

International Seminar on Goho-Wood 2012

違法伐採対策合法証明木材等に関する国際セミナー2012



Date: 11th, November. 2012 (Sun)

Venue: PACIFICO YOKOHAMA Conference Center Room503

Organized by Japan Federation of Wood Industry Associations (JFWIA)

Supported by Forestry Agency of Japan,

International Tropical Timber Organization (ITTO)

Organizer's Opening Address for the International Seminar on Goho-Wood 2012

As just introduced, my name is Motoaki Okuma.

Let me express my gratitude to all of you for gathering here from early in the morning to attend today's International Seminar on Goho-Wood 2012.

Today in particular, we have many participants, including five guest commentators from overseas. On behalf of the organizer, I would like to extend a heartfelt welcome and appreciation to all of you.

In Japan, efforts to establish and disseminate a supply system for legality-verified wood, which we call "*goho*-wood," based on Forest Agency guidelines, have been made mainly by related industry groups in order to respond to international trends, in terms of measures to control illegal logging, strengthen the Forest Act, and promote trade. This system, in which the wood's legality and other information about wood and wood products are conveyed to consumers through a series of certificates issued by member companies authorized by related industry groups following a specific procedure, has widely spread throughout Japan.

We believe that this activity, viewed worldwide as Japan's commitment to *goho*-wood, has the potential of becoming a global standard, rather than only remaining that of Japan. Today's schedule follows a meeting of the Board of Directors of the International Tropical Timber Organization (ITTO), which ended yesterday, and I expect that this seminar will provide a good opportunity for those from overseas involved in the Organization to expand their wisdom and discuss future prospects.

In Part 1 in the morning, a speech by Executive Director Akihiko Araya of the Forest Economic Research Institute is scheduled where reports will be made from various angles on Japan's efforts to verify the legality of woods, which are aimed at the illegal logging issue. In Part 2 in the afternoon, with Chief Takeshi Toma of the Partnership Promotion Office of the Forestry and Forest Products Research Institute presiding as Chair, participants, including overseas guests, will hold a discussion under the theme "The significance of and problems in Japan's verification of the legality of wood and wood products, from an international perspective." I am very happy both excellent Japanese leading forestry economist and scientist kindly take the role of coordinators of this seminar.

My specialty is the processing and utilization of wood. I would like to voice my personal opinion from the perspective of my specialty. The purpose of people who

utilize wood is to create good products and build good houses. To this end, top priority must be placed on securing wood as a raw material whose quality and performance has been verified. However, Goho-Wood and Certified Forest Products are not products whose quality has been guaranteed. So, I believe that cooperation is needed with such systems as the Japan Agricultural Standards (JAS) that define quality.

In other words, lumber and wood products, unlike industrial products such as steel and plastics, are biological resources that are produced naturally in a forest. When considering our close relationship with forests and their environmental preservation, we should be deeply aware that wood products are special products that need to be properly judged through a comprehensive evaluation that incorporates evaluations of legality, performance of environmental preservation, and resource sustainability, in addition to quality assurance.

The production and utilization of wood is positioned as a basic system for sustainably securing and utilizing resources that supports the 21st century. I believe that in the course of establishing such a system, our efforts related to *goho*-wood will play an important role.

We would appreciate it if you recognize the significance of our efforts related to *goho*-wood from a global perspective and express your candid opinions, which will be incorporated into our efforts related to *goho*-wood.

Thank you very much for your attention.

November 11, 2012

Motoaki Okuma
Chairman
the Council for Tackling Illegal Logging
and Promotion of Goho-wood
Japan Federation of Wood-industry Associations

International Seminar on Goho-Wood 2012

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**Outline of International Seminar on Goho-Wood 2012
Initiatives by Industry Associations in Japan to Combat Illegal Logging and
to Promote Legality Verification of Wood and Wood Products**

1. BACKGROUND AND OBJECTIVES OF THE SEMINAR

In Japan, associations related to wood and wood products have contributed to the government and international efforts on combating illegal logging and associated trade by developing and promoting the globally known “Goho(legal)- wood” supply system. This system is in line with the Guideline for the Verification of Legality and Sustainability of Wood and Wood Products developed by the Forestry Agency of Japan. The Goho-wood system ensures consumers the legality of the products through the chain of documentations issued by authorized companies which are accredited by industrial associations. The principle of the system has been applied to the Guideline for Woody Biomass for Generation of Electricity, which were recently developed by the Forestry Agency of Japan.

This international seminar is organized by the Japan Federation of Wood Industry Associations (JFWIA) to inform international participants as well as domestic stakeholders about the Goho-wood system and its implementation including its future prospects. In order to have wider range of international participants, the seminar will be held back to back with the ITTC sessions.

2 GENERAL INFORMATION

- (1) DATE: Sunday 11, November 2012 (The following day of ITTC)
- (2) VENUE: Pacifico Yokohama #503 Meeting Room
- (3) Organizer: Japan Federation of Wood Industry Associations (JFWIA)
- (4) Sponsor: Forestry Agency of Japan
- (5) Supported by: International Tropical Timber Organization

3 PROGRAM OUTLINE

Opening Session (1000-1220:TBA)

Part I: Reports from Participants (1025-1215:TBA)

Efforts to tackle Illegal logging and associated trade: timber legality verification system by Japanese Industry Associations'

This session introduces the Goho-wood system which provides legality verified timber and wood products to consumers. The system is based on documentation issued by authorized companies which are accredited by industrial associations. This method of verification is in line with procedures specified in the Forestry Agency's Guideline. The session aims to clarify the implication of the Goho-wood initiative in the global trade.

Moderator: Dr Akihiko Araya (Chairman of Forest Economic Research Institute)

Speakers: Representatives from Forestry Agency, timber industries housing industry, and furniture industry (TBC)

Part II: Panel Discussion (1315-1600:TBA)

The significance and challenges of the Japanese timber legality verification system from an international perspective

This session evaluates the implementation of the Goho-wood initiative and discusses its challenges and future potential of from a perspective of foreign timber companies and stakeholders who have concern about illegal logging and associated trade.

Moderator: Dr Takeshi Toma (Head, Partnership Promotion Office, Bureau of International Partnership, Forestry and Forest Products Research Institute (FFPRI))

Panelists: Representatives from related sectors such as business, governments, from China, Indonesia, Malaysia, USA and EU (TBC)

4. Exciting Board

Name	Title	
Dr. Takeshi Toma	Head, Partnership Promotion Office, Bureau of International Partnership, Forestry and Forest Products Research Institute (FFPRI)	Science
Ms. Yuki Sakamoto	FairWood Campaign Organizer, The Global Environmental Forum (GEF)	ENGO
Mr. Yasuhiro Ohashi	Executive Director, Japan Lumber Importers Associations	Importer
Dr. Akihiko Araya	Chairman of Forest Economic Research Institute	Economics
Mr. Susumu Kawakita	Executive Director, Japan Plywood Manufacturers Association	Timber Industry
Dr. Takashi Fujiwara	Managing Director, Japan Federation of Wood Industry Associations	Timber Industry

Program of International Seminar on Goho-Wood 2012
Initiatives by Industry Associations in Japan to Combat Illegal Logging and
to Promote Legality Verification of Wood and Wood Products

○Opening Session (10.00-10.20)

Greeting from Chairman of Council for Tackling Illegal Logging and
Promotion of Goho-wood,
Remarks from Forestry Agency,

○Part I Reports from Participants (10.25-12.15)

Efforts to tackle Illegal logging and associated trade in Japan (Goho-Wood):
Timber legality verification system by Japanese Industry Associations”

Moderator: Dr Akihiko Araya (Chairman of Forest Economic Research Institute)

Time	Agenda	Person
10.25	Keynote Speech (1) Japan's Experience in Addressing Illegal Logging	Mr. Osamu Hashiramato (Director, International Trade Office, Forestry Agency)
10.45	Keynote Speech (2) Lessons from legality verification by timber associations for the Japanese domestic market and its potential to become an international standard	Dr. Takashi Fujiwara (Managing Director, Japan Federation of Wood Industry Associations)
Reports from Industry Associations'		
11.00	Supply System and Promotion of Goyo-wood in Hokkaido	Mr. Mitsuru Takafuji (Managing Director, Hokkaido Federation of Wood Industry Associations)
11.10	Activities for Goho-wood of Plywood Industry in Japan	Mr. Susumu Kawakita (Executive Director, Japan Plywood Manufacturers' Association)
11.25		Mr. Yasuhiro Ohashi (Executive Director, Japan Lumber Importers Association)
11.40	Reports from Users	Mr. Hideaki Kurihara (General Manager, Technical Department,

