was issued in 2005, and 18 government organs are cooperating in measures to curb illegal logging. The Ministry of Forestry deals with forestry-related crimes in coordination with the Corruption Eradication Commission (KPK) and other organizations. The Minister of Forestry attended the KPK meeting last Friday and discussed the Commission's research on forest crimes.

Next, in the amendment of laws and regulations, the necessary revisions to prosecute illegal logging are being made, and measures must be devised to strengthen law enforcement. Revisions to strengthen enforcement are required, and are presently being prepared.

Other methods being implemented include training of customs, police, and forestry officials. The central government is preparing a rapid response forest police unit and has established a national task force. The efforts of the Ministry of Forestry are supported by diverse NGOs. Curbing illegal logging has become a national commitment of the President, NGOs, and government officials.

Forest-related crimes still occur in harvesting, processing, and distribution, but the number of cases is declining.

The legal punishments are specified in Law No. 41 of 1999, Government Regulation No. 34 of 2002 and Government Regulation No. 3 of 2003. The laws and regulations are also being amended. The punishments are imprisonment for up to 10 years, fines up to 5 billion Indonesian rupiah, and other administrative sanctions.

Indonesia has concluded bilateral agreements to promote legal timber with Japan, the Netherlands, Finland, the UK, Australia, China, the US, and South Korea.

Multilateral agreements to control the trade in illegal timber are also being developed. For example, we proposed a resolution to criminalize illegal logging to the Commission on Crime Prevention and Criminal Justice of the United Nations Office on Drugs and Crime (UNODC). Efforts to strengthen law enforcement and governance are also being made through the Asia Forest Law Enforcement and Governance (FLEG) process.

In other efforts, a scheme has been introduced to encourage Indonesian natural forest owners and concessionaries to produce sustainable wood. The scheme covers both natural wood and plantation wood. About 130,000 hectares of natural forest has been certified and additional 1.2 million hectares are being managed under a voluntary approach.

The Timber Legality Assurance System (TLAS) is a voluntary mechanism, but the Indonesian government encourages the payment of high prices for TLAS certified products. The government has also introduced incentives for certified products such as export trading incentives.

Other efforts include community access to state-owned forests and expanded access to forests at the village level, as well as promoting the payment of high prices for fast growing species in private forests managed by local communities.

COMBATING ILLEGAL LOGGING IN INDONESIA

BY
LISTYA KUSUMAWARDHANI
(DIRECTOR OF FOREST PRODUCT LEVIES AND DISTRIBUTION,
MOF OF INDONESIA)

INTERNATIONAL SYMPOSIUM ON LEGALITY VERIFIED WOOD 2010
TOKYO, 10-11 DECEMBER 2010

OUTLINE

- ✗ DATA OF THE 2005-2010 CASES
- ✗ FRAMEWORK TO CURB ILLEGAL LOGGING
- ✗ LAWS AND REGULATION AMENDMENT
- ✗ CAPACITY BUILDING
- ✗ PROSECUTE FOREST RELATED CRIMES
- ✗ PROMOTE LEGAL TIMBER TRADE
- ✗ CONCLUSION

FRAMEWORK TO CURB ILLEGAL LOGGING

- ✗ Issue a presidential instruction to curb illegal logging
- ✗ Appoint a presidential envoy to coordinate and monitor actions undertaken to curb illegal logging
- ✗ Establish a system for forest crime case tracking in order to monitor reported crimes, crime investigation and court proceedings

LAWS AND REGULATION AMENDMENT

Why?

To strengthen law enforcement efforts

What amendment?

- ✗ Amend existing national forest legislation to strengthen law enforcement
- ✗ Remove restrictions on law enforcers

CAPACITY BUILDING

- ✗ Establish Rapid Response Forest Police Unit at central level
- ✗ Establish National Task Force on Combating Illegal Logging at central, provincial and district level
- ✗ Supported by various NGOs in curbing illegal logging

PROSECUTE FOREST RELATED CRIMES

- ✗ Forest related crimes : forest harvesting, processing and transportation
- ✗ Sanctions for harvesting and processing crimes (Law No. 41/99, Gov.Reg 34/02, Gov.Reg 34/03)
 - a. Imprisonment up to 10 years and fines up to IDR 5 Billion
 - b. Administrative sanctions

PROMOTE LEGAL TIMBER TRADE-1

- ✦ Develop implement bi-lateral agreement with key timber trading countries to enhance law enforcement corporation, ie.
 - a. Indonesia and Japan
 - b. Indonesia and Netherlands
 - c. Indonesia and Finland
 - d. Indonesia and UK
 - e. Indonesia and Australia
 - f. Indonesia and Republic of China
 - g. Indonesia and the USA
 - h. Indonesia and Korea

PROMOTE LEGAL TIMBER TRADE-2

- ✦ Develop multilateral agreement to control the trade in illegal timber,
 - a. Propose resolution to criminalized logging activities to the Commission on Crime Prevention and Criminal Justice on the UNODC In the 15th session last year. In the 16th revised, the revised proposal was accepted by the commission.
 - b. ASIA FLEG process approach. It focuses on law enforcement and the strengthening of governance structure.

PROMOTE LEGAL TIMBER TRADE-3

- ✦ Develop multilateral agreement to control the trade in illegal timber, by proposing resolution to criminalized logging activities to the Commission on Crime Prevention and Criminal Justice on the UNODC in the 15th session. The proposal was revised and accepted by the commission in the 16th.
- ✦ ASIA FLEG process approach. It focuses on law enforcement and the strengthening of governance structure.

PROMOTE LEGAL TIMBER TRADE-4

- ✦ Indonesian Companies to produce sustainable harvested timber
 - a. Certification for industries .
 - b. Independent Assessor has been established to help the Gol to evaluate concessions and identify 'good companies'
 - c. Logging companies are required to improve their performance (product, human capacities). 126 forest concessions companies covering about 13 M Ha have been certified by independent assessors between 2002-2010 (data by 31 Oct 2010).

PROMOTE LEGAL TIMBER TRADE-5

Premium Price (an incentive concept).

Indonesian Government encourages some buyers to pay higher price for products from companies that hold Indonesia TLAS Certificates.

CONCLUSION

- ✦ Indonesia has implemented some activities to combat illegal logging, ie:
 - a. Improve law and regulation
 - b. Capacity building to enforce the laws
 - c. Prosecute the activities against the laws
- ✦ Promote legal timber trade through bilateral and multilateral negotiation
- ✦ Promote legal timber trade through encouraging companies to produce sustainable harvested timber
- ✦ Promote legal timber trade through encouraging buyers to pay higher price for 'green' products

● Report 2 LOG TRACKING SYSTEM

Name	SEMILAN RIPOT
Position Title	REVENUE MANAGER
Organization	SARWAK FORESTRY CORPORATION.
Brief Personal history	<p><u>TERTIARY EDUCATION HAVING</u></p> <ul style="list-style-type: none"> • Diploma in Forestry (Malaysian Agriculture University, (UPM), Sarawak) • Bachelor Science (Forestry) (Malaysian Agriculture University (UPM) Serdang) <p><u>JOB EXPERIENCE</u></p> <ul style="list-style-type: none"> • Joined the Forestry Department, Sarawak as Executive Forester (G3) and assigned as head of Infrastructure and Mapping Unit in Reforestation and Rehabilitation Branch in year 1990 • Assigned as Officer-in-charge at Niah Forest Research Station and responsible for the overall implementation of the Reforestation project in Northern Region, Sarawak in Year 1990-1998 • Assigned to Assist Deputy Director of Forest Department, Sarawak in Monitoring Plantation Development Unit and Forest Plantation head in Reforestation and Rehabilitation Branch, Forest Department Sarawak in year 1998-2003 • As Assistant Manager Land Use Administration, Resource Inventories, Timber Supply and Environmental in Sarawak Forestry Corporation, Sarawak in year 2003-2008 • As Revenue Manager at SF&C Division of Sarawak Forestry Corporation. (Directly accountable to the General Manager of SF&C Division in managing and establish of procedure related to revenue collection. Also responsible for management of Log Scaling, Log Tracking System (LOTS) and Royalty Billing System (RBS) of Sarawak Forestry in year 2009 until Now.



● Report Outline

Your Name:
SEMILAN RIPOT

Title of Your Presentation:
LOG TRACKING SYSTEM

Presentation Outline :

Your assessment of Japan's efforts to supply legality verified wood

RECENT DEVELOPMENT IN ILLEGAL LOGGING COUNTER MEASURES IN SARAWAK.

- **State-Wide Deployment of Log Tracking System (LOTS)**

This has been made possible by the State Government's establishment of ForestNet, a Wide Area Network (WAN) used exclusively by the forestry agencies for enforcement and for timber royalty collection. ForestNet comprising 44 sites located throughout Sarawak was deployed in December 2008 while LOTS was 'operationalized' in 26 of these sites in January 2009.

- **Hyper-spectral (Airborne Tactical)**

Sarawak with the support of Ministry of Natural Resources and Environment, Malaysia has embarked on a venture through the use of advance technology by setting up an operational hyperspectral sensing facility at Forest Department Sarawak. The development of the ILD tool was aimed at improving the efficiency of the enforcement in monitoring illegal logging in Sarawak. ILD complements the airborne hyperspectral imaging dataset that could directly be utilized by the field enforcement officers to areas where illegal activities were detected from airborne hyperspectral imagery.

- **Implementation of Inter-Agency Standard Operating Procedures (SOP) for Enforcement with effect from 1st January 2010**

Wherein, 4 government agencies are entrusted to carry out complimentary roles in enforcement of forestry laws, rules and regulations. The inter-agency SOP provides for improved work flow, elements of check-and-balance and elimination of overlapping jurisdictions.

- **Joint Operations with Other Enforcement Agencies**

Joint operations with the Police Department (especially Marine Police and Field Force), Malaysian Anti Corruption Commission (MACC), Health Department and local authorities have been stepped up since last year. In 2010, a total of 355 such joint operations (sorties) were reported by SFC alone.

- **Establishment of new and additional Forest Checking Station.**

This forms part of the strategic logistic plan to be implemented over the period 2010-2014. This calls for the setting of at least 20 new Forest Checking Station at Strategic location throughout Sarawak.

Challenges in combating illegal logging around the world

What is LOTS ?

What is LOTS?

It is a network application designed and tailor-made in Sarawak to capture, record and monitor:

- the details of logs felled by the respective licensees or contractors
- volume of logs that had been royalty assessed
- the movement of logs from one place to another



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3

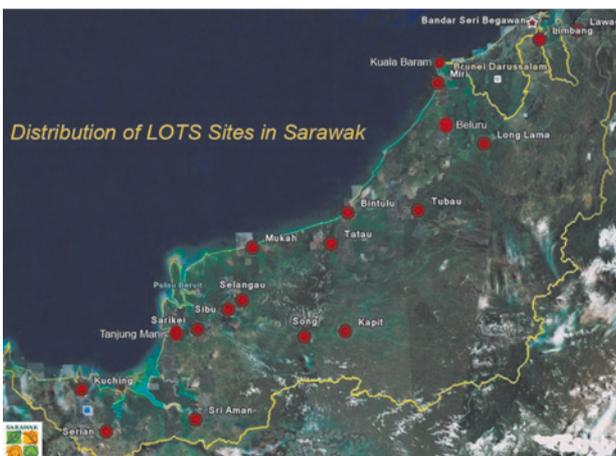
LOG TRACKING SYSTEM (LOTS)

Semilan Ripot

Revenue Manager
Sarawak Forestry Corporation

11 December 2010

International Symposium on Legally Verified Wood 2010,
Tokyo, Japan



Briefing Outline

- 1 What is LOTS?
- 2 LOTS Distribution and Layout
- 3 System Architecture and Model
- 4 LOTS Process Flow
- 5 ISO Certification
- 6 LOTS Reports
- 7 Benefit of LOTS

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System Architecture and Model (Continued)

