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The 3rd Japan-China Wood and Wood Products Trade Review Conference

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- Overview of membership:
 - 47 Prefectural Federations of Wood Industry Associations, 17 industry-classified associations (terminal members include about 30,000 companies in wood and wood products manufacturing and distribution industries), and 31 supporting members.
- Establishment:
 Established in 1954, and became an incorporated body in 1956.
- Purpose of the Federation:
 - This is the only national wood-industry federation operating for the purpose of ensuring the healthy development of the wood industry, covering the wood business community. The results based on the activities of the Federation serve the development of not only our members, but also more widely the wood industry as a whole, eventually contributing to the economic and social development of our country.
- Main business:
 - (1) Collection, exchange and adjustment of requests, views and information
 - (2) Proposals, petitions and recommendations
 - (3) Survey researches
 - (4) Dissemination, publicity, etc.





Order of Presentation

- Introduction
- The background and outline of wood legality certification in Japan
- The structure and approach of the Forestry Agency Guideline
- A new development of legal wood demand in recent years





Order of Presentation -1

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- Act for Promotion of Use of Wood in Public Buildings etc. was enforced in October 2010.
- Public buildings include:
 - i) Schools
 - ii) Nursing homes for senior citizens, childcare centers, welfare homes or any other similar social welfare facilities
 - iii) Hospitals or clinics
 - iv) Gymnasiums, swimming areas or any other similar athletic facilities
 - v) Libraries, Seinen-no-ie (training and accommodation institution for young people), or any other similar social educational facilities
 - Vi) Buildings comprising stations for vehicles or depots for ships or airplanes, and serving for the purpose of passengers' embarkation, disembarkation or waiting
 - Vii) Resting places to serve for the convenience of expressway drivers or users





Act for Promotion of Use of Wood in Public Buildings etc.

- Considering that the promotion of the use of wood will contribute to the prevention of global warming, the formation of a recycling society, the realization of forests' multifaceted functions, such as conservation of land, watershed conservation and others, and the economic revitalization of mountain villages and other areas (cited from Article 1: Purpose).
- The purpose is not to support the wood industry, but to tackle environmental issues.
- In order to promote the use of wood, it is necessary to stop wood use from placing a burden on the environment → to tackle illegal logging issues.





What Is Illegal Logging?

Illegal logging: Generally, logging conducted out in contravention of the law in each country.

Estimated figures on illegal harvest (OECD: Economics on illegal logging and timber trading)			
Cambodia	90%	Global Witness 1999年	
Indonesia	Max. 66%	World Bank 2006a Schroeder-Wildberg and Carius 2003	
Malaysia	Max. 33%	Dudley, Jeanrenaud and Sullivan 1995	
Myanmar	80 %	Brunner and other countries 1998年	





- Based on the agreement at the Gleneagles Summit (2005), part of the program under the Green Purchasing Act was revised (in 2006).
 - For the wood and wood products to be procured by the government etc., "it is desirable that their legality etc. has been certified and their sustainability has been taken into consideration."
- In response to the revision, the Forestry Agency devised out a "Guideline for the certification of legality and sustainability of wood and wood products" to certify the legality etc. of wood and wood products.
- Also, wood-related associations in the private sector started activities to eliminate illegally logged wood and positively use legal wood, based on the Guideline.
 - The point is that legality certification is equally required for any wood from any country, not only from Japan.





Japan's Green Purchasing Act-1

- The Act on the promotion etc. of the procurement of eco-friendly goods etc. by the State etc."
 - In purchasing goods, an organization of the State etc. is obligated to positively procure such eco-friendly goods etc. that reduce environmental burdens.
 - Local governments etc., such as prefectures and municipalities, are obligated to make such efforts
 - Business operators and the general public are generally obligated to "select eco-friendly goods as far as possible."





