



国际木材与木制品绿色采购研讨会

International Seminar on Green Procurement of Timber and Wood Products

2013年4月1日 • 北京

April 1, 2013 • Beijing

主办方:

Organizer:

中国木材与木制品流通协会

China Timber & Wood Products Distribution Association

协办方:

Co-organizers:

世界自然基金会 (瑞士) 北京代表处

World Wide Fund for Nature Beijing Office

欧洲森林研究所欧盟 FLEGT 亚洲区域项目

European Forest Institute (EFI)'s EU FLEGT Facility - Asia
Regional Office

亚洲负责任林业与贸易项目 (RAFT)

Responsible Asia Forestry and Trade (RAFT) Program



International Seminar on Green Procurement of Timber and Wood Products

April 1, 2013, 14:00-17:30

Vanda Grand Hall, Landmark Hotel, Beijing

Agenda

Moderator: Ms. Gao Ya, Director of International Exchange and Cooperation Department and Deputy Secretary General of Timber Importers and Exporters Sub-committee of CTWPDA		
Time	Subject	Speaker
14: 00-14: 05	Opening Speech	Mr. Tao Yiming Vice President and Secretary General of CTWPDA, President of Timber Importers and Exporters Sub-committee
14: 05-14: 15	Keynote Speech	Mr. Wang Wenhui Deputy Office Head of First Government Procurement Office of the Ministry of Finance
14: 15-14: 35	Chinese Environmental Labeling Product Certification and Green Public Procurement	Mr. Chen Yiqun Director of Green Public Procurement Promotion Office of the Ministry of Environmental Protection
14: 35-14: 50	Introduction of International Green Public Procurement Policies	Mr. Li Nan Director of Market Transformation Initiative, WWF
14: 50-15: 05	Chinese Green Public Procurement Policy on Wood and Paper Products	Ms. Gao Ya Director of International Exchange and Cooperation Department of CTWPDA
15: 05-15: 25	China Forest Certification Scheme and Its Development Perspectives	Professor Lu Wenming Director of International Cooperation Department, China Academy of Forestry
15: 25-15: 40	China's Timber Legality Verification Scheme	Dr. Chen Yong Center for International Forest Products Trade, SFA
15: 40-15: 50	Q&A	
15: 50-16: 05	Tea Break	
16: 05-16: 25	Combating Illegal Logging and Improving Forest Governance	Mr. Vincent van den Berk Program Coordinator of EFI FLEGT Asia Regional Program
16: 25-16: 40	Australian Timber Importing Industry and Illegal Logging Prohibition Act 2012	Mr. John Halkett General Manager of Australian Timber Importers Federation
16: 40-16: 55	Experience with Supply Chain Risk Management of A Chinese Veneer Producer	Mr. Huang Wenhua, General Manager of Loyal Woods
16: 55-17: 10	Common Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade	Ms. Li Chenyang, TRAFFIC Program Officer
17: 10-17: 25	Q&A	
17: 25-17: 30	Wrap-up & Closing Speech	Mr. Tao Yiming Vice President and Secretary General of CTWPDA, President of Timber Importers and Exporters Sub-committee
The End		

Non-Private Sector Participant List

No.	Name	Organization	Title
1	Tao Yiming	China Timber and Wood Products Distribution Association	Vice President and Secretary General
2	Wang Wenhui	Government Procurement Office of Ministry of Finance	Deputy Office Head
3	Chen Yiqun	Green Public Procurement Promotion Office of the Ministry of Environmental Protection	Director
4	Fu Jianquan	Division of Foreign Economics and Trade, Department of Development Planning and Finance Management, State Forest Administration	Office Head
5	Yu Ling	Science and Technology Development Center, SFA	Office Head
6	Li Jiafeng	China Timber and Wood Products Distribution Association	Vice President and President of Flooring Sub-committee
7	Gao Ya	China Timber and Wood Products Distribution Association	Director of Int. Exchange & Cooperation Dep.
8	Qu Piliang	China Timber and Wood Products Distribution Association	Expert
9	Shen Wei	China Timber and Wood Products Distribution Association	Assistant to Director
10	Lu Wenming	International Cooperation Department of CAF	Division Director
11	Chen Yong	Center for International Forest Products Trade, State Forest Administration	Deputy Director
12	Anna Sommerville	Department of Agriculture, Fisheries and Forestry (DAFF) of Embassy of Australia	Counselor
13	Zhang Lei	Agricultural Trade Office of Embassy of the United States of America	Agricultural Specialist
14	Cody J. Yin	Agricultural Trade Office of Embassy of the United States of America	Admin.& Marketing Assistant
15	Han Zheng	United States Agency for International Development (USAID)	Program Development Specialist
16	Gao Feng	Papua New Guinea Embassy	Senior Advisor
17	Li Nan	WWF	MTI Director
18	Jin Zhonghao	WWF	GFTN Program Manager
19	Zhang Xinxin	WWF	Forest Program Officer
20	Vincent van den Berk	EFI FLEGT Asia Regional Program	Program Coordinator

21	Chen Xiaoqian	EFI FLEGT Asia Regional Program	FLEGT China Facilitator
22	Wang Guanxin	EFI FLEGT Asia Regional Program	China Program Officer
23	John Halkett	Australian Timber Importers Federation	General Manager
24	Huang Wenhua	Loyal Woods	General Manager
25	Li Chenyang	TRAFFIC China Office	Program Officer
26	Chen Liwei	The Nature Conservancy (TNC)	Government Relationship Director
27	Yu Ninglou	Forestry Institute, Planning and Design Academy of Forestry Products Industry, SFA	Director
28	Han Xingrong	Forestry Institute, Planning and Design Academy of Forestry Products Industry, SFA	Division Director
29	Zhang Zhongling	China Building Decoration Association	Executive Director of Material Committee
30	Bai Qingyu	CAF	
31	Lang Yan	CAF	
32	Li Qiujuan	CAF	
33	Liang Xiaoqiong	CAF	
34	Wang Aimin	Global Environment Institute	Biodiversity Conservation Project Officer
35	Kong Linghong	Global Environment Institute	Biodiversity Conservation Project Officer
36	Peng Kui	Global Environment Institute	Biodiversity Conservation Project Officer
37	Zhu Rong	Global Environment Institute	Investment, Trade and Environment Project Officer
38	Ma Lichao	FSC China Office	China National Representative
39	Yu Baisong	PEFC China Office	Director
40	Sun Xiufang	Forest Trends	Senior Analyst
41	Johan Leijonhielm	Asia Perspective	Senior Consultant
42	Fu Ying	Asia Perspective	Assistant to Consultant
43	Zhang Junxia	Bureau Veritas	Sales Executive
44	Zhao Wei	Bureau Veritas	FSC Auditor
45	Hu Xinyan	Rainforest Alliance	National Coordinator
46	Lin Szu-yin	The Forest Trust	Project Officer
47	Ma Xiao	The Forest Trust	Project Officer

Speaker introduction

1. **Chen Yiqun, Director of Green Public Procurement Promotion Office of Environment Certification Center, Ministry of Environmental Protection.**



As an expert in environmental labeling certification and green public procurement, Chen Yiqun has been working in environmental labeling field for 15 years and once acted as the Director of the Department of International Cooperation, Secretariat of CCEL and the Director of the Department of Standard Coordination, as well as the Director of Department of Product of China Environmental United (Beijing) Certification Center Co., Ltd., during which he led the stipulation of several certification standards for environmental labeling products and R&D of new schemes. Currently, he is working as the Director of the Green Public Procurement Promotion Office of Environment Certification Center, Ministry of Environmental Protection.

2. **Li Nan, Director of WWF Market Transformation Initiative**

Li Nan joined WWF Beijing Office in 2011 and works as the Director of Market Transformation Initiative. He leads WWF's work in environmental protection and sustainable consumption and production of forestry, ocean and aquatic industry, agriculture and retailing. MTI is one global initiative started by WWF, and promotes sustainable production, processing and trade of priority commodities in priority places, to ensure sustainable development of natural resources and prevent from losing species and their habitats with high conservation value.

Li Nan has more than twenty years' work experiences in academic, business, media, governmental and non-government organizations both at home and abroad. At the end of 1980s, he has conducted biomedicine research in national key laboratory of Molecular Virology and Gene Engineering. At the beginning of 1990s, he joined CCTV and started one TV Special Program named "China Investment Guideline" both in Chinese and English, and this program later became CCTV's key program and was broadcasted both in China and oversea. Since the end of 1990s, he took the position of chief journalist in CCTV station of Sydney and New York. From 2009, he has worked in university and NGOs, and also started a company. Li Nan was once a visiting scholar in Harvard University, and got his philosophy degree in New

South Wales University in Australia and Medicine bachelor from Jilin University in China.

3. Gao Ya, Director of the Department of International Exchange & Cooperation, China Timber & Wood Products Distribution Association.



Gao Ya studied in the University of Groningen and University Freiburg from 2002 to 2007, and obtained B.A degree in International Economics and Business and M.A. Degree in Environmental Governance. Currently, she is working as the Director of the Department of International Exchange & Cooperation in China Timber & Wood Products Distribution Association, mainly responsible for international communication, international trade right protection, helping members to expand oversea market and responding to international market requirement changes. She worked as technical officer of EFI's EU FLEGT Asia Program, and was responsible for implementing and monitoring the projects under the EU-China FLEG Bilateral Coordination Mechanism. She also worked for The Forest Trust (formerly known as Tropical Forest Trust) as project officer, during which she carried out trainings on wood control system and policy research on U.S. Lacey Act Amendments, EU FLEGT Action Plan and EU Timber Regulation.

4. Prof. Lu Wenming, Chief of the Division of International Cooperation, Chinese Academy of Forestry, Deputy Secretary General of China Forest Certification Council, Deputy Director and Deputy Secretary General of Forest Certification Research Center of SFA.



5. Chen Yong, Deputy Director and associate researcher of Center for International Forest Products Trade, SFA.



He has been working on forest products trade and policy research, once participated in and presided over "Research on Global Strategy of Chinese Forest resource," "Research on Guarantee Strategy of China Timber Safety," "Analysis on Demand Forecast and Supply Potential of Timber and Wood Products in 'The 12th 5-year Plan Period'," "Analysis on Foreign Trade Policy System of Forestry", and "Research on China Timber Legality Verification System" in cooperation with U.K. Closely, he supported the whole foreign affairs strategy

of SFA and relevant governmental departments, participated in trade negotiations with USA, EU, Japan, Australia and Indonesia, in which he provided a series of negotiation drafts and external affairs drafts, giving full play to his role as a supportive expert.

6. Mr. Vincent van den Berk, Programme Coordinator, EFI FLEGT Asia Regional Programme



Vincent van den Berk is heading the European Forest Institute (EFI) Regional Asia office in Kuala Lumpur. The regional office was formally established in October 2009 and is based in the Finnish Embassy to Malaysia. From here he coordinated the Forest Law Enforcement Governance and Trade (FLEGT) Asia Regional Programme. This Programme is implemented in close collaboration with the EU and aimed at implementing the EU FLEGT Action Plan in Asia. It focused on promoting international trade in verified legal timber within Asia and exported from Asia to other consumer markets.

Before the EFI, Vincent worked for the European Commission at the Delegation of the European Union to Malaysia in Kuala Lumpur. He was the EU FLEGT Advisor for Malaysia supporting the FLEGT Voluntary Partnership Agreement (VPA) negotiations between the EU and Malaysia, and the Asia region since April 2006.

Before moving to the European Commission he was a Senior Policy Advisor, International Affairs for the Netherlands Ministry of Agriculture, Nature management and Food Quality in The Hague and in Wageningen. He was since 2004 closely involved in the early stages of the FLEGT development as part of the Netherlands international forestry and timber dossier.

7. Mr. John Halkett , General Manager of Australian Timber Importers Federation

John Halkett is the Managing Director of Sydney-based Forestlands Consulting. The company has particular expertise in temperate and tropical forest management and forest-based industries.

He is also the general manager of the Australian Timber Importers Federation and a Director of forest carbon company Leaf Carbon. He is a member of the peak Australian forest industry advisory group to the Federal Minister for Agriculture, Fisheries and Forestry, the Forest and Wood Products Council and a member of the NSW Forest Industries Taskforce.

John's educational credentials include tertiary qualifications in forest science and public policy. He has held senior positions in government forest and conservation agencies in Australia and New Zealand. In addition he has worked in the United States of America, Canada, Papua New Guinea, Southeast Asia, Myanmar, China and Africa.

He writes extensively for trade publications in Australasia and elsewhere. He has written numerous scientific papers and has authored or co authored four books. His latest book *Trees that call Australia home* is currently on sale. He is presently writing a book on the issues and challenges faced by Southeast Asian forests.

8. Ms. Li Chenyang, Program Officer of International Wildlife Trade Monitoring Network



Li Chenyang holds master's degree in Development and Urbanization. She has joined TRAFFIC in 2010 and engaged in various programmes to fight against illegal wildlife trade and promotes sustainable and legal use of timber and other wildlife products/parts.