1 Log Production Identity (LPI) Registration

2 Royalty Assessment

4 Incoming Shipment

3 Removal Pass (Transit)

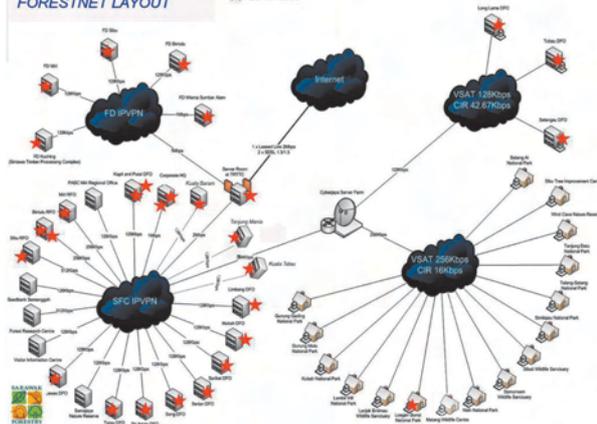


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FORESTNET LAYOUT

★ LOTS Sites



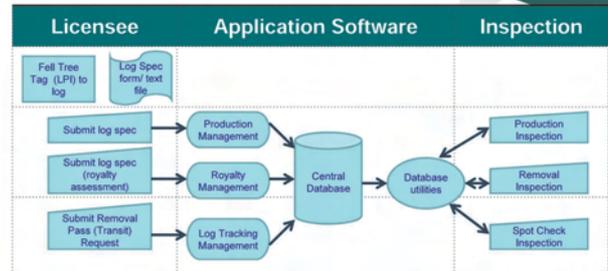
System Architecture and Model (Continued)



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System Architecture and Model



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LOTS Process Flow (Continued)

LOTS Process	Venue	Stake-Holder and Purview		
		Licensee	Sarawak Forestry Corporation (SFC)	Third Party
Application of Removal Pass (Transit)		<ul style="list-style-type: none"> Prepare log Specification for Logs to be removed. 	<ul style="list-style-type: none"> Issue Removal Pass (Transit) complete with LOTS security number to milling or export point. 	<ul style="list-style-type: none"> Harwood Timber Sdn Bhd Physically inspect logs to be removed and issue Endorsement Clearance Certificate (ECC). Complete the column "Official Use Only" of Log Specification (Transit)



LOTS Process Flow

LOTS Process	Venue	Stake-Holder & Purview		
		Licensee	Sarawak Forestry Corporation (SFC)	Third Party
Approval print Log Production Identity	SFC Regional Office	<ul style="list-style-type: none"> Apply range of LPI to be printed. Print Approved LPI tags at Vendor Registered with Forest Department Sarawak. 	<ul style="list-style-type: none"> Process & approve range of LPI to be printed. Registered the range of printed LPI tags in log Tracking System LOTS Computers 	<ul style="list-style-type: none"> Monthly Auditing by Forest Department Sarawak.
Capture Log Production Identity	Felling Block (Licence Area)	<ul style="list-style-type: none"> Fell tree Cut trees to logs Scale and grade the log Tag logs with LPI tag Fix / hammer licensee property mark to log Submit the detail of log produce in Daily Production Return (DPR) to SFC, before remove it from the licence area. Move the captured LPI logs to Forest Checking Station (FCS) 	<ul style="list-style-type: none"> Check logs against DPR and uploading its into LOTS Generate the LOTS reference number for production (eg. SB/PO/10/7/2/1) Completing column "Official Use Only" of DP 	<ul style="list-style-type: none"> Spot check by Forest Department and Internal Audit Department of Chief Minister's Office, Sarawak



LOTS Process Flow (Continued)

LOTS Process	Venue	Stake-Holder and Purview		
		Licensee	Sarawak Forestry Corporation (SFC)	Third Party
Incoming Shipment	Mill or Export Point	<ul style="list-style-type: none"> Surrender documents attached to Removal Pass (Transit) to SFC office, upon reaching the designated point 	<ul style="list-style-type: none"> Acknowledge receipt the consignment by rubber stamp of the removal pass (Transit) Update the LOTS system 	<ul style="list-style-type: none"> Harwood Timber Sdn Bhd Physically inspect incoming logs to mill or export point



LOTS Process Flow (Continued)

LOTS Process	Venue	Stake-Holder and Purview		
		Licensee	Sarawak Forestry Corporation (SFC)	Third Party
Royalty Assessment	Forest Checking Station (Place of Royalty marking)	<ul style="list-style-type: none"> Prepare Log Specification for royalty assessment Layout logs to be royalty assessed for easier checking by the authority 	<ul style="list-style-type: none"> Complete the column "Official Use Only" of Royalty Assessment Log Specification. Issue Removal Pass (royalty after physical and LOTS verification. LOTS PC generated Royalty LOTS reference number (eg. SB/RO/10/7/2/1) 	<ul style="list-style-type: none"> Spot check by Forest Department and Internal Audit Department of Chief Minister Office, Sarawak Yearly audit by Moody International Auditor



ISO Certified Procedures

ISO 9001:2008
ISO 14001:2004
Scope: Provision of Compliance and Regulation of Sustainable Forest management

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LOTS Process Flow (Continued)

LOTS Process	Venue	Stake-Holder and Purview		
		Licensee	Sarawak Forestry Corporation (SFC)	Third Party
Application of Removal (Transit) for Export Logs	Export Point	<ul style="list-style-type: none"> Prepare log Specification for Logs to be removed. From export point to exporter country. 	<ul style="list-style-type: none"> Issue Removal Pass (Transit) complete with LOTS security number to vessel 	<ul style="list-style-type: none"> Harwood Timber Sdn Bhd Issue Export Clearance certificate (ExCC) for logs to be exported. Complete the column "Official Use Only" of Log Specification (Transit)

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LOTS Reports

LOTS can generate the following reports:

Transaction Reports
(13)

Administration Reports
(12)

Maintenance Reports
(17)

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LOTS Process Flow (Continued)

LOTS Process	Venue	Stake-Holder and Purview		
		Licensee	Sarawak Forestry Corporation (SFC)	Third Party
Application of Removal (Transit) for Export Logs	Vessel (End)		<ul style="list-style-type: none"> Update LOTS 	<ul style="list-style-type: none"> Sarawak Timber Industry Development Corporation (STIDC) Issue export certificate (Custom Declaration form 2) Issue clearance certificate

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Maintenance Reports

- 1) LOTS051 – List Of Processors By Name/Code
- 2) LOTS052 – List Of importing Countries By Name/Code
- 3) LOTS053 – List Of Other Destinations By Name/Code
- 4) LOTS054 – List Of Accounts By Licensee Name
- 5) LOTS055 – List Of RFO By Name/Code
- 6) LOTS056 – List Of Exporters By Name/Code
- 7) LOTS057 – List Of Licensees By Name/Code
- 8) LOTS058 – List Of Camps By Licensee Name & Acc.No
- 9) LOTS059 – List Of Contractors
- 10) LOTS060 – List Of DFOs By Name/Code
- 11) LOTS061 – List Of Log Ponds By Owners' Name
- 12) LOTS062 – List Of Species By Type, Name Code For Specific Type
- 13) LOTS063 – List Of Transport By Type, Name For Specific Type
- 14) LOTS064 – List Of Areas By Name
- 15) LOTS065 – List Of PECs
- 16) LOTS066 – List Of Assigned LPI By Number
- 17) LOTS067 – List Of Unused LPI By Number

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Transaction Reports

- 1) LOTS011 – Daily Production Return Form
- 2) LOTS012 – Royalty Assessment Log Specification Form
- 3) LOTS013 – Removal Pass Listing
- 4) LOTS014 – Removal Pass by Royalty Batch Listing
- 5) LOTS015 – Shutout Log Specification Form
- 6) LOTS016 – Transgression Log Specification Form
- 7) LOTS017 – Production Audit Batch Listing
- 8) LOTS018 – Royalty Audit Batch Listing
- 9) LOTS019 – Removal Pass Audit Batch Listing
- 10) LOTS020 – Shutout Audit Batch Listing
- 11) LOTS021 – Transgression Audit Batch Listing
- 12) LOTS022 – Unroyalty Marked Log
- 13) LOTS023 – Royalty Audit Batch Listing (New Format)

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Benefits of LOTS

1. Traceability of Individual log to Coupe, Block, Licence Area through LPI
2. Real-time verification of origin (legality) against central database
3. Detection of tag duplication and false declarations
4. Common platform for all regions and agencies concerned to carry out monitoring, auditing and enforcement functions
5. Expedited and Improved collection of royalties due to the government

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Administration Reports

- 1) LOTS001 – Royalty Marked Logs At Camps Report
- 2) LOTS002 – Royalty Marked Logs In Transit
- 3) LOTS003 – Logs At Sawmill
- 4) LOTS004 – Logs At Export Point
- 5) LOTS005 – Number Of Logs At Log Pond
- 6) LOTS006 – Losses And Leakages From the System
- 7) LOTS007 – Log Movement Between Sections
- 8) LOTS008 – Arriving Logs
- 9) LOTS009 – Usage Of Revenue Forms Report
- 10) LOTS010 – Missing Logs Listing
- 11) LOTS011 – RP Invalid Log Listing
- 12) LOTS012 – Unroyalty Marked Log Listing

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● **Report 3 China's legal timber verification system**

Name	Zhu Guangqian
Position Title	Chairman
Organization	China Timber and Wood Products Distribution Association
Brief Personal history	<p>Graduated from Beijing Forestry College (now Beijing Forestry University) in 1965, Mr. has been working in timber industry for over 40 years. Senior Engineer. Mr. Zhu successively held posts of Division Chief, Director, in Department of Timber Building Materials or Department of Nonmetallic Materials Distribution, under Ministry of Materials, Materials Bureau of State Planning Committee, Ministry of Civil Business, etc. Mr. Zhu has been Chairman of China Timber and Wood Products Distribution Association since 2000. Mr. Zhu also holds the following posts: Expert, Expert Team of Market Adjustment and Control, Ministry of Commerce; Expert, Committee of Expert Guidance, Research Center for Economics and Trade in Forest Products of the State Forestry Administration; Expert, Expert Team of Project on China's Modern Wooden Building Technology; Member of Editorial Board, <i>China's Man-Made Panels</i>, one of Core Periodicals in China; Chief Editor, <i>China Timber Information</i>. And many academic books and articles published.</p>



● **Report Outline**

<p>Your Name: Zhu Guangqian</p>
<p>Title of Your Presentation: China's legal timber verification system</p>
<p>Presentation Outline (about 400 words): Verification of Goho-wood in Japan is undertaken concretely and in detail. The system is flexible and easy to implement. It is worthwhile for China to take for reference. China also pays attention to verification of legal wood. Our association requires members to use legal timber. China manages timber and ensures domestic timber being legal by a 3-license system, i.e., timber cutting license, timber transportation license, and timber processing license. China is a large country for timber import, and a large country for export of wood products</p>

as well. This is quite different than many other countries. China imports raw materials for processing wood products, but China cannot control the legality of timber harvested in other countries. The key point for China is how to verify legality of import timber.

At present, China is trying to establish verification system to legal timber. Mainly we consider about signing agreements with origin countries, clarify the definition of legal timber. Firstly, it is necessary to abide by all the laws and regulations related to forestry in each country, to make sure that the source is legal, timber is legally harvested, and the forest management is also in accordance with domestic law concerning forest management. To make sure the legality of import timber, the following contents should be included: legal cutting concession, compliance with regulations related to forest management, environment, labor and welfare, health and safety, tax and copyrights, international treaties, etc.

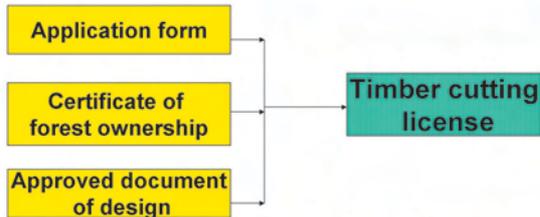
China's legal timber verification system

China Timber and Wood Products
Distribution Association (CTWPDA)
Zhu Guangqian
December 10, Tokyo

1. Domestic timber

- Domestic timber management is mainly reflected in timber cutting license, timber transportation license and timber processing license, the so-called "3 licenses" system.
- Article 32, Forest Law: "Anyone who intends to cut down forest trees must apply for a cutting license and the cutting must be carried out pursuant to the provisions of the license; but exceptions should be made for rural inhabitants who intend to cut down scattered trees belonging to themselves and growing on plots of land allocated to them or around their houses." "For cutting down forest trees by state-owned forestry enterprises and institutions, government agencies, army units, schools, etc., the cutting license should be issued by the competent forestry department at county level or above where they are located pursuant to relevant provisions upon examination and verification." "For cutting down forest trees along railway and highway and those in cities and towns, cutting license should be issued by the competent department concerned upon examination." "Cutting licenses for cutting down forest trees owned by rural collective economic organizations should be issued by the competent department at the county level upon examination." "Cutting licenses required for rural inhabitants to cut down forest trees on hills allocated for their private use and those of the collective woods contracted out to individuals should be issued by the competent forestry department at the county level or the people's government at the township or town level authorized by it."

