

# JAPAN'S GREEN PURCHASING POLICY — TACKLING ILLEGAL LOGGING —



March, 2007

Ministry of the Environment  
Government of Japan

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# Foreword



The issue of illegal logging was discussed at the 2005 G8 Summit held in Gleneagles, U.K. and a statement was issued saying, "We will encourage, adopt or extend public timber procurement policies that favour legal timber." On the above occasion, the Japanese Government expressed its intention to "introduce a government procurement policy favouring wood and wood products that have been harvested in a legal and sustainable manner, in accordance with the Green Purchasing Law."

The Ministry of Environment of Japan subsequently discussed making the necessary adjustments with the Japanese Forestry Agency to include "legal wood" in the items designated for preferential purchase by the Japanese Government under the Green Purchasing Law and drew up a draft "Basic Policy for the Promotion of Procurement of Eco-Friendly Goods and Services," which was decided at a Cabinet meeting in February 2006. Measures to promote the procurement of wood and wood products with verified legality and sustainability, based on the above Basic Policy, have been implemented since April 2006.

This booklet has been prepared by the Japanese Ministry of the Environment for the purpose of introducing the activities of the Japanese Government to address the issue of illegal logging to governments and other organizations of related countries.

March 2007

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## **1. Purposes and background**

### **1-1 The Green Purchasing Law and the procurement of legal wood**

In order to respond to the global issue of illegal logging\*1, the Japanese Government determined the inclusion of "legal wood" in the list of designated procurement items based on the Law Concerning the Promotion of the Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Law No. 100 of 2000) (hereinafter referred to as the Green Purchasing Law), starting from April 2006, and has implemented measures to preferentially purchase products manufactured using wood with verified legality and sustainability as a raw material.

The Forestry Agency drew up and published the "Guideline for the Verification on the Legality and Sustainability of Wood and Wood Products" on a national and international basis in February 2006, for use in confirming the legality of wood. The Agency has worked to develop a supply system based on the above since April 2006.

Moreover, the Japanese Government requests that countries that export wood and wood products to Japan understand the Japanese system and promote measures to counter illegal logging locally in the respective countries of origin to ensure that only wood with verified legality and sustainability is imported smoothly to Japan.

Furthermore, the Japanese Government implements diffusion and education projects to help users and those in charge of procurement, in both the public and private sectors, learn the significance of procuring and using legal wood, based on the understanding of the actual state of the supply of legal wood.

### **1-2 Background of the inclusion of legal wood under the Green Purchasing Law**

In 1998, at the Birmingham Summit in England, Japan endorsed the G8 Action Program on Forests (concerning, among others, measures against illegal logging) and since the Kyushu-Okinawa Summit in 2000, Japan has constantly advocated the importance of measures against illegal logging, based on the principle that 'illegally harvested timber should not be used.'

In the meantime, Japan has worked to develop technologies for timber tracing in timber-exporting countries and for checking the state of forests using satellite data, exchanged information with related countries, and supported projects against illegal logging implemented by the International Tropical Timber Organization (ITTO) in order to address the issue of illegal logging.

Moreover, based on the discussion at the G8 summit at Gleneagles in England, the Japanese Government expressed its intention to introduce measures to ensure that it procures wood with verified legality, etc. under the Green Purchasing Law and to encourage other countries to work out a voluntary code of conduct to halt the import and marketing of illegally harvested wood and wood products.

[Summarized explanation 1] Basic attitude of Japan and its background in addressing the issue of illegal logging

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\*1 What is illegal logging?

- There is no internationally established definition of "illegal logging" However, it is generally understood to mean logging in violation of the national law of respective countries.
- More specifically, illegal logging means, among other things:
  - logging for which legitimate permission has not been given;
  - logging in areas where logging is prohibited;
  - logging of wood species, the logging of which is prohibited.

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## [Summarized explanation 1]

### Basic attitude of Japan and its background in addressing the issue of illegal logging

#### Basic attitude of Japan in addressing the issue of illegal logging

- Illegal logging significantly hinders global efforts toward the sustainable management of forests.
- Japan has constantly advocated the significance of the issue of illegal logging, based on the principle that 'illegally harvested timber should not be used' since the G8 Kyushu-Okinawa Summit in 2000.
- At the G8 Gleneagles Summit in July 2005, Japan agreed to the Gleneagles Plan of Action to implement and specify actions to regulate government procurement and trading and to support wood producing countries, which was decided at the G8 Environment/Development ministerial meeting. Based on the results of the summit, Japan announced a Climate Change Initiative, on a national and international basis, to describe the specific measures taken by Japan.