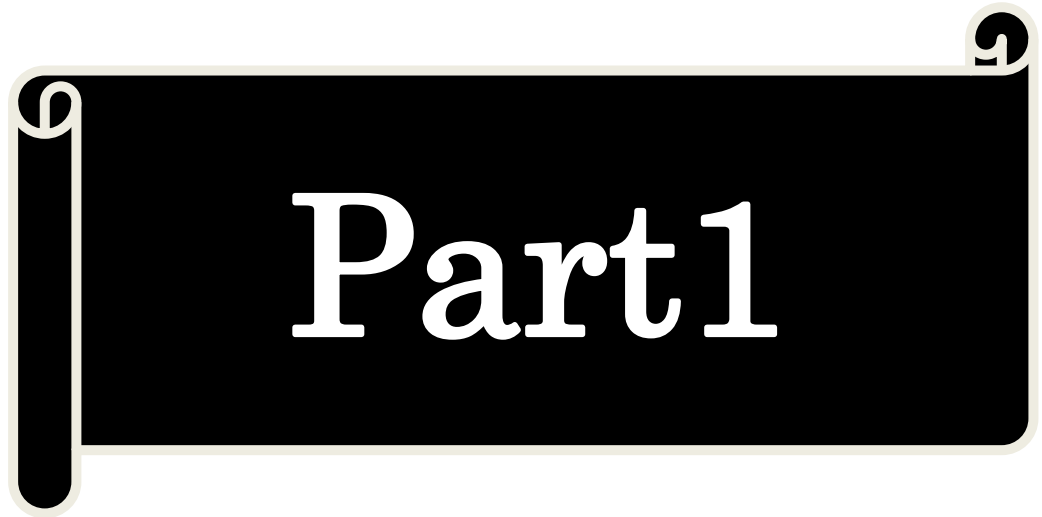
		Karimoku Furniture Inc.) Mr. Koichi Sato, Secretary General, Ibaraki Morikaraie-Housing-Net
12.00	Closing Comments	Dr. Akihiko Araya
1215	Closing	

○Part II: Panel Discussion (1315-1600:)

The significance and challenges of the Japanese timber legality verification system from an international perspective

Moderator: Dr Takeshi Toma (Head, Partnership Promotion Office, Bureau of International Partnership, Forestry and Forest Products Research Institute (FFPRI))

Time	Agenda	Person
13.15	Opening Remarks	Dr Takeshi Toma
13.25	Panel Discussion (I) Brief presentations by foreign guest commentators	Related persons from Exporting Countries Ms. Luo Xinjian, Associate research fellow, Research Institute of Policy and Information, Chinese Academy of Forestry
14.30	Break	Dr. Agus Sarsito, Director for Forestry Development Control, Regional I, Ministry of Forestry
14.45	Panel Discussion (II) Possibility of Activities of Industry Associations for illegal logging issue	Ms. Annie Ting, Senior Manager, Sarawak Timber Association Mr. Andre de Boer, Secretary General , the European Timber Trade Federation Mr. Jameson French, Chairman, US Hardwood Federation
15.45	General Discussion	Open to the floor
	Closing Remarks	Dr Takeshi Toma
16.00	Closing	



Part 1

Lessons from legality verification by timber associations for the Japanese domestic market and its potential to become an international standard

Takashi Fujiwara, Managing Director
Japan Federation of Wood Industry Associations

1 Introduction

The Japanese Forest Agency introduced a Guideline describing a method to ensure timber legality from the point of harvest through the supply chain. The method authorizes companies that are accredited by associations to provide legality verification (a kind of environmental quality information) to timber demanders and consumers. After 6 years implementation of the Guideline, this method has been serving not only for the Green Purchase Act but also other relevant subsidy services including that of promoting Long-Life Quality Housing by Ministry of Land, Infrastructure, Transport and Tourism. I would like to introduce the significance of this well established system in the international context.

2 The experience of legality verification by companies authorized by associations

(1) Overview of Japanese timber industry organization

Japan has tens of thousands of timber companies including loggers, saw millers, distributors and manufacturers. Nearly twenty thousands of them are organized in industry-groupe organizations like regional cooperatives, prefectural-scale associations and nation-wide associations per type of businesses.

(2) Process of authorization by associations

Timber related associations that want to authorize their member companies according to the Forestry Agency's Guideline shall establish the self-disciplinary code of conduct (anti illegal logging, support to governmental policies and promote the effort actively etc), publish the developed authorization procedure and promote it to their own member companies. The member companies that want to be authorized assign the responsible person and develop the policy on management system of product separation from non-verified products, documented management procedures etc following to the standard to submit to their authorizing association. Once authorized, the company can issue the verification for their products as long as they are made up of only verified material. The chain of verifications according to the business chain enables the buyers to

ensure the legality of timber.

At present, 142 associations have been registered and 8,600 companies are authorized. (For more information in English please go this link <http://www.goho-wood.jp/world/>. Also please view our short movie (in English and Chinese available) from the link)

(3) Legality information from the point of origin

For domestic timber, the point of origin of legality is the harvest permission by the Prefectural Governor (if from conservation forest) or “notifications of harvest and silviculture” submitted to the mayor (if from privately owned forest).

In the case of imported timber, 1) verification by authorized associations, 2) forest certification schemes or 3) export permissions which are linked to the evidence of harvest origin and accredited by specific countries (i.e. Indonesian BRIK endorsement (to be reformed to TLAS system) and Malaysian endorsed export permission) are eligible. Goho Secretariat welcomes the information related to the verification and willing to make open discussion and make the information publicly available. When question arises, we will open for further discussion.

3 The significance of having a chain of authorized companies

(1) The importance of information on the environmental quality of timber

Timber is recognized and promoted as an alternative of fossil resources; a renewable resource, helping to fix carbon. However, illegally logged timber can have the opposite effect. It is important to provide environmental quality information of timber products including burden and contribution on the environment of the production process of the products no matter where it was harvested and distributed. For example, the exporter of FLEGT-licensed timber to EU market would like to have identification system in EU market of their products for the consumers in EU. . Therefore, we need an efficient system of distributing information to compete materials sourced from underground.

(2) Timber trade has complicated supply chains

Petroleum-based materials and metals which compete against timbers are not difficult to trace especially in the production process with only limited players involved. In contrast, timber usually goes through many hands and comes from various sources and has countless harvest origins and production stages and paths, the business network is more diverse from upstream to downstream. It is impossible to keep monitored the whole timber market through whole supply chain by a third party. It is important to utilize the registered association's

wide-range existing network for distributing information.

(3) Diversity of origin of environmental quality information of timber

Apart from how to manage the legality information, distributing environmental quality information is important as long as it clarifies the any kind of source of information.

For example, The Goho-wood model verification chain system is now also required in the verification of wooden chip sourced from thinning operation, responding to Green Purchase Act (“Guideline for verifying wooden chip sourced from thinning operation” Forest Agency, July 2009) and the identification of “unused wooden biomass produced from forest harvesting and thinning” to address act on special measures for procurement of renewable energy by electric power suppliers (“Guideline for verifying wooden biomass used for power generation” June 2012).

(4) Global potential of Goho-wood

Consumers will become demanding various information about environmental burdens or contributions of production process of timber. Industry sectors are requested to cooperate each others for utilization of business network for the mission. The Goho-wood may have such flexible potential in Japan and also possible in global context as the minimum systemic infrastructure to be adopted for any type of scheme.

4 Credibility of authorized associations system

Our challenge is ensuring the credibility. As the Goho-wood doesn't include third party monitoring, the solution must be the open information.

When even only one company in the supply chain failed to follow the standard, it affects on whole credibility. It is vital to ensure opening information of verification issuance process by individual companies and transparency of legality evidences.

At present, I identified the challenges Japan needs to address as 1) more transparent public information by associations, 2) establishment of common monitoring procedures.

(Wood suppliers' side)

Name	Mitsuru Takafuji
Title	Executive Director
Organization name	Hokkaido Federation of Wood Industry Cooperative Associations

1. Brief introduction of the organization

(1) Establishment

September 1950 (A federation of cooperative associations based on the Small and Medium-Sized Enterprise Cooperatives Act)

(2) Purpose of the association

To implement joint projects necessary for its members, to promote its members' economic activities and to help improve their economic status

(3) Organization of the association

The members of the association include cooperative associations comprising operators in the forest, wood products manufacturing industries, and building materials retailers, as well as supporting members who intend to cooperate with the association's operations.

No. of members: 44 cooperative associations, 132 supporting members

(4) Major projects

Projects related to bolstering demand for wood which are implemented for its members

Information provision and dissemination of knowledge related to management and technological improvement of its members' business

Projects related to surveys and research conducted for business of its members, etc.

2. Outline and dissemination of "goho (legal)-wood" activities

(1) Pursuant to the Guideline for Verification on Legality and Sustainability of Wood and Wood Products announced by the Forestry Agency of Japan, the association established its "Code of Conduct" and "Procedure to Authorize Member Companies," and initiated authorization from August 2006.

(2) The association has so far authorized 441 business operators, including loggers, sawmillers, wood processors, and wood distributors.