Domestic timber: cutting license



- Timber cutting license is designed by the National People's Congress, and implemented by the State Forestry Administration.

Domestic timber: cutting license

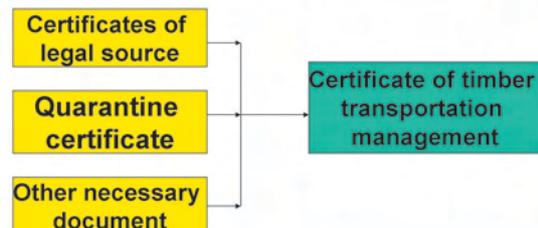
- Regulations on cutting quota: Annual quotas for cutting down forests and forest trees owned the state should be worked out, taking a state enterprise, institution, farm, factory or mine as a unit; for the forests and forest trees owned by the collective and those individually owned, annual quota should be worked out by taking the county as a unit;
- These quotas should then be aggregated and adjusted by the competent forestry departments of provinces, autonomous regions, or municipalities and examined by the government at the corresponding level, before they are submitted to the State Council for approval.

Legal liability for illegal cutting

- Whoever illegally cuts down forest or trees, when less than 0.5 m³ in volume, or less than 20 seedlings, will be instructed to plant 10 times the number of the illegal cut trees by the competent forestry department at county level or above, and, the timber or incomes obtained by selling illegal timber will be confiscated, and pay a fine of 3 to 5 times of timber value; Whoever illegally cuts down forest or trees, when larger than 0.5 m³ in volume, or more than 20 seedlings, will be instructed to plant 10 times the number of the illegal cut trees by the competent forestry department at county level or above, and, the timber or incomes obtained by selling illegal timber will be confiscated, and pay a fine of 5 to 10 times of timber value; Whoever denudes forest or trees, when less than 2 m³ or 50 seedlings, will be instructed to plant 5 times the number of the denuded trees by the competent forestry department at county, and pay a fine of 2 to 3 times of the timber denuded; Whoever denudes forest or trees, when larger than 2 m³ or 50 seedlings, will be instructed to plant 5 times the number of the denuded trees by the competent forestry department at county, and pay a fine of 3 to 5 times of the timber denuded; Whoever deals with (or processes) timber in forest area without permission, the timber dealt with and incomes obtained from illegal business will be confiscated, and pay a fine of 2 times of the illegal income by the competent forestry government at county level or above.

Domestic timber: transportation license

- Timber transportation license is designed by the State Council, and implemented by the State Forestry Administration.

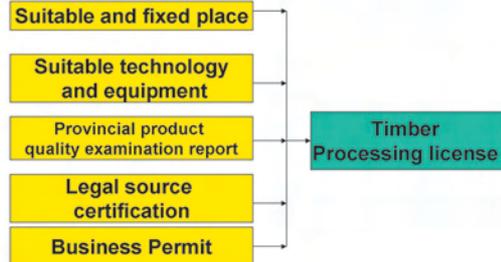


Legal liability for transportation without license

- Timber transportation management is an important step to maintain regular order of timber transportation and to prevent illegal timber from entering distribution;
- The total quantity of timber transportation approved must not exceed the total quantity of timber sold and shipped out as designed by the local annual timber harvest plan;
- To those who transport timber without timber transportation license, their illegally transported timber will be confiscated by the competent forestry department at county level or above, and pay a fine of under 30% of the timber value;
- To those who transport timber using fake or altered timber transportation license, their illegally transported timber will be confiscated by the competent forestry department at county or above level, and pay a fine of under 10% to 50% of the timber value.

Domestic timber: Processing license

- Timber transportation license is designed by the State Council, and implemented by the State Forestry Administration.



China's domestic timber is legal

- It is necessary to get approved to deal with or process timber in forest areas by the competent forestry department at county level or above. Any timber dealing organizations or individuals are not allowed to purchase timber without cutting license or other legal source certificates;
- Therefore, it can be seen that in China the management by "3 licenses" can show the legality of domestic timber.

2. Import timber

1. Management of import timber in China

(1) Main government agencies

Concerning timber trade, Ministry of commerce and the State Forestry Administration are the main competent institutions; the General Administration of Customs is the supervision institution for imports and exports; General Administration of Quality Supervision, Inspection and Quarantine is responsible for quality supervision, inspection and quarantine. These four institutions fully cooperate, and form the management system of timber imports and exports.

2. Import timber

(2) Related law and regulations

China has a strict supervision process to timber imports. Institutions including Ministry of Commerce, China Customs and the State Forestry Administration supervise timber and wood products imports and combat illegal activities together.

Related law and regulations include:

- 1. CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora)
- 2. Foreign Trade Law
- 3. Forest Law, and its implementation regulations
- 4. Customs Law
- 5. Import and Export Commodity Inspection law, and its implementation regulations
- 6. Law of Quarantine to Passing Customs, and its detailed implementation regulations
- 7. Management Regulations on import and export goods
- 8. Regulations on the Administration of the Import and Export of Endangered Wild Animals and Plants
- 9. Regulations on Wild Plants Protection
- 10. Administration Measures On Goods Export License

2. Import timber

(3) An introduction to policies and regulations

1. Customs

1.1 Import tax

- Since taking an open policy, China needs to protect ecological environment and develop its economy at a high speed, and implements a policy of forbidding illegal logging and forest denudation, and encouraging timber imports. Imports of timber usually can be divided into two categories: roundwood and sawnwood. Now, zero tariff for roundwood and sawnwood. Quota management system for roundwood was abolished. Value-added tax rate for roundwood is 13%, for sawnwood it is 17%.

2. Import timber

1.2 Customs procedures

- When importing timber, it is necessary to submit following 7 documents to Customs:
- (1) **CONTRACT**(signed by two sides, provided by trade company);
- (2) **INVOICE**(issued by seller side, provided by trade company);
- (3) **B/L**(issued by shipment side, provided by trade company);
- (4) **PACKING LIST**(issued by consignor, provided by trade company);
- (5) **CERTIFICATE OF ORIGIN**, (issued by related department of the government at origin country, provided by trade company);
- (6) **Certificates of endangered species** (issued by endangered species department, provided by Customs clearance company);
- (7) **Inspection certification** (issued by inspection and quarantine agencies, provided by Customs clearance company).

3. Ideas on the verification of legal import timber

(1) Definition

- **Legal timber**: Firstly, it is necessary to abide by forestry related regulations in each country, sourced from legal cutting, and forest management is undertaken in accordance with related domestic law. It should include the followings:

legal cutting concession, in accordance with regulations concerning forest management, environment, labor and welfare, health and safety, tax and copy rights, international treaties, such as CITES. As for the definition of legal timber, it should be made clear in the agreement by two signing countries. And it is also necessary to set up a list of regulations that should be abided by, which can be an important part of verification system for timber legality.

3. Ideas on the verification of legal import timber

- "Signing countries"implies those countries which sign the framework agreement for timber legality verification system;
- Timber legality verification system: For some concrete timber or wood product, suppliers should promise the legality of the source of the timber used. For imported products, certificates showing legality issued by "signing countries" can be used to verify its legality; or, it can be verified by certificates issued by internationally; recognized forest certification schemes. As for import timber from countries other than "signing countries", it is necessary to provide certificates to show timber legality or forest certificates.

3. Ideas on the verification of legal import timber

(2) Basic principles

- 1. Respect every country's sovereign rights. A country is a social synthesis unit which is independent and inviolable. All the international regulations must take a full consideration of sovereign rights;
- 2. Abide by China's law and regulations, as the timber legality certificates are issued under the current framework of law and regulations;
- 3. Abide by WTO regulations and related international agreements, which is a measurement to enforce forest resources to develop sustainably and to protect ecological environment;
- 4. Benefit to developing countries, enforce the role of government.

3. Ideas on the verification of legal import timber

- Timber export country should provide timber legality verification document: Through the negotiations between signing countries, the competent forestry department verify the legality of timber source to ensure that the timber is produced and exported legally, and issue unified legal document.

Thank You !

● Report 4

Name	Vincent van den Berk
Position Title	
Organization	Coordinator of the FLEGT Asia Regional Programme, Director EFI Asia regional office in Kuala Lumpur, Malaysia
Brief Personal history	<p>Vincent van den Berk is heading the European Forest Institute (EFI) regional Asia office in Kuala Lumpur. The regional office was formally established in October 2009 and is based in the Finnish Embassy to Malaysia. From here he coordinates the Forest Law Enforcement Governance and Trade (FLEGT) Asia Regional Programme. This Programme is implemented in close collaboration with the EU and aimed at implementing the EU FLEGT Action Plan in Asia. It focuses on promoting international trade in verified legal timber within Asia and exported from Asia to other consumer markets.</p> <p>Before the EFI, Vincent worked for the European Commission at the Delegation of the European Union to Malaysia in Kuala Lumpur. He was the EU FLEGT Advisor for Malaysia supporting the FLEGT Voluntary Partnership Agreement (VPA) negotiations between the EU and Malaysia, and the Asia region since April 2006,.</p> <p>Before moving to the European Commission he was a Senior Policy Advisor International Affairs for the Netherlands Ministry of Agriculture, Nature Management and Food Quality in The Hague and in Wageningen. He was since 2004 closely involved in the early stages of the FLEGT developments as part of the Netherlands international forestry and timber dossier.</p>



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New EU market requirements

The EU TIMBER REGULATION and FLEGT Voluntary Partnership Agreements (VPAs)

International Symposium on Legality Verified Wood, Tokyo, 11 December 2010

by Vincent van den Berk
European Forest Institute – FLEGT Asia

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EU timber market

less than 10% EU timber consumption is imported

1: China	(6)
2: US, Russia, Brazil	(4 – 4.6)
3: Switzerland, Norway, Canada	(2 – 2.6)
4: Indonesia, Malaysia	(1.2 – 1.6)
5: Chile, Vietnam	(1)
6: Cameroon, Gabon, Thailand	(0.45 – 0.7)

- China, Vietnam and Thailand manufacturing hubs, sourcing through imports
- Laos, Cambodia, Myanmar no direct export
- Imported timber associated with all sorts of trouble
- an estimated 20% of import into EU is illegal

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EU response: FLEGT

- Civil society, industry, governments pressure: stop the EU acting as a market for illegally harvested timber
- 2003 FLEGT Action Plan. Towards SFM, good governance, transparency, halt deforestation, poverty eradication, carbon storage.

Encourage trade in guaranteed legal timber

- 2013 all FLEGT Action Plan elements operational.
 - EU Timber Regulation effective
 - Voluntary Partnership Agreements delivering FLEGT licensed timber

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EU Timber Regulation



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EU Timber Regulation

Previously known as the EU “Due Diligence Regulation”

- To prohibit the sale of illegally-harvested timber
- To assure consumers the products they buy are legal
- To provide a level playing field for timber traders on the EU market
- Regulation is binding and applicable in all 27 EU Member States

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EU Timber Regulation

- main obligations -

1. It prohibits the placing on the EU market of illegally harvested timber and products derived from such timber;
2. It requires EU traders who place timber products on the EU market for the first time to exercise ‘due diligence’;
3. keep records of their suppliers and customers.

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EU Timber Regulation - What is Due Diligence? -

- Information:** operator must have information describing the timber and timber products, **country of harvest**, quantity, details of the supplier and information on **compliance with national legislation**.
- Risk assessment:** operator to assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.
- Risk mitigation:** When there is a risk of illegal timber in the supply chain, mitigate that risk by requiring additional information and verification from the supplier.

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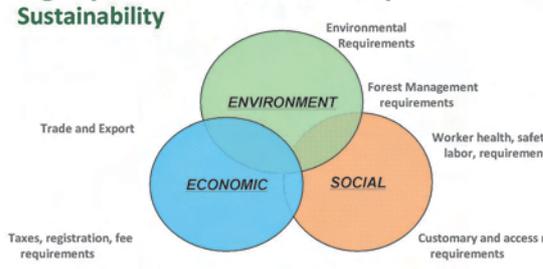
EU Timber Regulation - WHAT IS LEGAL? -

- Legality is defined on the basis of the applicable legislation of the country of harvest, covering:
 - Rights to harvest within legally gazetted boundaries;
 - Payments for harvest rights and timber, incl. duties related to timber harvesting;
 - Timber harvesting, incl. environmental and forest, legislation;
 - Third parties' legal rights concerning use and tenure affected by timber harvesting;
 - Forest sector-related trade and customs legislation.