9. Huang Wenhua, General Manager of Loyal Woods Co., Ltd.



Huang Wenhua has been working as the General Manager of Loyal Woods Co., Ltd. since 2008. In his term of office, the company set up 2 hi-speed slicing product lines, obtained FSC certification in 2009, became one of council members of China National Furniture Association in 2010, and one of the drafters of industrial standard of Decorative

Veneer in the same year. In 2011, it became one of the drafters of Commercial Timber and Wood Products Label.

Organizations introduction

1. China Timber and Wood Products Distribution Association

China Timber & Wood Products Distribution Association (CTWPDA), established in 1985 upon the approval of the Ministry of Civil Affairs, is a non-profit organization voluntarily joined by enterprises, institutions and individuals engaged in the timber and wood products (including bamboo and bamboo products) processing and distribution industry. For 27 years, it has been working toward bridging the communication between private sector and policy making agencies, protecting interests of members, promoting good

practices and building a good reputation of the Chinese timber and wood products industry. The association is subject to the administration of Ministry of Civil Affairs and the supervision and guidance of the State-Owned Assets Supervision and Administration Commission of the State Council.

CTWPDA's current membership consists of 1577 members which are engaged in timber importing, exporting and wholesaling as well as manufacturing, marketing and exporting of wood products, i.e. wooden flooring, wooden door and window, wood-based panels, structural engineered wood, wood veneer, preservative wood, Chinese red wood products. If taken into account the members of local associations (which are members of CTWPDA), CTWPDA's total membership shall exceed 3000.

2. World Wide Fund for Nature Beijing Office

WWF has been active in China since 1980, when Dr. George Schaller arrived to work with Chinese scientists on field studies of the behavior and ecology of the giant panda. As the first international conservation organization invited to work in China, WWF has worked in China more than 30 years. During the past three decades, WWF has supported the establishment of 62 giant panda nature reserves, the protection of over 1.64 million hectares of wetlands through the Yangtze Basin wetland conservation network, and the certification of close to 1.25 million hectares of forest as part of the Forest Stewardship Council's responsible management system. Working with partners, we have promoted sustainable business practices and launched China's pioneering low carbon demonstration cities, Baoding and Shanghai. WWF has also raised awareness about conservation and sustainability issues and encouraged the public and the private sector to take action through activities such as the 20 Ways to 20% energy saving initiative and Earth Hour, the world's largest climate change action campaign.

Market Transformation Initiative

Between 1970 and 2008, Bio-diversity declined 30% world-wide, 60% in the tropical area. Currently 30% of global species threats are directly linked with international trade of consumer goods produced in an unsustainable way.

Human use of renewable natural resources currently exceeds the Earth's capacity to renew them by 50%; at current consumption rate of renewable natural resources that will be increasing the global biological deficit, we will need 2 planets by 2030, and 3 planets by 2050, to make earth capacity meet human footprints, to make natural resource supply meet human consumption demands.

With 20% of the world's population, China has only 7% of the Earth's arable

land and fresh water resources. For eight out of fifteen commodities that WWF prioritized in sectors of forest, seafood, and agriculture, China is the top importer, processor and/or consumer. Unregulated, unreported and even illegal production of priority commodities, especially in developing country governed priority places with high conservation values, have immediate and continuous threats to conservation of renewable natural resources and biodiversity. In the long run, the supply of these priority commodities related to the priority places will not be sustainable to global as well as Chinese consumers.

WWF Market Transformation Initiative targets on 100 priority companies that control about 25% global trade of 15 priority commodities. We will respectively work with these Chinese as well as global priority companies, or collectively work with all multi-lateral strategic partners to initiate constructive dialogue to promote sustainable production, processing and trade of priority commodities in priority places, to ensure that credible, traceable and sustainable international standards can be reached in the production fields for priority commodities; pollution and wasteful consumption can be reduced; global renewable natural resources can be sustained; commodity production associated high conservation value habitat and bio-diversity loss can be halted and reversed; in the end, human and nature can stay in harmony.

3. EFI's EU FLEGT Facility - Asia Regional Office

European Forest Institute (EFI) is an international organization established by European States in 1993. The Headquarter of the Institute is in Joensuu, Finland. EFI conducts research and provides policy support on forest-related issues, and it offers the best forest research contacts and acknowledges collaboration at the European level. EFI has about 130 Associate and Affiliate Member organizations, five Regional Offices and one Project Centre. The research directions are: Sustainability and Climate Change, Forest for Society and Foresight and Policy Support.

The European Commission (EC) published a Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in 2003. FLEGT aims not simply to reduce illegal deforestation, but in promoting good forest governance, aims to contribute to poverty eradication and sustainable management of natural resources. In 2007, the EU's FLEGT Facility was established; it is hosted and managed by EFI. The facility (i) supports the bilateral process between the EU and tropical producing countries towards signing and implementing "Voluntary Partnership Agreements" (VPAs) under the FLEGT Action Plan, and (ii) executes the regional support program for the EU FLEGT action plan in Asia.

EFI's EU FLEGT Facility - Asia Regional Office (FLEGT Asia) was formally

established in October 2009 in Kuala Lumpur, Malaysia, managed and conducted all the activities in partner countries of Asia. The first phase will be finished before June 2013, and its second phase will continue to implement in the period of 2013 to 2016. FLEGT Asia seeks to collaborate and build synergies with existing regional initiatives and partners in Asia. The goal of the FLEGT Asia is the promotion of good forest governance, contributing to poverty eradication and sustainable management of natural resources in Asia, through direct support of the implementation of the EU's FLEGT Action Plan. The strategy to achieve this goal focused on promoting and facilitating international trade in verified legal timber-both within Asia and exported from Asia to other consumer markets. In particular, it aims to enhance understanding of emerging demands in key timber-consuming markets and promote use of systems that assist buyers and sellers of Asian timber and timber products to meet these demands.

The work program includes: Information Collection, Capacity Building and Regional Collaboration. The work involves Asian countries, and mainly focus on Mekong River countries (Cambodia, Laos, Myanmar, Thailand, Vietnam), China and India. FLEGT Asia has conducted activities on awareness raising, information sharing and capacity building related with FLEGT Action Plan and European Timber Regulation. In 2009, European Union Environment Agency and the State Forestry Administration of the People Republic of China (SFA) established the EU- China Bilateral Coordination Mechanism (BCM) to conduct policy dialogue and information exchange, and sharing the effort and experience on Legal Timber Verification. FLEGT Asia also involved in the BCM, and supported related partners on research, training and material translation, etc.

For more information, please visit: www.euflegt.efi.int

4. Responsible Asia Forestry & Trade Program

The Responsible Asia Forestry & Trade partnership (RAFT) is a regional program that provides capacity building and knowledge sharing services to Asia Pacific countries in support of their efforts to promote trade in responsibly harvested and manufactured wood products.

RAFT is supported by the Australian and U.S. Governments and is implemented by The Nature Conservancy (TNC), the Institute for Global Environmental Strategies (IGES), TFT (The Forest Trust), the Tropical Forest Foundation (TFF), TRAFFIC – the Wildlife Trade Monitoring Network, and WWF's Global Forest & Trade Network (GFTN). In addition to these key implementing partners, RAFT works with government, industry, IGOs and educational institutions from across the globe.

Through supply-side capacity building, technical support and networking opportunities, RAFT partners help bridge the gap between market and policy incentives and current management practices in order to help Asia Pacific suppliers meet the growing demand for verifiably responsible wood products that benefit local and global economies while also preserving the environment and mitigating climate change.

The program targets 6 countries—China, Indonesia, Lao PDR, Myanmar, Papua New Guinea and Vietnam—with others involved through regional dialogues and learning exchanges. www.responsibleasia.org.



Government's promotion

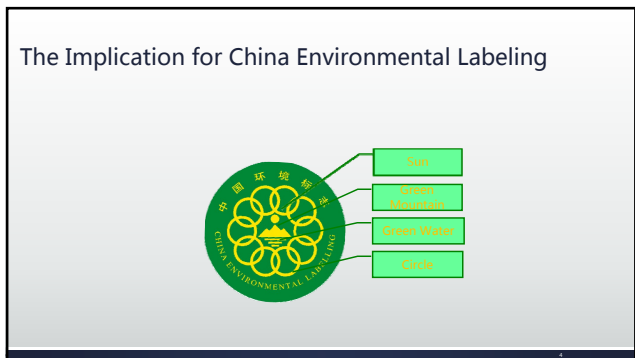
第一届中国环境标志产品认证委员会主任委员、国家环境标志产品认证中心主任王世元在讲话中，阐述了环境标志产品认证的重要意义，并对中国环境标志产品认证工作提出了要求。

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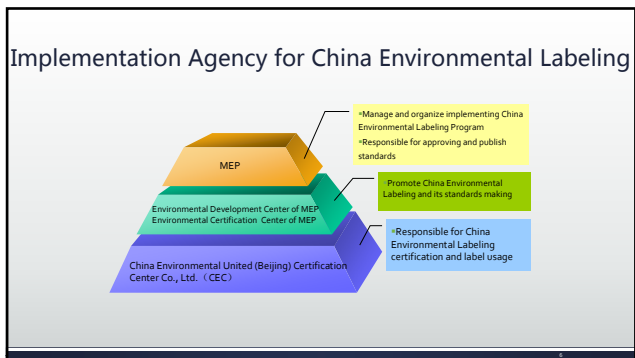
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国家环境保护总局新闻发布会



China Environmental Labeling is one probative mark, and as one official mark, it demonstrates the products which get permission to use the label, not only meet quality requirements, but also meet environmental requirements during progress of production, utilization and disposal, and they are low toxic and resource-saving with comparison with other similar products.



Certified products for China Environmental Labeling

Light vehicle	Substitute of ozone-consuming substance	Household electric washing machine	Waterproof coated material	Adhesive
water soluble coating	Plastic pipe for architectural use	Wool textile	Household detergent	Household micro-wave oven
disposable tableware	Magnetic-electric water processor	Repellent incense coil	Wooden door and steel door	Aerosol
city pigeon target	Energy-saving lamp	Natural gas hob	Detergent	Light wall Panel
filter desiccant for packing use	Recycled plastic product	Ecological textile	Wood-based panel and its product	Furniture
Recycled paper products	Tube fluorescent light ballast	Micro computer and display	Pesticide spray	Room air conditioner
Asbestos-free building product	Foamed plastics	Ecological residence (living quarter)	Dry battery	Shoes
Building block	metal welding and cutting gas	Solar heat collector	Hygienic ceramics	Color TV and radio
Fire extinguisher	Commercial refrigeration equipment	Household solar water heating system	Ceramic tile	Lead-free gasoline for vehicle use
Packing product	Household refrigeration equipment	Wallpaper	Solar watch	Printer, fax machine and multi-purpose machine
Soft drink	Plastic door and window	Recycled paper product	Mothproof agent	Ceramics, glass ceramics and glass tableware
Chemical gypsum product	Chargable battery	Static copier	Pressure cooker	Rigid waterproof material
Reagent incense for air	Waterproof paint	-----		

China Environmental Labeling products have 96 categories, such as auto vehicle, electronics, building materials, textile, and package.

Overview for China Environmental Labeling Certification

- More than 2,000 enterprises getting certificates, and accounting for 5-10% of the industry
- More than 21,000 product
- Forming a green market with more than 90 billion production value
- More than 300 companies are certified every year

Chinese environmental labeling certificate holder enterprises are taking the lead in the world in terms of quantity and product quantity.

Party of CCEL Certified Companies



Purpose of CCEL

- Aiming at the final objective of national environmental protection, to make full use of the market economic means—Environmental Labeling to promote sustainable development of the economic society, and accelerate the improvement of environmental quality and contribute to the national environmental decision.
- Basing on the people oriented concept, to improve public health, and guide to scientific and green consumption.
- To develop double-green development model for Chinese enterprises, set up Chinese green technological measures system, promote green economy and low-carbon economic development, enable environmental labeling products to become the connection between the public and sustainable development strategy, so as to enhance sustainable consumption and boost the construction of an environmental-friendly society in an overall manner.

Function of CCEL



Achievement and Impact of China Environmental Labeling

- Chinese environmental labeling certificate holder enterprises are taking the lead in the world in terms of quantity and product quantity.
- Up to now, as nearly 100 million "10-circle" environmental labels were attached to products and entered into numerous households, they have become the messenger of ecological civilization and green consumption.
- Environmental labeling standard is part of the standards regulating Chinese Government Green Procurement List products.
- Environmental labeling has become the threshold in many important product and project bids.

Policy Support for China Environmental Labeling



• Recently, under MEP' s support, China Environmental Labeling Certification receives wide acceptance among all levels of government agencies and the public.

