

International Seminar for Tackling Illegal Logging
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Prospects for Japanese measures against the illegal
logging issue and credible and distributable trading
of Goho wood and wood products

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1. The Role and Contribution of Consumer Countries on Tackling Illegal Logging

The illegal logging has been discussed in international society as an important issue to suffocate the efforts to implement Sustainable Forest management since the end of 90's. The discussion has involved various kinds of stakeholders including law enforcement authorities, custom officers, industry sectors, environmental NGOs and consumer groups.

We agreed the necessity of cooperation between the exporting and importing countries to eliminate the illegal timber trade.

The background of illegal logging, we have to consider serious complex social and economic problems in producing countries and it is difficult to seek the way only by the producing countries' effort.

It is important to reducing the incentive to illegal logging by the strong message 'illegally harvested timber should not be used' by consumer countries, and the exclusion of illegal timber from international trade will contribute to sustainable forest management for both sides of importing and exporting countries through maintain the adequate cost of timber.

G8 members committed 3 concrete measures for tackling illegal logging at Greneagles, UK in 2005.

- a. Introducing of the public procurement policy
- b. Encourage the discussion through the voluntary Code of Conduct to eliminate illegal timber trade.
- c. Strengthen assistance to producing countries.

Japan has taken various actions such as bilateral cooperation with Indonesia based on the action plan which signed 2002 and contribute the related project through ITTO under the collaboration with private sector, environmental NGOs and consumer associations under the determination 'illegally harvested timber should not be used'.

Regarding the Greneagles Action Plan, Japan introduced government procurement policy and hosts the expert meetings to monitor the activities by both of importing and exporting countries.

2. Japan's Procurement Policy and its Achievement

Japan has introduced the government procurement policy to lead the movement for 'not use any illegal wood' in market mechanism since April 2006. This policy points paper and paper products, furniture, stationery and wood and wood products using in public construction as the target products. The definition and verification systems for legality and sustainability are refer the guideline by Forest Agency.

This policy covers the wood and wood products supplied from domestic and imported from developed countries as well as imported from so-called high risk

countries.

All central government office and agency should draw out their own procurement plan each year and report the result of it.

The Guideline introduces 3 modalities for verification of legality and sustainability as examples.

Among the modalities, it is an unique system is the voluntary verification by the industry which endorsed by the association of industry under a code of conduct for declaration for not to use illegal wood. We expect this system will become one of the key elements of the CoCs to verify legality and sustainability. This system bases the industry complies with the law and regulation and has accountability to other parties. When any industry will interfere with the rule, she will be punished by both of the contract regulation and social penalty such as expelling from the association.

More than 6,000 industries have been already endorsed since introducing the government procurement policy, and their supply chain becomes cover the most of products and area in Japanese market.

We expect the dialogues which started with main exporting countries through introducing the government procurement policy in various stakeholders will accelerate the activities for legal and sustainable verification such as to improving timber tracking and industry's transparency.

3. The Lessons and Discussions

Although we do not have enough experience to examine the effectiveness and efficiency of Japan's government procurement policy yet, we recognize the necessity of further discussion on the following points.

- Dissemination this action on Goho-wood to the local governments and private sectors which occupied the main part, more than 97%, of wood consumption in Japan. It is important to involve these sectors to give incentives to strengthen the activities of eager producers and suppliers.
- Establishment of the staple market of Goho-wood to offer the opportunities to select Goho-wood as well as to accept the premium to the consumers whenever and wherever.

The imported wood and wood products (HS44) accounts 80% of Japanese Market, therefore it will be important to collaborate with the exporting countries including developed countries to establish the Goho-wood market. According to the international wood trade, we can realize to occupy the main part of market by Goho-wood if all developed countries will demonstrate legal verification to their own exporting wood and wood products, and it will become a strong pressure to

developing countries under market mechanism.

- Discussion the improvement the credibility and transparency of legal verification in the each steps of supply chain under voluntary actions under code of conducts which following the guideline, and the neutrality of endorsement by associations and groups.

It will necessary to evaluate the actual result of the procurement and consider the cost performance of verification system when we improve it, because of it is critical point for implementation of sustainable forest management, how to bring back the profit possible which comes from forest products as much as possible to forest management in the field level, otherwise the overhead cost will spend all the forest's fortune.

- Promotion the discussion on the concrete idea to treat the sustainability in this procurement policy.
- Consideration to establish systems to give various kind of information and proper advice which including complex rules and regulations on legal verification in each producing countries to both of supply and consuming sides.