Type	Members of cooperative associations and supporting members	Non-members	Total
No. of operators authorized at the end of March 2012	263	178	441

(3) The volume of legally verified wood supplied by the association's authorized member companies in FY2011 was approximately 400,000 m³ (78% of their total shipment)

(4) Dissemination and public relations activities

[Dissemination]

- Sent posters and brochures to and asked municipalities throughout Hokkaido to take measures against illegal logging and to promote dissemination and raise public awareness among citizens.
- Implemented dissemination and public relations activities by distributing brochures for general consumers at such opportunities as events related to forest owners, forestry or the wood industry.

[Public relations activities]

- Introduced its efforts in measures against illegal logging on the association's website, which also includes the Code of Conduct for measures against illegal logging, Procedure to Authorize Member Companies, and names of authorized member companies

Dissemination and public relations activities at events



3. Activities to secure credibility

(1) Monitoring (on-site inspection)

- Visit 100 selected business operators every year, and confirm the status of separation of *goho*-wood from other wood and the management of reports & forms

(Survey items) • Record of buying and shipment of *goho*-wood

- Method to confirm purchased *goho*-wood on-the-spot
- Confirmation of preserved documents on the verification of legality
- Status of separation and management *Goho*-wood from other wood
- The status of requesting the verification of the legality of wood and wood products from the consignee

[Example of separation and management] Separation and management through indication with a marker

(Logs)



(Sawn wood)



(2) Training Seminar

- The Training Seminar for *Goho*-wood Suppliers is held annually in two blocks, with a total of six blocks having been held, in Hokkaido.

Year	2010	2011	2012
No. of trainees	72	108	141
Training venues	Sapporo & Hakodate Cities	Obihiro & Kushiro Cities	Asahikawa & Kitami Cities

4. Evaluation from demand side

- With an increasing number of national governmental and other subsidy programs making mandatory the use of *goho*-wood for the construction of institutional buildings and houses, there is a year-on-year growing demand for the use of *goho*-wood on the wood supplier side.
- Although recognition of *goho*-wood among general consumers is still quite low, inquiries about *goho*-wood have been increasing recently from architect offices and builders.

5. Problems to be solved

(1) Requests for the government

- Expand the subsidy system for the construction of wooden public facilities using *goho*-wood
- Provide special tax treatment and eco-points for houses built by using *goho*-wood

(2) Requests regarding imported wood

- The establishment of a mechanism by each country to monitor their wood for export, in order not export illegally logged wood from the countries.
- Since the verification method for illegally logged wood varies according the country, it is often difficult to confirm the method in each case. Therefore, if there is any labeling method that would help them to identify the item as *goho*-wood at a glance, it would be a great help.

(3) Issues in securing credibility

- To enhance and maintain credibility of the system, it is necessary to increase the level of monitoring of authorized member companies by respective authorizing bodies.

(Wood suppliers' side)

Name	Susumu Kawakita
Title	Executive Director
Organization name	Japan Plywood Manufacturers' Association (JPMA)

I Brief introduction of the organization

1) Establishment

July 1965 (A nationwide federation of commercial and industrial associations based on the Small Enterprises Law)

2) Purpose of the association

To implement projects on R&D for production technologies, expanding demand, information gathering and provisions related to plywood, in order to develop Japan's plywood industry, as well as to stabilize and streamline management of the association through cooperatives and partners of the cooperatives.

3) Organization of the association

The association consists of four plywood industry cooperatives in four areas of Japan (Tohoku, Tokyo, central Japan, and western Japan). Partners of cooperatives are 35 factories from 31 enterprises, and produce plywood that accounts for approximately 90% of Japan's total domestic plywood production (approx. 2,500,000 m3). (As of July 2012)

4) Major activities

Create statistics regarding plywood, encourage the spread of domestic plywood, develop new products, and implement environmental measures, such as measures against illegal logging.

II Outline and dissemination of "goho (legal)-wood" activities

1) The " Self-disciplinary Code of Conduct on Measures against Illegal Logging" and "Procedure to Authorize Member Companies Related to the Verification of Legality of Wood and Wood Products" were established in March 2006 according to the Forest Agency's guidelines.

2) Authorized companies (JPMA's partners of cooperatives, etc.) as of August 1, 2012, total 36 factories from 26 enterprises.

3) Shift in the supply of Goho-wood

- Shift in input of logs for manufacturing plywood

(Unit: thousand m3)

Year	Input of logs (A)	No. of legally verified logs (B)	(B)/(A)%
FY 2007	4,808	1,706	35%
FY 2008	3,195	1,856	58%
FY 2009	2,834	2,079	73%
FY 2010	3,426	2,568	75%
FY 2011	3,363	2,207	66%

(Note) Enterprises affected by the Great East Japan Earthquake in March 2011 have not been included in the numerical values for FY2010.

(Source) Summary values of the Japan Plywood Manufacturers' Association (JPMA)

• Shift in the utilization of domestic wood in logs for manufacturing plywood

(Unit: thousand m3)

Year	Input of logs (A)	Input of domestic logs (B)	(B)/(A)%
FY 2000	5,401	138	3%
FY 2005	4,636	863	19%
FY 2010	3,811	2,490	65%
FY 2011	3,858	2,524	65%

(Note)

The numerical values include enterprises outside the Japan Plywood Manufacturers' Association (JPMA).

(Source) Statistics by the Ministry of Agriculture, Forestry and Fisheries.

• Shift in output of domestically-produced plywood (table)

(Unit: thousand m3)

Year	Output of production (A)	Output of legality verified products (B)	(B)/(A)%
FY 2007	2,572	147	6%
FY 2008	2,079	425	20%
FY 2009	2,092	472	23%
FY 2010	2,412	405	17%
FY 2011	2,264	414	18%

4) Dissemination activities

Display at Eco-products 2011 for legality verified domestic plywood, etc.



III Activities to secure credibility

1) Public relations activities

- The Self-disciplinary Code of Conduct, Procedure to Authorize Member Companies and names of authorized companies are posted on JPMA's website.

2) Implementation of training, monitoring, etc.

- Training programs are held for executives of authorized companies and for persons in charge of the separation of Goho-wood from other wood and the management of documents

Year	No. of trainees	Training venues
FY 2007	50	Sendai, Tokyo, Nagoya, Osaka
FY 2008	37	
FY 2009	34	
FY 2010	28	
FY 2011	46	Sendai, Tokyo, Nagoya, Shimane

- Every year, monitoring of approximately three member companies is conducted, based on the Procedure to Authorize Member Companies. Personnel from the head office of JPMA visit and interview persons in charge at the member companies and confirm the separation of Goho-wood from other wood and management of document.

IV Evaluation from the demand side

- 1) With promotion of the construction of durable, long-lasting houses with excellent anti-earthquake and energy-efficient features through the utilization of "Goho-wood," etc. and implementation of the Act for Promotion of the Use of Wood in Public Buildings, there is a growing interest in Goho-wood as designated procurement items based on the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities.
- 2) Many prefectures have supported houses built using wood, and have established an approval system for excellent quality wood. As one of the requirements for approval, more and more systems verify the legality of wood and wood products in accordance with the Forest Agency's guidelines.
- 3) With an increasing number of house builders and furniture makers becoming conscious of environmentally-friendly eco-products, more companies now have procurement policies requiring wood whose legality has been verified.
- 4) Against this backdrop, although *goho*-wood has attracted greater attention, only a few orders have been made for legality-verified plywood (JPMA has provided guidance regarding the shipment of plywood with verified legality, regardless of the presence or absence of requests from users.)

V Problems to be solved

1) Requests for the government

To provide incentives for the use of Goho-wood (such as Goho-wood use points).

To create a mechanism to promote Goho-wood by labeling Goho-wood and wood products with a common mark.

2) Requests for log suppliers including importers, etc.

To promote the supply of legality verified logs regardless of whether those logs are imported or produced in Japan.

3) Issues in securing credibility

Research on an appropriate and effective method to separate Goho-wood from other wood and systematization of documents by a third-party agent for office procedures.

(Wood suppliers' side)

Name	Yasuhiro Ohashi
Title	Executive Director
Organization name	Japan Lumber Importers' Association (JLIA)

1. Brief introduction of the organization

- Established: April 1950, 63 years since its establishment. Voluntary membership association.
- Purpose of establishment: To contribute toward the healthy development of the industry by conducting business necessary to promote the import of timber through mutual close cooperation among import companies.
- Scope of business: Collection and analysis of statistics on timber imports and their demand/supply; information/opinion exchanges with domestic and overseas timber industry associations; and opinion proposals to government and industry.
- Membership: 54 general trading houses, timber-specific trading companies, timber wholesalers, wood processors, etc. Among these, 40-members conduct timber import every month. Total import volume by member companies is almost 10 million m³ (FY2011). This accounts for almost 60% of imported wood or wood products to Japan (including logs, sawn timber , laminated lumber , veneer, plywood, fiberboards, and particle boards).