#### Past activities conducted by Japan

- Bilateral cooperation: Japan and Indonesia cooperated in measures against illegal logging, such as checking the state of logging using satellite data and the development of timber traceability technologies.
- Regional cooperation: Development of standards of legality and legality verification systems through the Asia Forest Partnership (AFP); Participation in the Forest Law Enforcement and Governance (FLEG) processes in East Asia, Africa, Europe, and North Asia.
- Multilateral cooperation : Support of projects for the diffusion and education of legal logging and verification of the legality of timber through the International Tropical Timber Organization (ITTO).

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○ The Gleneagles Plan of Action (excerpts)

We endorse the outcome of the G8 Environment and Development Ministerial conference on illegal logging. To further our objectives in this area we will take forward the conclusions\*2 endorsed at that meeting, with each country acting where it can contribute most effectively.

\* 2 The outcome of G8 Environment and Development Ministerial

- (1) To assist timber producing countries
- (2) To take steps to halt the import and marketing of illegally logged timber through voluntary bilateral trade agreements or other arrangements, consistent with WTO rules
- (3) To encourage, adopt or extend public timber procurement policies that favour legal timber
- (4) To request our experts to meet in 2006, to review progress towards the commitments we have made, share lessons on actions to tackle illegal logging, and make their findings available

○ Japan's Climate Change Initiative (excerpts)

- Based upon the principle that 'illegally harvested timber should not be used', Japan will introduce a government procurement policy favouring wood and wood products that have been harvested in a legal and sustainable manner, in accordance with the "Law on Promoting Green Purchasing."
- Japan will encourage other countries to work out a shared voluntary 'code of conduct' to halt the import and marketing of illegally harvested wood and wood products through the Asia Forest Partnership, the implementation of the Joint Statement and the Action Plan for the Cooperation in Combating Illegal Logging between Japan and Indonesia, etc.
- Japan will promote a comprehensive approach for the assistance of the timber producing countries through Japna-Indonesia bilateral cooperation as well as supporting activities of the International Tropical Timber Organization (ITTO), which includes assistance for the development of a traceability system, enhancement of governance, education for preventing corruption, raising public awareness on illegal logging, poverty reduction, establishment of criteria on legality and verifying and monitoring systems as well as collection and study of data on wood and wood product trade.
- Japan will contribute to advancing discussion among G8 experts to tackle illegal logging in 2006, as a follow-up of the G8 Action Programme on Forests.

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## 2. Purpose and basic structure of the Green Purchasing Law

The Green Purchasing Law\* 3 was enacted in May 2000 in order to establish a society which can enjoy sustainable development with a lower environmental impact by encouraging the State and other entities in the public sector to procure eco-friendly goods and services that will contribute to the reduction of environmental impact and through various other activities.

Green purchasing means selectively choosing products with less environmental impact when purchasing goods, etc. It is expected to innovate and improve all economic activities, not only by making the activities of purchasers eco-friendly, as they consume goods and services in their daily life, but also by encouraging suppliers to develop eco-friendly products.

The above law obliges green purchasing by the State and other public organizations and expects the same of local governments, businesses and citizens.

The outline and structure of the Green Purchasing Law are respectively as described in [Summarized explanation 2] and [Summarized explanation 3].

\* 3 The text of the Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities (Green Purchasing Law) :  
<http://www.env.go.jp/en/laws/policy/green/1.pdf>

[Summarized explanation 2] Outline of the Green Purchasing Law

[Summarized explanation 3] Structure of the Green Purchasing Law



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## **[Summarized explanation 2]**

Outline of the Green Purchasing Law

(Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities)

### **1. Objective (Article 1)**

The objective of this law shall be to establish the necessary provisions in a) to encourage the State, etc. to procure eco-friendly goods, etc., b) to provide information, and c) to encourage a shift in demand towards eco-friendly goods, etc. to establish a society which can enjoy sustainable development with a lower environmental impact.

### **2. Duties (Articles 3, 4, 5)**

The law stipulates the basic duties of the State, local governments, businesses, and citizens in order to encourage a shift in demand towards eco-friendly goods, etc.

### **3. Promotion of procurement of eco-friendly good, etc. by the State, etc. (Articles 6, 7, 8, 9)**

#### **(1) Drawing up of a basic policy**

The State shall determine the basic policy for the promotion of procurement of eco-friendly goods, etc. by the State and independent administrative institutions, etc. The Minister of the Environment shall discuss with the head of each ministry or agency, etc. in advance of drafting the basic policy, and obtain an approval of the cabinet decision.

#### **(2) Drawing up of the procurement policy**

The head of each ministry or agency (Chairman of the House of Representatives, Chairman of the House of Councilors, Chief Justice of the Supreme Court, Ministers, etc.) and the head of each independent administrative institution, etc. shall draw up and shall publish every fiscal year a policy to promote the procurement of eco-friendly goods, etc. in line with the Basic Policy and procure goods, etc. based on the above policy. After every fiscal year ends, they shall prepare and publish a summary of its procurement track record of eco-friendly goods, etc. and submit it to the Minister of the Environment.

