



ACIAR PROJECT FST/2019/128

**Potential market access or marketing constraints  
(including legal and regulatory requirements,  
quality assurance protocols, certification  
requirements) for Engineered Wood Products**

*Coconut and other non-traditional forest  
resources for the manufacture of  
Engineered Wood Products (EWP)*

Prepared by  
**Name: Navi Tuivuniwai  
(PHAMA Plus)  
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## Abbreviations

EIA	Environmental Impact Assessment
EMA	Environmental Management Act
iTLB	iTaukei Land Trust Board
MOF	Ministry of Forestry
FRAC	Forest Resource Assessment and Conversation Division
FHCL	Fiji Hardwood Corporation Division
EWPs	Engineered Wood Products
FSC	Forest Stewardship Council
PEFC	Programme for the Endorsement of Forest Certification
BAF	Biosecurity Authority of Fiji
MCS	Monitoring, Compliance and Surveillance

## 1. Introduction

This report contributes to Activity 4.4 under project FST/2019/128.

**Activity 4.4** Identify potential market access or marketing constraints including legal and regulatory requirements, quality assurance protocols, certification requirements etc

The report supplements an earlier value chain mapping report<sup>1</sup> on Activity 4.1 and enabling environment report<sup>2</sup> on Activity 4.3.

Based on research undertaken by PHAMA Plus in 2023, which analyses the potential market access and marketing constraints faced by Fiji when exporting its wood products, this paper explores the legal and regulatory requirements, quality assurance protocols, certification requirements, and market access challenges that Fiji exporters must consider. It is based on the underlying assumption that export of coconut engineered wood products EWPs will be subject to the same legal and regulatory requirements as those for conventional sources including native and plantation forests.

While the review is done on trade of wood products in general, the report attempts to look at import regulatory protocols in the principal target markets for Engineered Wood Products (EWPs), transport/logistic requirements, certification (e.g., sustainability) and quality assurance standards.

The outcome of this report will inform decision making at all stages of the EWP value chain, particularly for private sector partners who are considering investment in business to supply the market with new EWPs. The outputs are intended to support policy decisions necessary

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<sup>1</sup> Young D, Tawake S and Tabukovu M (May 2022) Coconut EWP Value Chain Map. Coconut and other non-traditional forest resources for the manufacture of engineered wood products: ACIAR Project FST/2019/128

<sup>2</sup> Young D, Tawake S, Tabukovu M and Tuivuniwai N (February 2023) Enabling Environment and Supporting Functions Required for Efficient Operation of the EWP Value Chain: ACIAR Project FST/2019/128

to overcome any identified shortcomings in the enabling environment and supporting functions.

The report provides an overview of the constraints for establishing a coconut-based EWP industry in Fiji, details the key requirements to obtain the necessary permits to export forest and timber products, and the compliance procedures and quality systems in potential export markets, it also includes annexes detailing procedures required for export and import licencing and common import requirements for wood products in potential markets including the EU, China, Japan, USA, Australia and New Zealand.

## **2. Constraints in the establishment of EWP Industry in Fiji**

With a specific focus on the utilization of senile coconut stems as feedstock for veneer and EWP manufacturing, the findings of the previous enabling environment report by Young, D, et.al indicate that there are no insurmountable constraints hindering the development of the coconut-based EWP industry. However, certain issues need to be addressed to ensure its successful implementation and growth. Identified constraints include:

- **Uncertainties in the Supply of Senile Coconut Stems:** As the supply of natural forest logs dwindles, industry output is declining, and processing facilities are under-utilized. Using senile coconut palms as a new feedstock could assist in offsetting the declining traditional forest feedstocks. While some uncertainties exist regarding the exact volumes and locations of the senile coconut stems that could be available for wood processing and EWP manufacture, sufficient plantations exist in Fiji to support several small to medium scale operations.
- **Complexities in Accessing Coconut Stems on Customary (*Mataqali*) Land:** Accessing coconut stems for processing on customary land presents challenges due to the complex land ownership and governance systems. Clear guidelines and agreements are required to facilitate access to the necessary resources. It is understood that there is wide support among customary/Mataqali landholders to utilize the senile coconut palms, which is likely to assist in future access.
- **Sourcing Supplies for Taveuni:** Transport logistics pose challenges for sourcing supplies from Taveuni – where the largest stock of senile palms is located. Overcoming these challenges may be crucial to ensuring a steady supply of raw materials to existing processing facilities which are mainly located in Vanua Levu.
- **Access to Capital for Value Chain Actors:** Access to capital for value chain actors, including farmers, processors and manufacturers is essential to finance the necessary investments in infrastructure, equipment, and technology. Strategies for facilitating access to capital should be explored to support the growth of the coconut-based EWP industry.
- **Impact of Price Controls on Domestic Market:** Price controls on veneer and plywood products in the domestic market may affect the profitability and competitiveness of the industry. It is crucial to assess the impact of such price controls and consider mechanisms to ensure fair pricing while maintaining an enabling business environment.
- **Compliance with Environmental Laws and Regulations:** Compliance with environmental laws and regulations can impose additional costs and time requirements on industry participants. Streamlining the compliance process and providing clear guidelines will facilitate the adoption of sustainable practices without compromising the growth potential of the industry.
- **Lack of Product Standards:** The absence of product standards for coconut veneer and plywood products poses a challenge in terms of quality assurance and market acceptance. Establishing comprehensive product standards will ensure consistency, reliability, and