• The State Council definitely emphasized that all government agencies should execute green procurement to encourage use products with China Environmental Labeling in a series of documents, such as "Decision on Implementing "Scientific Approach of Development and Enhancing Environmental Protection", "The State Council' s Opinions on Accelerating the Development of Circular Economy", and "Notice on Issuance of Comprehensive Work Program of Energy conservation and Emission reduction"

International Impact of China Environmental Labeling

❖ IGPN Member



www.CGPN.org China Green Procurement Website

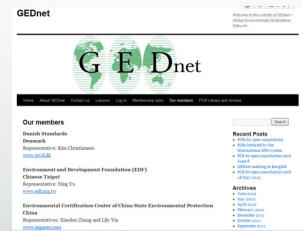
International Impact of China Environmental Labeling

❖ GEN Member



International Impact of China Environmental Labeling

❖ GEN Member



International Impact of China Environmental Labeling

Currently, China Environmental Labeling has signed mutually accepted cooperation agreements with environmental labeling bodies in Japan, Korea, Australia, New Zealand, Hong Kong, Germany, North Europe and Thailand, laying the foundation for setting up green channel between China and the above-mentioned countries or regions.



International Impact of China Environmental Labeling



International Impact of China Environmental Labeling



Signing ceremony of "Sino-Germany Common Standard of Recycled Toner Cartridge"



Publish of the "Common Standard of Computer" among China, Japan and Korea

Green Governmental Procurement

- Green Governmental Procurement means governmental procurement shall select products and services meeting green standards. The green standard for governmental procurement not only requires final product shall meet the technical standard of environmental protection, but also requires the whole process, from product design, development, production, packaging, transportation, use, recycle and reuse to disposal, shall meet the environmental protect requirements according to the theory of life cycle analysis.

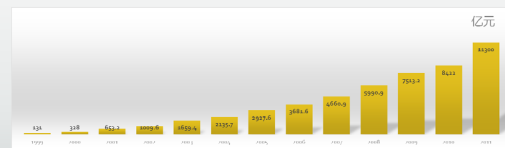
Green governmental procurement is key to enhance environmental and economic "win-win"

- Governmental procurement is of the important function of national macro-control policy tool. As a special consumer group, governmental departments shall be the first group preferring green consumption. Through reducing energy consumption and cost from the origin, protecting environment, they shall act as the best practitioner, in order to increase people's environmental protection awareness, expand green product market and accelerate environmental improvement in the whole society.



Scale of Chinese Governmental Procurement

- Since the Law on Governmental Procurement was implemented on Jan 1st 2003, the procurement scale of Chinese Government has increased from 13.1 billion yuan in 1999 to 1130 billion yuan in 2011.



Governmental Procurement from 1999 to 2011

Legislative foundation of Chinese Governmental Green Procurement

Government Procurement Law of the People's Republic of China

- Government procurement shall facilitate the realization of the objectives of national economy and social policy, including environmental protection, supporting underdeveloped and minority areas, and promoting the development of middle- and small-scale enterprises.

Cleaner Production Promotion Law of the People's Republic of China

- All levels of governments shall give priority to energy-saving, water-saving, recycled products beneficial to environmental protection and resource conservation in procurement.

Circular Economy Promotion Law of the People's Republic of China

- The state shall adopt governmental procurement policy beneficial to circular economy development. Procurement with governmental fund shall give priority to energy-saving, water-saving, materials-saving and environmental-friendly products and recycled products.

Law of the People's Republic of China on Prevention of Environmental Pollution Caused by Solid Waste

- The procurement with governmental fund should give priority to energy-saving, water-saving and materials-saving, and should be benefit to environmental friendly products and recycled products.

Legislative foundation of Chinese Governmental Green Procurement

The State Council's Decision on Implementing Scientific Approach of Development and Enhancing Environmental Protection

- Strive to develop circular economy... For consumption, promote environmental-friendly consumption, adopt environmental labeling, environmental certification and governmental green procurement system, as well as improve the recovery and utilization system of recycled resources.

The State Council's Opinions on Accelerating the Development of Circular Economy

- In consumption, advocate the consumption pattern helpful for resource conservation and environmental protection, encourage the use of products with energy efficiency label, energy-saving and water-saving certified products, environmental labeling products, green mark foods and organic logo foods, as well as cut down over-packaged and disposable products. Governmental agencies shall adopt green procurement.

The State Council's Notice on Issuance of Comprehensive Work Program of Energy Conservation and Emission Reduction

- Enhance governmental agencies' green energy-saving procurement. Strictly implement the guidance on governmental labeling products, further improve the governmental procurement system of energy-saving and environmental labeling products, and continue to expand the governmental procurement scope of energy-saving and environmental labeling products. For office equipments, lighting products and water-consuming equipments as air conditioning, computer, printer, study and copying machine, change the water-saving, energy saving, high efficiency, energy saving, environmental labeling products priority provision into compulsory provision.

The State Council's Decisions on Accelerating the Cultivation and Development of Strategic Emerging Industries

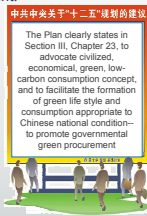
- Reinforce governmental guidance and support, as well as accelerate popularization and application of high-efficiency, energy-saving, environmental labeling and resource assessment for fiscal policy implementation, innovate financial fund management mechanism and improve fund use efficiency.

The State Council's Opinions on Strengthening Key Environmental Protection Works

- Encourage the use of environmental labeled, environmental protection certified and green printed products.

Legislative foundation of Chinese Governmental Green Procurement

- Governmental green procurement was included in the "Outline of the 12th 5-year Plan of National Economy and Social Development."



25

Environmental labeling standard is an effective tool for implementing governmental green procurement



- Environmental labeling standard is an important foundation for all the countries in formulating green procurement product standard and guidance, especially governmental green procurement.

26

Governmental procurement for environmental labeling product

- On Oct 24th 2006, the Ministry of Finance and the Ministry of Environmental Protection jointly published the Opinions on Implementation of Governmental Procurement for Environmental Labeling Products and List of Environmental Labeling Products for Governmental Procurement, by which Chinese governmental procurement for environmental labeling products has been officially initiated.



27

Governmental procurement of Environmental Labeling Products



- The publication of the Opinions and the List is an important breakthrough of system and policy in establishing sustainable consumption model and facilitating the construction of an environmental-friendly society.
- The Opinion regulates, "The state organs, public institutions, groups and organizations at all levels shall give priority to environmental labeling products in procurement with government funds." "In case the procurer or entrusted agency did not follow the above requirement in procurement, relevant departments may punish them according to relevant laws, regulations and rules, and the financial department may refuse to pay the purchasing fund as appropriate."

28

Governmental procurement of Environmental Labeling Products

- The publication of the Opinions and the List symbolizes an important breakthrough in both system and policy to promote an environmental-friendly society, and is an innovation in environmental protection as a new means in environmental management in China.

Chinese Governmental Green Procurement bases on green procurement policies of different countries and combines the actual green procurement system in China.

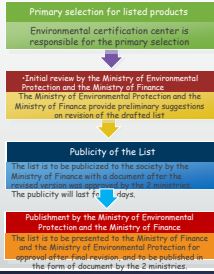
29

Governmental procurement system of environmental labeling product

- The "List of Environmental Labeling Products for Governmental Procurement" was formulated by the Ministry of Finance and the Ministry of Environmental Protection. The products in the "List" were selected and determined by the Ministry of Finance and the Ministry of Environmental Protection among the environmental labeling products certified by certification bodies which the State verified, on the basis of environmental protection performance, technical level and market maturity. The list will be published regularly on the media which is assigned by the Ministry of Finance and Ministry of Environmental Protection.

30

Procedure of Governmental Procurement for Environmental Labeling Products



To ensure the effectiveness and correctness of governmental procurement for environmental labeling products, the List is to be revised every half a year in principle. Since 2011, the revision will be conducted in January and July.

Access to the published (publicized) information

1. Website of the Ministry of Finance (www.mof.gov.cn)
2. Website of the Ministry of Environmental Protection (<http://www.mep.gov.cn>)
3. Website of Chinese Governmental Procurement (<http://www.cccp.gov.cn>)
4. Website of China Green Procurement (<http://www.cgpn.org>)

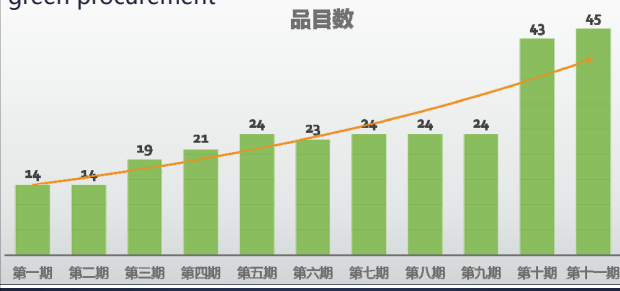
Status quo of Chinese Governmental green procurement

- In over 5 years after the implementation of governmental green procurement, the Ministry of Finance and the Ministry of Environmental Protection have published 10 List of Environmental Labeling Products for Governmental Procurement, which extended the product categories from the earliest 14 to the latest 45. Environmental labeling products for governmental procurement includes IT equipments as vehicle, personal computer, copier and printer, as well as building materials and solar products as paint, furniture and panel.

Categories of environmental labeling products procured by government



Status quo of Chinese Government's green procurement



Status quo of Chinese Government's green procurement



Thematic Study on Chinese Government's Green Procurement of Wood and Paper Products

Gao Ya
China Timber & Wood Products Distribution Association

International Seminar on Green Procurement of Timber and Wood Products
Apr 1st 2013, Beijing

Outline

- I. Yesterday, today and tomorrow of Chinese Governmental Procurement
- II. Summary of Chinese Governmental Procurement
- III. Summary of Chinese Governmental Green Procurement
- IV. Chinese Government Green Procurement Policy on Wood and Paper Products
- V. Feasibility Study and Suggestions for Improving Chinese Governmental Green Procurement Policy on Wood and Paper Products

Definition of Governmental Procurement

"All state organs, public institutions, groups and organizations' legal procurement activity with governmental funds to purchase goods, projects and services in the centralized procurement list or beyond the procurement quota"

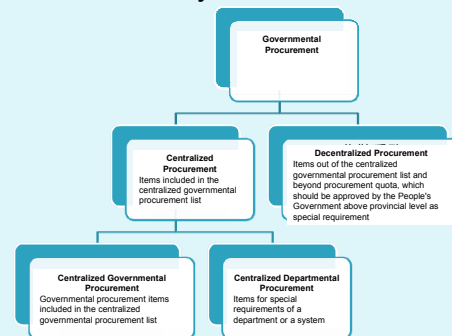
Legal Framework

- The Law of the People's Republic of China on Governmental Procurement
- The Law of the People's Republic of China on Bid Invitation and Bidding
- The Law of the People's Republic of China on Environmental Protection
- The Law of the People's Republic of China on Contract
- General Rules of the Civil Law of the People's Republic of China
- The Budget Law of the People's Republic of China
- Other laws and regulations

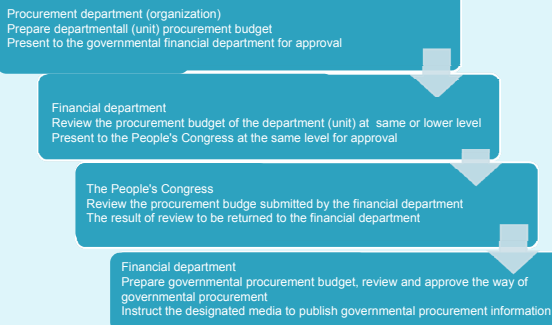
Governing Departments

According to Article 13 of the Law on Governmental Procurement, "All the Financial Departments in the People's Government at all levels shall be responsible for management of governmental procurement, and undertake supervision, management over governmental procurement in compliance with relevant laws and regulations; relevant departments responsible for bid invitation and bidding, administrative monitoring in the State Council, audit organ and supervisory organ shall legally undertake supervision and management of governmental procurement."

