1 Summary

Illegal logging is a very important problem to be solved for the world wide preservation of environment and sustainable forest management. Government of Japan 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 ourselves 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 up the 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 are drawn up to indicate some points to which the supplier of wood and wood products should pay proper attention 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 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 separative 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 separative 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 separative 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 (②a. above), the name of site where the timber was harvested should be described and legality and sustainability should be verified as indicated below.
i ) 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.

ii ) 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 (②a. 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 (②a. 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
   i ) 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.

   ii ) 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
   Company such as 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 need 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.
Verification Method by Forest Certification System and Chain of Custody System (Image Drawing)

- Forest holder, etc.
  - Acquisition of forest certification
  - Verification on acquisition of forest certification
    - Verification on legality and sustainability (both in Japan and overseas)

- Timber Market
  - Verification on acquisition of CoC certification by each timber market
    - Separative custody management of verified wood and not

- Processing Factory
  - Verification on acquisition of CoC certification by each processing factory
    - Separative custody management of verified wood and not

- Secondary Processing Industry
  - Verification on acquisition of CoC certification by each secondary processing industry
    - Separative custody management of verified wood products and not

- Distributor (Wholesale dealer)
  - Verification on acquisition of CoC certification by each distributor
    - Separative custody management of verified wood products and not

- Delivery company
  - Delivery with verification that supplies are verified

- Ministries and agencies, etc.
  - Official in charge makes contract with condition that wood and wood products verified with legality and sustainability should be used

Main certification system in each place of production

- European wood (FSC, PEFC)
- American wood (FSC, US: SFI, Canada: SFI, CSA, South America: FSC)
- South seas wood (FSC, Malaysia: MTCC, Indonesia: LEI)
- Pacific ocean wood (Australia: FSC, PEFC, Newzealand: FSC)
- African wood (FSC)
- Japan wood (Japan: SGEC, FSC)

*Indication such as labeling according to the standards of each certification system*
**Verification Method by Company under the Authorization of Association (Image Drawing)**

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.

- **Forest holder, etc.**
  - Preparing verification

- **Timber Market**
  - Preparing verification
  - Submission
  - • dealing under separative custody management of timber verified with legality and sustainability
  - • guarantee on measures for separative custody management
  - • making voluntary code of conduct

- **Processing Factory**
  - Preparing verification
  - Submission
  - • processing under separative custody management of timber verified with legality and sustainability
  - • guarantee on measures for separative custody management
  - • making voluntary code of conduct

- **Secondary Processing Industry**
  - Preparing verification
  - Submission
  - • processing under separative custody management of wood products verified with legality and sustainability
  - • guarantee on measures for separative custody management
  - • making voluntary code of conduct

- **Distributor (Wholesale dealer)**
  - Preparing verification
  - Submission
  - • dealing under separative custody management of wood products verified with legality and sustainability
  - • guarantee on measures for separative custody management
  - • making voluntary code of conduct

- **Delivery Company**
  - Preparing verification
  - Submission
  - • delivery with indication that supplies are the products verified with legality and sustainability
  - • guarantee on measures for separative custody management
  - • making voluntary code of conduct

- **Ministries and agencies**
  - Reference No. 2
  - • guarantee on measures for separative custody management
  - • guarantee on measures for separative custody management
  - • guarantee on measures for separative custody management
  - • making voluntary code of conduct

- **Association**
  - • making voluntary code of conduct

※In case of imported wood, exporters stand in image drawing above.

- **Official in charge** makes contract with condition that wood and wood products verified with legality and sustainability should be used.
Verification Method by Original Measure of Each Company
(Image Drawing)

Reference No.3

(Many kinds of original method of each company are estimated and this image drawing is example.)

- **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.

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

- **Forest holders, etc.**
  - **Preparation:**
    - Forest holders make agreement with preparation company.

- **Processing factory**
  - **Preparation and Verification:**
    - Processing under separative custody management of timber verified with legality and sustainability.

- **Secondary processing industry**
  - **Preparation and Verification:**
    - Processing under separative custody management of products verified with legality and sustainability.

- **Ministries and agencies**
  - **Verification:**
    - Official in charge makes contract with condition that wood and wood products verified with legality and sustainability should be used.

- **Delivery company**
  - **Verification:**
    - Delivery with indication that supplies are the products verified with legality and sustainability.

- **Preparation verification**
  - **Verifying:**
    - Preparing verification

- **Verification and announcement by the delivery company and so forth under comprehension of distribution process from harvesting to delivery**

  - With making code of conduct for verifying on legality and sustainability, by arranging agreements with company at each stage from harvesting and delivery, acknowledgement of company about code of conduct and practice of separative custody management should be secured.

  - Each company should verify legality and sustainability and practice measures for separative custody management based on code of conduct.

  - Assessment and publication of situation about practice of original measure (Assessment by the third party institutions are desirable for securing objectivity).

※In case of imported wood, exporters stand in image drawing above