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Legality definition based on Principles of Sustainability



Environmental Requirements

ENVIRONMENT

Forest Management requirements

Worker health, safety, and labor, requirements;

Trade and Export

ECONOMIC

SOCIAL

Customary and access right requirements

Taxes, registration, fee requirements

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EU Timber Regulation - Which products? -

- Almost all timber products covered, including solid wood products, flooring, plywood, pulp and paper.
- Not included: recycled products, rattan, bamboo, printed papers such as books, magazines and newspapers.
- The product scope can be amended if necessary.

The Regulation applies to both imported and domestically produced timber and timber products.

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EU Timber Regulation - Implementation -

- regulation entered into force November 2010
- and will be applicable/operational after 27 months, i.e. **3 march 2013**
- More detailed rules on the "due diligence system" by June 2012 (EU Implementing Regulation).

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EU Timber Regulation - Implementation -

- Each EU Member State designates a **competent authority** that will coordinate enforcement of the Regulation.
- Each EU Member State determines the **type and range of penalties** that will apply in case of non-compliance with the Regulation.
- The Regulation provides for "**monitoring organizations**" to be recognised by the European Commission. These organisations which will be private entities, will provide EU operators with operational due diligence systems. Operators can thus develop their own system or use one developed by a monitoring organisation.

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EU Timber Regulation and VPAs

- FLEGT-licensed timber products (and CITES certified timber) will be considered to have been legally harvested. These are the only exemptions.
- Countries with VPAs export FLEGT licensed timber into the EU without importers needing to make further legality checks (“Green Lane”; FLEGT licensed or a risk assessment)

©EFLEGT VPA and the EU Timber Regulation are mutually reinforcing

Progress on FLEGT VPAs

Legend:
 Purple: FLEGT licenses (not yet)
 Green: System development
 Blue: Formal negotiations
 Yellow: Moving to negotiations
 Orange: Preparation, in-country consensus building
 Red: Introduction to VPAs

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A Voluntary Partnership Agreement is....

A legally-binding bilateral agreement:
 EU (all 27 Member States) – partner country
 Export License from partner country assures EU market of legality of timber product

Targets/objectives:

- Work together to stop illegal logging
- Strengthen governance & transparency
- Improve control, track & verify legal compliance
- Reform policy and law
- Build capacity
- Better capture revenues
- Secure & improve market access (the Green Lane into the EU market)

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Key elements of a VPA

- Legality Definition
- Timber Legality Assurance System (TLAS) that verifies compliance with legal definition
- Licensing of verified legal timber
- Independent Monitoring of the entire system

EU requirements set out in briefing notes

- Legality → based on existing legal framework
- TLAS → evaluated against established criteria
- Multi-stakeholder process: ensure credibility nationally and internationally

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Legality definition in a VPA

- Based on existing regulations/legislation, covering the 5 legality areas similar to the EU Timber Regulation
- Makes clear and visible what is legal timber
- Identifies what will be routinely verified to demonstrate timber is legal
- Ability to focus attention where current legislative enforcement challenges exist
- Based on a consultative process including stakeholder preparation of LD dialogue to define priorities.

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Other: Timber in EU GPP Policies

Spending of public authorities in EU = 16-18% of GDP

GPP for timber in place: Denmark, UK, Netherlands, Belgium, France, Germany

Under development: Spain, Italy, Sweden, Finland

EU Guidance: Buying Green Handbook (2004, DG Trade); EU directives; efforts on harmonisation

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Other: Private Sector Responses

Industry working to eliminate illegal forest products from their supply chains since 1990s

- Promotion of sustainability initiatives (FSC, PEFC) & verification of legal timber (VLO/VLC)
- Green purchasing policies and sourcing programmes (Code of Conduct) by timber associations and individual companies
- Financial sector initiatives (Equator principles)

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<http://ec.europa.eu/environment/forests/flegt.htm>
http://ec.europa.eu/environment/cites/home_en.htm
http://ec.europa.eu/environment/forests/illegal_logging.htm

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● **Report 5 U.S. Efforts to Combat Illegal Logging and Associated Trade**

Name	Dr. David J. Brooks
Position Title	Director for Natural Resource Policy
Organization	Office of the U.S. Trade Representative
Brief Personal history	Dr. David J. Brooks has responsibility for a wide variety of natural resource policy issues in the Environment and Natural Resources section of the Office of the U.S. Trade Representative (USTR). These include wildlife trade, forestry and environmental reviews of trade agreements. Prior to joining USTR, Dr. Brooks was a research scientist and science team leader with the US Department of Agriculture, Forest Service. He has degrees from Trinity College (Hartford, Connecticut), the University of Maine and Oregon State University.



● **Report Outline**

Your Name: D.J. Brooks
Title of Your Presentation: U.S. Efforts to Combat Illegal Logging and Associated Trade
<p>Presentation Outline :</p> <p>The United States has been a leader in promoting sustainable forest management and in drawing international attention to the economic and environmental consequences of illegal logging and associated trade.</p> <p>USTR has led U.S. efforts to address this issue through trade-related agreements, as illustrated by a number of innovative initiatives: a bilateral agreement with Indonesia, negotiated under the US-Indonesia Trade and Investment Framework Agreement; a bilateral agreement with China, negotiated under the Strategic Economic Dialogue; the Annex on Forest Sector Governance of the U.S.-Peru Trade Promotion Agreement; and the Asia-Pacific Regional Dialogue on Promoting Trade in Legally Harvest Forest Products.</p> <p>Common elements in these efforts include consultation, especially among relevant ministries, transparency including improved information about markets and trade, capacity building, partnerships between governments and the private sector, including both commercial interests and NGOs, and enforcing obligations.</p> <p>Complementing these efforts, in 2008 the United States amended the Lacey Act, a century-old anti-trafficking statute to provide an enforcement tool to assist other countries, as well as the U.S. states in efforts to combat illegal harvesting and associated trade in protected plants.</p>

U.S Efforts to Combat Illegal Logging and Associated Trade

Dr. David J. Brooks

Office of the U.S Trade Representative
Environment and Natural Resources
December 2010

Context

- Combating illegal logging and associated trade are part of a broader set of U.S. trade and forest policy objectives
- Complex problems that require a variety of tools and initiatives
- Bilateral, regional and multilateral cooperation are essential

Key Elements of U.S. Efforts

- Consultation
- Transparency
- Capacity Building
- Partnerships
- Enforcing obligations

Trade and Market Related Activities

- Bilateral MOUs with Indonesia, China
- Commitments in Free Trade Agreements
- Asia-Pacific Regional Dialogue
- Amended U.S. Lacey Act
- Public-Private Partnerships (RAFT and FLA)

Bilateral MOUs

Government-to-government consultation among relevant ministries and agencies

Commitments and mechanisms to enhance market transparency and cooperation

Opportunities to promote partnerships with private sector and civil society

U.S. Free Trade Agreements

- Comprehensive, including commitments useful in efforts to combat smuggling and illegal trade
- Environment chapters include a core obligation to "effectively enforce environmental laws"
- Environmental cooperation mechanisms build capacity to address these problems at their source.

Asia-Pacific Regional Dialogue

- Builds on positive bilateral efforts with government-to-government consultations
- Shared commitment to finding effective and creative solutions
- Has allowed for exchange of information, promoted a common understanding of issues and discussion of collaborative, regional approaches

Amended Lacey Act

- Provides a tool to assist other countries and U.S. states in combating illegal logging
- Prohibits trafficking in illegally harvest plants and products
- Fact based, not document based; enforcement officials must prove illegality
- Requires due care but does not establish standards or require certification

Public-Private Partnerships

- Demonstrate the important role of private sector and civil society
- Develop and promote cooperative, innovative and market-based approaches

Section 2 Panel Discussion Summary

● Panelists

Reporter of Section 1 and
Akihiko Araya, Board Chair, The Forest Economic Research Institute

Profile of Akihiko Araya

Born in Tokyo in 1943, Professor Araya earned his master's degree from the Graduate School of the Tokyo University of Education (today's University of Tsukuba) in 1971, after which he worked as assistant at the university's Faculty of Agriculture. In 1974, he joined the Japan Wood-Products Stockpile Organization (renamed Japan Wood Products Information & Research Center in 1991) where he served as deputy director, foreign investigation manager, and information chief. He became professor at the Department of Agriculture of the University of Niigata in 2001. He was appointed executive director of the Forest Economic Research Institute in 2008 and became board chair in 2010.



● Report Outline

Prof. Shin Nagata

We have received reports on the efforts being made in various regions. How should we view the efforts being made in Japan? Please make your comments with the approaches of each country in mind. We will begin with Mr. Akihiko Araya.

Mr. Akihiko Araya

I have been involved with legality verified wood in Japan right from the start, and I served as a member of the Council for Tackling Illegal Logging and Promotion of Goho-wood and as chairman of the Promotion and Expansion Subcommittee. During the morning, we heard introductions of the efforts being advanced from various positions. While there may be some overlap, I would like to simply explain Japan's approach as I see it.

Japan's efforts started from 2006, so this is now our fifth year. We began from 108 certifying associations and 4,900 certified businesses, and this has now increased to 140 certifying associations and 7,700 certified businesses. So the number of associations has increased 30% and the number of businesses has grown 50%. The volume handled has grown 4.2 times, and the volume processed has grown 3.5 times.

Japan's legality verified wood activities may be considered voluntary industry activities. The legality verified wood activities have been incorporated into the daily economic activities of wood businesses. The verification is not conducted based on law. Conversely, that may be one factor in why the system is not working well overall. There are naturally differences in the level of commitment among the various certifying bodies and certified businesses, and how to overcome these may be considered an issue. Regardless, compared

to the time when these activities started, I would say there has been great movement in a short period of time, and I feel that the participating associations and businesses have made great efforts. I would now like to relate the types of developments which took place in areas where active efforts were made.

I think the PR effects achieved by the Japan Federation of Wood Industry Associations and other groups by holding Eco Products Exhibitions and other events nationwide have been great. Each association is also conducting various activities. We heard about activities in Shizuoka Prefecture in Mr. Matahira's presentation, and the Shizuoka Prefectural Federation has actively lobbied prefectures and towns. They are also publicizing legality verified wood at all types of events.

Some organizations have made wooden housing out of legality verified wood from their prefectures, and promoted this housing in PR events for consumers. They have also sent out invitations to various prefectural festivals in the names of prefectural governors. Amid these movements in the respective prefectures, the industry has provided prefectural wood and legality verified wood for housing construction. It is from these types of efforts that we have reached the state where we are today.

As for the future direction, legality verified wood is included in the government's long-term quality housing which gives consideration to the environment. To date the problem has been how to generate demand, but the surrounding environment is improving considerably for our future activities. We have targeted our efforts so far on the wood industry, but now we are adding on PR toward the construction, paper, DIY, and other industries. Industry parties with whom we have had little contact are moving to use legality verified wood. In a recent questionnaire survey, nearly half of the 200 companies surveyed said they are handling legality verified wood, and most of them said that they want to expand this in the future. I think we are entering the next stage of demand expansion.

There are also areas that are not proceeding well. The Japanese system does not discriminate between domestic and foreign sources and is set to cover both domestic and foreign legality verified wood, but at present the amount of imported wood is still small. The reason for this is that even for imported wood, when a single country such as Indonesia or Malaysia makes a certification system, chain of custody (CoC) certificates are issued relatively easily. However, at present it is relatively difficult to obtain CoC based on forest certification systems. Industry surveys indicate it is extremely difficult to obtain CoC certificates for foreign wood. As Mr. Ohashi said this morning, legality verified wood would spread much more widely in Japan if legality certificates could be obtained for each shipload of wood. So I think one issue is how the present CoC rules could be changed to increase the spread of legality verified wood.

From the start of operations through to the present, we have focused on building the organization and establishing the foundations. The question is how we should develop from now on. There is also a strong wind blowing in the legal system, particularly for long-term quality housing and the use of wood in the construction of public buildings. While joining hands with the concerned parties in foreign countries, domestically I think we must move forward with a focus not just on industry but also considering how we should involve consumers as well. In that sense, I am eager to hear many opinions from the participants from each nation.

Prof. Nagata

I would like to ask each of the panelists to speak on how Japan's legality verification

approach appears when viewed from each country.