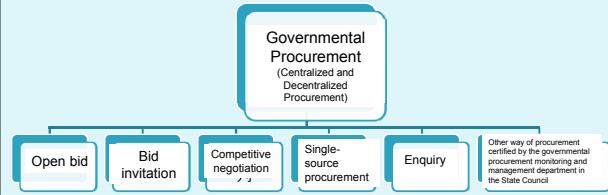
Procurement Way



Procurement Budget



Way of Procurement



Status quota and future trend

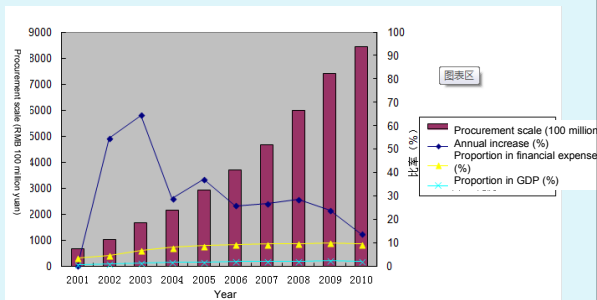


Chart 1 Governmental Procurement Scale and Proportion in Financial Expense and GDP

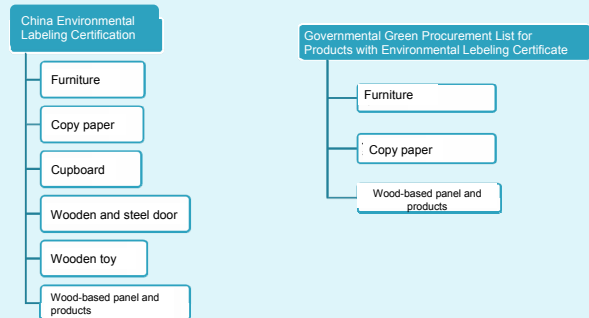
Governmental Procurement for Timber, Wood Products, Paper and Paper Products

- ▶ Procurement product in the Catalogue of Governmental Procurement Product Categories (Interim) includes:
 - (1) Furniture
 - (2) Paper, paper products and presswork
 - (3) Office consumer goods and similar articles
 - (4) Architectural and building materials
 - (5) Agricultural, forestry, husbandry and fishery products
- ▶ Copy paper and furniture belong to centralized procurement
- ▶ The way and procedure of procurement shall refer to the provisions in the Law on Governmental Procurement

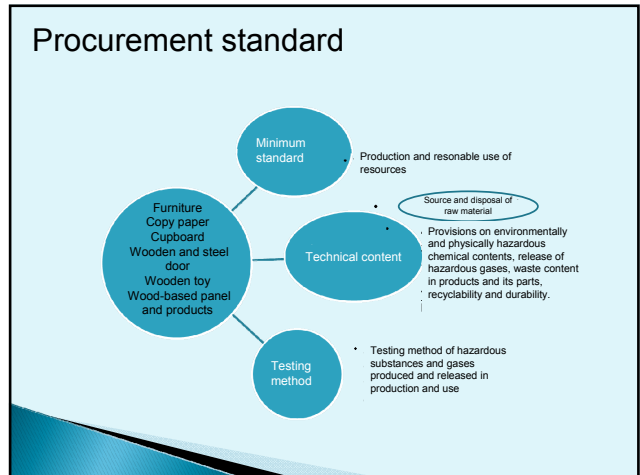
Governmental Green Procurement Policy on Wood and Paper Products

- ▶ China Environmental Labeling Certification and the List of China Environmental Labeling Products for Governmental Procurement involve in wood and paper products
- ▶ Currently, China has green procurement policy on wood and paper products.
- ▶ Specifically demonstrated by the China Environmental Labeling Certification's standard for wood and paper products

Procurement scope



Product type	Quantity of enterprises obtained 10-circle certificate (up to Feb 2013)	Quantity of enterprises included in the green list (Issue 11)	Proportion of enterprise included in green list
Copy paper	11	7	63.6%
Furniture	862	460	53.4%
Wood-based panel and products	166	20	12.0%



Procurement standard

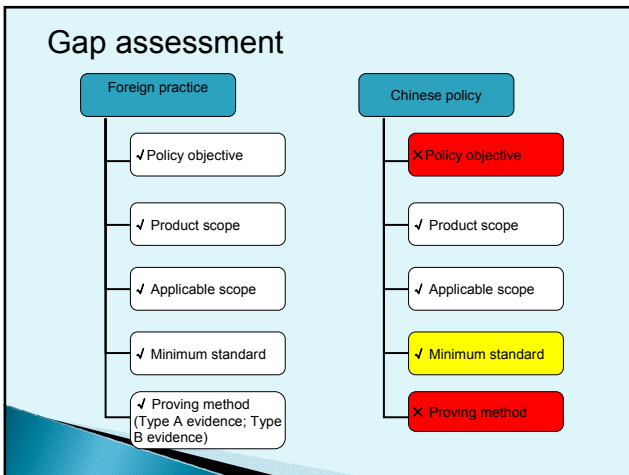
Technical content and testing method of timber raw material in the Technical Requirements on China Environmental Labeling Product

Applicable standard	Technical content's requirement on timber raw material	Testing method requirement on timber raw material
Furniture HJT 303-2006	4.21: If timber took over 10% of the total weight, the timber used in products cannot have the origin of protected natural forest, cannot be rare and precious species (except timber with FSC sustainable management forest certificate). Parts, as ball handle and handle, do not subject to any limitation.	None
Copy paper HJT 410-2007	4.1.1 Imported timber raw material shall come from sustainable forest, and domestic timber shall come from origin meeting the provisions of Chinese forestry-related laws and regulations.	5.1 To be verified via on-site inspection and document review.
Cupboard HJT 432-2008	None	None

Procurement standard

Technical content and testing method of timber raw material in the Technical Requirements on Environmental Labeling Product

Applicable standard	Technical content's requirement on timber raw material	Testing method requirement on timber raw material
Wooden and steel door HJ459-2009	4.1.1 Manufacturer shall use inferior and small timber, firewood and wood-based panel. The origin of wood used shall meet the requirements in national laws and regulations.	5.7 To be verified via document review plus on-site inspection
Wooden toy HJ 566-2010	5.1.1 Timber raw material shall obtain sustainable forest certificate and meet the requirements of national laws and regulations.	6.9 To be verified via on-site inspection and (or) document review.
Wood-based panel and products HJ 571-2010	5.1.1 Timber raw material shall meet the requirements of CITES. 5.1.2 Imported timber raw material shall come from sustainable forest, and domestic timber raw material shall come from origin meeting Chinese forestry-related laws and regulations.	6.6 To be verified via document review plus on-site inspection.



Foreign practices

Proving method

To examine whether a supplier meets the governmental green procurement policy requirements on timber legality and sustainability, mainly through asking for and examining the following 2 evidences

- Evidence A: Certificates issued by forest certification system accepted by governmental green procurement policy. (FSC, PEFC, CSA, MTCS, SFI, ATFS, LEI, SGEC or CERFLOR)
- Evidence B: Other documentary evidence which can prove legality and sustainability. For this evidence, an extensive list has been prepared, including information about forest resource, its management, supply chain, legality and sustainability. (First party verification, second party verification and third party verification: TLTV, VLC, OLB, CerSource and FLEGT)

Government's Acceptance to Forest Certification System

Country	FSC	PEFC	SFI	CSA	ATFS	MTCS	LEI	Other
Belgium	✓	✓						
China								China Environmental Labeling Certificate
Denmark	✓	✓	✓	✓		✓		
France	✓	✓						
Germany	✓	✓						
Japan	✓	✓	✓	✓		✓	✓	Japan Sustainable Green Ecology Committee (national system)
Netherlands	✓	✓						
New Zealand	✓	✓	✓	✓	✓	✓		Eco-timber
Switzerland	✓	✓						Q-Swiss Quality
UK			✓	✓		✓		

Significance of improving governmental procurement standard on wood and paper products

- ▶ Among the sourced countries of imported timbers, some are suffering from illegal logging arisen from weak forest law enforcement.
- ▶ China has made the political promise in the world to tackle illegal logging and promote sustainable forest management.
- ▶ Governmental procurement's function in guiding enterprise activity and public environmental awareness
- ▶ Total 12 countries have formulated governmental green procurement policy with the aim to tackle illegal logging, promote sustainable forest management and governance.

Very Important

Feasibility study

- Political commitment**
 - Chinese Government is determined to fight against illegal logging and relevant trading.
- System foundation**
 - Currently has established relatively complete governmental procurement system, and preliminarily established governmental green procurement system
- Legal and sustainable timber supply**
 - At least 446 million ha certified sustainable forests across the world
 - 131 million ha legality certified forests
- Promotion from international organization and scientific research institution**
 - Relevant researches conducted by international organizations and scientific research institutions have laid the foundation for implementing green procurement.

Feasibility

Feasibility study: Legal and sustainable timber supply market

FSC system	<ul style="list-style-type: none"> 170 million ha forests obtained forest management certificate (over 2.5 million in China) 24,617 enterprises obtained CoC certificate (2,356 in China)
PEFC system	<ul style="list-style-type: none"> 240 million ha forests obtained forest management certificate 9,548 enterprises obtained CoC certificate (156 in China)
CFCC	<ul style="list-style-type: none"> Officially established in 2007 Became PEFC member in 2011 Mutual acceptance with PEFC is under the way
China timber legality verification system	<ul style="list-style-type: none"> Still in the developing stage
Third party legality verification system	<ul style="list-style-type: none"> SGS timber legality and traceability system Rainforest Alliance legal origin verification and compliance verification system BV forest product legality verification system CertiSource legality evaluation system
Second party legality verification system	<ul style="list-style-type: none"> A monitoring and management system established and implemented by association, currently China still does not have one.
Other	<ul style="list-style-type: none"> National systems not accepted by PEFC (Brazilian, Japanese and Indonesian) VPA, TLAS

Suggestion

1. Revise the timber origin requirements in China Environmental Labeling Certification

2. Formulate industrial or national standard on timber origin's legality and sustainability in distribution industry

3. Stakeholder consultation mechanism

Formulate minimum standard on legality and sustainability for the origin of timber raw material

Standard shall include:
 Policy objective
 Application scope
 Definition of legality and sustainability
 Proving method

Stakeholder includes:
 Administrative body of governmental procurement
 Implementing body of governmental procurement
 Supplier of governmental procurement
 Policy maker of governmental green procurement
 Chinese forestry administration
 International organization
 Non-governmental organization
 Scientific research institution



森林认证在中国 Forest certification in China

- 实践方面 (Implementation)
 - 第一个森林经营认证证书：2001年 (第一个申请：1999年1月) (First FM certificate in 2001, but first application in January 1999)
 - 第一个产销监管链认证证书：1999年 (First COC certification in 1999)

森林认证在中国 Forest certification in China

- 目前，中国有三个森林认证体系并存 (Currently, 3 forest certification schemes exist in China)
 - 中国森林认证体系 (CFCC) (CFCC Scheme)
 - PEFC体系 (PEFC Scheme)
 - FSC体系 (FSC Scheme)
 - 【其实还有SGEC，天津嘉成木业，集成材】

三个森林认证体系在中国并存 3 forest certification schemes in China



全部都合法吗？ All legal or not?

三个森林认证体系认证情况 Certification status of three schemes

- 中国森林认证体系：截至2013年3月8日 (CFCC, as of March 8, 2013)
 - 森林经营认证：10家，100万公顷 (FM certification: 10 FMUs, with 1 million ha)
 - 产销监管链认证：3家 (COC certification: 3 companies)

三个森林认证体系认证情况 Certification status of three schemes

- FSC体系：截至2012年12月31日 (FSC Scheme, as of December 31, 2012)
 - 森林经营认证：48家，155万公顷 (全球1.7亿公顷) (FM certification: 48 FMUs, with 2.55 million ha) (170 million ha in global)
 - 产销监管链认证：2356家 (COC certification: 2,356 companies)

三个森林认证体系认证情况 Certification status of three schemes

- PEFC体系：截至2012年12月31日 (PEFC Scheme, as of December 31, 2012)
 - 森林经营认证：因尚未互认，没有森林被PEFC体系认证 (全球认证面积：2.47亿公顷，75万林主) (FM certification: No forest certified by PEFC due to no endorsement yet) (Global: 247 million ha by over 750,000 forest owners)
 - 产销监管链认证：181家 (COC certification: 181 companies)

认证认可有法可依 Relevant laws and regulations

- 中国森林认证体系：**必须（并且只需）遵守中国**的相关法律法规（CFCS: Has to, and only to, abide by relevant laws and regulations in China）
- PEFC体系：**必须同时遵守两个国家**（瑞士（总部所在国）和中国）的相关法律法规（PEFC Scheme: Has to abide by relevant laws and regulations in 2 countries which are Switzerland and China）
- FSC体系：**必须同时遵守五个国家**（墨西哥（注册所在国）、欧盟（可以按一个国家看待）（包括总部所在国的国家联盟）、德国（总部所在国）、认证机构所在国、中国）的相关法律法规（FSC Scheme: Has to abide by relevant laws and regulations in 5 countries which are Mexico, EU, Germany, a country where CB registers, and China）

认证认可有法可依 Relevant laws and regulations

- 最重要的是，要遵守中国的《认证认可条例》以及《标准化法》和《标准化法实施条例》（The most important: has to abide by Regulation on Certification and Accreditation in China, Standardization Law, and Enforcement Regulation for Standardization Law）
- 认证和认可既统一，又独立（Certification and accreditation: Both unified and separate）
- 《认证认可条例》系2003年8月20日国务院第18次常务会议通过，9月3日温家宝总理签发，11月1日起施行（Regulation on Certification and Accreditation was approved by the State Council on August 20, 2003, signed by Premier Wen Jiabao on September 3, 2003, and effective after November 1, 2003）

森林认证监管部门 Governing bodies of forest certification

- 在中国，森林认证的监管部门有两个（很多人以为只有一个）（There are 2 government bodies in charge of forest certification）
- 国家认监委：主管政策，包括认证机构的审批和监管（CNCA: Policy for approving and monitoring CBs）
- 国家林业局：主管业务，包括体系、标准、技术、审核等。中国森林认证工作领导小组和森林认证处，**统管全国的森林认证工作，包括所有体系**（SFA: Technical issues of scheme, standard, auditing. Leading Group and Division, in charge of all forest certification schemes across the country）
- 两部门是相互协作关系：2008年联合下发《关于开展森林认证工作的意见》（2 bodies jointly issued a policy document for forest certification）

