

Current initiatives and future challenges to Japan's timber sector

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ABSTRACT:

Forest crime, or illegal logging and timber trade, continue to have major implications in the Asia-Pacific region as well as globally. While statistics are often debatable, it is generally accepted that a considerable portion of timber produced in the tropics continues to be illegal. Illegal logging has many important implications. It results in significant revenue losses in producer countries. It is also a major driver of forest degradation and deforestation. However, illegal does not automatically mean bad. It is crucial to make a distinction between the “need-based” illegal logging, for which there is a lot of justification as an important source of income for the people in remote parts of the producer countries, and “greed-based” illegal logging which is an outright crime.

To-date five types of initiatives have been deployed to address the illegal logging problem: 1) conventional law enforcement; 2) certification/legal verification; 3) green procurement policies; 4) voluntary partnership agreements; and 5) regional and multilateral processes. Over the last few years, the use of law enforcement to address illegal logging has intensified significantly. However, its effectiveness continues to be low. Various certification systems provide tools for log tracking and chain of custody assessments. While the concept of certification is gaining acceptance, it also faces constraints – particularly as a result of the proliferation of different certification schemes and lack of a unified international standard. Green procurement policies have been the main tool used by governments to influence demand for legal timber products. Japan and some EU country member governments have been particularly active in this regard. Japan's efforts and contributions have been outstanding. Japan has introduced the green purchasing law; incorporated “legality” (goho) as criteria for evaluation; specified verification approaches; and had a significant number of industry groups and timber companies verified according to these principles. This clearly is a significant progress. However, the private timber sector in Japan continues to exercise a high level of autonomy in carrying out timber legality verification and there continue to be questions about its robustness. On a broader scale, Japan has been a leading player in stressing the urgency of the illegal logging issue at G8 forum. It has also been a major catalyst for, and contributor to, climate change mitigation (Kyoto Protocol, REDD). Finally, it has been a major supporter of AFP – information exchange platform on forest governance in Asia-Pacific.

Despite to-date achievements and useful on-going processes helping address the illegal logging problem, there are a number of important challenges that Japan and other

importers of tropical timber (also G8 forum) need to consider. First, as a large number of people are engaged in informal timber sector for income in the producer countries, it is important to help find legal ways for these communities to produce timber legally and access major timber markets. Second, the effectiveness of forest law enforcement in producer countries needs to improve. This requires assistance for capacity building (professionalization) of forest law enforcement agencies. Third, higher standards/requirements for transparency and accountability for forestry corporations are necessary to ensure their operations are fully legal. Japan could help but expanding sector-wide the exemplary conduct of Oji Paper and Nippon Paper. Fourth, the global liberalization of timber trade, driven by sky-rocketing demand in China and India, is going to be a tough test for the viability of greater regulation of timber trade in Japan. Finally, there is a need for greater due diligence by banks financing forestry investments (Japan being a major financier of such investments) as banks often do not possess adequate forestry expertise to assess viability of forestry projects from timber legality point of view.