Japan's Green Purchasing Act-2

- The Green Purchasing Act was enacted in 2000, but, as mentioned earlier, part of the program under this Act was revised in 2006.
 - As a result, wood and wood products whose legality and sustainability are certified are included in eco-friendly goods.
- Wood-related items designated in the Green Purchasing Act:
 - Paper, stationery, office furniture, materials for public works (such as sawn wood, plywood, laminated wood, laminated veneer lumber and flooring), etc.)





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The Forestry Agency Guideline

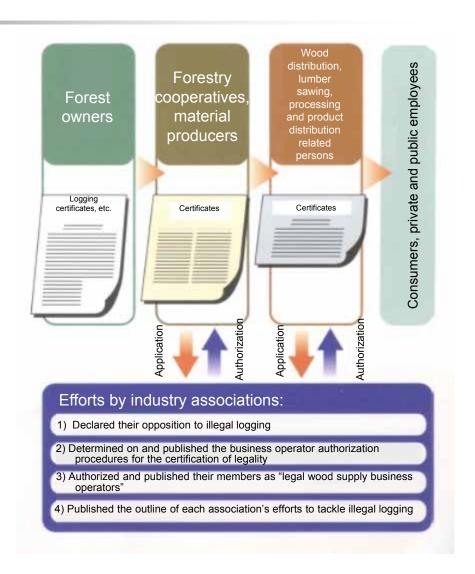
- Wood and wood products conforming to the Green Purchasing Act shall be produced or traded in compliance with the "Guideline for the certification of the legality and sustainability of wood and wood products" established by the Forestry Agency.
- Legality: "In logging, procedures shall have been performed properly in the light of the laws and regulations relating to forests in the country or region where raw wood (logs) is produced."
- As for the method of certifying legality and sustainability, the following three methods are specified:
 - i) Method of certification utilizing the forest certification scheme and Chain of Custody (CoC) certification scheme
 - ii) Method of certification by business operators under the authorization of related associations
 - iii) Method of certification by individual companies etc. through their own approaches



Method of Certification by Business Opera under the Authorization of the Related Associations



- Chain of legal wood certificates from forest owners through wood producers and distributors
- CoC, a mechanism of ensuring reliability of certificates
- Authorization by industry associations





Associations authorizing legal wood supply business operators in Japan (As of end of March 2011)

Category of associations	lumber of authorizing associations	Number of authorized business operators
1. Central authorizing associations	22	1,380
2 . Prefectural Federation of Wood-industry Association		4,775
District Federation of Wo	od- 15	722
3. Number of authorizing associations	41	798
4. Number of authorized business operators	15	439
Total	140	8,114





- For any wood to be imported to Japan, the starting point is whether or not the legal procedures for logging have been performed properly.
- Export permit alone is not enough to certify legality.
- So, business operators in each country have to issue documents certifying legality using the method specified in the Forestry Agency Guideline.





- Use of forest certification and CoC certification
 - Use of international forest certification systems such as FSC and PEFC
 - Use of regional and national forest certification systems
 - SGEC (Sustainable Green Ecosystem Council), a forest certification system in Japan
 - MTCC (Malaysian Timber Certification Council) in Malaysia
 - LEI (Lembaga Ekolabel Indonesia), etc. in Indonesia
 - China's forest certification system



The Present State of Certificates Certifyin Legality-3

- Certificates issued by business operators under the authorization of the related associations
 - Russian Far East Timber Exporters Association (Dalexportles Association) in Russia
 - Quebec Wood Export Bureau (QWEB) in Canada
 - American Hardwood Export Council (AHEC) in the United States
- As authorization associations, these associations authorize their member business operators to issue certificates of legality
 - The document that an association member authorized by the association (authorized business operator) issues with its authorization number at each shipment is a document certifying legality
- As for wood from China, part of it is are currently certified by the certificates issued by the Forest-products Identification Promotion Conference (FIPC), an authorization association in Japan





