Call for Effective Measures against Illegal Logging for Japan:

To avoid criticism that Japan is an irresponsible wood consumer country

March 31, 2016

We welcome and have closely watched the initiatives taken by Japanese lawmakers since spring last year to introduce a new regulation in Japan to step up the efforts to stem illegal logging.

The recognition that illegal logging is an issue to be tackled by both timber producers and consumers has been repeatedly agreed to at past G7/G8 summits and other fora. Major consumer countries, led by some developed countries, importing a greater amount of timber, came to recognize the importance of regulating the distribution of illegal wood. Since 2008, major consumer countries such as the US, EU and Australia have introduced a law prohibiting the trade in illegal timber and requiring private sector operators to conduct due diligence. Amid such developments, Japan is the only G7 country with no such system.

Illegally-logged wood and wood products are considered to comprise 20% to 50% of the world wood market, generating 30 billion dollars every year. 

It has been pointed out that illegal logging not only causes deforestation and forest degradation and leads to further losses of biodiversity and climate change but also destroys the livelihood and culture of indigenous and local communities living in the forests, encourages corruption and injustice and impedes sustainable development of the developing countries where remaining forests are found. Cheap, illegal wood entering the Japanese market also adversely affects the domestic forests and forestry.

To prevent illegal wood from entering the Japanese wood market, it is indispensable that the operators collect information on the wood they deal in and conduct due diligence comprising evaluation of illegality risks and measures to mitigate such risks. To ensure its implementation, due diligence must be made a requirement for operators dealing in wood and wood products and penalties must be applied to violations of the requirement, as in some western countries. Unless such measures are taken, illegal wood cannot be effectively prevented from entering the market.

In the US and Europe where due diligence is a requirement, its effect is becoming apparent as the number of enforcement cases increases. According to one analysis, the price of imported timber from high-risk countries has risen and the import volume saw an 80% reduction in the US, following the case where a company was ordered to pay a 13 million dollar-fine for violation of the

<sup>1</sup> Nellemann, C., INTERPOL Environmental Crime Programme (eds). 2012. Green Carbon, Black Trade: Illegal Logging, Tax Fraud and Laundering in the Worlds Tropical Forests. A Rapid Response Assessment. United Nations Environment Programme, GRIDArendal.www.grida.no

due diligence requirement.<sup>2</sup> In the EU, it is reported that the pattern of behavior in the market has changed and a supply chain without illegal wood is steadily being established.<sup>3</sup>

If the system to be introduced in Japan will have none of these elements mentioned above, Japan, as the host country for the Ise-Shima G7 Summit to be held in late May, cannot escape the criticism that it is an "irresponsible" wood purchaser. Now is the time to take effective measures against illegal logging that can be a basis for realizing forest conservation and forest management inside and outside Japan towards the 2020 Tokyo Olympics and Paralympics and beyond, the measures that can support responsible business.

## Signatures from the organization;

A SEED JAPAN, HUTAN Group, FoE Japan, Citizens Environmental Foundation, The Green Purchasing Network, Greenpeace Japan, Sarawak Campaign Committee, WWF Japan, Global Environmental Forum, Japan Tiger and Elephant Fund, TRAFFIC EAST ASIA Japan, Japan NGO Network on Indonesia, FSC Japan, Japan Tropical Forest Action Network, Biomass Industrial Society Network (BIN), Human Rights Now, Mekong Watch, more trees, Rainforest Action Network

## Signatures from Individual;

Naoki Adachi (Sustainability planner), Rinko Uzuwa (Rokumoku), Ikumi Uchida, Takayuki Kasumi (JUON NETWORK Secretary-general), Kentaro Kanazawa, Toshihiko Goto (Chairman, Environmental Auditing Research Group), Kunihiko Kobayashi (Organization for Research and Community Development Gifu University), Miho Sagara, Masatoshi Sasaoka (Associate professor, Graduate School of Letters / Faculty of Letters Hokkaido University), Mihoko Shimamoto (Professor, Department of School Science Hosei University), Shinichiro Shono, Kazuhiro Harada, Kimihiko Hyakumura, Motomi Miyahara (Midorimushi Estate), Manami Yamaguchi (CEO, FEM Co., Ltd), Miho Yamamoto (Utsunomiya University), Yasuhiro Yokota

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This release is available at the following website;

https://www.fairwood.jp/news/pr ev/2016/160331 pr ngoletter.html

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<sup>&</sup>lt;sup>2</sup> Prestemon, Jeffrey P.. 2015. The impacts of the Lacey Act Amendment of 2008 on US hardwood lumber and plywood imports.

<sup>&</sup>lt;sup>3</sup> COMMISSION STAFF WORKING DOCUMENT Evaluation of Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (the EU Timber Regulation) Accompanying the document (http://ec.europa.eu/environment/forests/eutr\_report.htm)