market credibility for coconut-based EWP products. In the absence of national product standards, Fijian processors may need to adopt standards in their end market.

- **Incorporating Senile Coconut Harvesting in Forest Harvesting Code of Practice:** Procedures for harvesting senile coconut plantations should be incorporated into the Forest Harvesting Code of Practice to ensure sustainable and responsible harvesting practices. This will help protect the environment and support the long-term viability of the industry.
- **Infrastructural Constraints:** Infrastructural constraints, including inadequate roads, ports, and electricity supply, particularly relevant for Taveuni, may need to be addressed to facilitate efficient transportation, storage, and processing of raw materials and finished products.
- **Domestic and International Market Uncertainties:** Uncertainties regarding the domestic and international markets for coconut veneer and EWPs should be carefully monitored and analysed. Market research and proactive market development strategies will help identify potential demand and foster market growth.
- **Environmental Approvals and Harvesting Senile Coconuts: Implications for Logging and Milling Operations:** Environmental approvals present some challenges for loggers and millers involved in harvesting. Although there are no formal guidelines or codes of practice specific to the production and harvesting of coconuts and coconut wood, compliance with sound agricultural and environmental practices essential to ensure sustainable management and minimize environmental risks.

Prior to the commercial export of timber, logs or wooden products from Fiji to any overseas market, it is crucial that the exporter has a valid forest export licence from the Ministry of Forestry (MOF).

### ***3. Key Requirements for Obtaining a Forest Export Licence in Fiji***

Noting that the processes listed below are for wood in general, the key requirements that need to be fulfilled to obtaining a forest export licence are:

- Purchase Order from Overseas Buyer:** The overseas buyer must issue a purchase order to the local company.
- Application Form:** Complete an application form provided by MOF based on the purchase order from the buyer.
- Maximum Dimension Specification:** The maximum dimension of any piece of timber exported should not exceed 300mm x 150mm (12 x 6 inches or 72 square inches). Dimensions above this specification require Ministerial approval on a one-off basis.
- Required Documentation:** The following documents are to be submitted to the MOF Head Office:
  - Copy of the purchase order.
  - Packing list.
  - Company invoice.
  - CITES permit (if native species) – it is possible that coconuts could be considered a native species.
  - Custom entry for the previous consignment.
  - Right Licence, Removal Licence, and Revenue receipts for Sandalwood export

g) Submission to MOF.

Lodge the completed application form and required documentation to MOF. The processing time for the application is 48 hours, as stated in the export procedure.

- v. **Late Application Processing:** Applications received after 9 am every Friday will be processed the following week.
- vi. **Issuance of Export Licence:** The Conservator of Forest issues the Forest Export Licence upon approval of the application.

**Specific Requirements for Different Forest Products:** Sawn timber, plywood, veneer, blockboard, sandalwood, slabs, wooden artifacts, offcuts, mango sticks, posts and poles, Masonite boards.

Whilst coconut wood products are not mentioned in the above list, it is assumed that that derivative products such as coconut veneer and plywood would be treated in the same way as those from conventional sources of wood. The specific requirements are:

Contact the nearest Forestry Office to schedule an appointment with a Timber Inspector for the inspection and certification of the consignment. The Timber Inspector conducts an inspection and issues two forms which must be submitted to MOF:

- Inspection Certificate for bio-security purposes
- Timber Grading Certificate for licensing

**Submission to the MOF:** Attach a copy of the Inspection Certificate. Original Inspection Certificate to be handed to the nearest Bio-Security office, and the original Timber Grading Certificate to the required documents.

