International Seminar on Goho-wood 2012,

Part II The Significance and Challenges of the Japanese Timber Legality Verification System from an International Perspective

Comment Sheet (revised)

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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

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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.

<u>Topics2 Possibility of Activities of Industry Associations for illegal logging issue in</u> 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.

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