Ms. Listya Kusumawardhani

In Indonesia, naturally we want to follow the global examples of success with legality verified wood and to promote the use of legality verified wood. We have similar examples within Indonesia, and the Ministry of Forestry is promoting the use of legality verified wood. This is being advanced through forestry-related associations based on coordination between forestry organs and privatization organs. We have not yet conducted any surveys on the general public. While we have no surveys showing sufficient understanding of legality verified wood, we think the understanding of forest sustainability is rising. We want to learn from experience with legality verified wood also.

Prof. Nagata

Next, Mr. Ripot from Malaysia.

Mr. Semilan Ripot

I think the Japanese government's great efforts for legality verified wood and the approach to promote understanding among Japanese consumers are fantastic.

Regarding promoting the use of legality verified wood, in Malaysia we are administering the LOTS system. Through the first half of 2009 this was only operating in part of Sarawak, but it is now possible to fully verify the legality of wood from Sarawak. This is a strong development for individuals who have licenses and for those who are promoting legality verified wood. I think it is very good that the Japanese government is making great efforts for legality verified wood.

Prof. Nagata

And next, I would like to ask for a comment from Mr. Zhu, from China.

Mr. Zhu Guangqian

I have listened to the discussions of Japan's legality verification system today, and found them to be most instructive. I got the impression that Japan's verification and certification system is simple, flexible, and easily implemented. It includes forest certification, certification by associations and groups, and independent certification by businesses.

China is considering a bilateral agreement with Japan, and personally I think that the Japanese system can serve as a reference for China.

In China, I think this should be approached from the perspective of civil society. I think it is good to act in various dimensions, and I would like to propose the Japanese system to the concerned sectors.

Now I would like to briefly talk about our PR activities in China.

The work we have done so far is insufficient. In China, there is a misunderstanding among the mass media. They are saying that logging must be reduced to preserve forests, but I think forests can be preserved if only legally harvested wood is used. In China, in the past cement and steel were used in place of wood, and this approach still has many advocates. However, cement and steel production increases carbon dioxide emissions. I think that wood is better, from this perspective. In China, vast quantities of cement are used by the construction industry. China's annual cement production is around 1.8 billion metric tons, with consumption of 130 kg per person. The global level is 300 kg.

I think we should reduce the use of cement. I think we should build wooden buildings. Wooden buildings are attracting attention. The Ministry of Housing and Urban-Rural Development has also begun setting construction standards. I think that the construction of wooden housing is going to advance in China from now on, and the most important thing is to use legality verified wood.

Prof. Nagata

Continuing along, can we now hear about the conditions in Europe?

Mr. Vincent van den Berk

I would also first like to start by praising Japan's legality verified wood system. From the presentations, I learned that government, business associations and other parties are making various efforts. I do have three questions regarding Japan's system.

First, what standards are used to determine the legality of the imported wood? What range of wood is considered to be legal? What are the standards for determining legality and sustainability? Are the opinions of stakeholders being considered?

My second question is about third-party monitoring. I understand the Japanese system has both self-certification and third-party certification. In Europe, we are placing great efforts on third-party certification. What is the situation in Japan? What are the trends in legality verified wood certification?

As my third question, I want to comment about the future direction of the voluntary partnership agreement (VPA) negotiations. I got the impression that there may be some discrepancy in the understanding of the progress of the VPA negotiations. In the future, I would like to present more information.

Mr. Katsuya Taki (Forestry Agency of Japan)

To answer your question about determining the legality of imported wood, the question is whether or not the wood was logged appropriately based on the laws of the producing country. Our determinations respect the standards of the producing countries.

Mr. Makoto Ozawa (Forestry Agency of Japan)

As for the question about monitoring, we cannot cover everything. This year, while I do not have the precise figures here with me, we have received responses from 100 to 200 businesses.

Prof. Nagata

I did not fully understand the third question. Was it a suggestion for more publicity on the contents of the VPA? What are your opinions on this topic?

Mr. Ozawa (Forestry Agency of Japan)

VPAs are fundamentally bilateral arrangements between the EU and the partner country. We do not receive information about the VPAs. We would like to receive information and use it as a reference.

Prof. Nagata

Japan has three types of certification: third-party certification using forest certification, certification by industry associations, and certification by the respective businesses that

they conduct legal operations. I do not think anyone believes this must be shifted to completely third-party certification, but improvements should be made in each type. The precision of certification by industry associations should be improved. As for the certification by the respective businesses, the paper industry has self-certification, but this could be strengthened by auditing. So I think the direction is to improve the accuracy of each type of certification.

Dr. David J. Brooks

The steps in the US and in Japan are rather similar.

In the US, we have long focused on building a structure for cooperation. We are building up this structure through both bilateral and multilateral arrangements. The US and Japan share the core concept that the private sector must take responsibility and act. While Mr. van den Berk spoke about the example of the EU, Japan is flexible, whether regarding certification or CoC. The Japanese approach is that it is good to have various methods. That is similar to the US approach. We also have policies and laws, but we have the private sector take the initiative. This is the approach we are taking in the US, and we think this approach is desirable.

There are also areas where the US and Japanese systems differ. For example, in the US proof of illegality is the government's responsibility.

What I want to hear from the Japanese presenters is the overall range of the Japanese system. In Japan, how much of the domestic wood and how much of the imported wood is legality verified wood? What are the costs involved in your various activities, and who pays for these efforts? Is there a big problem with imported wood, or is that not the case? What percentage of the imported wood is a problem? Can you provide this information?

Prof. Nagata

I think the important points are that this is voluntary, and that it is spreading among consumers.

Next, I would like a discussion on how the measures in each region become global.

Mr. Araya

I would like to ask each of the panelists questions which concern me, so I would like to move forward with this discussion with them giving their opinions regarding these points.

My first question is about Indonesia. In paper 19-2 today from Indonesia the section Promote Legal Timber Trade-4 states that the Indonesian Government encourages some buyers to pay premium prices [for products from companies with timber legality assurance certificates]. What, specifically, is the approach? In today's world, wood prices are generally determined by the market price. What is the function of government encouragement of buyers to pay higher prices in that context? What is the government framework? And when prices increase in that way, I also think that becomes a double-edged sword when it comes to trade. If the legality verified wood is expensive and the unverified wood is inexpensive, then there is a risk that demand may flow to the inexpensive, unverified wood.

Prof Nagata

As time is limited, I would like to ask Mr. Araya to pose his other questions before taking the answers.

Mr. Araya

My second question is for Mr. Zhu of China. In your presentation, you explained that China has arranged various domestic systems for imports, and must now consider measures for import timber. You mentioned consultations among countries that would sign an agreement. Would these consultations take the same form as the bilateral dialogues to date, or are you considering some new, independent format in China? I would like to hear more detailed, deeper information. China has become a big player as both an importer and an exporter. Would some sort of dialogue with China at the center and including China's import and export trading partners be possible?

And I have a question for the two panelists from Europe and the US. Thank you very much for explaining the new approaches in Europe and the US, and about the Lacey Act. In Japan we hear about your water's edge policies, but seldom receive information about your domestic situation. Do you have domestic systems such as that for legality verified wood? Are there movements in that direction? If there are, then I want to learn about them as they could be a reference for Japan. Please tell me if you have those kinds of thoughts and approaches in your wood industry and at the various points where wood is actually distributed.

Next, I would like to hear from the panelist from Indonesia about how the prices of legality verified wood products are raised, and about their competitiveness versus non-verified wood after the prices are raised.

Ms. Kusumawardhani

We understand that prices are determined by the market. Yet these are the government expectations. I would like to ask other representatives from Indonesia, or from BRIK, to provide a supplementary answer on their experience of government requests for the payment of higher prices. The other thing I want to explain is that while you might think that illegally logged wood is low-priced, Indonesia has intensively implemented a plan to combat illegal logging, so the price of illegally logged wood has, on the contrary, become high. Although there is still illegal logging, it is declining as a result of the implementation of the plan. I will ask my colleagues to supplement my comments regarding the price issue.

Mr./Ms. Note

I will comment on the situation in Indonesia.

Indonesia supports Japan's approach to legality verified wood. As explained yesterday, Indonesia is moving toward greater use of legality verified wood. The government of Indonesia observes the law and uses only legality verified wood. The legality verification involves additional costs. We think a premium will emerge for legality verified wood, and that this will increase the price. Japanese users are paying a premium of about \$20 for FSC certified wood.

Indonesia uses TLAS, which is almost the same as VPA in terms of the procedures. As the speaker from China also mentioned, while the legality verification procedures may increase, I think that illegal wood will be used less and less worldwide.

Prof. Nagata

I would like to ask Mr. Ripot how the additional costs of legality verification are covered in Malaysia.

Mr. Ripot

Mr. Talif Salleh, would you please address this?

Mr. Talif Salleh

We introduced the LOTS system from January 1, 2009. The cost of the hardware was \$3 million, which was paid by the Ministry of Natural Resources and Environment. The operating costs are on the order of \$400,000, and these are covered by the states. No burden is placed on the businesses or consumers.

There are also some questions I would like to ask. The first concerns VPAs and bilateral agreements. Under natural law, parties are considered innocent unless judged guilty. They are innocent unless the other side proves they have broken the law. The production countries already have systems, and these are established. Are we being told to conclude VPAs because our systems alone are not sufficient, and to provide certified wood because this cannot be entirely left to the laws of the production countries?

The second question is about the EU legislation which passed in November. The individual EU members also have their own laws. What will the relations be between the EU legislation and the member states' legislation once the EU legislation comes into effect?

The third question is what will happen in 2013 if no countries conclude VPAs?

Fourth, I understand that the EU imports 10% of its wood and that 20% of this imported wood is illegal, with a value on the order of \$3.4 billion, which is a rather large sum. What happens with this illegal wood which comes into Europe? How are the parties concerned punished?

Mr. van den Berk

The question is about what will happen when the new law comes into force. The buyers and traders will have to prove that the items they procure meet the legality requirements, so they will have to conduct risk assessments. For example, when buying certain wood it may be necessary to prove that it meets the legal requirements of the Netherlands. Wood purchased from Sarawak State must also be proven. When traders think something is suspicious, they will more carefully scrutinize the wood they procure. That is because it may not be possible to sell the wood. The traders themselves will take action, based on the guidelines to be published.

Regarding the Forest Law Enforcement, Governance and Trade (FLEGT) VPAs, if Malaysia signs a VPA with the EU, then wood from Malaysia will be considered legal wood. However, VPAs are voluntary agreements, and they do not impose any obligations. We think that if the market incentives work, countries will conclude VPAs. However, there are presently no other methods.

The EU also carried out case studies, and checked against the laws of the individual EU members. As I recall, this was implemented three years ago and the conclusion was that this is very difficult. Since the existing framework was difficult, we had to devise a different framework. The law was finally drafted five years after the problem emerged in 2003, and it will come into force from March 2013. In an ideal world, buyers would stop handling high-risk items. Under the present system, when FLEGT buyers purchase certified wood it is considered legal, without them implementing a risk assessment. The EU will have to examine the approach to wood that is not covered by FLEGT from 2013.

Prof. Nagata

Let us consider the situations in the EU and in Sarawak separately. Now can we have the answer to the question that was addressed to Mr. Zhu.

Mr. Zhu

In China we have only begun thinking about this type of agreement, so it has not yet been achieved. It might be different with each country, because we need to consider the status of the laws and regulations of each country.

China is the world's largest wood importer and the largest exporter of wood products, but this is not a problem that can be resolved by China alone. China's forest certification system has only just begun.

Dr. Brooks

I would like to make a comment regarding premium pricing. In theory, if everyone uses legality verified wood, then there will be no premium. If everyone expects this, and systems are applied uniformly, then there will be no premium. I think, however, there are presently cracks because certification is not coordinated. Some countries believe that certification will also result in better tax collection, because certification will reveal how much income is received from logging.

If taxes enter the national treasury, it will not be necessary to transfer the costs. The increased taxes are the compensation. In the US there are robust laws, and regulations are suitably applied at the state level. Private forest owners observe the law, and are acting to preserve forests. Illegal logging is a way around this, and we want the government to prosecute illegal logging. Laws related to illegal logging are also applied to interstate commerce. There used to be some loopholes, but countermeasures have been put in place. I have already spoken about the international agreements.

Prof. Nagata

As just explained in these comments, there is always the cost issue involved with specifying legality verified wood. Theoretically, if illegal wood were always marked as illegal, it could be eliminated by anyone, but since that is not the case we have to label the legal wood, and the issues of the costs and methods then emerge.