#### **(3) Request of the Minister of the Environment**

The Minister of the Environment may request the head of each ministry or agency, etc. to take the measures which are deemed particularly necessary to promote the procurement of eco-friendly goods, etc.

### **4. Promotion of the procurement of eco-friendly goods, etc. by local governments, etc. (Article 10)**

Prefectures, cities, towns and villages as well as local independent administrative institutions shall endeavor to draw up a policy every year for the promotion of procurement of eco-friendly goods, etc. and shall procure goods, etc. based on the above policy.

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**5. Considerations to be given when promoting the procurement of eco-friendly goods, etc. (Article 11)**

The State, etc. and prefectures, cities, towns and villages shall give due consideration so as not to increase the procurement amount of goods, etc. because of promotion of the procurement of eco-friendly goods, etc.

**6. Provision of information on eco-friendly goods, etc. (Articles 12, 13, 14; Supplementary Provision 2)**

(1) Provision of information by businesses

Those who engage in the manufacture, etc. of goods, etc. shall endeavor to provide the necessary information to understand the environmental impact in relation to the said goods.

(2) Provision of information by environmental labels, etc.

Those who provide the information concerning the reduction of environmental impact concerning the goods, etc. manufactured, etc. by other businesses shall endeavor to provide effective and appropriate information based on scientific knowledge and also by paying attention to conformity with international agreements.

(3) Provision of information and consideration by the State

The State shall consolidate and analyze the conditions concerning the provision of information on eco-friendly goods, etc. and consider the ideal status of an information provision system.

### [Summarized explanation 3]

#### Structure of the Green Purchasing Law

## Law concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Law on Promoting Green Purchasing)

### Objective (Article 1)

The objective shall be:

- (1) to encourage the State, etc. in the public sector to procure and
- (2) to provide information, etc. on goods that contribute to the reduction of environmental impact (eco-friendly goods, etc.)

→ in order to establish a society which can enjoy sustainable development with a lower environmental impact.

### Ministries and agencies, etc.

〈Article 6〉

Basic Policy for the Procurement of Eco-Friendly Goods, etc. (Cabinet Decision)

- ◆ Environmental requirements on designated procurement goods, etc. (eg. recycled paper, low emission vehicles)
- ◆ The way for setting procurement targets



〈Article 7〉

The Diet, courts, ministries and agencies

- ◆ Each organization makes and publicizes a Procurement Policy which decides targets on designated procurement goods, etc. based on the Basic Policy every year.
- ◆ Procuring goods, etc. based on the Procurement Policy
- ◆ Announcing the result of green procurement and reports it to the Environment Minister at the end of every fiscal year



Environment Minister requests other ministers to take more positive actions if needed.

〈Article 10〉

Local governments and local independent administrative institutions

Endeavor to make a green procurement policy every fiscal year and procure goods, etc. based on the policy.



← Not increasing the total procurement amount for the reason of implementing this law.

### Companies and citizens

Selecting eco-friendly goods as far as possible when purchasing goods

### Provision of appropriate information on eco-friendly goods, etc.

〈Article 12〉

Manufacturers, importers, etc. should provide environmental information on their products.

〈Article 13〉

Eco-labeling bodies, etc. should promote eco-labeling programs on scientific basis and in complying with international standards.

〈Article 14〉

The Government considers appropriate information providing systems on eco-friendly goods, etc.

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### **3. Requirements of procuring legal wood, etc. in the Basic Policy on Promoting Green Purchasing**

#### **3-1 The securing of legality, etc. of wood and wood products in government procurement**

In accordance with the basic policy for the promotion of procurement of eco-friendly goods, etc. as specified in Clause 1, Article 6 of the Law concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (A partial revision was approved in a Cabinet meeting on February 28, 2006.; hereinafter referred to as the Basic Policy on Promoting Green Purchasing), the Japanese Government has taken measures to promote the government procurement of wood and wood products with verified legality (hereinafter referred to as legal wood) since April 2006.

As for the government procurement of legal wood, it is specified in the Basic Policy on Promoting Green Purchasing as one of the evaluation criteria (requirements) of designated procurement items that "lumber that is used as the raw material is to be in compliance with the regulations concerning forestry in its country of origin." Moreover, "to be obtained from a forest that is conducting a sustainable operation \*4" is rendered one of the factors for consideration.

\*4 A sustainable forest means :

There is no international agreement concerning the definition of a sustainable forest (especially for respective forest owners). Accordingly, for the time being, a forest is treated as one that meets the requirements when the issuer of certificates, etc. has determined that it is possible to reasonably explain that sustainability is secured concerning the above forest, based on the situation in respective countries and discussion on sustainability, etc.

For example, a forest that has obtained forest certification or one with a plan concerning its treatment (a plan for logging, forestation, etc.) that has been publicly recognized from a sustainability perspective is regarded as a sustainable forest.

