

*International Seminar in Tokyo for
Tackling Illegal Logging, 2007*

China's Efforts for Timber Verification

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Illegal Logging / Illegal Trade

- Rampant in a global context
 - Indonesia and Cambodia in Asia
 - Russia in Europe
 - Brazil in Latin America
 - Papua New Guinea in Oceania
 - Democratic Republic of Congo in Africa
- Serious environmental problems
 - Mass destruction of virgin, natural and secondary forest
 - Threatened habitats of rare and endangered species
 - Rapid loss of biodiversity
 - Many others
- Also economic and social problems

A scenic landscape photograph showing a river flowing through a dense forest of evergreen trees. In the background, a large mountain with patches of snow is visible under a blue sky with scattered white clouds. The river is in the foreground, with some rapids and white water. The forest is lush and green, with some fallen trees visible. The overall scene is a beautiful natural landscape.

1. General Description

World's leading timber trader

- **World's leading timber importer due to NFPP**
 - 134 m RWE in 2005
 - Russia (temperate softwood) and Indonesia (tropical hardwood) where illegal logging is still rampant
- **World's leading timber products exporter**
 - Furniture and plywood etc
 - US, Japan and Europe

What are we aiming?

- **Sustainable forestry development** --- sole fundamental forestry development strategy in a long run
- **Actively tackle illegal logging and illegal trade**
- **Very very rare case** of illegal timber trade

What do we face?

- **Some quite small cases** of mis-conducts of forest harvesting
- Does not fully comply with relevant laws and regulations
- **Can not regard them as illegal logging**
 - Logging exceeding the harvesting quota
 - Logging not in the approved stand
 - Logging without any forest harvesting certificate
 - Activities damaging forest resources
 - Stolen logging and severe deforestation

International cooperation

- **Efforts to actively tackle mis-conduct of forest harvesting**
 - **by improving domestic policy and regulation monitoring system**
 - **strengthening international cooperation**
- **A member of North East Asia FLEG Process**
- **A member of South East Asia FLEG Ministerial Conference Process**

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2. Timber Certificate Scheme

Objectives

- **China has had a very effective forest resources monitoring system for several decades, aiming:**
 - **To protect and utilize forest resources and ecological environment**
 - **To strengthen the monitoring management for forest conservation, forest harvesting, timber production, timber marketing and timber consumption etc**
 - **To actively extend technology for saving the timber and substituting the timber**
- **So as to accelerate the development of resource saving and environmentally friendly society**

Timber Certificate Scheme

- Very effective document (certificate, document, invoice) management system
- Forest harvesting, timber transportation, marketing (processing)
- Logging: Annual allowance cut (AAC) quota, forest harvesting plan and forest harvest certificate (timber concession), as well as code of forest harvesting and reasonable timber making

Forest authority checks:

- AAC quota and forest harvesting certificate and verification of timber origin (also through stamp labeling (seal) and forest harvesting certificate and document)
- Timber transportation certificate and buying invoice (also through timber transportation certificate and document)
- In some places, also timber selling certificate and document in timber marketing stage and timber processing certificate and document in timber processing stage when these regulations are applicable

Constraints and suggestions

- No any further custody management after the timber is sold out, such as for timber processing (some places has), product packaging, product loading and unloading, product transportation, product marketing and product consumption etc
- Eventually impossible to identify the origin of timber just from the timber products
- Timber tracing system for whole stages of chain-of-custody is suggested by the academia

A scenic landscape photograph of a river flowing through a forest towards a snow-capped mountain under a blue sky with clouds. The river is in the foreground, flowing from the left towards the center. The banks are lined with dense evergreen trees. In the background, a large mountain with patches of snow rises against a blue sky with scattered white clouds. The text "3. Response to Procurement Policies of Japan" is overlaid in the center of the image.

3. Response to Procurement Policies of Japan

Encouraging approach

- Tackling illegal logging through verify the legality and sustainability of timber
- Not just the procurement policy itself, but is a comprehensive system with supporting mechanism
- A number of countries such as Indonesia, Malaysia, Papua New Guinea and Russia actively responded the policy

Very unfortunately, China...

- **Has not at the moment a complete timber tracing and monitoring management system**
- **Timber certificate scheme just cover the custody processing**
- **Impossible to identify or verify the origin of timber just from the final timber products**
- **Not applicable to China at the moment**

Nevertheless

- China and Japan are important timber trade partners
- China needs to think about the actions in respond to the procurement policies of Japan
- Not only for trade market access
- But also for the responsible and sustainable forest management
- **SFM is the primary and final objective of forestry development**

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4. Future Perspective

What is China facing

- Challenges in timber monitoring system along with all chain of custody
- Due to technical, financial and other constraints
- A lot of efforts are being initiated by the government, the academia, and the industry to improve such system

A photograph of a forest stream with sunlight filtering through the trees, creating a bright path of light on the water. The text "Efforts by the government" is overlaid in white.