国家认证认可监督管理委员会 文件 国家林业局

国认可联[2008]29号

关于开展森林认证工作的意见

各省、自治区、直辖市质量技术监督局及林业厅（局），各直属检验检疫局：

遵照科学发展观的要求，努力实现十七大提出的建设资源节约型、生态文明的目标，是实施国家可持续发展战略的重要组成部分，也是我国林业发展战略的核心。森林可持续经营是林业可持续发展的基础。中国作为世界林业大国，在加强森林资源管理、实施天然林资源保护、促进人工林资源培育以及强化自然保护区建设上采取了举世瞩目的有力举措，为全球森林可持续经营做出了贡献。

国家认监委、国家林业局充分认识到建立我国森林认证制度，推动森林认证工作，是促进我国森林可持续经营水平的一种有效手段。近年来，国家认监委、国家林业局按照《中华人民共和国认证

— 1 —

2、中国森林认证体系 China Forest Certification Scheme



中国森林认证管理委员会
China Forest Certification Council

中国森林认证体系

China Forest Certification Scheme

- 体系建设酝酿于2001年 (Scheme development started to be discussed in 2001)
- 森林经营认证标准：始于2001年 (FM standard: started in 2001)
- 产销监管链认证标准：始于2003年 (COC standard: started in 2003)
- 完全按照相关法律法规 (Fully abided by relevant laws and regulations)
- 接受国家林业局和国家认监委指导和监管 (Under supervision by State Forestry Administration (SFA) and Certification and Accreditation Administration of China (CNCA))

中国森林认证体系

China Forest Certification Scheme

- **两个认证标准**，即森林经营认证标准和产销监管链认证标准，同时也是国家标准，中国林科院制定，国家标准委发布，2012年12月1日起施行 (Two certification standards both for FM and COC, which was developed by CAF and promulgated by Standardization Administration of China (SAC), had been effective since December 1, 2012 as 2 national standards)
- **一整套管理制度文件** (A set of institutional documents have been developed)

中国森林认证体系

China Forest Certification Scheme

- **一家森林认证机构**，中林天合（北京）森林认证中心有限公司，由国家认监委于2009年批准 (One certification body approved by CNCA in 2009)
 - 三家森林认证机构：正在申请，有望近期获得国家认监委批准 (3 applicants waiting, hopefully approval by CNCA very soon)

认证机构的法定要求

Legal requirements for CBs

- 根据《认证认可条例》，任何认证机构 (According to Regulation on Certification and Accreditation, any CB)
 - 必须获得国家认监委批准 (Approved by CNCA)
 - 必须在工商部门注册 (Registered)
 - 其审核员：必须获得中国认证认可协会认可 (Its auditors accredited by China Certification and Accreditation Association, CCAA)
 - 获得国家认可委认可 (不必须，但通常，视具体情况) (Accredited by China National Accreditation Service for Conformity Assessment, CNAS)

中国森林认证体系组织机构

Structure of China Forest Certification Scheme

- 管理机构：中国森林认证管理委员会 (CFCC) (Governing body: China Forest Certification Council, CFCC)
 - 既是中国森林认证体系的管理者 (Governing body of China Forest Certification Scheme, CFCS)
 - 也是中国森林认证体系的运行者 (Operator of CFCS)
- CFCC下设： (CFCC also includes)
 - 秘书处 (Secretariat)
 - 争议调解委员会 (Arbitration Committee)

CFCC体系进展——认证情况

CFCC progress --- certification

- 如前所述 (As mentioned previously)
- 截至2013年3月8日 (as of March 8, 2013)
 - 森林经营认证：10家，100万公顷 (FM certification: 10 FMUs, with 1 million ha)
 - 产销监管链认证：3家 (COC certification: 3 companies)
- 只有1家森林认证机构，3家候选 (Only one CB, and 3 applicants waiting)

认证机构的认可 Accreditation of CBs

- 中国森林认证体系的认证机构，设计为必须要认可：
 - 开展森林经营认证的：必须由CNAS认可
 - 开展产销监管链认证的：可以由CNAS认可；也可以由其他认可机构的认可，该认可机构应该是国际认可论坛（IAF）的会员，或者是IAF特殊认可的、遵循ISO/IEC 17011:2004要求的认可机构，或者是符合上述机构认可的其他文件要求的区域性团体
- Certification bodies for CFCS, have to be:
 - For FM certification, accredited by CNAS
 - For COC certification, accredited by either CNAS, or member of International Accreditation Forum (IAF) etc

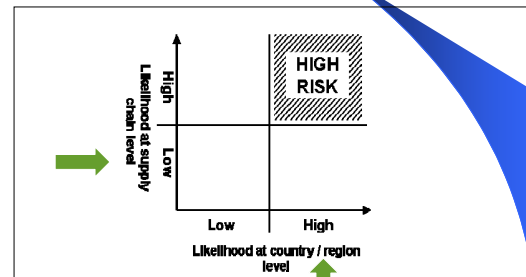
2个森林认证国家标准 2 national forest certification standards



产销监管链认证标准及其尽职调查 COC certification standard and its DDS

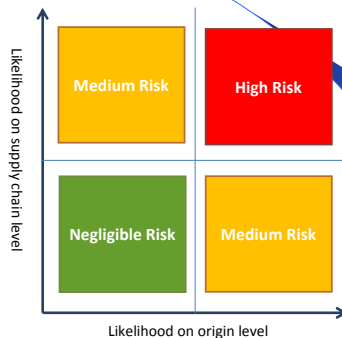
- 《中国森林认证 产销监管链》认证标准，等同采用了PEFC的COC标准（CFCS COC standard just adopts PEFC）
- PEFC正在修改COC标准，主要是为了应对欧盟木材法案，重点修改尽职调查部分，进一步完善了尽职调查体系的设计，以达到风险评估更为详尽、科学（PEFC is revising COC standard, mainly for Due Diligence System, DDS, in response to EUTR, with more details for risk assessment）
- 欧盟尽职调查分：信息收集、风险评估、风险规避
- PEFC的COC标准原来的风险评估只分两类，即高风险和低风险。现在是三类，即高风险、低风险、还有中风险，在标准的矩阵图上很明显（一个是供应链层面的，一个是国家或地区层面的）（Risk assessment: from 2 types (High and Low) to 3 types (High, Medium, Low)）

原COC标准的风险评估 Risk assessment of former COC standard



28

新COC标准的风险评估 Risk assessment of revised COC standard



29

PEFC修订COC标准的新用途 New role of revised COC of PEFC

- 除了COC认证外，还可以单独使用尽职调查体系（DDS can be applied separately, apart from COC certification）
- 也就是可以由独立的第三方认证机构，单独认证企业通过尽职调查证明其原料来源是“风险很低的”（或者说是“非常接近合法的”），但“不一定是可持续的”（Through DDS, CB can verify low risk of raw materials）
- 这就达到了欧盟木材法案中关于尽职调查中“风险评估”的要求（This fit risk assessment requirements by EUTR）

中国COC标准也将相应修订 CFCS is also revising COC standard accordingly

- 目前，中国森林认证体系即将获得PEFC认可（CFCS will be endorsed by PEFC very soon）
- PEFC新修订的COC标准即将生效，中国的COC标准也将相应修订（When PEFC COC standard is effective, then CFCS will also revise COC standard with same change）
 - 这既是与PEFC互认的需要（This is not only for PEFC endorsement）
 - 也是中国适应欧盟木材法案的需要（But also in response to EUTR）

中国COC标准可以用于木材合法性认定 COC can be applied for timber legality verification

- 根据欧盟木材法案，只有VPA证书和CITES证书的木材，才可以直接通过海关进入欧盟国家（称为绿色通道），不需要提供尽职调查材料。即使经过“木材合法性”认定的木材，也不能走这条“绿色通道”（EUTR only recognize VPA and CITES licenses with “green light”）
- 所有其他木材，可以先直接通过海关进入欧盟国家，但欧盟的购买商必须向有关部门提供尽职调查材料（DDS is required for all other timbers）
- 经过认证的木材，以及经过尽职调查认定的木材，就是欧盟尽职调查定义为“低风险”的（COC DDS meets EUTR）
- 为此，COC标准的尽职调查体系，可以用于木材合法性认定，而且欧盟肯定是认可的（So, DDS of COC standard can be applied for timber legality verification, with recognition by EU）

中国森林认证体系设计 Design of China Forest Certification Scheme

- 除森林经营认证和产销监管链认证外，CFCS还设计有：
 - 人工林经营认证（标准即将完成）
 - 竹林经营认证（标准即将完成）
 - 碳汇林经营认证（标准即将启动）
- Besides FM and COC certification, CFCS also identified:
 - Plantation management certification (standard is nearly finished)
 - Bamboo forest management certification (standard is nearly finished)
 - Carbon forest management certification (standard is going to be developed)

中国森林认证体系设计 Design of China Forest Certification Scheme

- 还有：
 - 非木质林产品认证（标准正在制定中）
 - 森林生态环境服务认证（标准有的已经完成，即将发布）
 - 生产经营性珍贵稀有濒危物种认证（标准有的已经完成，即将发布）
- Also:
 - Non-wood forest products certification (standard is under development)
 - Forest eco-service certification (some standards are completed, waiting for promulgation)
 - Certification for commercially managed precious, rare and endangered species (some standards are completed, waiting for promulgation)

中国森林认证体系国际互认进展 CFCS international endorsement progress

- 2010年11月：CFCC申请预加入PEFC（In November 2010: CFCC submitted a letter of interest to join PEFC）
- 2011年5月：CFCC正式申请加入PEFC（In May 2011: CFCC formally applied for membership of PEFC）
- 2011年7月：PEFC正式接纳CFCC为会员（In July 2011: PEFC formally accepted CFCC as its member）
- 2012年8月：CFCC正式提交互认文件（300页，中英文）（In August 2012: CFCC endorsement documents (with over 300 pages) were formally submitted to PEFC）

中国森林认证体系国际互认进展 CFCS international endorsement progress

- 2012年9月：PEFC正式启动互认程序（In September 2012, PEFC formally started the endorsement process）
- 2012年11月：PEFC通过公开招标，选择一家芬兰咨询公司负责国际评估（In November 2012, PEFC selected a consulting company (from Finland) through bidding to assess CFCS）
- 2013年3月：国际评估专家来华访谈（In March 2013, assessment expert visited China to interview）
- 进展展望：非常乐观，有望上半年完成（Perspective: Very promising, hopefully before the first half of the year）

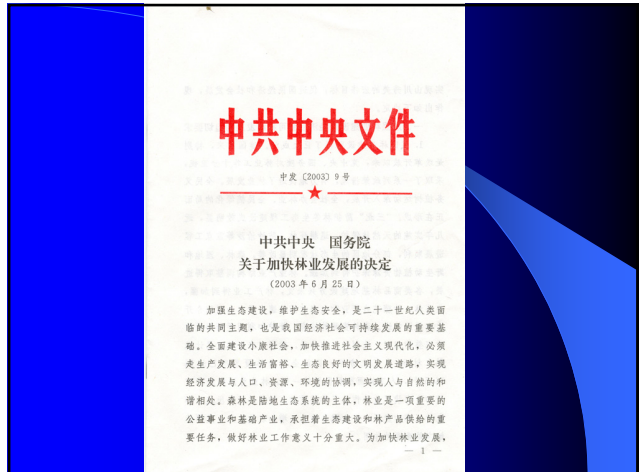
中国林科院的作用 Role of CAF

- 全方位推动中国的森林认证，自1995年起 (Promote forest certification intensively and extensively since 1995)
- 帮助建设中国森林认证体系，担任CFCC副秘书长 (Help to develop CFCS, as Deputy Secretary General of CFCC)
- 制定中国森林认证行业标准和国家标准 (Develop forest certification standards, both trade and national)
- 帮助中国森林认证体系实现国际互认 (Help CFCS for international endorsement)
- 中国公认的森林认证智库 (Widely recognized think tank of forest certification in China)



政府政策支持 Government policy support

- 中国政府非常支持森林认证，特别是中国森林认证体系 (The Chinese Government is very supportive to forest certification, especially the national scheme of CFCS)
- 中央9号文件 (Policy Document of Party No. 9, 2003)
- 政府已经制定或正在制定一系列相关体系建设制度、鼓励政策措施 (The government has developed or is developing a series of institutional documents and policies)



政府政策支持 Government policy support

- 2010年发布《国家林业局关于加快推进森林认证工作的指导意见》 (SFA promulgated a policy document to promote forest certification in 2010)
 - 要将森林认证产品纳入政府采购政策 (Incorporate certified products into government procurement policy)
 - 要对认证企业提供各类支持 (Support in other areas for certified FMUs and companies (technical guidance, information service, project arrangement, resource utilization, bank credit and market access))

政府政策支持 Government policy support

- 中国林科院开始研究政府采购政策项目 (CAF is conducting a project on government procurement policy)
- 开始讨论财政补贴政策等 (Discussing financial subsidy policy)
 - 直接补助认证企业：有所进展，可能通过国家财政森林抚育资金 (Directly to certified FMUs or companies, with some progress possibly through government thinning subsidy)
 - 间接补助消费者 (Indirectly to buyers or consumers)

中国森林认证体系发展前景 Development Perspective of CFCS

- 中国自己的国家森林认证体系 (National scheme in China)
- 完全按照中国的相关法律法规 (Fully abides by relevant laws and regulations in China)
- 有政府的大力支持，包括政府采购政策 (Strongly supported by the government, including procurement policy)
- 即将与PEFC实现国际互认 (Hopefully endorsed by PEFC soon)
- 发展前景非常看好! (Development perspective of CFCS: Very promising!)