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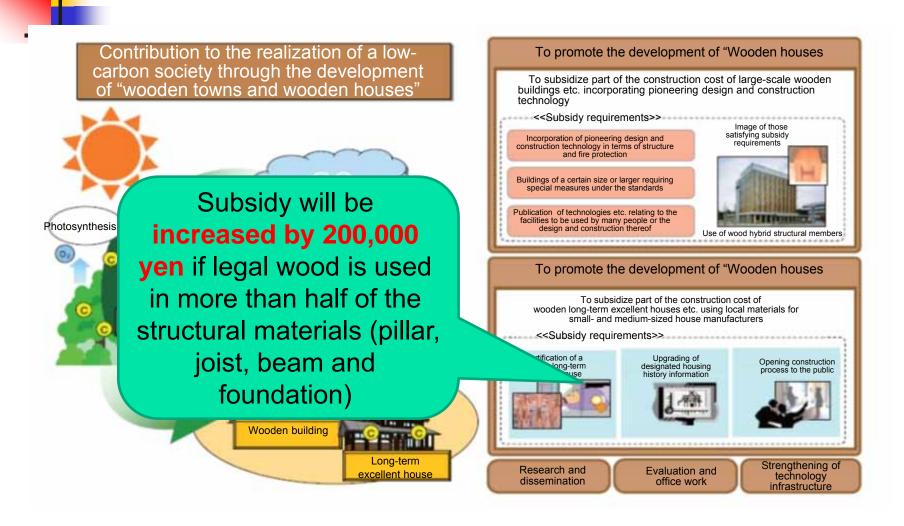


- The "Act on the Promotion of the Use of Wood in Public Buildings etc." was enacted in May, 2010, and the matters regarding legal wood (Goho wood) are specified in the "Basic Policy" prepared by the government.
- 2. Related part of the "Basic Policy on the Promotion of the Use of Wood in Public Buildings."
 - Basic direction of the promotion of the use of wood in public buildings
 - 4. Compatibility between wood supply/use and proper forest maintenance
 - For that purpose, people engaged in forestry, wood manufacturers and other related parties shall, while cooperating in related measures taken by the national or local governments, ensure logging and proper forest management practices, such as reforestation etc. after logging in accordance with forest planning etc. under the Forest Act, and ensure smooth supply of timber from forest thinning and wood etc. whose legality etc. is certified.
 - Furthermore, those who are engaged in the maintenance of public buildings shall, in using wood in the buildings they maintain, endeavor to select those falling under eco-friendly goods etc. specified in the Article 2, Paragraph 1, of the Green Purchasing Act.

TOPICS 2

Wooden House Development Promotion Project in FY2 (Long-term Excellent House Dissemination Promotion Project)









Conclusion

- Wood is a precious renewable material and is expected to be a leading player in a low-carbon society.
- It is important to resolve illegal logging problems and give a signal of not placing a burden on the environment.
- The Japanese market is rapidly oriented toward legal wood.
- It is important to tackle illegal logging by the cooperation between the world's largest forest product importing country, China and the fourth largest, Japan.





Memorandum on Tackling Illegal Loggi Signed between Japan and China

On August 19, 2011, the "Memorandum on cooperation to tackle illegal logging and related trade and support sustainable forestry management between the Government of Japan and the Government of the People's Republic of China" was signed by Minister of Agriculture, Forestry and Fisheries Kano and Foreign Minister Matsumoto on the Japanese side and Director of the State Forestry Jia (賈) on the Chinese side.

- 1. To build a system of certifying the legality of wood and wood products to be logged, processed, distributed, and exported or imported in their own country and promote the trade and use of legal wood and wood products
- 2. To assist wood producing countries in tackling illegal logging
- To conduct information exchange and capacity building on related domestic laws, regulations and systems, international efforts, etc.
- 4. To encourage voluntary efforts including those from the supply and consumer sides, as well as exchange on the private-sector level including associations, companies, etc.
- 5. To hold meetings to review the above-mentioned contents of cooperation and share experiences etc.



Thank you very much!