2. Outline and dissemination of "Goho-wood" activities

- 2004–2005: Survey on documents related to the shipment of imported wood and its actual distribution, and a report to the Forestry Agency.
2006: Established JLIA "Group authorization system" based on guidelines by the Forestry Agency related to the governmental procurements.
2010: Submitted a request letter to overseas wood industry associations asking for extra supply of Goho-wood (including CoC certified timber)
Most members conducting actual timber import are already registered as JLIA authorized – suppliers.
- Most of JLIA members also obtained Forest and CoC certifications to conduct chain of procurement, supply and guarantee of Goho-wood (refer to table below). Among those with CoC certification, 29 members obtained FSC and 31 members obtained PEFC, with 25 members obtaining both certifications. The quantity imported by JLIA members having CoC certification accounts for more than 90% of the total imported volume by all members.

Transition of members obtaining CoC certification (Japan Lumber Importers' Association:

	2006 and before	2007	2008	2009	2010	2011	2012	
FSC:	4	11	14	19	25	28	29	(Currently 29 companies)
PEFC:	7	10	11	18	23	29	31	(Currently 31 companies)

- Goho-wood trade records (Target period: April 2011 to March 2012. Based on the report from members) Of the total import quantity of wood and wood products of 9,883,000 m³, 4,881,000 m³ (49%) was verified to be Goho-wood; of this, 1,383,000 m³ was delivered to the domestic market as Goho-wood.

(Item)	(Total imports)	(Goho-wood imports)	(Goho-wood supply)
Log	2,807,000 m ³	1,686,000 m ³ (60%)	754,000 m ³
Sawn timber	3,163,000 m ³	421,000 m ³ (13%)	149,000 m ³
Plywood	2,585,000 m ³	2,266,000 m ³ (88%)	273,000 m ³
Others	1,328,000 m ³	508,000 m ³ (38%)	206,000 m ³
Total:	9,883,000 m³	4,881,000 m³ (49%)	1,383,000 m³

3. Activities to secure credibility

- Providing regular training seminars:
At the time of first authorization and its renewal every 3 years, we will visit respective member companies to conduct training seminars for responsible managers and persons in charge. In addition, we intend to conduct additional trainings (2 times every 3 years) at the midterm of the authorized period (3 years).
- Conducting monitoring:
Monitoring is also conducted at the same time the above training seminars are held. We examine member activities such as document filing conditions, description of management documents, confirmation of procurement/supply results of Goho-wood, and examination of improvement points.
- To receive the trainings and monitoring, most of members have already obtained various certifications including FSC-CoC, FSC-CW and PEFC-COC, and deeply understand the separate custody management and document control. Accordingly, in the training seminar we focus on enhancing understanding and active utilization of the certification method by utilizing the “Group authorization system,” which Japan uses to supply and spread Goho-wood.
- The names of responsible persons from JLIA authorized suppliers and their training history are

posted on the website “Goho-wood Navi” and occasionally revised.

- Visiting training seminars conducted so far:

2007: 41 members 191 persons

2009: 43 members 168 persons

2010: 31 members 123 persons

2012: 38 members 108 persons



4. Evaluation from the demand side

- Since many domestic processors dedicate themselves to supplying Goho-wood, they often request Goho-wood certification on the imported logs for raw materials. Whereas, in most of the imported sawn timber for the distribution industry, the need for Goho-wood from wholesalers, etc. has been relatively low.
- In the recent two years, the need for Goho-wood has increased because homebuilders are supporting the trend of environmentally conscious products, and Goho-wood certification is mentioned in the wood utilization promotion policy. JLIA aims to actively prepare and voluntarily supply Goho-wood regardless of distributor or consumer demands.
- Along with these changes in the current situation, overseas suppliers are starting to actively supply Goho-wood to Japan. Also, the number of overseas suppliers obtaining CoC certification has increased over the past two years.
- Although the distribution industry, or demand side, has less capability to obtain CoC certification, the need for Goho-wood including CoC certification will likely increase in the future. This is because CoC-certified timber supplied by overseas suppliers and importers (JLIA member companies, etc.) can provide a chain of Goho-wood guarantee by using the association authorization system.

5. Problems to be solved

- Although the situation is changing as noted above, the ratio of Goho-wood certification

especially to imported softwood sawn timber is still low, remaining as a problem needing improvement. The possible causes for this are: first, the verification method of a legality other than Forest or CoC certification has not been clarified in many countries; and second, timber having the Forest or CoC certification is not actively supplied as an CoC certified timber.

- Although overseas suppliers and importers (JLIA members, etc.) are registering CoC certifications by paying grate costs, it is not too nice that many are not effectively utilized. We are expecting early improvement of this situation, including establishment of a system that can verify the legality at overseas by some other means in addition to the Forest and CoC certifications.

(Wood supplier's side))

Name	Hideaki Kurihara
Title	Director of Technical Group Department
Organization name	Karimoku Furniture Inc.

1 Brief introduction of the organization

(1) Overview of the International Development Association of the Furniture Industry of Japan, which we are joining

The International Development Association of the Furniture Industry of Japan was established in April 2010 by merging the former Japan Export Furniture Manufacturer's Association established in May 1957 with the Federation of Japan Furniture Manufacturer's Association established in February 1964.

Membership mainly consists of furniture manufacturers, distributors, designers, etc.

The main purpose is to contribute to the improvement of the cultural aspects of national life and to boost the trading sector by facilitating the globalization and development/promotion of the furniture industry.

Currently consists of 51 regular member companies/organizations and 15 supporting member companies, a total of 66 corporations/organizations.

(2) Introduction of Karimoku Furniture Inc.

In April 2010, Kariya Mokuzai Kogyo Co., Ltd (established in 1947) and Krimoku Furniture Inc. (established in 1968) were merged to become Karimoku Furniture Inc., which functions as the headquarters of the Karimoku Group.

Located in Aichi Prefecture, and engaged in the manufacturing and distribution of wooden furniture. Annual turnover: 21 billion yen (business results in FY2011) 890 employees (as of April 2012)

The whole group consists of 5 manufacturing companies and 4 materials factories for the supply of wood. The business department of the group operates a manufacturing and wholesale business with 27 sales offices and 19 showrooms.

2 Outline of measures to utilize Goho-wood

(1) Utilization of "parawood"

As one of the measures for promoting Goho-wood and reducing environmental problems, we

established a materials factory in Malaysia in 1988 to produce furniture using “parawood” from rubber tree plantations on a short cycle.

Though "parawood" which already tapped natural rubber, used to be left unused and mainly disposed of by being burnt as waste, we were able to treat it with our technology, in order to utilize it as a material for furniture, and develop, manufacture, and distribute the resulting parawood furniture products.

(2) Activities as a Goho-wood supplier

In 2006, certificates for Goho-wood were made obligatory by revision of the Green Purchasing Law, and since then, our company has begun to prepare or issue Goho-wood certificates for our products, with authorization from the International Development Association of the Furniture Industry of Japan. We conduct separate management of the company, prepare the certificate from the previous process, and issue our certificate for Goho-wood as a chain of guarantee to customers. We treated a total of 4,697,607 m³ of Goho-wood in FY2011.

(MTCC2: 592,485 m³, RPP1: 276,101 m³, PEFC: 654,948 m³, FSC: 126,498 m³, and company authorization: 47,575 m³)

(3) Measures for forest certified wood

Last year, we obtained COC certification as part of the FSC/PEFC forest certification process, and in this fiscal year, we are releasing and promoting PEFC certificated products to ordinary users and customers at exhibitions etc.

At the IFFT (International Furniture Fair Tokyo) held the other day, we exhibited FSC certificated products, though as part of a reference exhibition.

From now, we are intending to proceed with measures to promote Goho-wood to contribute to the demand for forest certificated products as a company.

3 Background of the measures for promoting Goho-wood

Knowledge of Goho-wood has increased since 2006 when the measures for promoting anti- illegal logging began, based on the domestic Green Purchasing Law.

Though the Green Purchasing Law applies to only public works and facilities, the response rate to these measures seems to be increasing with high awareness among domestic materials manufacturers.

We consider that such national measures we are conducting for public works and facilities as an ordinary company on a regular basis will lead to a succession of measures in the future for ordinary consumers, and also lead to environmental conservation and observance of the law.

However, the degree of acceptance and recognition of Goho-wood in the Green Purchasing Law is, in fact, still low among ordinary consumers.

4 Request to the supply side

Some supply side companies still do not or cannot obtain authorization for Goho-wood suppliers, so that formal certification according to the domestic Green Purchasing Law cannot currently be provided in some cases.

Also, in regard to imported wood materials from overseas, the measures taken in each countries are different and sometimes complicated, Sometimes we cannot obtain certification for some wood materials we treat, especially from China, because the have a wider variety of tree types.

Unified measures, marks, and seals like that of the American Hardwood Export Council (AHEC) may be convenient.

Though we are promoting the domestic consumption of domestic wood such as Japanese cedar and cypress, we still greatly rely on imported wood from overseas, so it is expected that Goho-wood certification measures will be expanded within Japan and overseas by establishing the circumstances for facilitating the issuance of Goho-wood certification to imported wood.