非常 感谢

Thank you very much

China's Timber Legality Verification Scheme

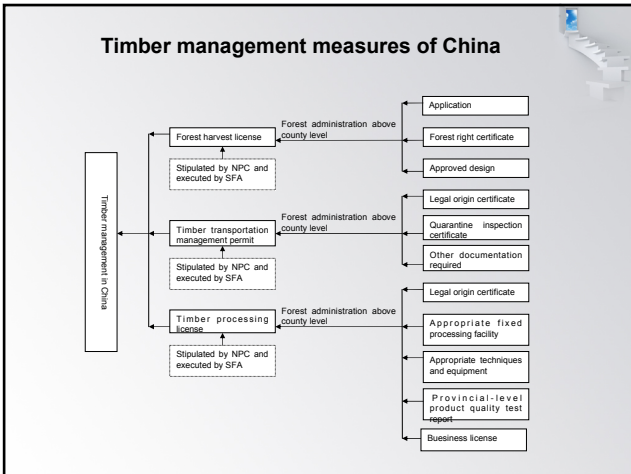
Dr. Chen Yong
April 1, 2013, Beijing

Legality verification schemes

Type	Level	Scheme/ System Name
Voluntary legality verification system established by certification body	Company level	<ul style="list-style-type: none"> •Timber legality and traceability verification established by SGS •Legal origin verification system established by SmartWood •Compliance verification system established by SmartWood •Timber origin and legality verification system established by BV •Legal logging verification system established by SCS •Legality verification system established by Certisource
Compulsory legality verification	State level	<ul style="list-style-type: none"> •Voluntary Partnership Agreement •Compulsory timber legality verification provided by SGS
NGO initiative	Company level	<ul style="list-style-type: none"> •TFT •Legality List of TTAP

Choice of methods to verify timber legality

- Control of imports through trade agreements with producing countries, and of the domestic supply chain and exports;
- Control of all imports through trade agreements, and exports to targeted destinations, with operator-based supply chain controls;
- Mandatory control of all exports based on operator due diligence;
- Mandatory control of exports to targeted destinations based on operator due diligence;
- Voluntary control of exports based on operator due diligence in response to operator requests.



2. Sectoral association guiding voluntary verification scheme established with non-agreement countries (CATVS)

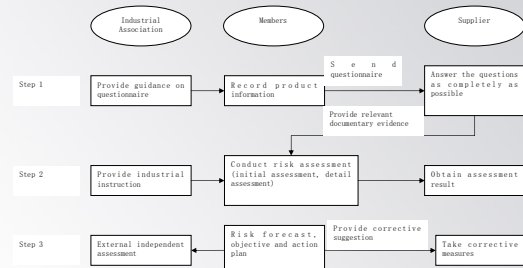
2.1 Basic principles

2.2 Management measures for implementing timber legality verification

2.3 Related bodies and their responsibilities

2.4 Customs management measures

2.5 Operational process



Tracking management measures in the timber flow process

A. Tracking management procedure

1. Harvesting of domestically produced timber
2. Shipment
3. Processing
4. Sale

B. Tracking management measures

1. Quantity control
2. IT technology assistance
3. Management of timber mixing

Thanks

EU FLEGT Facility
Ensuring legal timber trade & strengthening forest governance



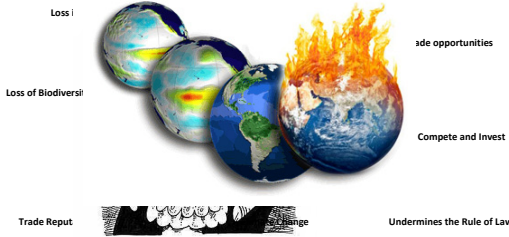

Combating illegal logging and improving Forest Governance

The EU Timber Regulation and Voluntary Partnership Agreements

Beijing, 1 April 2013



Illegal Logging and Trade - What is at stake? -

EU response to illegal logging : the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan


The 2001 East Asia Bali FLEG Declaration was a catalyst

Civil society, industry, governments pressure: stop the EU acting as a market for illegally harvested timber

2003 FLEGT Action Plan
Towards Sustainable Forest Management, good governance & transparency
Mix of supply and demand sides activities:

- New Legislation
- Bilateral Trade Agreements (VPAs)
- Encouragement of public and private procurement policies

Aim to eliminate trade in illegal timber in the EU (2013)



FLEGT Action Plan

The EU tool to reduce illegal logging and improve forest governance

EU Timber Regulation

Prohibits sale of illegal timber in the EU

- Binding EU legislation
- EU wood and imported wood
- Applies to timber and a wide range of timber products including furniture, pulp and paper
- Demand-side measure



Voluntary Partnership Agreements

Ensures export of only legal timber to EU from participating countries

- Bilateral treaties with timber exporting countries
- Voluntary to enter, legally binding once agreed
- Supply-side measure


'Legal timber' is defined as timber that is in compliance with the laws of the countries where it is harvested.



EU Timber Regulation

What does it mean for exporters and manufacturers?

Buyers will ask about the origin and legal compliance of timber and timber products.



EU Timber Regulation

Could the EU Timber Regulation affect your business?

Yes
If your product is covered by the regulation

Yes
If you export your product to the EU or your clients export your product or parts of it to the EU




EU Timber Regulation

What products are covered?

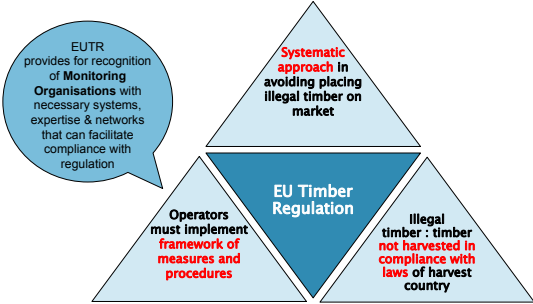

- Covered (almost all):**
 - Solid wood products
 - Flooring
 - Plywood
 - Pulp and paper
- Not covered:**
 - Recycled products
 - Musical instruments
 - Printed matter including magazines, newspapers and books
 - Some special products, like wooden toys

Most timber products are covered. The products covered may change in future.



EU Timber Regulation

Norm setting under the EUTR:

EU Timber Regulation

3 Key Obligations for 'operators' and traders in the EU

- EUTR places obligations on operators to **"ensure"** that timber placed on internal market for the first time is not illegal.
- Operators who place timber products on the EU market for the first time must exercise **'due diligence'**.
- Other traders in the EU further down the **supply chain must keep records** of their suppliers and customers.



EU Timber Regulation

Due diligence requirements


The Regulation defines an operator as any party who places a timber product for the first time on an EU market. Operators must exercise 'due diligence' to minimise the risk of placing illegal timber on the EU market. Due diligence requires 3 actions.

- Provide information:** Operator must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.
- Assess risk:** Operator must assess the risk of illegal timber in his supply chain, based on the information in 1. and taking into account criteria set out in the regulation.
- Mitigate risk:** When there is a risk of illegal timber in the supply chain, the operator must mitigate that risk by requiring additional information and verification from the supplier.




EU Timber Regulation

Applicable legislation of the producing country/ country of harvest



- Legal rights to harvest
- Payments taxes and fees related to harvesting
- Timber harvesting laws including environmental and forest legislation
- Third parties tenure and use rights (affected by harvesting)
- Trade and customs



EU Timber Regulation

What timber does not require risk assessment and mitigation?

- FLEGT-licensed timber
- Timber with a CITES permit

FLEGT-licensed timber is considered legal under the EU Timber Regulation because its legality is verified under a Voluntary Partnership Agreement.

What is FLEGT-licensed timber?

A country that has a Voluntary Partnership Agreement (VPA) and an operational FLEGT-licensing system based on that Agreement can issue FLEGT licences. A FLEGT licence is issued to timber and timber products verified as legal.




EU Timber Regulation

What is a Voluntary Partnership Agreement?

The VPA is a bilateral agreement between the European Union and a timber-producing country.

- The timber-producing country **agrees to control and license** its timber exports as legal.
- The EU agrees to **accept only licensed** imports from that country.
- The purpose of a VPA is to ensure that timber and timber products exported to the EU come from legal sources.
- Legality is assured through an agreed Timber Legality Assurance System (LD, Supply Chain controls, Verification System, Licensing, Independent Audit).

For timber businesses, trade in timber from a VPA country offers an advantage in the EU market – full compliance with the EU Timber Regulation.



VPAs and FLEGT-licensed timber

FLEGT licensing is in development in 6 countries


FLEGT-licensed timber is not yet available

- 6 countries have agreed a VPA with the EU and are implementing the systems to assure timber is legal (including Indonesia).
- 9 countries in negotiating phase with the EU (including Malaysia, Vietnam, Laos and Thailand).

EU operators must apply due diligence until FLEGT licenses are available

- Exporters in VPA countries will be asked to provide evidence of compliance with national legislation.
- The definition of legal timber set out in the VPA is a useful reference for checking timber legality.

Do you want more information?
 European Commission website on EUTR for EU operators
<http://ec.europa.eu/environment/eutr2013>
 EU FLEGT Facility website on VPAs and FLEGT-licensed timber
<http://www.euflegt.efi.int>



EU Timber Regulation


Enforcement and Penalties

Enforcement – Comp. Auth.

- Competent Authorities in Member States have main responsibility of **verifying operator's compliance** with Due Diligence requirements of EUTR and functioning of system.
- Verification systematic & methodologically, based on risk, possibility of remedial action and/or sanction.
- EUTR also requires record keeping of checks, results and recommendations.

Penalties


- Members state to enact them and ensure they are implemented (i.e Seizure/Prohibition of Sale)



EU Timber Regulation


What about certified timber?

- Timber certified under the main forest certification schemes is still subject to due diligence requirements.
- You can expect questions from your buyers about your certified timber supply.




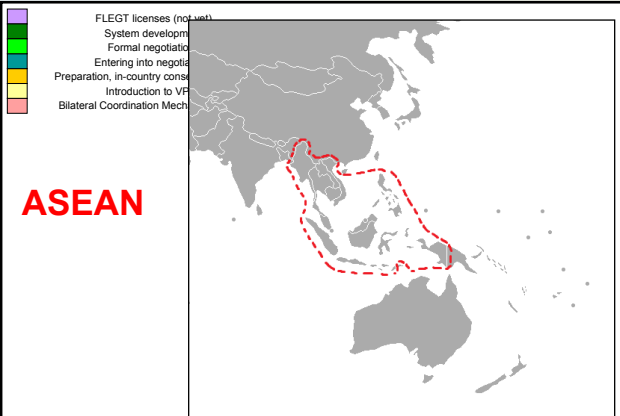

Requirements from third party schemes

Examples




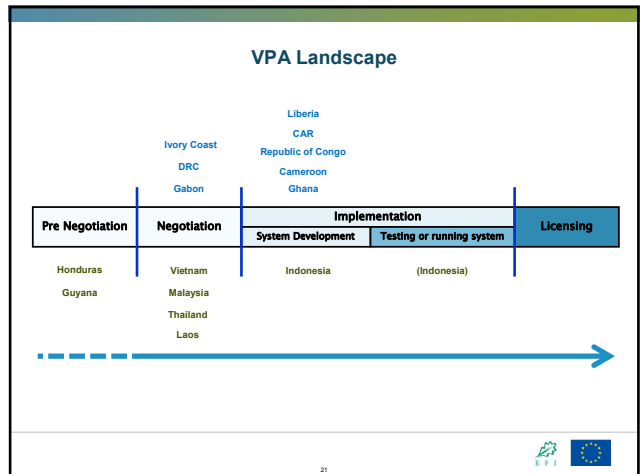
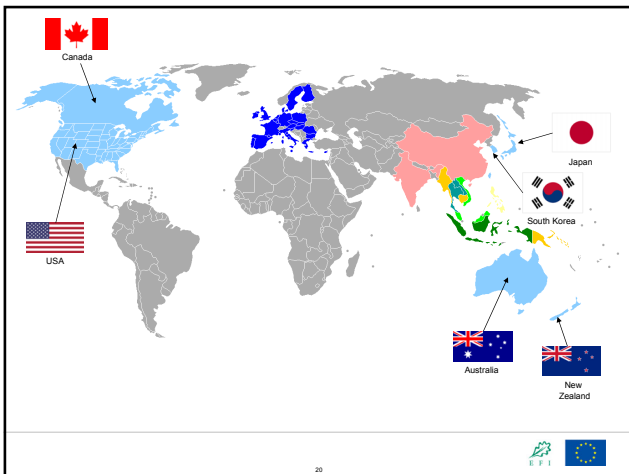
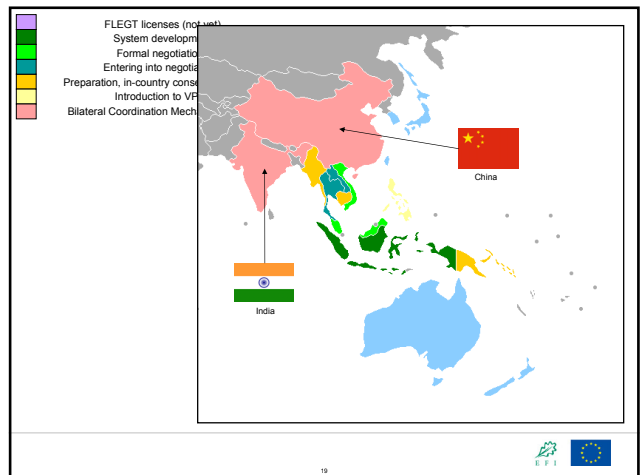
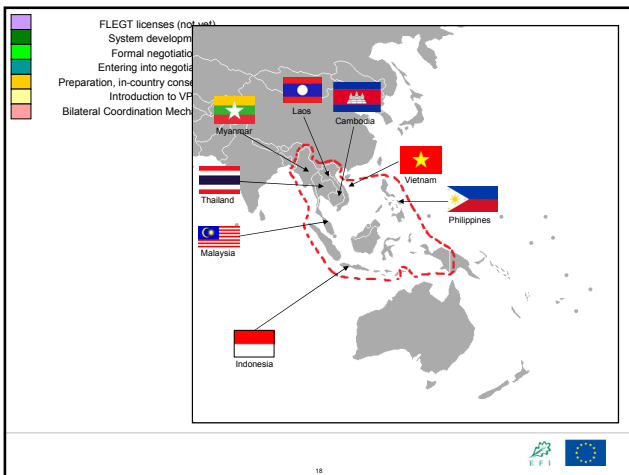
Operators can make use of, or request suppliers/producers to make use of third party schemes (certification/verification of legality). Schemes must:

- comply with EUTR (laws covered etc.)
- have documented procedures and measures for systematic & frequent verification
- supply high-level expertise associated with interdisciplinary approach
- have qualified, trained & evaluated auditors
- possess greater understanding of forestry and legal requirements in country of harvest
- be credible by following accepted standards, practices, etc.
- other

ASEAN





EU FLEGT Facility
Ensuring Legal Timber Trade & Strengthening Forest Governance

For more information, please consult

<http://ec.europa.eu/environment/forests/flegt.htm>
http://ec.europa.eu/environment/cities/home_en.htm
http://ec.europa.eu/environment/forests/illegal_logging.htm

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Evaluating and documenting compliance

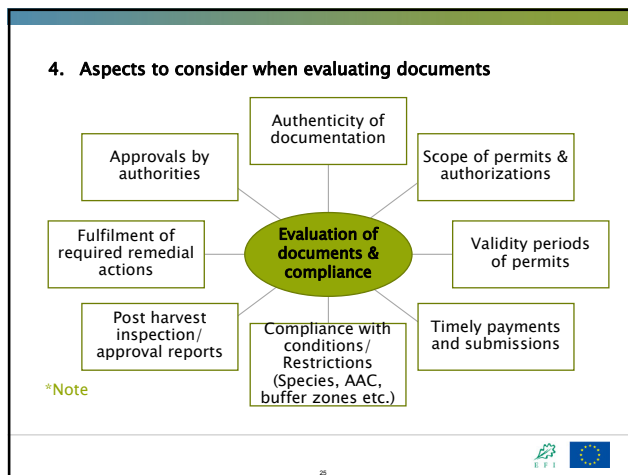
In absence of monitoring organisation, an operator will need to inter alia:


- Identify & document which laws of country of harvest (categories specified by EUTR).**
 - VPA countries: applicable laws identified in the [VPA Legality Matrix](#)
 - Non-VPA countries: clear need to identify laws through possible reliance on [Existing National Schemes](#), producers, suppliers (legal registers), existing databases, (e.g. [certification bodies](#)), industry/ trade bodies, or specialist appointed (e.g. lawyers & other experts).
- Furthermore operators need to obtain/source & document relevant information on compliance.**
 (sources include suppliers/producers, trade bodies, authorities, civil society organisations, certification bodies, other).

3. Examples of typical documents relating to or associated with legal compliance (Forestry Evaluations)

Business	Registration certificates, Title deeds, lease agreements, concession documents *
Rights to Forests & Harvest Regulations	Concession documents, Forest management plan, harvesting permit, inventories, pre-harvest planning & production registers, post harvest inspection reports *
Social & Labour Relations	Agreements with local communities, social & service agreements, OHS Safety reports, registrations (factory, machines, fuel, other), training records *
Environmental Legal Compliance	Env. Auth. /permits (water, waste, air quality, other), pre – harvest planning & post harvest inspection reports, EIAs & monitoring reports, compliance reports *
Forest Declarations & Taxes	Budgets, financial audit reports, official declarations, payment proof of bonds, royalties, taxes, documentation of supplies, production and sales, export duties *
Processing, Transport & Trade	Transport docs, chemical treatment, declarations, timber movement reports, phytosanitary certificates, export licenses, timber processing authorization *
Registers	Legal & Dispute registers (external, internal, stakeholder), training & incident reg. *
Chain-of-Custody	Summaries, 3rd supplies, production records, outsourcing agreements, written procedures, tracking controls *

24 



- ### 5. Evaluation and results needs to be documented
- i. System used, approach followed (including frequency), information and documents considered.
 - ii. Reports must evidence legal performance/compliance context of EU TR requirements, information must be reliable, objective, transparent, inclusive, complete.
- ### 6. Results need to be communicated
- i.e. Competent Authorities or wider stakeholder groups.
- ### 5. Document retention period
- five years.
- ### 5. Approach needs to be systematically & consistently
- (appropriate frequency) followed.
- These points (not exhaustive) illustrate that in-depth technical & professional expertise is essential.*
- 26 

Australian timber importing industry and the Illegal Logging Prohibition Act 2012

John Halkett
General Manager

Australian Timber Importers Federation Inc.

International seminar on green procurement policies for timber and wood products

Beijing, China – 1 April 2013



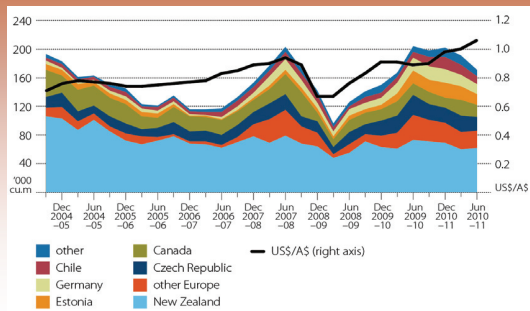
Australian economy

- Annual GDP growth: 3.8% and rising.
- Unemployment rate: 5.2% and steady.
- Dwelling investment: AUD \$71 billion
 - New res. construction (60% of exp.): below ave. - expect to rise (to approach 180,000 a yr.
 - Alts and adds (40% of exp.): steady

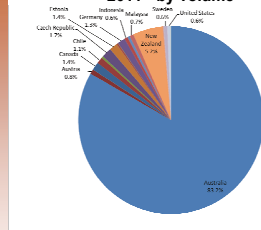


Australian timber product imports

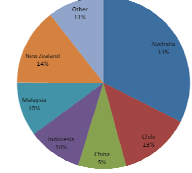
Over the last decade Australia has consumed 7.1 million m³ of timber products each year. Domestic consumption outstrips domestic production by between 5 and 10%. The remaining 5 to 10% is sourced from imports. Over the last decade an average of AUD\$697 million of timber products has been imported each year.



Australia – sources of sawn wood 2010-2011 - by volume



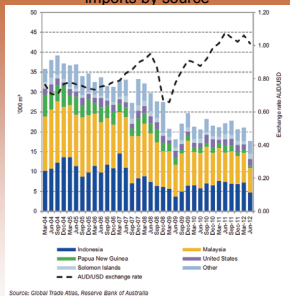
Australia – sources of plywood 2010-2011 - by volume



Source: ABARE (2012) Australian forest and wood products statistics: September/December quarters 2011. Published 22 May 2012. Available at <http://www.datf.gov.au/abares/publications>



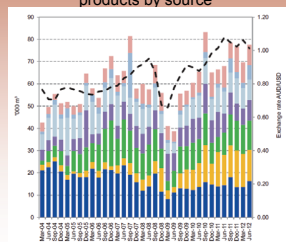
Quarterly hardwood timber imports by source



Source: Global Trade Atlas, Reserve Bank of Australia



Quarterly imports of wood panels and engineered wood products by source



Source: Global Trade Atlas, Reserve Bank of Australia

Australian policy framework

To restrict the importation of and trade in illegally logged timber and wood-based products and to encourage the sourcing of these products from sustainably managed forests.

Multiple approach:

- Multilateral agreements (ASEAN)
- Bilateral agreements (China, PNG, Indonesia)
- Capacity building (illegal logging, SFM and REDD)
- Domestic policy and legislative actions

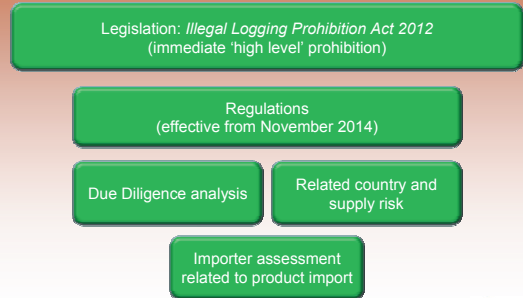


Why does the Australian Government need to intervene?

- In the absence of direct intervention, illegal timber and wood-based products will continue to be imported into Australia
- Illegally logged timber imports compete directly and undercut the commercial performance of timber that has been legally harvested
- Government action will complement the global approach of the US, EU, UK, Japan and others



Australian legislation outline



Illegal Logging Prohibition Act 2012

- Immediate "high-level prohibition" in place on importing timber products containing illegally logged timber ('illegally logged' is defined as timber harvested in contravention of laws in force in the place where the timber was harvested).
Prosecution possible if importers knowingly, intentionally or recklessly import products containing illegally logged timber.
- There are no other requirements on importers until detailed regulations are implemented. That will be two years from when the Act became law (November 2012)

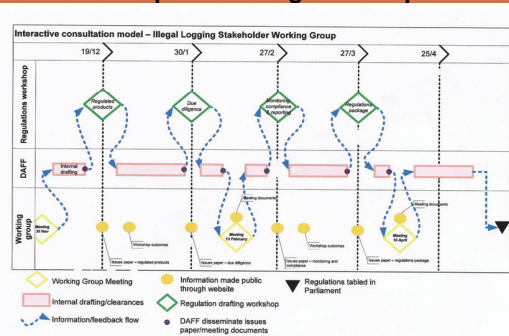


Illegal Logging Prohibition Act 2012 provisions

- Criminal offences for importing illegally logged timber in regulated timber products.
- Civil offences for not complying with due diligence requirements and the requirement to provide a declaration at the time of import.
- Due diligence requirements related to auditing and taking remedial action in prescribed circumstances.
- Monitoring, investigation and enforcement powers including civil penalty orders and an infringement notice scheme.



Illegal Logging Act 2012 Development of regulations process



Illegal Logging Prohibition Act 2012 Australian industry position

- Act runs the risk of making timber products less competitive against other building products that are less environmentally friendly.
- It is estimated that the cost to Australian importers, as a percentage of the imported wholesale value of timber products will be in the order of 2.5-4.5%.
- Where elements of such systems do not exist sufficient to meet the proposed legislation and therefore need to be developed the Government must fund some of the costs of development.



Illegal Logging Prohibition Bill 2011 **Australian industry position (cont)**

- There needs to be a recognition that imported timber products are essential because of their cost and utility benefits, or because there is simply no Australian produced substitute products.
- The legislation needs to support rather than diminish the development of an effective timber product importing sector.



Further information

For further information visit the Australian Department of Agriculture, Fisheries and Forestry website:

<http://www.daff.gov.au/forestry/policies/illegal-logging>





中城木业
LOYAL WOODS

做世界一流天然木皮企业
To be a world-class natural wood veneer manufacturer.



- 1 **About Us**
To be a world-class natural veneer manufacturer
- 2 **Our Concept**
Natural, Green, Environmental Friend, and Sustainable Development
- 3 **Procurement Species**
focus on America Timber
- 4 **Procurement Progress**
Forest, Logging, and Transportation
- 5 **Procurement Management**
ISO9000, FSC Certification, TimberSOFT, EW6, Bar Code System
- 6 **Our Vision**
Promote comprehensive utilization of timber resources



About Us

Dongguan Loyal Woods Co.Ltd was established in 1990s and mainly procures America timber raw materials. Our company has 6 high speed slicing production lines imported from America which are among the most advanced in the world, with annual output of 40 million square meters of wood veneers. Through 10 years development, Loyal Woods has become one of the enterprises specializing in manufacturing, processing, trading and service providing of natural wood veneers with the largest scale, most advanced equipment and most comprehensive service in Asia.




About Us

The company has four business divisions, covering manufacturing and marketing of natural wood veneers, trading of logs, ornamental panels, joint veneer etc., to provide comprehensive services to customers from the fields of furniture, decoration engineering and other diversified fields. Loyal Woods has established branches and offices in the U.S., Hong Kong and Europe. Besides, six large and professional veneer sales offices and warehouses were founded in Dongguan, Beijing, and Shanghai with spread of national sales network and service.