#### **3-2 Items covered by the basic policy**

The following five categories of wood and wood products are among the designated procurement items under the Basic Policy on Promoting Green Purchasing:

- ① Paper (Example: forms, printing papers, etc.)
- ② Stationary (Example: business envelopes, notebooks, etc.)
- ③ Office furniture (Examples: chairs, desks, shelves, etc.)
- ④ Interior fixtures and bedding (Example: bed frames)
- ⑤ Public works material (Example: lumber, glued laminated timber, plywood, laminated veneer lumber, flooring, etc.)

※ For more details of the items, refer to the Basic Policy on Promoting Green Purchasing on the webpage of the Ministry of Environment (URL: <http://www.env.go.jp/en/laws/policy/green/2.pdf>).

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### 3-3 Details of the designated procurement items under the Green Purchasing Law (example)

The following is excerpts of the description of "lumber, etc." in the category of Public works "Material," as an example of requirements for designated procurement items:

Item Type	Item Name	Evaluation Criteria, etc.
Lumber, etc.	Lumber	<p><b>Evaluation Criteria</b></p> <p>(1) Lumber from thinning and left over forest wood must have a small diameter.</p> <p>(2) For cases other than (1), lumber used is to be in compliance with the regulations concerning forestry in its country of origin.</p> <p><b>Factors for Consideration</b></p> <p>Lumber that is used as the raw material (with the exception of lumber obtained from thinning, left over forest wood, and lumber with a small diameter) is to be obtained from a forest that is conducting a sustainable operation.</p>
	Glued laminated timber Plywood Laminated veneer lumber	<p><b>Evaluation Criteria</b></p> <p>(1) Lumber from thinning, glued laminated timber, left over wood blocks from wood processing factories etc., left over forest wood must contain 10% or more by volume of those with a small diameter. Lumber other than described above is to be in compliance with the regulations concerning forestry in its country of origin.</p> <p>(2) For cases other than (1), lumber used (with the exception of lumber obtained from thinning, left over forest wood, and lumber with a small diameter) is to be in compliance with the regulations concerning forestry in its country of origin.</p> <p>(3) For material used to finish the interior of living spaces, average formaldehyde discharge may not exceed 0.3mg/L, maximum discharge may not exceed 0.4mg/L.</p> <p><b>Factors for Consideration</b></p> <p>Lumber that is used as the raw material (with the exception of lumber obtained from thinning, left over forest wood, and lumber with a small diameter) is to be obtained from a forest that is conducting a sustainable operation.</p>

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Note:

1. **Lumber, glued laminated timber, plywood, and laminated veneer lumber** under consideration in the evaluation criteria of this section (referred to as **lumber, etc.**) are to be used for carpentry in buildings.
2. Evaluation Criteria (2) for lumber, etc is to be applicable only in cases where restrictions exist on either function or demand.
3. Measurement for formaldehyde discharge should be performed in accordance with Japan Agricultural Standards (JAS).
4. Confirmation of the legality and the sustainability of the forest where pulpwood producing wood and paper originates from is to be conducted in accordance with the Forest Agency' s Guideline Concerning the Certification of Legality and Sustainability of Wood and Wood Products (February 15, 2006).

In cases where the contract between the lumber company and the processing and marketing companies has been made prior to April 1, 2006, the proof that the lumber is legal in accordance to the guideline above is not necessary, as long as the party that is maintaining the lumber and the products documents on a certificate by April 1, 2006, that the said contract has been completed before April 1, 2006.

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## 4. Guideline for Verification on the Legality and Sustainability of Wood and Wood Products

The following is the overview and operation of the **Guideline for Verification on Legality and Sustainability of Wood and Wood Products** (prepared by the Forestry Agency in February 2006). The Basic Policy on Promoting Green Purchasing stipulates that confirmation of the legality and sustainability is to be conducted in accordance with the above guideline.

The entire text of the above guideline is posted on the website of the Forestry Agency (Guideline's URL: <http://www.rinya.maff.go.jp/policy2/ihou/eiyaku.pdf>) as well as that of the Council for Tackling Illegal Logging Issue (URL: <http://www.goho-wood.jp/world/index.html>). Moreover, a hard copy of the guideline published by the above council is available in English, Japanese, Chinese, Indonesian, Russian, or Spanish in a pamphlet titled "For Exporters of wood and wood products to Japan."

### 4-1 Overview of the guideline

This guideline has been prepared by the Forestry Agency to indicate some points to which suppliers of wood and wood products should pay proper attention when they verify the legality and sustainability of their supply. The overview of the above guideline is as follows:

#### 4-1-1 Definition

(1) Legality

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

(2) Sustainability

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

#### 4-1-2 Methods to verify the legality and sustainability

Examples of methods of verification concerning the legality and sustainability of wood and wood products are as follows. Refer to 4-2 below for the operation of the respective methods.