Since we, on the demand side, producing the products, are also suppliers to ordinary consumers, we are expected to prepare measures to ultimately ensure that all materials we treat is Goho-wood.

In order to realize the situation above, it is required, in particular, to explore methods for authorizing the materials and suppliers that find it difficult to obtain certification by elaborating detailed confirmation steps and procedures.

Also for imported wood, since the measures are different from country to country, it is necessary to apply simpler nationwide measures such as unified standards, certification methods, standardized certificates, marks, and seals to the imported wood to cope with illegally logged wood.

It is important and necessary to provide details of measures in each importing/exporting country, since the knowledge of the measures being applied in the countries exporting wood to Japan are indispensable for us.

If possible, it is desirable to create a system to issue Goho-wood certification using a simpler way without requiring a special certificate.

5 Challenges and problems to be solved

As already mentioned above, it is necessary to work with the companies concerned to establish measures so that all materials are Goho-wood.

As for our own efforts, we will implement measures to respond to demand from the national government, customers, and ordinary consumers by carefully examining and checking the wood materials whether they are applicable to Goho-wood.

By establishing COC certificated products under the forest certification process, we will also make efforts to promote Goho-wood and its certification system while focusing on COC certificated products.

(Wood suppliers' side)

Name	Koichi Sato
Title	Secretariat
Organization name	Ibaraki Morikaraie-Housing Network

1. Brief introduction of the organization

Establishment: March 1, 2012

Purpose of the association: (1) To provide regional housing trusted by consumers; (2) To conserve the regional forest and dwelling environment; (3) To ensure the proliferation of excellent long-lasting houses and to enhance construction techniques; (4) To develop successors of the organization according to the abovementioned purposes; and (5) To establish wood circulation systems from upstream to downstream.

Number of members: 126 companies

Log market: 3 companies, sawmillers: 15 companies, precut factories: 5 companies, distribution: 33 companies, design: 10 companies, construction: 79 companies. (Total does not match because one company operates in multiple fields.)

Major activities: Holds various kinds of training seminars and workshops (for members). Provides housing information to consumers via a website.

2. Outline of measures for the utilization of Goho-wood

Delivery of the wood to "Ibaraki wood using campaign" (An activity conducted by Ibaraku Co., Ltd, which is the administrative body of the network).

Perzentation of pillars to customer: A system to donate pillar wood worth a maximum of 200,000 yen to houses constructed by the traditional wooden method in Ibaraki Prefecture (a system unique to Ibaraki Prefecture). Granted to 450 houses in FY2012 (including 150 houses for victims of the Great East Japan Earthquake).
 Examples of grant conditions: Delivered by a company authorized as a "Goho-wood Supplier" located in Ibaraki Prefecture. Amount of Goho-wood utilized in the structure should be 50% or more, etc.

Delivery of wood to public property: To deliver "wood produced in Ibaraki Prefecture" (Goho-wood) to public property (elementary and junior high schools, etc.) constructed in Ibaraki Prefecture based on the "Law regarding Promotion of Wood Utilization in Public Buildings, etc."

3. Background of measures for the utilization of Goho-wood

Adopted for the FY2012 Subsidy Programs of the Ministry of Land, Infrastructure, Transport and Tourism, "Regional Residence Branding Program" (First period)

Conditions for the adoption of the "Regional Branding Program" (First period)

(1) Volume of Goho-wood

By utilizing the Goho-wood certification system, this association set the following criteria: the use of Goho-wood for at least 90% of the structure materials. In addition to this, this association added the obligatory provision for setting a quantity of Goho-wood used for secondary structure materials (Total number of "tsubo" for the building $\times 0.05 \text{ m}^3$ / number of "tsubo", or more)

We established a system to supply Goho-wood to houses provided by member builders, by requiring all types of wood-treating businesses (log market, sawmills, pre-cut factories, distributors) to be member companies of the Goho-wood certification system.

(2) Utilization of "Kizukai CO2 fixation certification system" conducted by the Japan Wood Youth Group Association.

The total volume of delivered Goho-wood (the structure materials and secondary structure materials only) to each house for the subsidy is calculated according to the rule of the CO2 fixation certification system, and the calculated results will be evaluated by a third party.

We demonstrate our environmental protection efforts to the building owners and customers by expressing numerically the "quantity of CO2 fixed" by the relevant house.

(3) Utilization of CASBEE house - newly built (B+ or more)

CASBEE, sponsored by the Institute for Building Environment and Energy Conservation (IBEC), is a system to "comprehensively evaluate the quality of buildings including the comfortableness of the rooms and concern for the landscape by assessing and rating the buildings in terms of environmental performance," which cannot normally be assessed with excellent long-lasting houses.

The objective of our house building is clearly shown to the building owners and consumers by using the numerical figures obtained by rating (calculating) the "environmental performance" of the house.

In addition to these, there are many other conditions.

4. Requests on the supplier's side

Though the use of Goho-wood of this association was limited to the "structure materials and secondary structure materials" in this adopted program, we are aiming to limit all deliverable wood including wood fixtures and interior/exterior furnishing wood to Goho-wood in the future.

To realize this aim:

Regarding domestic wood: establish a system to show the log producing district on sawn wood (in the case of the log market in Ibaraki Prefecture), because logs having different producing districts are mixed for sale after being classified into grades in order to lower the cost when being sold at the log market (a log distribution center where loggers auction wood to sawmillers).

Regarding imported wood: establish a system to simply retrieve Goho-wood authorization information, such as SGEC, FSC, PEFC and CoC forest certification, at the time consumers and designers select the imported wood.

5. Challenges and problems to be solved

To improve the organization of this Housing Network so as to contribute to the regional housing industry by accumulating our experience and achievements in the future, because it has not been long since the association was established.

To become an "information center of residential construction" by positively informing the objective of our association to consumers (especially the citizens of Ibaraki Prefecture).

To improve our knowledge, technical ability, and ability to cope with various conditions and future national measures (Energy Saving Act, low carbon houses, etc.) by making efforts to become a trustworthy organization chosen by the owners (consumers).



Part2

Comment Sheet (revised)

Name	Luo xinjian
Title	Associate Researcher
Organization	Chinese Academy of Forestry
Country	China

Outline of the Organization

Chinese Academy of Forestry (CAF) was founded in 1958 based on the former Central Research Institute of Forestry established in 1953. The academy now has 4,476 staff workers, The academy is active in academic exchanges and has established cooperative relation with more than 20 national and international organizations.

Basic Policies of the organization on illegal logging issues and its activities

Chinese commitment to international initiatives to combat illegal logging and associated trade

- **EU-China Bilateral Coordination Mechanism on Forest Law Enforcement and Governance**

Signed in 2009, start implementing in 2010, EU-China BCM on FLEG is a forum for:

- policy dialogue
- information exchange
- consideration of possible shared approach in combating illegal logging and associated trade

Timber Legality Verification Schemes

A research program of Chinese Academy of Forestry in collaboration with ProForest running from October 2009 -July 2011, co-funded by UK DFID, DEFRA and SFA.

Aim: to provide detailed proposals to the Chinese Government on the establishment of a practical timber legality verification scheme.

Key activities:

- Analysis of market requirements for legal timber and timber products
- Comparative study on existing timber legality verification schemes
- Draft recommendations on timber legality verification schemes
- Pilot testing using the draft legality verification schemes
- Stakeholder consultation
- Development of policy recommendations

Green Public Procurement of Timber

In October 2006, the Ministry of Finance and State Environmental Protection Agency (now Ministry of Environmental Protection) jointly released a “Public Procurement List of Environmental Label Products”

Currently 24 product types, include wood-based panel, wooden flooring and furniture
Are recognized to be included in a legality framework for domestic sources and sustainability for imported sources.

Dynamics in the Private Sector

Chain of Custody certificate holder: FSC 1393, PEFC 102, CFCC (piloting, expecting 20 in 2010)

GFTN China: 27 members; 7,993,732 m³

WWF China Green Wood Initiatives

TFT/TTAP: various supply chains identified by EU buyers; one international supply chain obtained third party verification

China National Forest Products Industry Association (CNFPIA) “Code of Conduct” –Guide to Due Diligence on Wood Origin and Legality

FPI network

This year under the support of Chinese State Forestry Administration, a network which involved Government, Associations, enterprises and research institute named Forest Products Index Mechanism (FPI) was launched. One of its main activities is to have periodic dialogs between government agencies and timber enterprises, associations and research institutes. At present, the main topic under discussion is the issue of verifying the legal timber trading system and related training for enterprises.

Topics1 General Evaluation of Japan’s Action for illegal logging issue

The Japan Federation of Wood Industry Associations has made considerable efforts to push forward the legal timber verification system in Japan. If there was information on the operationalization of this system for domestic as well as imported timber and how much wood is traded under the system compared to the total volume of wood traded in Japan then a good assessment of the system would be possible. In particular it would be very informative to learn how the system deals with imported wood

products.