**Delivery of Documents:** Send the completed application and attachments to MOF Headquarters in Suva or hand-deliver to the designated address. Processing time is within two working days, provided all the required documents are attached.

**Collection of Export Permit:** Once approved, the Export Permit can be collected from the MOF Headquarters in Suva. Alternatively, the permit can be collected by a shipping agent if the exporter is based outside of Suva or delivered via email.

#### ***4. Biosecurity requirements***

According to the Biosecurity Authority of Fiji (BAF), the export of any wood or wood products requires a valid export licence issued by Fiji's MOF. Following on from the steps indicated in 3.0 above, and in compliance with all requirements, BAF will only apply treatments and/or conduct the necessary inspections based on the import permit from the country of import. This is done in collaboration with MOF to ensure that all the necessary procedures/processes have been adhered to. Subject to all requirements as per import permit being met, a phytosanitary certificate is issued.

For wooden handicrafts (personal consignment), a Forestry Inspector's certificate must be obtained from MOF. This certificate is then surrendered to BAF to act on the recommendations stated therein. This may include issuing a phytosanitary certificate directly for the wooden item, or treatment before the issuance of a phytosanitary certificate.

## 5. Key Export Market Requirements

There are a number of commonalities in the import requirements for wood products in potential export destinations for Fiji's EWP products - including the EU, Japan, China, US, Australia and NZ. It's important to note that these are general commonalities, and specific requirements may vary for different types of wood products and their intended use. Exporters should always consult the relevant authorities and regulations of the destination country to ensure compliance. (Refer to Annex 4 for more details). Common compliance issues include:

- i. **Legal Compliance:** All countries have regulations in place to ensure the legality of wood products. This includes measures to prevent the import and sale of illegally harvested timber.
- ii. **Documentation:** Proper documentation is essential for import clearance. This typically includes certificates of origin, invoices, and other relevant paperwork.
- iii. **Phytosanitary Requirements:** Many countries have phytosanitary regulations to prevent the introduction of pests and diseases. Wood packaging materials, such as pallets and crates, need to meet these requirements.
- iv. **Sustainability and Certification:** Some countries may require wood products to have certification, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), to demonstrate sustainable sourcing practices.
- v. **Due Diligence and Risk Assessment:** Importers may be required to conduct due diligence to ensure the legality and sustainability of the wood products they import. This can involve risk assessments, documentation checks, and record-keeping.
- vi. **Compliance with Import Laws and Regulations:** Wood products must comply with the specific import laws and regulations of each country. This includes customs clearance procedures and adherence to import permits, where applicable.

Sustainability certification requirements could be a market access constraint for coconut EWPs in some markets, particularly higher-value markets. Most certification schemes involve procedures which are expensive to establish, and involve significant compliance costs including annual independent auditing. Markets and customers requiring certification are generally reluctant to pay premium prices for certified products, and treat certification as a condition for market access. Timber importers in higher value markets such as Australia, Japan and New Zealand are increasingly requiring all products to have both legality and sustainability certification, and at some point in the future, could exclude non-certified products.

## ***Annex 1: Steps on How to Obtain a Harvesting Licence***

### **1. Initial Requirements:**

- Consult with landowners and relevant authorities.
- Obtain a signed letter of consent from the owning mataqali (60% of members over 18 years old).
- Conduct an Environmental Impact Assessment (EIA) in accordance with the Environment Management Act 2005 (EMA 2005).

### **2. Procedures for Volume Assessment:**

- Prepare an application letter and accompanying documents.
- Include the mataqali consent letter and a map of the area.
- Pay the forestry fee.
- Submit the application to the iTaukei Land Trust Board (iTLTB).

### **3. Harvesting Application Submitted to iTLTB:**

- Fill and submit an application letter of intention to harvest trees, along with an EIA report and application fee.
- Provide details of the proposed harvesting contractor.
- iTLTB may consult with MOF to verify the contractor's competence.

### **4. iTLTB forwards application to MOF, Provincial Office, and Department of Environment:**

- Notify relevant offices and stakeholders about the joint inspection.
- Undertake a joint preliminary field investigation to assess various factors.
- 1:10,000 Map Production and Agreement Negotiation.
- Request the Forest Resource Assessment and Conversation Division (FRAC) to prepare a base map.
- Update the map with information from the field inspection.