Operational Concepts

The brand of Masterpiece:
The "Outstanding Work of the Nature" is our company's concept. All products source from high quality natural woods, thus all are outstanding. The whole process are holding the concept of nature, green and environmental friend as well as "Nature is beauty".





Procurement timber species

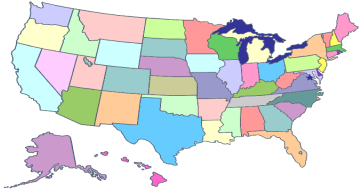
Timber procurement is mainly from America, such as Cherry, Black walnut, Red oak, White oak, Hickory, Maple, and so on. American forest management and related forest laws and regulations ensure American forest sustainable development: this is why we persist to procure American timber in a long term.



Cherry White oak Black walnut

Procurement way 

Loyal Woods has its own log procurement office in the U.S., and employs local experts with rich experiences in log procurement. Loyal woods fully complies with local laws to guarantee the legality of procured logs. We mainly cooperate and procure logs from companies and forest owners who own forest land and the right of legal logging and exporting logs.




Procurement progress 

Forest, harvest, and logs delivering


Loyal woods persist in procuring logs from forest logging companies with low prices and high quality. We hire skilled logging and shipping workers, and use excellent devices to load logs into containers, and then to be shipped to customers in the fastest way




Procurement way 


Container yard, container and transportation

In the USA, Loyal Woods has three yards to classify and load logs. The workers use advanced devices to load logs, and make sure to diminish the damages towards to them. All the logs have been treated with wax and measures preventing from dehiscence. We make sure that every container of logs has a full set of documents, in order to quickly finish declaration and pick up them at destination port.



Procurement Management 

ISO 9001 certification



1. ISO9001: 2000

The application of ISO 9001:2000 international quantity management system makes sure all internal operations are complying with standards, and lay down foundation for the progress of log procurement---storage---manufacture---sale.

Procurement Management 

FSC Certification



Loyal woods' procurement office in America, manufacturing factory in China and veneer application factory all got FSC certifications. The whole process of logs procurement, manufacture and distribution fully complies with international forest certification principles with COC management system, and only procures and uses raw materials with FSC label and legal source.

Procurement Management 

Environmental Friendly Product Certification



The concept of "Green, Low Carbon, and Environment-friendly" goes through the whole process of manufacturing, and Loyal Woods got the certificates of "China Environmental Labeling", "China Eco-labeling" and Hong Kong's "Clean Production"

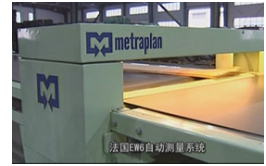
Procurement Management



4. TimberSOFT

TimberSOFT is one software special for timber industry, which includes log orders management, putting into storage, storage removal and inventory. All information is collected through bar code system. With TimberSOFT, we could trace every log's origin and strictly control procurement, to make sure the legality of procured timbers.

Production Management



5. EW6

EW6 is one system special for veneer. This system ensure managing and tracing the whole process of log manufacturing, veneer clarification and storage.

Sale Management



5. ISEsoftware

ISEsoftware is one bar code system special for integrated veneer and mainly used for sale management. With helps of TimberSOFT and ISEsoftware, we could trace log's usage from log yard to final customer.

Our Vision



Making the utility of forest resources more scientific and reasonable; Loyal Woods promises to carry out low-carbon policy and bring green to the land to improve people's life quality and benefit our later generations. This is Loyal Woods' promise and pursuance for environment protection



谢谢

Common Framework
Assessing Legality of Forestry Operations,
Timber Processing and Trade

Beijing, China
April 1st

WWF GLOBAL FOREST & TRADE NETWORK TRAFFIC
the wildlife trade monitoring network

The Problem – What is Legal?

- No generally agreed definition
- Increased focus on legality
 - Governmental initiatives e.g. EC, US and Australia
 - Public and private procurement policies
 - Legality verification services
- Capacity in multi-stakeholder processes
- Demands from business for clarity
- GFTN need - common approach but based on local legislation
 - Funding by EC Programme on Environment in Developing Countries and Programme on Tropical Forests and other Forests in Developing Countries

WWF GLOBAL FOREST & TRADE NETWORK TRAFFIC
the wildlife trade monitoring network

Legality Framework - Goals

- Support target countries' efforts to improve governance and reduce illegal logging (China, Vietnam, Malaysia, Gabon, Republic of Congo, Democratic Republic of Congo, Central African Republic)
- Provide sub-set of forest-focused laws and regulations in a clear and accessible manner
- Help regulators, responsible companies, understand & verify what is legal
- Support the development of a more consistent and common framework for assessing legality
- Provide a tool covering the whole supply chain – from forest up to export

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Framework's Principles

- Access, use rights and tenure
- Harvesting regulations
- Transportation of logs and wood products
- Processing regulations
- Import and export regulations
- Environmental regulations
- Conservation regulations
- Social regulations
- Taxes, fees and royalties
- Subcontractors and partners (specific to Africa)

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the wildlife trade monitoring network

Framework's Development Process

- Six part process:
 - Compiling the legal base
 - Initial stakeholder consultation
 - Drafting the national framework
 - Preparing a Common framework for all 7 project countries
 - Subsequent stakeholder consultation and national framework revision
 - Legal and audit expert review

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the wildlife trade monitoring network

Common Legality Framework

- Advice for producer and trade participants on what legality means in 7 countries
- As universal framework to define legality
- Capacity building for stakeholders defining legality
- Strengthening GFTN processes
- **A tool for addressing purchasing countries' legality such as Lacey etc.**
- CB legality verification schemes
- Certification standards development

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the wildlife trade monitoring network


Legality Framework - Country List

- Available:
 - China, Vietnam, Malaysia, Gabon, Republic of Congo, Democratic Republic of Congo, Central African Republic
- Will be done soon:
 - Cameroon, India, Indonesia, Brazil, Russia
- Will be done by 2013:
 - PNG, Myanmar, Laos, updating Vietnam



Reminder - Due Care

- Legislative History
 - “Due care simply requires that a person facing a particular set of circumstances undertakes certain steps which a reasonable man would take to do his best to insure that he is not violating the law.”
 - Due care “is applied differently to different categories of persons with varying degrees of knowledge and responsibility.”




Tools to Demonstrate Due Care

- Asking questions
- Compliance plans
- Industry standards
- Records of efforts
- Changes in above in response to practical experiences



Full Principles of Framework:	Possible Principles in Lacey Due Care:
1. Access, use rights and tenure	1. Access, use rights and tenure
2. Harvesting regulations	2. Harvesting regulations
3. Transportation of logs and wood products	3. Transportation of logs and wood products
4. Processing regulations	4. Processing regulations
5. Import and export regulations	5. Import and export regulations
6. Environmental regulations	9. Taxes, fees and royalties
7. Conservation regulations	10. Subcontractors and partners (specific to Africa)
8. Social regulations	
9. Taxes, fees and royalties	
10. Subcontractors and partners (specific to Africa)	



General Guidance for Establishing Legality

Stage in Supply Chain	Lacey Act Component	Applicable Laws	Documents to Check	Notes to Remember
Forest	Legal Right to Harvest	Forest managers	Evidence that the company has a valid agreement that confers on the company the right to manage and harvest the forest Synonyms include: • Forest Authority Certificate • Forest Management License Agreement • Forest Timber License • Forest Management Permit • A license to operate in the logging sector • Approved management plan • Harvesting license	All forest management enterprises, whether public, private or community owned must be able to demonstrate that they have the right to manage the forest and the right to harvest the forest.
Forest	Legal Right to Harvest	Forest managers and timber harvesting companies	Evidence that the company is legally registered and has the required permissions to operate in the forest management and logging sectors.	In many countries both forest management companies and harvesting companies are required to be legally registered to operate in this sector. Registration may require a number of other processes to be observed.
Forest	Legality of Harvest	Forest managers and timber harvesting companies	Evidence that the company undertaking the actual harvesting needs to demonstrate it has permission to harvest. Synonyms include: • Timber Harvesting License • Harvesting license • Harvesting plan	In many countries the harvesting of timber is undertaken by third parties who are employed by the forest manager to undertake harvesting.

This document is for educational and informational purposes only and is not intended and should not be construed as legal advice. Persons seeking legal advice on compliance with the Lacey Act or any other law, regulation or requirement should consult with a qualified legal professional.

Guidance for Establishing Legality (Cont.)

Stage in Supply Chain	Lacey Act Component	Applicable Laws	Documents to Check	Notes to Remember
Forest	Payment of Taxes and Royalties	Forest managers and timber harvesting companies	Evidence that the company has paid any fees or taxes that must be paid to the state or local government in connection with obtaining the permission to manage or harvest, and any fees or taxes associated with the volume of timber actually harvested. Synonyms: • Reforestation fee • Valid business license • Tax registration documents • Forest Resource Royalties • Tax returns	Companies are liable to pay taxes or fees to national or local government (or both) to authorize their management and harvesting.
Transport	Legality of Possession and Transport	Transporters of logs and timber products	Evidence that the company has used the required documents when transporting logs or timber. Synonyms: • Timber transportation certificate • Conveyance certificate • License to carry logs or timber • Timber consignment documents • Removal pass • Removal permit	Most countries require those transporting timber to be correctly licensed for this purpose and for them to carry required documentation that identifies both the origin of any logs or timber and the final destinations of the material being transported.

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Guidance for Establishing Legality (Cont.)

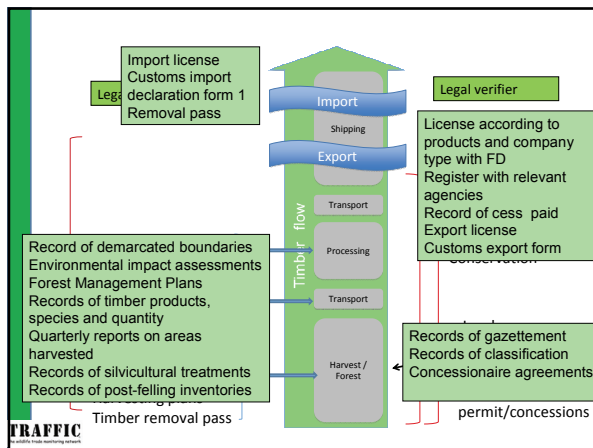
Stage in Supply Chain	Lacey Act Component	Applicable Laws	Documents to Check	Notes to Remember
Transport	Legality of Possession and Transport	Transporters of logs and timber products	Evidence that the company has used the required stamps or marks when transporting logs or timber. Synonyms: • Log tags • Log identification marks • Hammer marks • Paint marking	Some countries have highly regulated systems that require all logs or sawn wood that is being transported outside of the forest to carry markings that identify the wood with the original stamp from which it was harvested.
Processing	Legality of Processing	Processors of logs or manufacturers using timber	Evidence that the company has acquired any required license to process logs or timber. Synonyms: • Operating license • Timber processing certificate	Most countries require all sawmills, plywood mills, secondary manufacturers or pulp mills to be licensed to carry out these activities.
Processing	Payment of Fees and Royalties	Processors of logs or manufacturers using timber	Evidence that the company has paid any fees or taxes that must be paid to the state or local government in connection with timber processing. Synonyms: • Valid business license • Tax registration documents • Tax returns	

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Guidance for Establishing Legality (Cont.)

Stage in Supply Chain	Lacey Act Component	Applicable Laws	Documents to Check	Notes to Remember
Export	Legality of Sale and Export	Exporters of forest products	Evidence that the company has the required permission to export forest products and that it complies with all the requirements for legal export of the product. Synonyms: • The company holds an export license. • Packing list • Invoice • Bill of lading • Customs declaration form • Appropriate tariffs are paid and receipted • Sales contract • Shipping order • Delivery order • Correct CITES documentation (where required)	Export companies are required to be licensed to perform this function and should routinely provide sufficient documentation to allow the state authorities in the country of export and the country of import to monitor the transaction. Some countries ban the export of certain species or types of material (for example logs or sawn wood) or highly regulate the volume of these materials that can be exported.
Export	Payment of Fees and Royalties	Exporters of forest products	Evidence that the company has paid the appropriate tariffs associated with the products being exported. Synonyms: • Appropriate tariffs are paid and receipted • Export tax receipts • Customs Duties receipts • Value Added Tax receipts	Export companies are required to pay all appropriate taxes and duties when exporting forest products. This may include payment of Value Added Tax in some countries.

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Organizations That Can Help

- USAID's RAFT Programme
<http://www.responsibleasia.org>
- WWF's Global Forest & Trade Network
<http://gftn.panda.org>
- Tropical Forest Trust
<http://www.tropicalforesttrust.com>
- Tropical Forest Foundation
<http://www.tff-indonesia.org>
- Rainforest Alliance
<http://www.rainforest-alliance.org>
- EIA/WRI's Forest Legality Alliance
<http://www.wri.org/fla>

Thank you!

For more information, visit
gftn.panda.org/legality