Since it is a new and complicated system, it will take time for people of all levels to understand and support the system. The Chinese Forestry Industry Association is now trying to push forward a Chinese Legal timber verification system., I believe there are some experiences that Japan Federation of Wood Industry Assoc. can share with Chinese Forestry Industry Association

It is important for all countries introducing procurement policies to inform supply countries and to negotiate with them on timing of implementing any new regulations and to also provide technical and material assistance to all supply countries on how to establish a TLAS.

It will take several years for supply countries to be ready.

For example the FLEGT which has taken many years to get ready and still countries are not ready even with help from the EU.

Topics2 Possibility of Activities of Industry Associations for illegal logging issue in the context of Goho-wood

The Chinese forestry industry associations are trying to agree a timber legality verification system for piloting in November this year.

The problem is a timber legality verification system will increase the costs of the timber processing enterprises. This will be a particular burden for the small and medium sized forestry enterprises. As such the success of a timber legality verification system needs government, associations and enterprise to cooperate with each other in a way that has not been achieved in the past.

Especially at the early stages of implementation the government and associations need to provide more assistance to enterprises.

Comment Sheet

Name	Agus Sarsito
Title	Head
Organization	Center of Forestry Development Coordinator for Sumatera Region, Ministry of Forestry
Country	Indonesia

Outline of the Organization

Brief history, Center of Forestry Development Coordinator for Sumatera Region was established to coordinate forestry development in Sumatera Region involving many Directorate General within Ministry of Forestry as well as Povincial and Distric Government.

Member ship, Mnistry of Forestry is a member of among other FAO, ITTO

Objectives, The objective of the Center is to synergy available resources for optimum support to forestry developement is Sumatera Region.

Main Activities: (1) To Coordinate forestry planning for Sumatera region; (2) Supervise implementation of Management Unit in Sumatera Region; (3) Fasilitate conflict resolution.

Basic Policies of the organization on illegal logging issues and its activities

As Forest resources are the most prominant asset for sustainable development, sustainable forest resources is the most important. One of the major threat to Indonesia's forest is illegal logging and its associated trade. Therefore, combating illegal logging and its associated trade has become strategic policies since early 2000. In combating illegal logging, Indonesia have taken two approaches. The first approach is by law enforcement and the second is by soft approach, developing Indonesia Timber Legality Assurance System (Indo-TLAS) or Sistem Verifikasi Legalitas Kayu (SVLK). SVLK is complement to law enforcement, because the law enfrocement alone can not solve illegal logging problem.

Topics1 General Evaluation of Japan's Action for illegal logging issue

As Indonesia highly committed to combat illegal logging and its associated trade, any effort addressing illegal logging, including Japanese effort as one of Indonesian timber and timber products major consumer, will increase the effectiveness of the effort. It is the right time for importing countries, including Japan, to demonstrate its commitment in combating illegal logging and its associated trade, not limited to domestic but also global scale. Goho-wood, could be linked to SVLK to accommodate demand on imported timber/timber product of Japanese market.

Topics2 Possibility of Activities of Industry Associations for illegal logging issue in the context of Goho-wood

Industry is part of value chain of timber products. Therefore participation of industry association in addressing illegal logging is very important. Possible activities for industry associations related to combating illegal logging in the context of GoHo-Wood, is to establish close communication and cooperation to support promoting legal timber in the market.

Comment Sheet

Name	TING Yien Ding, Annie
Title	Senior Manager
Organization	Sarawak Timber Association
Country	Malaysia

Outline of the Organization

The Sarawak Timber Association (STA) is a trade association formed on 7 August 1971 by 3 founding timber associations. STA represents about 500 member companies which are involved in the upstream and downstream activities of the timber industry and its subsequent trade. Some are multinational companies dealing with forestry industry and timber trade, including forest plantations. STA member companies deal with logs and timber products which include sawntimber, plywood, mouldings/dowels, furniture, furniture parts, laminated boards and other panel products. Among the objectives of STA are (1) to promote, foster and enhance the relations between all members of the Association; (2) to promote and uphold as prudently as possible the interests and well being of all members of the Association; (3) to promote, ascertain and protect the continuous well being of the timber trade and industry in the State of Sarawak and so on.

Basic Policies of the organization on illegal logging issues and its activities

STA supports and promotes the practice of sustainable forest management and the trade of legal timber. Logs in Sarawak have been verified by the relevant authorities as those harvested by licensed person(s) from approved area(s) and in accordance with the laws, regulations and procedures pertaining to forestry and trade in the State of Sarawak and/or Malaysia, whichever applies.

Topics1 General Evaluation of Japan's Action for illegal logging issue

Sarawak Timber Association (STA) applauds Japan's efforts in taking necessary actions/measures to address illegal logging internationally as well as domestically especially over the last 6 years. This seminar is one of the Japan's efforts where relevant stakeholders from all over the world are invited together in one forum to share experiences with each other, with the aim of eliminating illegal logging globally. Illegal logging is a very complex issue, and it cannot be done alone. This issue has been further complicated and challenged by the ever evolving definition of legality and sustainability by different international organisations as well as Non-Governmental Groups. It is important to understand the difference between legal and certified timber. Also, STA recognizes that there is an urgent need to

reach international consensus on the definition of legality and sustainability and verification method which can be adopted by all stakeholders. All stakeholders in this context are not only confined to the government and industry but also the NGOs and the interest parties, and all are required to play their part and as well as to take effective actions for mutual benefit of all stakeholders.

Topics2 Possibility of Activities of Industry Associations for illegal logging issue in the context of Goho-wood

STA continues to work closely with the relevant forestry authorities of Sarawak to ensure the supply of logs and timber products are legal, based on the system provided in the Legality Verification of log in Sarawak (LVLS). With this assurance of supply of legal timber we aim to sustain our forests, which is in line with the objectives of Goho-wood. STA strongly believes that to tackle illegal logging effectively requires firm action and commitment from both timber producing and consuming countries. STA and Industry Associations in Japan can work together to publicise these requirements and systems in their own countries.

Comment Sheet

Name	André de Boer
Title	Secretary General
Organization	European Timber Trade Federation
Country	The Netherlands

Outline of the Organization

The ETTF was founded in the early sixties. It organizes 11 national timber trade federations.

Objectives, defend interest of members

Main Activities, lobby, advice

The aim of the ETTF is a.o.:

- to represent the interest of the timber trade in their dealings with the EU as well as other institutions and organizations both inside and outside the EU,
- to engage such issues whether professional, economic, ecological or fiscal likely to promote and to favor the consumption of timber.

The mission of the ETTF is a.o.:

- to make timber the sustainable choice
- to support international efforts to adress deforestation, governance and climate change
- to implement codes of conducts

Basic Policies of the organization on illegal logging issues and its activities

- ETTF has a code of conduct obliging its members not te be involved in illegal activities
- At the moment mainly preparing for upcoming EUTR (effective from 3 March 2013)

Topics1 General Evaluation of Japan's Action for illegal logging issue

ETTF Receives very positive the Japanese scheme which encourages maximized number of companies to participate the effort to ensure the timber legality.

- Creates level playing field which doesn't differentiate in- and out side of the border.
- Prevents diversion of timber flows which possibly mitigate the risk of trading the illegal timber.

**Topics2 Possibility of Activities of Industry Associations for illegal logging issue in
the context of Goho-wood**

ETTF supported the implementation of the EUTR, including the prohibition to place illegally produced timber on the market.

ETTF is supportive toward FLEGT and the closing of VPA's.

The members of ETTF are bound by a code of conduct. This code of conduct aims at banning all illegal activities.

Within the frame of the EUTR the ETTF has developed due diligence procedures.

Recently the ETTF launched the International Timber Trade Forum. This ITTF aims at liaising producers- and importers federations in order to exchange information on a.o. initiatives directed at banning illegal production.

At the same time members of the ITTF try to see to it that rules and regulations with regards to illegality such as EUTR, Lacey act and the Australian bill are based on the same principles.

ETTF promotes the use of if not sustainably the at least legally produced timber in public procurement.

Comment Sheet

Name	Jameson S French
Title	President and CEO – Northland Forest Products,
Organization	Past Chairman, The Hardwood Federation
Country	USA

Outline of the Organization The Hardwood Federation

Brief history: Started in 2003 – Largest Washington DC based hardwood trade association

Member ship: An umbrella organization consisting of 22 trade associations, representing over 10,000 companies. Range from plywood, flooring, veneer to solid hardwood.

Objectives, activities: Promotes and represents the common business interests of our membership to Members of Congress, administration officials and others in Washington DC.

Basic Policies of the organization on illegal logging issues and its activities

Leading industry group in support of Lacey Act amendment of 2008. Believes Lacey Act not only helps protect the worlds forest but it offers a fair and level playing field for US workers and companies directly impacted by the flow of illegally harvested wood and products made from that wood into the USA.

