

[Outline of Presentation]

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Title:

The verification system of legal and certified wood and wood products applied in the Association «Dalexportles», Far East of Russia, and the perspectives of the Japanese market

I. Brief Profile of the Presenter.

«Dalexportles» Association (DEL):

- Foundation: 1990
- Membership: 21 companies
 - 11 major lumber companies and wood exporters at Far East of Russia
 - 5 wood transportation companies and insurance companies
- Core business - Harvest and export of logs, production and export of timber (lumber), processing and export of wood products, mainly made of needle-leaved and hard-wooded broad-leaved species.
- **Share of «Dalexportles» in export of wood products from Far East of Russia: about 50%**
- Major Export Markets - Japan, China, Republic of Korea and the European countries.

II. Current situation of Management of Forest and Awareness of the issue of illegal logging

In Russia there are two levels of forest management: federal and regional. At federal level the forest management is carried out by the Federal Forestry Agency of the RF Ministry of Agriculture and its territorial organ of the Far Eastern Federal District, that is the Forestry Department of the Far Eastern Federal District. The control of wood industry is carried out by the Department of Wood and Light Industry of the RF Ministry of Industry and Trade.

At regional level, in particular in the Khabarovsk Territory a forest management organ is the Forest Administration of the Khabarovsk Territory and a wood industry control organ is the Light Industry Committee of the Ministry of Natural Resources of the Khabarovsk Territory.

The fundamental forest law is the RF Forestry Code that has come into force on January 1, 2007, as well as 70 federal subordinate legislations regulating the various aspects of forest management including the lease procedure of a forest plot, the logging rules, the forest caring rules, the rules of sanitary and fire safety and so on.

Since 2009 in the Constituent Entities of the Russian Federation a basic regulatory

document in the scope of forest management is the Forest Plan which determines the future development of a forest sector in the given region.

III. The supply system and the actual state of the supply of wood and wood products with verified legality (goho-wood) based on the Guideline

In the territory of Far East of Russia there are some supervision systems of legality of logging and export of wood and wood products.

- 1. The state system based on more than 30 laws and regulations which consist of a lot of subsystems of crosschecks, in some cases even cross-validations. Not less than 15 ministries and agencies have been involved in an activity, the measures for improvement of state forestry monitoring and supervision and for strengthening of administrative penalties and criminal punishments have been put into effect, the remote monitoring of illegal harvests and illegal use of forestry fund lands by aerospace monitoring methods and GIS-technologies is carried out and the voluntary forest certification system has been put into practice.**

- 2. Certification system of forest control and supply chains in accordance with the FSC international standards**

In whole Russia as of September 2009 in the line of FSC the forest of about 23 million hectares have been certified and 78 certificates of CoC supply chain have been issued (for comparison, in 2007 about 19 million hectares have been certified and 36 CoC certificates have been issued).

In Far East of Russia as of September 2009 the certified forest area is 2.5 million hectares and 5 CoC certificates have been issued (3 certificates for the Primorie Territory and 2 for the Khabarovsk Territory).

In the «Dalexportles» Association two (2) companies have been certified in accordance with the international standards of the Forest Stewardship Council (FM/ CoC FSC).

- 3. Collective method of legality verification of harvesting and exporting of wood and wood products by the «Dalexportles» Association**

16 timber companies and wood exporters join the «Dalexportles» Association. Of them:

- Two (2) companies have been certified in accordance with the international standards of the Forest Stewardship Council (FSC FM/CoC).**
- One (1) company is in the process of audit in accordance with the FSC standards.**

- **Twelve (12) companies including the above three (3) ones have the certificates of legality verification of logging and export of wood and wood products in accordance with the methods developed by the «Dalexportles» Association.**
- **Four (4) companies have not been certified.**

The collective method of legality verification of harvesting and exporting of wood and wood products which is introduced by the «Dalexportles» Association exists since 2006.

IV. Future tasks and expectations of the Japanese market

In the near future the Japanese wood market is expected to be fairly sluggish quantitatively, but Russia will supply the market as much as necessary, while replying to the quality and environmental request like legality and sustainability.