(1) Verification method via a forest certification system (See Reference No. 1.)

This is a method to verify by receiving a forest certification seal (provided by FSC, PEFC, SGEC, etc.).

(2) Verification method by company under the authorization of associations for forest owners, forestry or wood industry (hereinafter referred to as an association) (See Reference No. 2).

Respective associations establish their own voluntary code of conduct and authorize individual companies. An authorized company issues a legality verification certificate to a company operating at the next stage, i.e. the related company closest in commercial process, to make a chain of verification on legality and sustainability.

(3) Verification method by original measure of each company (See Reference No. 3).

This is a method to verify by an original measure set by respective companies under comprehension of the distribution process from harvesting to delivery.



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### 4-1-3 Preservation of verification documents

Related companies must preserve the certificates for a certain period of time.

### 4-1-4 Assessment and review

This guideline will be properly reviewed as required based on the assessment of the activities of related parties.

## 4-2 Operation of the guideline

This guideline is based on the principle of nondiscrimination between inside and outside Japan, which means that it will be applied equally to companies that intend to supply wood and wood products for public procurement in Japan, irrespective of whether the wood is produced in Japan or in a country outside Japan. Accordingly, the verification process starts with the implementation of proper legal procedures at the time of logging, for both the wood produced in Japan and that produced in a country outside Japan. The way the verification system concerning legality and sustainability is operated according to the guidelines is described below.

### 4-2-1 Verification concerning wood and wood products exported to Japan

The method used to verify the legality of wood and wood products for export to Japan in timber-producing countries starts with the implementation of proper legal procedures during the logging process. An export permit is insufficient to meet the requirements concerning legality.

Accordingly, suppliers in respective countries that export wood and wood products to Japan are required to issue legality certificates through one of the three methods as described in 4-1-2 above, in compliance with the concept of the guidelines set by the Japanese Forestry Agency.

Please note that it is possible for exporters to verify legality with an export permit if this is issued in conjunction with a forest logging permit issued by a public organization.

### 4-2-2 How the legality of wood is verified (in Japan)

The starting point is a certificate that certifies that the logging of wood by the forest owner is in compliance with relevant laws and regulations. In cases in Japan, the forest owner provides the following documents for certification to the material manufacturer and the relevant association.

(1) In the case of forest reserves: a copy of the notice of permission for logging wood in forest reserves; (2) In the case of forests with a plan for logging, afforestation, nurturing, etc.: A copy of the certification (that specifies the location for logging); (3) Forests other than (1) and (2) above: A copy of the logging notification (notice of compliance); (4) In the case of national forests: A copy of the sales contract (that specifies that it is legal wood.).

By starting with the legality verification activities as above, companies at the respective stages between logging and delivery implement separative custody management described in the guideline to form a chain of verification on legality and sustainability.

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### 4-2-3 Verification method by using forest certification

Forest certification is conducted by the SGEC (Sustainable Green Ecosystem Council) in Japan. There are others elsewhere in the world as shown below:

- FSC (Forest Stewardship Council)
- PEFC (Programme for the Endorsement of Forest Certification)
- SFI (Sustainable Forestry Initiative)
- CSA (Canadian Standards Association)
- LEI (Lanbaga Ecolabel Indonesia)
- MTCC (Malaysia Timber Certification Council)

### 4-2-4 Verification method by company under the authorization of association

Respective associations establish a voluntary code of conduct for the supply of wood and wood products with verified legality and sustainability.

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

The authorized company issues the paper (verification documents), to the related company closest in the commercial process, which verifies that the wood and wood products they supply feature legality and sustainability and are under separate custody management. Moreover, verification is issued repeatedly at each supply stage to establish a chain of verification on legality and sustainability.

In order to qualify for the authorization of companies, an association must meet the following requirements: (1) It has articles of association, association bylaws, etc.; (2) A venue for decision-making (general meetings, etc.) is secured; (3) A responsible member works in the secretariat and a work execution system is established; (4) Bookkeeping is conducted and auditing is implemented; (5) It is an association that is likely to continue operating; (6) It has knowledge of the relevant area (industry sector). It is further required that the above association be capable of explaining the above by documents, etc.