Topics1 General Evaluation of Japan’s Action for illegal logging issue

At time (2001) Japan’s law was progressive and a head of the rest of the world, but now its voluntary basis is not strong enough.

Important to establish a law that prohibit the importation of illegal wood. None of the current voluntary systems are strong enough.

Japan is a very important wood market and a world leader on these issues, Its time for Japan to join the USA, Europe and Australia with strong legislation to stop the flow of illegal wood products.

**Topics2 Possibility of Activities of Industry Associations for illegal logging issue in
the context of Goho-wood**

Very important to work together with responsible environmental groups (ENGO's) as well as other partners (labor, consumer groups etc.) to create a broad coalition to support the changes.



Reference

Guideline for Verification on Legality and Sustainability of Wood and Wood Products (Provisional Translation)

February 2006
Wood Products Division
Forestry Agency of Japan

1. Summary

Illegal logging is a very important problem to be solved for the world wide preservation of environment and sustainable forest management. The Japanese government has been tackling this problem based upon the principle that 'illegally harvested timber should not be used'. Cooperation at bilateral, regional and multilateral phase, developing technology for distinguishing illegally harvested timber, supporting measures in private sector and so forth have been carried out as countermeasures against illegal logging.

Besides, G8 Gleneagles Summit held in UK July 2005 endorsed the outcome of the G8 Environment and Development Ministerial Conference which committed to a range of actions to adopt public procurement policy, to control illegal logging and associated trade, and to assist timber producing countries. And in "JAPAN'S CLIMATE INITIATIVE", it is also referred to that actions should be taken to tackle illegal logging through government procurement policy and other related policies.

Under these circumstances, Government of Japan set methods for verifying legality and sustainability of wood and wood products and decided to promote verified products as appropriate items for procurement of ministries and agencies, independent administrative institutions, special legal entities and so forth, by means of amending "Basic Policy on Promoting Green Purchasing" of "Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities" (Law No.100 of 2000).

This guideline is drawn up to indicate some points which the supplier of wood and wood products should pay proper attention to when they verify legality and sustainability of their supply.

2. Definition

The definition of each terms in this guideline are as follows.

(1) Legality

The timber to be procured should be harvested in legal manner consistent with procedures in the forest laws of timber producing countries and areas.

(2) Sustainability

The timber to be procured should be harvested from the forest under sustainable management.

(3) Forest Certification System

System in which third party institution assesses and certifies the forest management level based on the standard settled by the independent forest certification institution.

(4) CoC (Chain of Custody) Certification System

System in which third party institution assesses and certifies the company about its way of custody to separate wood and wood products which originated in forest with certification properly from those not.

(5) Separative Custody Management

The way of custody to manage wood and wood products verified with legality and sustainability separated from those not.

3. Methods of Verification

Examples of methods of verification on legality and sustainability of wood and wood products are as follows.

(1) Forest certification system and chain of custody system

① Outline

This method utilizes a forest certification system and chain of custody system in which the third party institution assesses and certifies the forest under sustainable management and wood and wood products harvested from such forest are under separate custody and consumers could purchase these items selectively. (Reference No.1)

② Notes

Legality and sustainability need to be verified by the certification seal on wood and wood products, payment or receiving slips and so forth connecting with CoC certification.

(2) Verification method by company under the authorization of association

① Outline

Associations for forest owners, forestry or wood industry make their voluntary code of conduct for supplying wood and wood products verified with legality and sustainability.

Under these voluntary code of conduct, the scheme to guarantee the association member's adequate way of supplying wood and wood products verified with legality and sustainability (for example, scheme to assess and guarantee the system for separate management, document management, etc.) and points to be paid proper attention when supplying wood and wood products and other articles should be prescribed and announced publicly.

In more concrete term, guaranteed company issues the paper (verification), to the related company closest in commercial process, which verifies that wood and wood products they supply are with legality and sustainability and under separate custody management.

And verification are issued repeatedly and mutually at each supply stage to make chain of verification on legality and sustainability. (Reference No.2)

② Notes

a. General notes

In the verification at each stage on legality and sustainability, the given number when verified should be described in addition to the basic information about list of items amount and so forth of objective wood and wood products.

b. Notes at harvesting stage

At harvesting stage, in addition to the basic subjects in general notes (a. above), the name of site where the timber was harvested should be described and legality and sustainability should be verified as indicated below.

a) Regarding legality, it should be described in the verification that the timber was harvested in legal manner consistent with procedures in the forest laws of timber producing countries and areas.

b) Regarding sustainability, it should be described in the verification that the timber was harvested from the forest under sustainable management.

c. Notes at processing and distributing stage

At processing and distributing stage, in addition to the basic subjects in general notes (a. above), it should be described in the verification that the products are verified with legality and sustainability or made from materials verified.

d. Notes at delivery stage

At delivery stage, on requests from purchaser, in addition to the basic subjects in general notes (a. above), it should be described in the verification that wood and wood products for delivery are verified with legality and sustainability.

e. Notes for other points

a) Verification of legality and sustainability needs the description of necessary subjects, but statement of delivery with necessary description of these subjects could be substituted for the verification.

b) Part of description of subjects in the verification could be omitted if the copy of existing documents (such as statement of delivery) with the same contents as verification are attached.

(3) Verification method by original measure of each company

① Outline

A company such as a large scale one, not adopting the method (1) or (2) above, verify legality and sustainability by means of its original measure under comprehension of distribution process from harvesting to delivery.

② Notes

Regarding legality and sustainability, the same level of reliability needs to be secured as the verification method by the company under the authorization of association for forest owners, forestry or wood industry.

4. Preservation of Verification

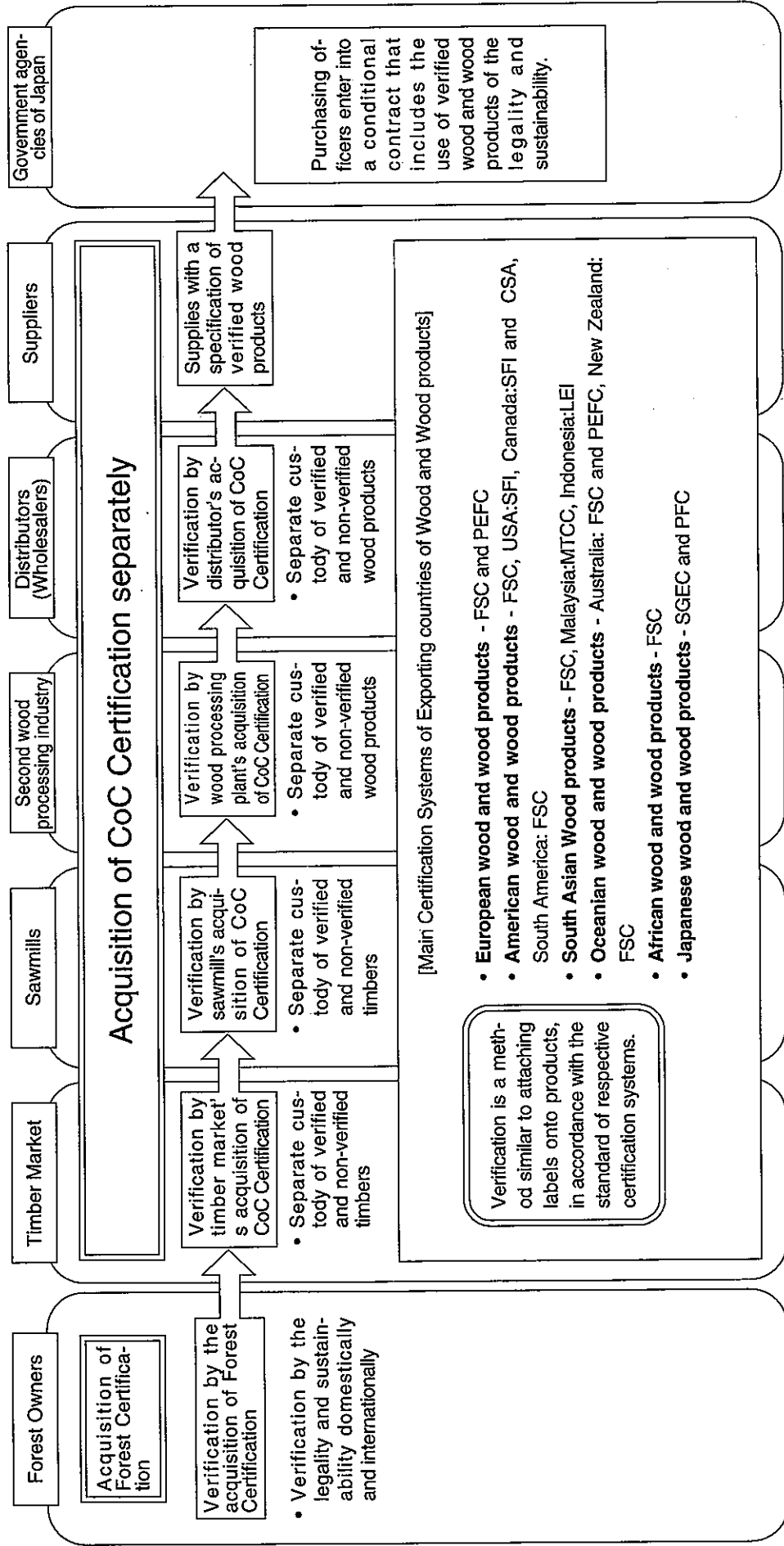
Related company should preserve verification they issued during definite terms and present underlying documents if required.