However, traceability costs have declined making traceability easy, and as a new development consumers are becoming interested in traceability. Legality verified wood may advance well under a system where consumers focus on traceability and pay the associated costs.

The important thing is to have a system which handles both domestic and imported wood. Another key is that the system must be carefully fostered as a framework that is voluntary, not compulsory. Those two items will remain important in the future.

Since time is up, we will now end today's panel discussion. Thank you very much for your participation.

Outline of Exhibitions

Exhibition Outline

Outlines of certification systems and sample certificates for wood and wood products certified as being legal and sustainable based on the Forestry Agency of Japan “Guideline for Verifying the Legality and Sustainability of Wood and Wood Products” were displayed to provide information to the parties involved in the Japanese market. The information was provided by the following wood products processors and distributors which export to Japan, industry organizations formed by such operators, organizations which administer certification systems, and related government organs.

American Hardwood Export Council (AHEC)
Council of Forest Industries (Canada) (COFI)
Malaysian Timber Certification Scheme (MTCS)
Quebec Wood Export Bureau (QWEB)
Sarawak Timber Association
Tianjin Jiacheng Timber Industries Co., Ltd.
Weyerhaeuser Hardwoods
Western Forest Products Inc. (WFP)

American Hardwood Export Council (AHEC)

Discription of the products	Region/Country
	USA
	Name of the products
	American Hardwood
	Name of Exporter
	Name, American Hardwood Export Council (AHEC) Address, 1825 Michael Faraday Dr. Reston, VA 20190 USA Contact, Michael Snow
Outline of Exportation (Volume of importation/ End use etc)	American Hardwood logs, lumbers and veneers
Name of utilizing system	AHEC Responsible Procurement Policy (RPP)
Related Area	Region /Country
General overview of verification	Party responsible for issuing verification
	Outline of issuing process
	Study by independent consultant to analyze the risk that illegal timber can enter into commercial production of hardwood lumbers in US. Ask AHEC each members to stamp RPP logo mark on each shipping documents as the direction of Forestry Agency of MAFF
	The system shall verify legality only <input type="checkbox"/> /or both sustainability <input type="checkbox"/>
Scheme to check for legality at the time of logging	Definition of legality
	Obey all applicable laws and regulations of the Unites States and each state
	Relevant laws
	Best Management Practices (BMPs)
	Details of presumed illegal activities
	Procedures for retaining and verifying the evidence
	Coordinate with law enforcement and association timber security task forces to investigate and resolve timber trespass and illegal harvesting
	Scheme implemented by the third party and so on to ensure reliability
	Participate in public and private sector initiatives at the states and local level to work collaboratively to reduce the risk of illegal and unsustainable timber harvesting
Scheme to check for sustainability	Definition of sustainability
	Procedures for retaining and verifying the evidence
	Scheme implemented by the third party and so on to ensure reliability
Scheme of separative custody management	Real picture of the dealings, from logging to export
	Procedure for ensuring separative custody management
	Scheme implemented by the third party and so on to ensure reliability
Future Task and Perspectives	Criticisms against the system and recognition of problems
	Remediation procedure
	Future perspectives
Reference Author	www. ahec.org
	Name Title Organization Michael Snow Executive Director Email address msnow@ahec.org

Council of Forest Industries (COFI) / Canada Wood

Discription of the products	Region/Country
	Canada
	Name of the products
	Canadian Softwood Lumber: Spruce Pine Fir (SPF), Hem-Fir (N)
	Name of Exporter:
	Council of Forest Industries (COFI) / Canada Wood Mr. Paul J. Newman, Executive Director, Market Access & Trade 1501-700 West Pender Street Pender Place, Vancouver, B.C., Canada V6C 1G8
Outline of Exportation (Volume of importation/ End use etc)	2009 Canadian Softwood Lumber Exports to Japan: 919,448,000fbm
Name of utilizing system	Canadian Standards Association (CSA) and Sustainable Forestry Initiative (SFI) which are internationally recognized under the Programme for Endorsement of Forest Certification (PEFC). Forest Stewardship Council (FSC)
Related Area	Region /Country: Provinces of British Columbia & Alberta, Canada
General overview of verification	Party responsible for issuing verification
	Individual association member companies of COFI and related Canada Wood industry trade associations are individually responsible for each of their respective third party verification schemes.
	Outline of issuing process
	Certification issued through CSA, SFI (PEFC) and FSC third party accreditation bodies. Please contact COFI / Canada Wood association member companies for further detail.
	The system shall verify both sustainability and legality are verified under PEFC and FSC certification schemes.
Scheme to check for legality at the time of logging	Definition of legality
	In Canada illegal logging is defined as: (A) Theft of timber or logs, (B) deliberate harvesting without express or implied authority to do so, or in unauthorized areas or where authority has been revoked for deficient harvesting practices, or after government approvals are obtained by corrupt practices; (C) Where there is a deliberate failure to pay stumpage and/or royalties to forest owners
	Relevant laws
	Many laws exist at the national, provincial, regional and municipal levels At the Provincial level for public lands: for example, B.C. Forest Practices Code, Park Act, Wildlife Act, Land Act
	Details of presumed illegal activities
	In British Columbia, the Ministry of Forests and Range conducts 15,000 forest site audits annually across the province. Between 2003 and 2009 Ministry audits have revealed a compliance ratio of 99.9994% as a percentage of annual allowable cut (AAC).
	Procedures for retaining and verifying the evidence
	Respective certified member companies retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.
	Scheme implemented by the third party and so on to ensure reliability
	Responsibility of third party verification scheme is decided by individual member companies.
Scheme to check for sustainability	Definition of sustainability
	Sustainable forest management integrates economic, social and environmental aspects of management into an appropriate balance that meets the needs of today's society without jeopardizing the ability of future generations to meet their needs.
	Procedures for retaining and verifying the evidence
	Respective certified member companies retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.
	Scheme implemented by the third party and so on to ensure reliability
Responsibility of third party verification scheme is decided by individual member companies.	
Scheme of separative custody management	Real picture of the dealings, from logging to export
	Procedure for ensuring separative custody management
	Scheme implemented by the third party and so on to ensure reliability
Future Task and Perspectives	Criticisms against the system and recognition of problems
	Remediation procedure
	Future perspectives
	COFI / Canada Wood Japan will continue to strive in the future to educate and encourage member companies on the Japanese Goho Wood requirements as they relate to the Forestry Agency's guidelines for green procurement and other relevant marketplace needs.
Reference Author	www.cofi.or.jp
	Shawn Lawlor Director, Japan Operations COFI / Canada Wood Email address: lawlor@canadawood.jp



Malaysian Timber Certification Scheme (MTCS)

Description of the Products	Region/Country	Malaysia
	Name of the products	All timber products derived from certified Permanent Reserved Forests.
	Name of the Exporter (Name, Address, Contact)	MTCS Certificate holders. Refer to MTCC website http://www.mtcc.com.my/mttc_scheme_certs_holders%20-%20MC&I%282002%29.asp
	Outline of Exportation (Volume of importation/End-use etc)	As of 31 December 2009, a total of 366,814 m ³ of various products exported, mainly sawn timber (197,958 m ³), Plywood (148,716 m ³) and mouldings (17,639 m ³).
Name of Utilizing System	Name in home language	Skim Pensijilan Kayu Malaysia.
	Name in English xxx Verification System	Malaysian Timber Certification Scheme (MTCS) operated by Malaysian Timber Certification Council (MTCC) and endorsed by PEFC on 1 May 2009.
Related Area	Region/Country	National scheme
General Overview of Verification	Party responsible for issuing Verification	Third party verification. Please refer to http://www.mtcc.com.my/registered_assessors.asp
	Name / Location / Communication	
	Outline of issuing process (Copy of verification documents should be attached)	Refer to MTCC Website. Please refer to http://www.mtcc.com.my/registered_assessors.asp
	The system shall verify legality only/or both sustainability	Sustainability including legality.

Scheme to check for legality at the time of logging	Definition of legality	The MTCS addresses all issues regarding legality throughout the timber production chain from the time of harvesting by third party auditing.
	Relevant laws	
	Details of presumed illegal activities	
	Procedures for retaining and verifying the evidence	
Scheme to check for sustainability	Scheme implemented by the third party and so on to ensure reliability	Defined in accordance with international norms and principles to address social, environmental and economic issues. Standards adopted by Stakeholders through consultations.
	Procedures for retaining and verifying the evidence	Third party auditing using <i>Malaysian Criteria and Indicators for Forest Management Certification [MC&I(2002)]</i> .
	Scheme implemented by the third party and so on to ensure reliability	The independent Certification Body also is ISO certified and accredited to the Department of Standards Malaysia which is the National Accreditation Body. The Certification Body is notified by MTCC, as the National Governing Body.
Scheme of separate custody management	Real picture of the dealings, from logging to export	<i>Chain of Custody</i> Certification, throughout the production chain, from certified forest to point of export. Standard used is <i>PEFC Technical Document Annex 4</i> .
	Procedure for ensuring separate custody management	
	Scheme implemented by the third party and so on to ensure reliability	The independent Certification Body also is ISO certified and accredited to the Department of Standards Malaysia which is the National Accreditation Body. Certification Body notified by MTCC, as the National Governing Body.
Future Task and Perspective	Criticisms against the system and recognition of problems	Standard reviewed every five years for continuous improvement. Current forest management standard is now undergoing second review. Active cooperation with other schemes and initiatives.
	Remediation procedure	Forest Plantation standard submitted for PEFC endorsement.
	Future perspectives	
Reference	Web site (URL)	Website: http://www.mtcc.com.my
	Contact Name Title Organization	Chief Executive Officer Malaysian Timber Certification Council (MTCC) C-08-05, Blok C, Megan Avenue II, No. 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur Tel. No. : 603-2161 2298 Fax No. : 603-2161 2293
	Email address	E-Mail : info@mtcc.com.my

Quebec Wood Export Bureau (QWEB)/ Canada Wood

Discription of the products	Region/Country	Canada
	Name of the products	Canadian Hard Softwood Lumber: Spruce Pine Fir (SPF)
	Name of Exporter:	Quebec Wood Export Bureau (QWEB)/ Canada Wood Location: Quebec City, Province of Quebec, Canada
	Outline of Exportation (Volume of importation/ End use etc)	2009 Canadian Lumber Exports to Japan: 1,998,338M3
	Name of utilizing system	Wood origin and legality traceability system of QWEB based on the QWEB Code of Conduct, complied with QWEB's Auditing and Traceability system Canadian Standards Association (CSA) and Sustainable Forestry Initiative (SFI) which are internationally recognized under the Program for Endorsement of Forest Certification (PEFC). Forest Stewardship Council (FSC)
	Related Area	Region /Country: Provinces of Quebec
General overview of verification	Party responsible for issuing verification	Individual association member companies of QWEB are individually responsible for each of their respective third party verification schemes.
	Outline of issuing process	Certification issued through CSA, SFI (PEFC) and FSC third party accreditation bodies. Please contact QWEB / Canada Wood association member companies for further detail.
		The system shall verify -Both sustainability and legality are verified under PEFC and FSC certification schemes.
Scheme to check for legality at the time of logging	Definition of legality	In Canada illegal logging is defined as: (A) Theft of timber or logs, (B) deliberate harvesting without express or implied authority to do so, or in unauthorized areas or where authority has been revoked for deficient harvesting practices, or after government approvals are obtained by corrupt practices; (C) Where there is a deliberate failure to pay stumpage and/or royalties to forest owners
	Relevant laws	Many laws related to logging and harvesting exist at the municipal, regional, provincial and national level. On a provincial level for public lands (Crown Lands): Quebec's Forest Act and Best Management Practices on Crown Lands
	Details of presumed illegal activities	In Quebec, Canada, illegal wood is not really an issue. There is virtually no risk that wood coming from Quebec's forests would have been illegally harvested.
	Procedures for retaining and verifying the evidence	Respective certified member companies retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.
		Scheme implemented by the third party and so on to ensure reliability
		Responsibility of third party verification scheme is decided by individual member companies.
Scheme to check for sustainability	Definition of sustainability	Sustainable forest management integrates economic, social and environmental aspects of management into an appropriate balance that meets the needs of today's society without jeopardizing the ability of future generations to meet their needs.
	Procedures for retaining and verifying the evidence	Respective certified member companies retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.
		Scheme implemented by the third party and so on to ensure reliability
		Responsibility of third party verification scheme is decided by individual member companies.
Scheme of separative custody management		Real picture of the dealings, from logging to export
		Procedure for ensuring separative custody management
		Scheme implemented by the third party and so on to ensure reliability
Future Task and Perspectives		Criticisms against the system and recognition of problems
		Remediation procedure
		Future perspectives
		QWEB/ Canada Wood Japan will continue to strive in the future to educate and encourage member companies on the Japanese Goho Wood requirements as they relate to the Forestry Agency's guidelines for green procurement and other relevant marketplace needs.
Reference Author		Ryoichi TAKAHASI
		Director, Japan Operations QWEB/ Canada Wood Email address: Ryoichi.takahashi@mri.gouv.qc.ca