### 4-2-5 Verification method by the original measures of each company

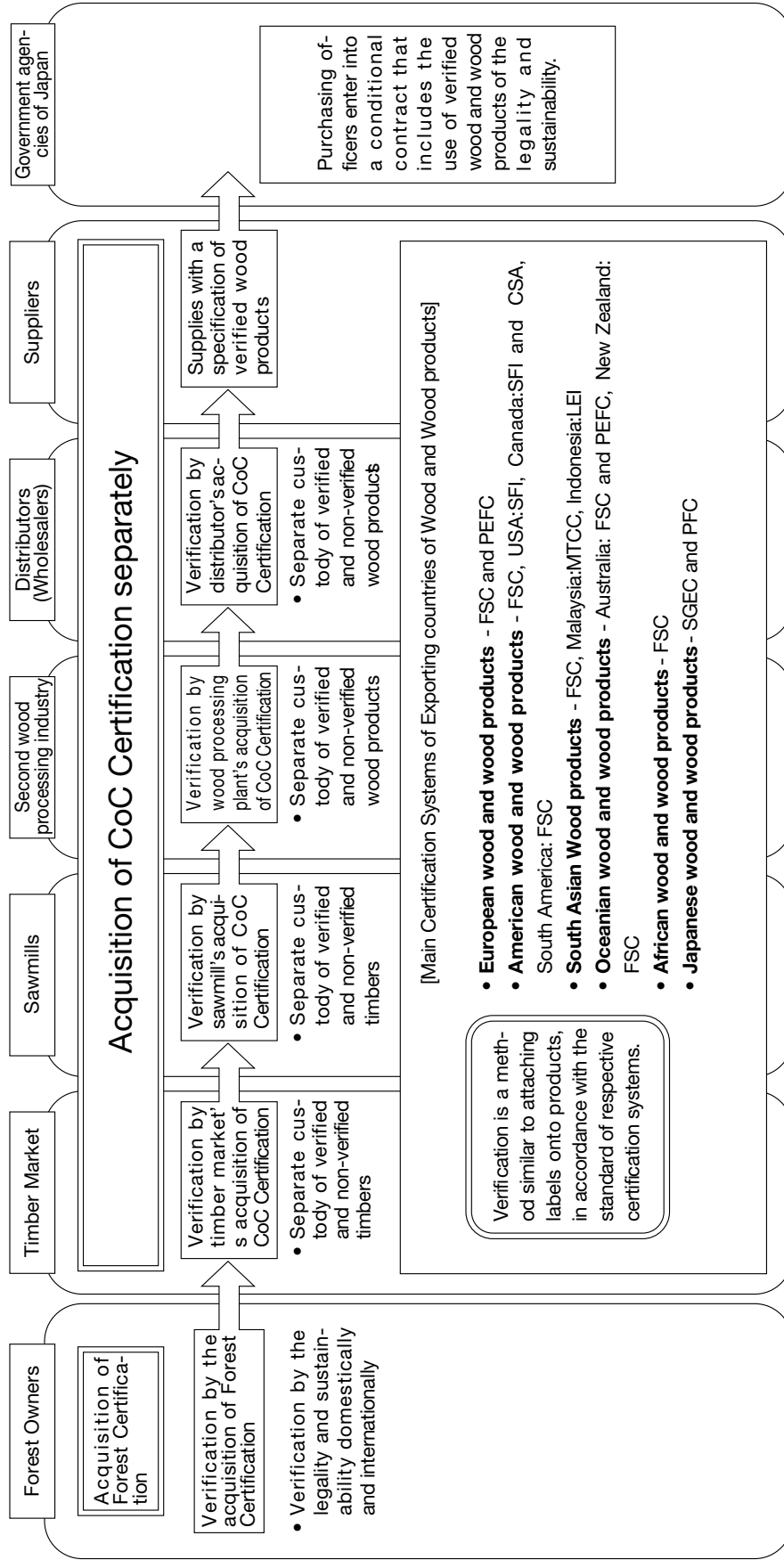
In case a major company, etc. conducts verification not using (1) the verification method under the authorization of an association and (2) the method by the forest certification system and the chain of custody system but its original measures under comprehension of the distribution process, from harvesting to delivery, it is necessary for the above company to verify legality and sustainability in a manner of equivalent reliability to that of the verification method used by the company under the authorization of association for forest owners, forestry or wood industry as stated above is secured.

In such cases, the following must be implemented:

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- (1) When making a code of conduct for verifying legality and sustainability, by arranging agreements with the company at each stage from harvesting to delivery, acknowledgement of the company concerning the code of conduct and practice of separative custody management should be secured.
  - (2) Each company should verify legality and sustainability and practice measures for separative custody management, based on the code of conduct.
  - (3) Assessment and publication of the situation concerning the implementation of original measures (Assessment by third party institutions is desirable to ensure objectivity.).