Efforts by the government

Forest law enforcement

- **Improve forest laws and regulations**
- **Enhance forest law enforcement**
- **Strengthen the capacity of forest law enforcement expertise**
- **Forest law enforcement was one of the major two tasks of the forestry sector across the country in 2004**

Forest certification

- *Resolution to Accelerate Forestry Development*
 - To actively carry out forest certification work and try to be in line with international practices as soon as possible
- **SFA: initiating National Forest Certification Scheme of China**
 - CAF: developed the National Standard for Forest Certification in China
 - CAF: developing National Standard for COC Certification in China
 - CAF: establishing independent and third party forest certification body

Linkage to Japan's Policies

- National Forest Certification Scheme of China is currently aimed at domestic objectives to promote sustainable forest management
- Quite enough for meeting the requirement of procurement policies of Japan in terms of legality of timber origin
 - Regardless whether China's scheme could be or not be recognized by Japan
- Different schemes have different focus of standards, but legality is the key and common standard

FSC forest certification

- **As of December 31, 2006**
 - **5 forest management units, totaling 442,500 ha and covering both natural forests and plantation**
 - **221 timber processing companies including Hong Kong, Macau and Taiwan**

A photograph of a forest scene. A bright, ethereal beam of light shines down from the upper right, passing through the dark, silhouetted branches of trees and illuminating a calm body of water at the bottom. The surrounding foliage is a deep green, and the overall atmosphere is mysterious and serene.

Efforts by the academia

Efforts by the academia

- Chinese Academy of Forestry (CAF):
- Initiating government green timber procurement policy
- Initiating timber tracing system
 - To verify legality of timber origin
 - Tackle mis-conducts of forest harvesting
 - To promote responsible and sustainable forest management
- These two initiatives are related each other
- Likely funded by British Government

Government green timber procurement policy

- All the government organizations
- All government-funded institutions
- Only buy the timber products listed in the government endorsed timber products and timber producing companies
- **Both legality and sustainability** (Chinese scheme or other schemes such as FSC or PEFC)

Two kinds of government procurement policies

- Both prove to be quite effective
 - One is for general commodity items
 - The other one is for environmentally sound manufacturing process, relevance of timber sector

Green procurement policy

- Issued on October 24, 2006 by MOF and SEPA
 - Partially effective January 1, 2007 for national and provincial levels
 - Fully effective January 1, 2008 for all levels
- Green products - environmentally sound manufacturing
 - Includes 856 products in 14 categories by 81 companies
 - Covers 17 products by 9 wood-based panel companies, 24 products by 10 wooden flooring companies and 6 products by 5 furniture companies
- Not yet verified legality or sustainability
- Strong signal for further extension

Timber tracing system

- Improve “timber certificate scheme”
- Identify the legality and/or sustainability of the timber products
- A challenging task to well develop such timber tracing system
- Shall improve the timber monitoring management system
- Encouraging the good conduct of forest harvesting and responsible forest management
- Tackling any mis-conduct of forest harvesting
- Also linking procurement policies of Japan

A photograph of a lush green forest. A stream flows through the center, leading to a small waterfall on the right. Sunlight filters through the dense canopy of green leaves, creating bright highlights on the water and the surrounding foliage. The overall atmosphere is peaceful and natural.

Efforts by the industry

China Timber Distribution Association

- Initiating a pilot campaign of “**Credibility Assessment System for Timber Sector in China**”
 - Qualified Suppliers Assessment System for Timber Sector in China
 - Company Credibility Assessment System for Timber Sector in China
- Regulate codes of conduct for the timber sector (both for processing and marketing through government behavior)
 - Through State-owned Assets Supervision and Administration Commission of the State Council to adopt such system as a government procurement policy

Credibility system

- Contains a lot of assessment indexes
- Classifies into 4 grades
- Marks with A, B, C and D
- Values up to 100
- 6 fields for assessment:
 - (1) qualification, (2) management and competition, (3) management capacity; (4) economic debt-paying capacity, (5) credibility record; and (6) social responsibility

Social responsibility assessment

- Currently not include timber legality or sustainability
- Likely to include as forest certification (especially COC label) is likely to be incorporated into the system and also increase the weight of points
- Will also be an effective tool for verify the legality or sustainability of timber origin
- Have very encouraging future perspectives

A scenic landscape photograph showing a river flowing through a dense forest of evergreen trees. In the background, a large mountain with patches of snow is visible under a blue sky with scattered white clouds. The text "5. Conclusion" is overlaid in the center of the image.

5. Conclusion

Procurement policies of Japan

- Current irrelevance as it is not applicable to China
- Promising future perspective as China's:
 - Government green timber procurement policy
 - Timber tracing system for legality
 - Forest certification schemes for both legality and sustainability
 - Timber company credibility assessment system
 - And likely some more others
- Will surely improve the verification of legality and sustainability of timber origin
- And will very easily link to the procurement policies of Japan, and any other countries around the world

Let's cooperate each other

- **Both China and Japan**
- **And all other timber trade partners**
- **Work and cooperate together to make full use of all kind of approaches, schemes, mechanisms etc to promote responsible (legality) and sustainable (sustainability) forest management and international timber trade**



Thank you!