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Jon Jickling
Jon Jickling
Director
SmartWood Program of the Rainforest Alliance
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Numéro de commande / Order number	Numéro de client / Client number	No. de comm. client / Cust. P.O number	No. numéro / Reference no.	Expédié via / Shipped via
48022	4525	Package list 2228	DUV99	Pick up

Description	Quantité / Quantity	Prix / Price	Montant / Amount
44 White Birch 64 & 8oz Sap® 8oz AD Nombres de tall(s) / Number of tall(s): 1 FSC-MIXTE CREDIT SW-COC-064613 Conteneur: MEDC 911349 Scale: 000108	9,030	0.00	0.00

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Value de bois / Wood value: _____
Escouage / Discount: \$0.00
Taxes / Taxes: _____
\$1 new paper 14 before: 2010/03/04

Sous-Total / Sub-Total: _____
T.P.S. / G.S.T.: (010486050) 0.00
T.V.Q. / Q.S.T.: (080136367) 0.00

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No.: 141326
Date: 2010/03/04

Facturé à / Sold to: _____ Livré à / Shipped to: **Même / Same**

Numéro de commande / Order number	Numéro de client / Client number	No. de comm. client / Cust. P.O number	No. numéro / Reference no.	Expédié via / Shipped via
48022	4525	Package list 2228	DUV99	Pick up

Description	Quantité / Quantity	Prix / Price	Montant / Amount
44 White Birch 64 & 8oz Sap® 8oz AD Tally: FSC / Forest JAP-07 9,030 FSC-MIXTE CREDIT SW-COC-064613 Conteneur: MEDC 911349 Scale: 000108	9,030	0.00	0.00

NHLA CERTIFIED

Total Tally / Tally Total: 1 Quantité Totale / Total Quantity: 9,030

Total Paquets / Bundle Total: _____ Signature Transport: _____

Client / Customer: _____

Les clients doivent être avisés dans les 10 jours de la date de livraison. All clients must be made within 10 (10) days of shipping. Send us products identification codes with each certified FSC. Only products identified as such on FSC certified.

Sarawak Timber Association

All about imported Gohowood

(1) **Region/Country:** Sarawak, Malaysia

(2) **General overview:** Legality verification of logs in Sarawak (refer to flow chart)

(3) **Party responsible for issuing verification:**

Four (4) agencies directly involved are:

Agency	Address	Contact
Forest Department Sarawak (FDS) Established in 1919	Wisma Sumber Alam, Jalan Stadium, 93050 Kuching, Sarawak, Malaysia	Tel : + 60 82 442180 Fax : + 60 82 441377 E-mail : webmaster@forestry.sarawak Website : www.forestry.sarawak.gov.my
Sarawak Forestry Corporation (SFC) Incorporated in 1995	Lot 218, KCLD, Jalan Tapang, Kota Sentosa, 93250 Kuching	Tel : + 60 82 610088 Fax : + 60 82 629629 E-mail : info@sarawakforestry.com Website : www.sarawakforestry.com
Sarawak Timber Industry Development Corporation (STIDC) Incorporated in 1973	Wisma Sumber Alam, Jalan Stadium, 93050 Kuching, Sarawak, Malaysia	Tel : + 60 82 473000 Fax : + 60 82 442691 E-mail : stidc@pusaka.gov.my Website : www.sarawaktimber.org.my
Harwood Timber Sdn. Bhd. (HTSB) Incorporated in 1985	Sublot 4-6, Section 5, Lot 320, Wisma PTBS, Jalan Kulas, 93400 Kuching	Tel : + 60 82 415520 Fax : + 60 82 255249 E-mail : agm_ahr@harwoodtimber.com.my Website : www.harwoodtimber.com.my

(4) **Outline of issuing process:** Incorporated in the General Overview

(5) **The system shall verify legality only/sustainability:** Legality only

(6) **Definition of legality:**

Timber harvested by licensed person from approved areas and timber and timber products exported in accordance with the laws, regulations and procedures pertaining to forestry, timber industry and trade of Malaysia.

(7) Relevant Laws:

- Forests Ordinance, 1958 (Cap 126)
- Forest Rules, 1962
- Land Code, 1958
- Natural Resource and Environment Ordinance, 1993 (Cap 84)
- Wild Life Protection Ordinance, 1998 (Cap 26)
- Sarawak Forestry Ordinance, 1995 (Cap 17)
- Sarawak Rivers Ordinance, 1993
- Sarawak Timber Industry Development Corporation Ordinance, 1973
- Malaysian Customs Act, 1967

(8) Details of presumed illegal activities:

- Harvesting without valid licence
- Harvesting in excess of concession permit limits & outside boundary coupe
- Failing or avoid royalty payments
- False declaration of dimensions
- Export & Import without permits

(9) Procedures for retaining and verifying the evidence:

Scheme implemented by third party to ensure reliability: ISO

Organization	Certified	Scope	Certified by
Sarawak Forestry Corporation (SF&C and SAPD)	ISO 9001:2008	<ul style="list-style-type: none">• Provision of Security and Asset Protection• Provision of Compliance and Regulation of Sustainable Forest Management	Moody International Certification
	ISO 14001:2004	<ul style="list-style-type: none">• Provision of Compliance and Regulations of Sustainable Forest Management	Moody International Certification
Sarawak Timber Industry Development Corporation	ISO 9001:2008 BS EN ISO 9001:2008	<ul style="list-style-type: none">• Registration of Companies• Grading Activities• Electronic issuance of Export and Import Licences of Logs and Timber Products	Moody International Certification
Harwood Timber Sdn Bhd	ISO 9001:2008	<ul style="list-style-type: none">• Log endorsement• Shipping and Land Transportation Administration Inspection of Export Logs	Standards & Industrial Research Institute Malaysia (SIRIM)

Independent External Auditors: National Audit Department, Audit Department in the Chief Minister’s Office and Financial Audit

Internal Auditors: All the 4 agencies

(10) Some main criticisms against the system and recognition of problems are as follows

- Lack of integration of databases between the four agencies
- Limited deployment of ICT infrastructure and hardware for capturing data and monitoring purposes
- Lack of necessary logistics support for enforcement purposes

(11) Remedial measures

- Implementation of network and database integration under 10th Malaysia Plan
- Consolidation and expansion of ForestNet in conjunction with establishment of 20 new Forest Checking Station throughout Sarawak
- Implementation of Inter-agency standard operating procedures for performance of forestry functions
- Recruitment of additional field staff by all agencies

(12) Future perspective

- Two-dimensional bar code system to be incorporated in Log Production Identity (LPI) Tags
- Mobile enforcement capability based on scanner and satellite transmission of log data to central database

Legality Verification of Logs in Sarawak



- Fall tree
- Cut trees to logs
- Tag Log (Log Production Identity or LPI)
- Move LPI logs to base/transit camp

- Fix Property Mark
- Scale and grade the log
- Check logs against Daily Production Return (DPR) and upload into Log Tracking System (LOTS)
- Generate DPR LOTS reference number
- Move the captured LPI logs to Forest Checking Station

- Prepare Log Specification for royalty assessment
- Issue Removal Pass (Royalty) after physical and LOTS verification
- Prepare Log Specification for logs to be removed
- Update LOTS database
- Physically inspect logs to be removed and issue Endorsement Clearance Certificate (ECC)
- Issue Removal Pass (Transit) complete with LOTS security number to mill or export point
- Issue Shipping / Transportation Pass

- Physically inspect incoming logs to mill or export point
- Issue Export Clearance Certificate (ExCC) for logs to be exported
- Update LOTS database and issue Removal Pass (Transit) for export
- Issue export certificate (Custom Declaration Form 2)
- Issue clearance for export

Legend

Text with colour	Agencies
■	Forest Department Sarawak
■	Licensee
■	Sarawak Forestry Corporation
■	Hanwood Timber Sdn Bhd
■	Sarawak Timber Industry Development Corporation
■	Royal Customs Malaysia



Spot Check Inspection

•Check LPI and log-movement documents against the LOTS database at any point between felling site and mill or export point

サラワク州の丸太合法証明



- 伐木
- 丸太切り出し
- タグ付け(丸太生産識別/LPI)
- LPI丸太を輸送基地に移動

- プロパティマークを固定
- 測定、選別
- 日別生産利益(DPR)と丸太を照合し、丸太追跡システム(LOTS)にアップロード
- DPR LOTS照合番号の作成
- LPI丸太を森林チェックステーションに移動

- ロイヤルティ審査用に丸太仕様書を作成
- 現物とLOTSの検証後、許可書(ロイヤルティ)の発行
- 移動する丸太の仕様書を作成
- LOTSデータベースの更新
- 現物検査、承認書(ECC)の発行
- 許可書(移動)の発行、製材所から輸出地点までのLOTSセキュリティ番号完成
- 出荷/輸送パスの発行

- 到着した丸太の現物検査
- 輸出材には輸出承認書の(ExCC)発行
- LOTSデータベースの更新、許可書(移動)の発行
- 輸出証の発行 (関税申告フォーム2)
- 輸出許可の発行

凡例

テキストの色	組織
■	サラワク森林局
■	免許取得者
■	サラワク林業公社
■	ハーウッドティンバー
■	サラワク木材産業開発公社
■	関税局



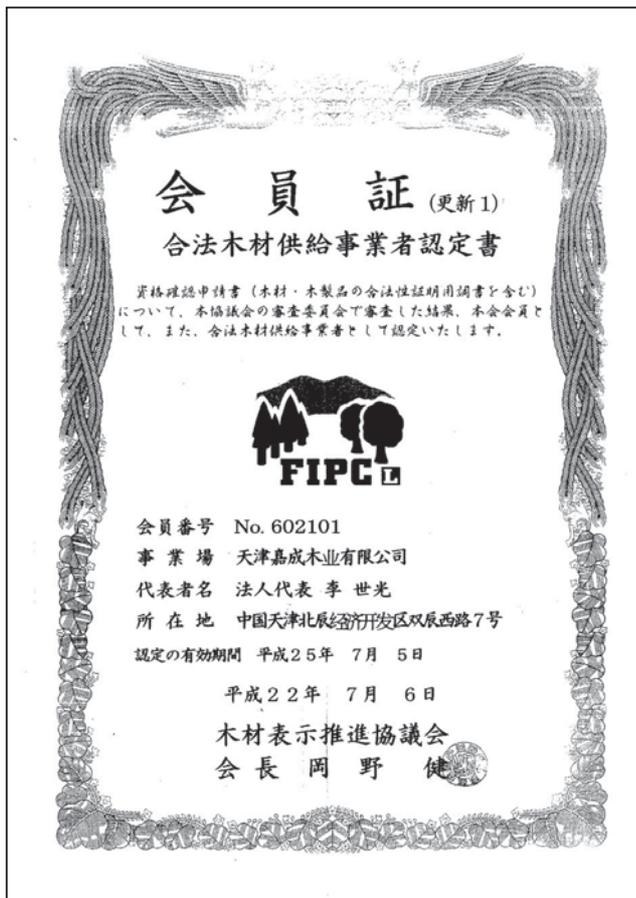
抜き打ち検査

伐採地から製材輸出地点のあらゆる時点で、LPIと丸太移動書がLOTSデータベースと合っているか確認する。

Tianjin Jiacheng Timber Industries Co.,Ltd.