5. Assessment and Review

This guideline will be assessed and reviewed by the multi-stakeholder meeting composed of diverse members such as related associations for forest owners, forestry or wood industry, persons from academic society and environment NGO with examination about the enforcement situation among the persons and companies concerned in wood and wood products sector corresponding to the government procurement based on the "Basic Policy on Promoting Green Purchasing", and proper amendment may be added as occasion demands.

Reference 1

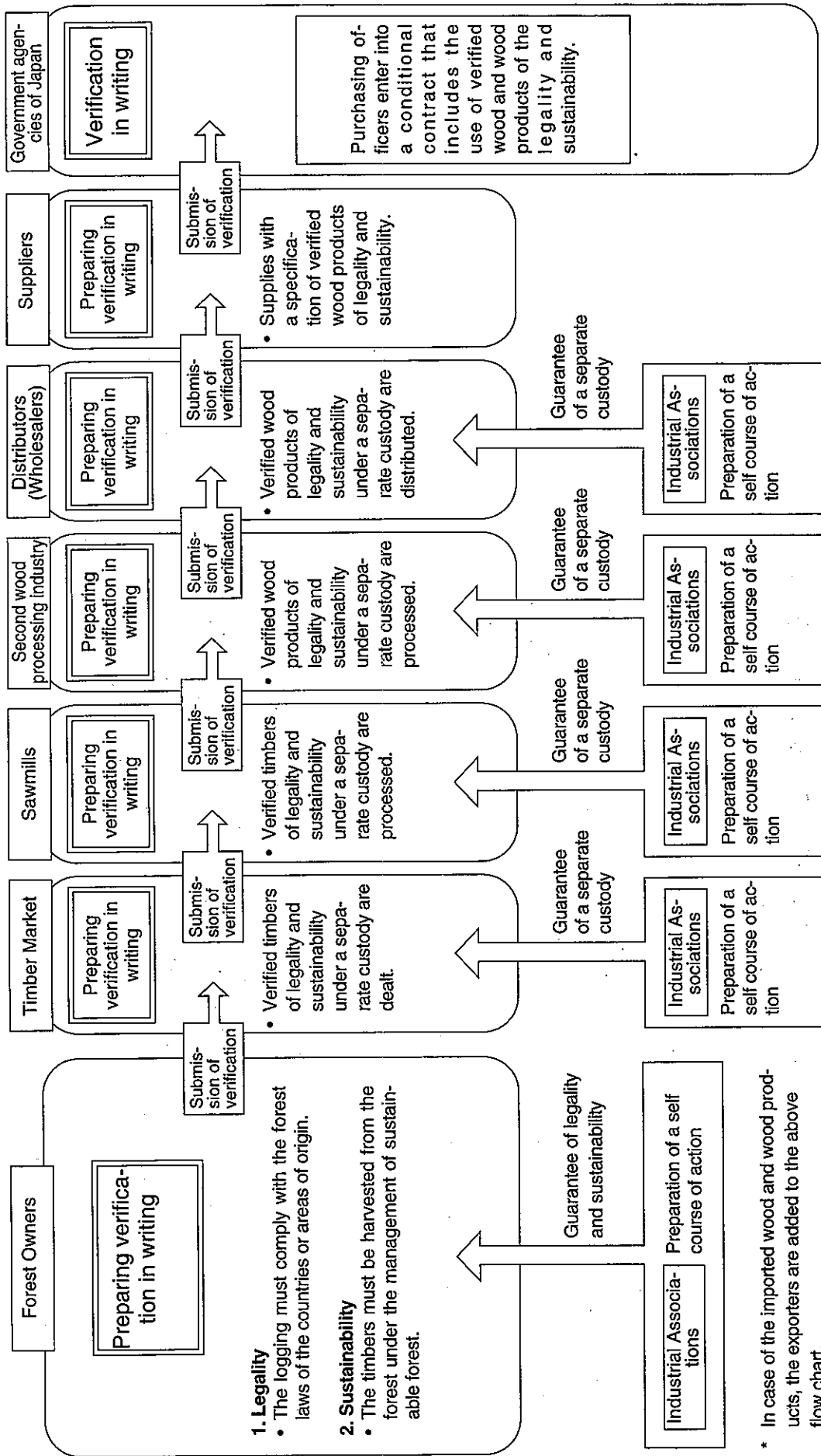
Verification by Forest Certification and CoC (Chain of Custody) Certification Systems (Image drawing)



Reference 2

Verification by private enterprises authorized by relative organizations

(Image drawing)

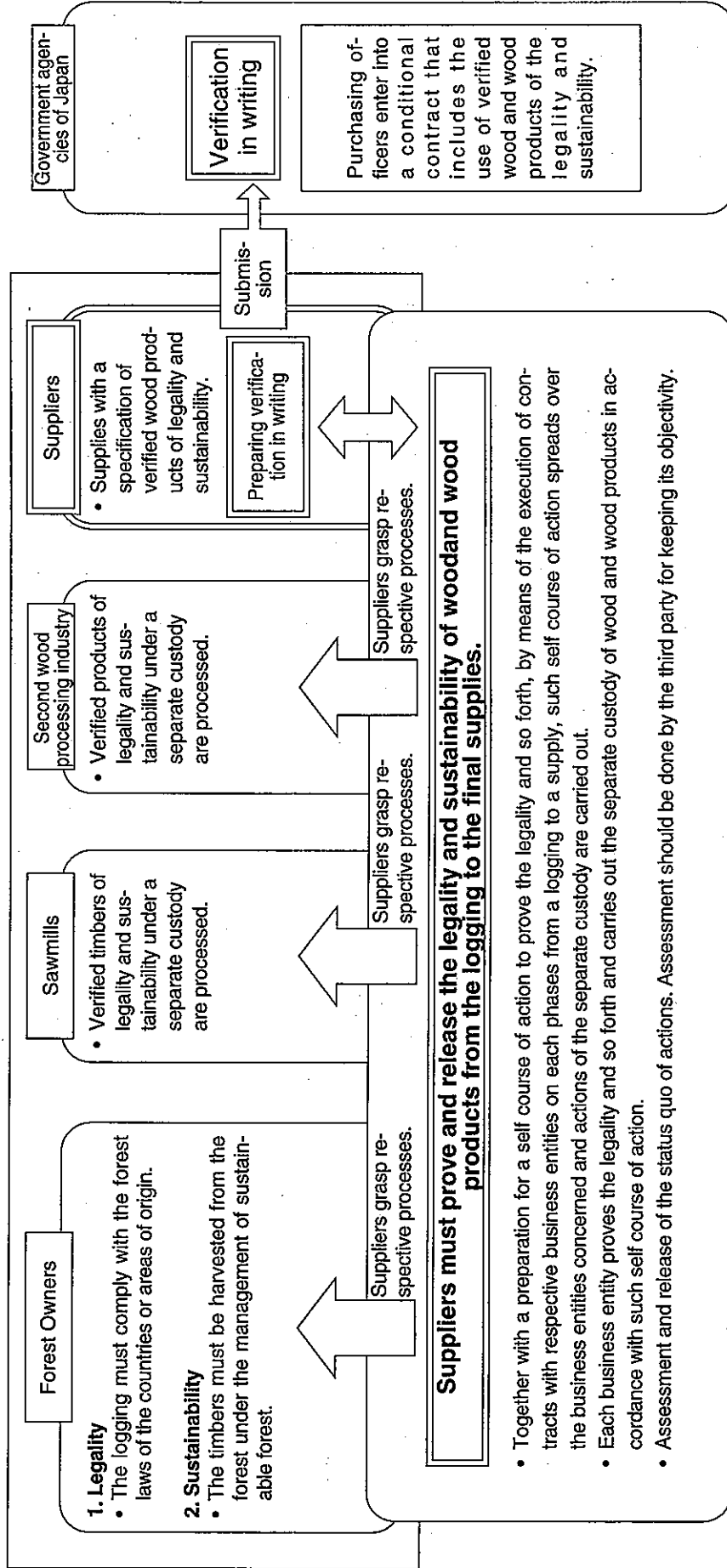


* In case of the imported wood and wood products, the exporters are added to the above flow chart.

Reference 3

Self verification by private enterprises

(Many kinds of self verifications by private enterprises can be supposed. This is one of examples.)



* In case of the imported wood and wood products, the exporters are added to the above flow chart.