## Reference 1

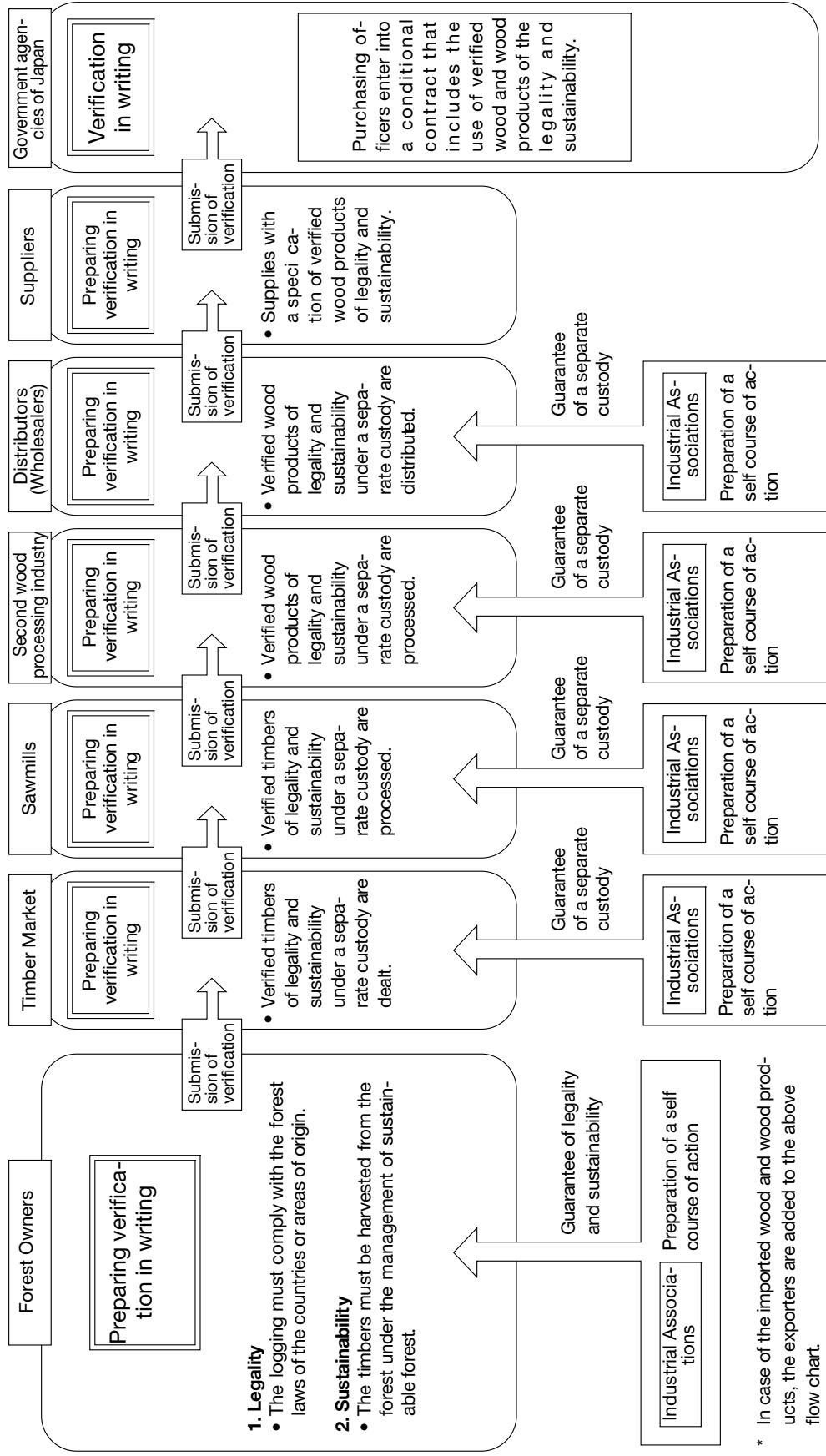
# Verification by Forest Certification and CoC (Chain of Custody) Certification Systems (Image drawing)



\* Chain of Custody Certification System: A system where a third-party organization evaluates and certifies a company concerning whether a company that handles wood and wood products provides an appropriate custody management to ensure that wood and wood products produced from certified forests will not be mixed with those from non-certified forests.