Discription of the products	Region/Country
	People's Republic of China
	Name of the products
	Various type of LVL board/ furniture parts/ house building parts
	Name of Exporter
	Tianjin Jiacheng Timber Industries Co.,Ltd. Address: #7 Shuangchen West RD, BEDA, Tianjin, PRC
	Outline of Exportation (Volume of importation/ End use etc)
Name of utilizing system	Forest-Products Identification Promotion Conference
Related Area	All Japan
General overview of verification	Party responsible for issuing verification
	Secretariat of Forest-Products Identification Promotion Conference 6F, Nagatacho Bldg, 2-4-3 Nagatacho, Chiyoda-ku Tokyo, Japan
	Outline of issuing process
	Preparation and submission of relevant data, material, documentations to verify the legality which required by FIPC Secretariat such as;
	<ol style="list-style-type: none"> 1. Material Purchasing control (Checking the supplier's verification and validity) 2. Material separation and handling control (purchasing 100% legality verified exclusively) 3. Check the species and origin of wood (using third party verification; 第三者証明 (Wood dictionary, evidence made by experts and professors) 4. In-house system which covers production control (process instruction etc), quality control and material stock control. Some of them includes JAS and ISO14000 requirement which we are certified.
	The committee reviews the submitted documents above, decides the certification issuance is decided upon the result of assessment. We exclusively purchase the material verified the legality as listed below;
	<ol style="list-style-type: none"> 1 New Zealand's Radiata Pine from Pan Pac Forest Products Ltd. (FSC-CoC), 2 German Beech from Holzindustrie Templin GmbH (PEFC-CoC), 3 Thai Gumwood with verification issued by Thai government (industry development department), 4 Australian Eucalyptus from Vic Forests (AFC certified) 5 Canadian SPF Canadian Forest Products Ltd. (SFMS certified)
The legality is verified by the third party such as certification body or governmental body which has credibility. For the assessment, we submit the set of documentation to verify the species and legality. Also we obtain the approval from FIPC Secretariat for the use of label. The label use record is kept and informed to FIPC on regular basis. The system verifies legality only	
Scheme to check for legality at the time of logging	Definition of legality
	The mill shall maintain the valid legality verification issued by the third party. E.g. FSC, PEFC, governmental verification.
	Relevant laws
	Compliance with standard defined by each certification scheme and national law.
	Details of presumed illegal activities
	Since we purchase the material from lumber mill, we can do nothing if the lumber mill forges the legality verification document. Hence, we exclusively purchase material from companies which have concrete ethics. We visit the supplier's sites periodically to inspect the legality on site.
	Procedures for retaining and verifying the evidence
	The copy of FSC/PEFC certificate and documents issued by government. We visit the supplier's sites periodically to check the original document on site.
Scheme to check for sustainability (N/A)	Definition of sustainability
	Procedures for retaining and verifying the evidence
	Scheme implemented by the third party and so on to ensure reliability

Scheme of separate custody management	Real picture of the dealings, from logging to export
	As of logging, it is controlled by the certified supplier under their responsibility. We exclusively purchase the material from certified mill.
	Procedure for ensuring separate custody management
	We exclusively uses legality verified material only. Our control management is not to buy the material from non-certified lumber mill.
	Scheme implemented by the third party and so on to ensure reliability
	We are assessed by FIPC and obtain the approval. Beside of FIPC, we also certified of ISO14001 and JAS.
Future Task and Perspectives	Criticisms against the system and recognition of problems
	For foreign company, it is challenging to communicate with Japanese secretariat. Also FIPC's recognition is weaker than FSC/PEFC.
	Remediation procedure
	Improve our staff Japanese skill and education of FIPC for new customers.
	Future perspectives
Expansion of market by promotion of legality verified FIPC products.	
Reference Author	http://www.jiachengtimber.com/englishweb/about.asp
	Ms. Wang Xiao Dong - Marketing Department - Tel : +86-22-26978888 / Fax : +86-22-26970888 E-mail : wangxiaodong@jiachengtimber.com



Weyerhaeuser Hardwoods

Discription of the products	Region/Country	United States
	Name of the products	Hardwood Lumber
	Name of Exporter	Weyerhaeuser Hardwoods 33663 Weyerhaeuser Way South CH2 J30 Federal Way, WA 98003, US Contact: Erick Hall
	Outline of Exportation (Volume of importation/ End use etc)	14 million board feet of hardwood lumber used for manufacturing furniture and millwork
	Name of utilizing system	AHEC Responsible Procurement Policy (RPP)
Related Area	Pacific Northwest, USA Dorchester, WI USA	
General overview of verification	Party responsible for issuing verification	
	Outline of issuing process	Push AHEC RPP logo stamp on each shipping documents as the direction from American Hardwood Export Council (AHEC). Please see the attachment
	The system shall verify legality only <input type="checkbox"/> /or both sustainability <input type="checkbox"/> X	
Scheme to check for legality at the time of logging	Definition of legality	
	Relevant laws	US Congressional Resolution that US Hardwoods are legal and sustainable
	Details of presumed illegal activities	
	Procedures for retaining and verifying the evidence	
	Scheme implemented by the third party and so on to ensure reliability	
Scheme to check for sustainability	Definition of sustainability	
	Procedures for retaining and verifying the evidence	
	Scheme implemented by the third party and so on to ensure reliability	
Scheme of separate custody management	Real picture of the dealings, from logging to export	
	Procedure for ensuring separate custody management	
	Scheme implemented by the third party and so on to ensure reliability	
Future Task and Perspectives	Criticisms against the system and recognition of problems	
	Remediation procedure	
	Future perspectives	
Reference Author	Web site	
	URL http://www.weyerhaeuser.com	
	Contact	Nobuyuki Ryu General Manager Hardwoods & Industrial Products Email address nobuyuki.ryu@weyerhaeuser.com

Western Forest Products Inc.

Discription of the products	Region/Country
	British Columbia, Canada
	Name of the products
	BC Coast Softwood Lumber
	Name of Exporter
	Western Forest Products Inc. 510-700 West Georgia Street, TD Tower, Vancouver, Canada
Outline of Exportation (Volume of importation/ End use etc)	
	Western Forest (WFP) manages mostly public forest and small amount of private forest in BC coast, harvests logs and manufacturing logs to lumber and market logs and lumber. Annual Allowable Cut volume on public land is about 7 million m3. Annual lumber production capacity is about 3.5 million m3. Annual sales is about 600 Canadian dollars.7 sawmills and 3 processing plants. Annually about 500,000m3 of Canada Tsuga, Douglas Fir, Yellow Cedar and Sitka Spruce KD and Green lumber export to Japan.
Name of utilizing system	Forest Certification: CoC, CSA (PEFC Appendix 4)
Related Area	British Columbia, Canada
General overview of verification	Party responsible for issuing verification
	Canadian Standards Association (CSA) and Sustainable Forestry Initiative (SFI) which are internationally recognized under the Program for Endorsement of Forest Certification (PEFC). Forest Stewardship Council (FSC)
	Outline of issuing process
	See Attached certificate
	The system shall verify both legality and sustainability.
Scheme to check for legality at the time of logging	Definition of legality
	In Canada illegal logging is defined as: (A) Theft of timber or logs, (B) deliberate harvesting without express or implied authority to do so, or in unauthorized areas or where authority has been revoked for deficient harvesting practices, or after government approvals are obtained by corrupt practices; (C) Where there is a deliberate failure to pay stumpage and/or royalties to forest owners
	Relevant laws
	Many laws exist at the national, provincial, regional and municipal levels At the Provincial level for public lands: for example, B.C. Forest Practices Code, Park Act, Wildlife Act, Land Act
	Details of presumed illegal activities
	In British Columbia, the Ministry of Forests and Range conducts 15,000 forest site audits annually across the province. Between 2003 and 2009 Ministry audits have revealed a compliance ratio of 99.9994% as a percentage of annual allowable cut (AAC).
	Procedures for retaining and verifying the evidence
	Retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.
	Scheme implemented by the third party and so on to ensure reliability
	Retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.
Scheme to check for sustainability	Definition of sustainability
	Sustainable forest management integrates economic, social and environmental aspects of management into an appropriate balance that meets the needs of today's society without jeopardizing the ability of future generations to meet their needs.
	Procedures for retaining and verifying the evidence
	Retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.
	Scheme implemented by the third party and so on to ensure reliability
Retain verification documentation in compliance with PEFC / FSC certification schemes as well as related national and provincial laws.	
Scheme of separate custody management	Real picture of the dealings, from logging to export
	Procedure for ensuring separate custody management
	Scheme implemented by the third party and so on to ensure reliability
Future Task and Perspectives	Criticisms against the system and recognition of problems
	Remediation procedure
	Future perspectives
	Promotion of correct understanding by customer for forest certification and CoC.
Reference Author	www.westernforest.com www.MBKK.jp
	Shuichi Shigyo, MacMillan Bloedel K.K.(Subsidiary of WFP) Vice President sshigyo@westernforest.com



Western Forest Products Inc.

TD Tower, P.O. Box # 10032, Pacific Centre
 Suite 510 - 700 West Georgia St.
 Vancouver, BC
 Canada V7Y 1A1
 Phone: 604-681-4500 Fax: 604-681-9584

November 6, 2010

CERTIFICATE OF INSPECTION AND SPECIFICATION / PACKING LIST

Mark: CKT227M Reference: 789141

DIVISION: Custom Cut Division DESTINATION: Tokyo, Japan
 INSPECTION DATE: 2010 Oct 26 GRADING RULE: RLIST, 2003

WE CERTIFY THAT THE MATERIAL COVERED BY THIS CERTIFICATE HAS BEEN TALLIED AND INSPECTED FOR QUALITY AND STANDARD OF MANUFACTURE AS PER CONTRACT AND IN ACCORDANCE WITH THE DESCRIPTION HEREIN CONTAINED. FURTHERMORE, THAT THE SAID MATERIAL WAS IN GOOD ORDER AND CONDITION AT THE TIME OF SHIPMENT.

DESCRIPTION	TALLY	PKGS	PIECES	GROSS FBM	NET FBM	GROSS M3	NET M3
5x5 Yellow Cedar #2 Merch Rgh Gm	Pieces: 20/12 51/12.5 848/13.2		919	25,130	25,130	59.340	59.340
	Packages: 21/13.2'	21					
TOTAL:		21	919	25,130	25,130	59.340	59.340

PEFC (CSA/SFI) - PEFC Annex 4 CoC #24629 - 100% Certified (CSA/SFI)

Package Details: 5x5 Yellow Cedar #2 Merch Rgh Gm

Tag No	Width/Grade	Piece Tally	Gross FBM	Net FBM	Gross M3	Net M3	Pcs
91688583	5.2M	45/13.2	1,297	1,297	2,820	2,820	45
91688600	5.2M	1/12.5 44/13.2	1,226	1,226	2,916	2,916	45
91688671	5.2M	45/13.2	1,297	1,297	2,820	2,820	45
91688691	5.2M	45/13.2	1,297	1,297	2,820	2,820	45
91688713	5.2M	45/13.2	1,297	1,297	2,820	2,820	45
91688736	5.2M	2/12.5 43/13.2	1,234	1,234	2,913	2,913	45
91688750	5.2M	45/13.2	1,297	1,297	2,820	2,820	45
91688788	5.2M	45/13.2	1,297	1,297	2,820	2,820	45
91688802	5.2M	2/12.5 43/13.2	1,234	1,234	2,913	2,913	45
91688836	5.2M	45/13.2	1,297	1,297	2,820	2,820	45
91688849	5.2M	4/12.5 41/13.2	1,231	1,231	2,907	2,907	45
91688867	5.2M	1/12 6/12.5 38/13.2	1,226	1,226	2,884	2,884	45
91688887	5.2M	3/12.5 42/13.2	1,233	1,233	2,909	2,909	45
91688908	5.2M	5/12.5 40/13.2	1,230	1,230	2,903	2,903	45
91688930	5.2M	7/12.5 38/13.2	1,227	1,227	2,898	2,898	45
91688957	5.2M	4/12.5 41/13.2	1,231	1,231	2,907	2,907	45
91688980	5.2M	3/12 3/12.5 39/13.2	1,225	1,225	2,892	2,892	45
91691193	5.2M	3/12.5 42/13.2	1,233	1,233	2,909	2,909	45
91691170	5.2M	3/12.5 42/13.2	1,233	1,233	2,909	2,909	45
91691190	5.2M	15/12 6/12.5 18/13.2	1,063	1,063	2,487	2,487	40
91691208	5.2M	1/12 2/12.5 21/13.2	864	864	1,846	1,846	24
Product Totals:		20/12 51/12.5 848/13.2	25,130	25,130	59.340	59.340	919

M3 Certificate v2.23

International Symposium on Legality Verified Wood 2010
REPORT

February, 2010

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