## Reference 2

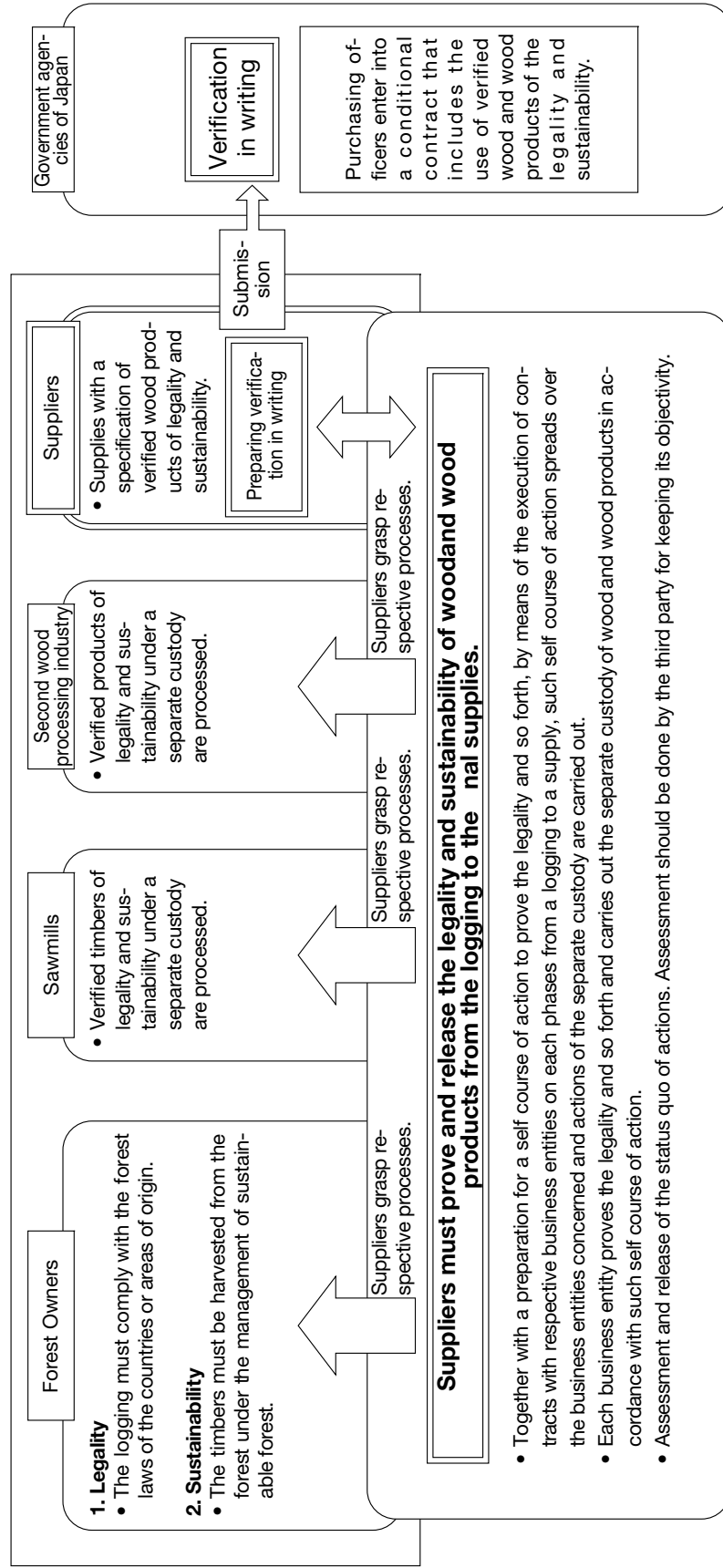
# Verification by private enterprises authorized by relative organizations (Image drawing)



## 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.



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## **5. Results and future of the preferential procurement of legal wood under the Green Purchasing Law**

### **5-1 Establishment of a legal wood supply system**

The Forestry Agency of Japan published a Guideline for Verification on Legality and Sustainability of Wood and Wood Products in February 2006 right before the implementation of the policy for the preferential procurement of legal wood under the Green Purchasing Law in April. Many state and local-level briefing sessions on the authorization of legal wood suppliers by trade associations that has newly become mandatory were held and the diffusion and promotion of the system of authorization of suppliers of legal wood was promoted. As of the end of 2006, 19 state organizations and at least one organization in each prefecture have declared themselves ready to conduct the authorization of legal wood suppliers, with about 3500 lumber companies having been authorized by the end of December 2006 (About 800 were authorized by a state organization and about 2700 by a local organization, etc.)

Authorization by trade associations is also spreading in the furniture and other industries.

### **5-2 Diffusion of legal wood**

When the supply system is duly established and confirmation of legality starts after the implementation of the above policy, followed by a transition period, it becomes important to implement diffusion activities to find ways to connect wood and wood products with verified legality to the procurement policy of local governments and private companies as well as the purchasing activities of citizens as consumers.

The Japan Federation of Wood Industry Associations, the central organization of the Japanese wood industry, established a website of the Council for Tackling Illegal Logging Issue titled the "Goho Wood Navigation page (<http://www.goho-wood.jp>) " in October 2006 to provide a variety of information on the supply of legal wood, took part in the Eco-Products 2006 exhibition (held in December 2006), which is a major event for the diffusion of eco-friendly products, and presented exhibits to demonstrate activities addressing the issue of illegal logging, the importance of the procurement of legal wood, the mechanism and progress of the supply system of legal wood, and commercial products made using legal wood.

As a result of the above activities, major housing companies in the private sector are reviewing legal wood for inclusion in their material procurement policies. Moreover, some of the major furniture manufacturers have started citing desks, chairs and shelves made by using legal wood as designated items under the Green Purchasing Law in their 2006-7 winter product catalogs.

### **5-3 To promote the procurement of legal wood**

The supply and procurement of legal wood in Japan have just started. A stable supply of legal wood, including that imported from overseas, and winning consumer trust are required for the above movement to progress and to ensure the activities addressing the issue of illegal logging achieve positive results.





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