### **5. Pre-Harvesting Inspection:**

- Consult with the Beat Officer to prepare a harvesting plan.
- Define boundaries, roading, skid track system, landing sites, and other relevant details.

### **6. Harvesting Plan Preparation & Report:**

- Finalize the logging plan details on a blank 1:10,000 map.
- Prepare a text report and company profile for the plan.

### **7. Issues of Licences:**

- iTLTB conducts a desk study to ensure consistency with ground demarcation.
- Forward a letter of offer to the applicant, specifying conditions and payment requirements.



- iTLTB issues the Harvesting Licence after receiving the necessary documentation.

**8. Harvesting Commencement:**

- The Beat Officer supervises the start of operations, ensuring adherence to regulations.

**9. Harvesting Monitoring and Evaluation:**

- Monthly evaluation by the Beat Officer, quarterly monitoring by Timber Production Officers and Assistance Director Forestry Officers.
- Bi-annual monitoring by MOF's Monitoring, Compliance and Surveillance (MCS) project.

**10. Final Inspection:**

- Beat Officer inspects the coupe prior to completion.
- Department of Environment may participate and comment.

**11. Rehabilitation:**

- Inspect rehabilitation work with the involvement of relevant officials.

**12. Coupe Closure:**

- Submit a coupe report to the Divisional Forestry Office, FRAC, and Forestry HQ.
- TLTB resumes responsibility for the management of the area.

**13. For Plantation Forest:**

- MOF reviews the application and accompanying documentation.
- Confirm that the woodlot is not under existing leases from Fiji Hardwood Corporation Ltd (FHCL) or Fiji Pine.

## ***Annex 2: How to get a Forest Import Licence***

All importers of logs, branchwood, firewood and bark, and all wood which has been split, sawn or dressed but not otherwise manufactured and fabricated.

Building units, poles and the like, cross-arms, shakes and shingles, rattan furniture, plywood, blockboard and others are required to submit an application for a permit to import to the Conservator of Forests. This is to include any imports in-transit through a port of entry in Fiji to another country

It is only when the Conservator of Forests is satisfied that all requirements are met that a permit is issued, which may also be subject to additional conditions as the Conservator sees fit for example, the import to be covered by an official phytosanitary certificate etc.

*Note: Timber imported without an Import permit will be re-shipped.*

### **Timber In-Transit to another country**

Timber in transit to another country shall remain under the bio-security control until re-shipped.

### **How to Get a CITES Permit**

For those intending to be involved in harvesting in areas concerned with species listed under CITES as stipulated under the Endangered and Protected Species (Amendment) Act 2017, the proponents will first need to enquire a CITES permit from the Department of Environment prior to applying for a licence to operate a commercial entity in the Forestry sector.

### ***Annex 3: General Wood Products Laws in Japan***

(Source:

[https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Import%20Regulations%20and%20Standards%20for%20Wood%20Products\\_Tokyo\\_Japan\\_12-23-2019](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Import%20Regulations%20and%20Standards%20for%20Wood%20Products_Tokyo_Japan_12-23-2019) )

There are five major laws in Japan governing the use of wood products, including imports:

**The Plant Protection Act** aims to prevent the establishment or spread of pests and diseases in Japan. It is administered by the Ministry of Agriculture, Forestry and Fisheries (MAFF) as Japan's national plant protection authority. This law requires phytosanitary inspections of domestic and imported plants, and established import control policies on logs and untreated lumber with bark.

**The Japanese Agricultural Standards (JAS) Act** established a voluntary quality assurance system for 11 wood product types (more details on JA2019-0195). MAFF administers the JAS Act, last amended in 2017.

**The Building Standards Law (BSL)** defines the building codes for structural safety, fire safety, and indoor air quality of building structures. BSL and related building codes frequently specify wood building materials permitted for use in construction projects in Japan. The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) administers the BSL.

**The Act on the Promotion of Use and Distribution of Legally-Harvested Wood and Wood Products** (also known as the Clean Wood Act) established voluntary normative wood sourcing guidelines. The Clean Wood Act provides a voluntary registration system, where registered companies commit to verifying the sourcing of their wood products inventory. The enforcement of the Act falls to the Forestry Agency, METI or MLIT, based on the wood product in question.

**The Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities** (also known as the Green Purchasing Act) aims to promote the use of sustainable materials by various state entities. The Ministry of the Environment administers the Green Purchasing Act. Under the Green Purchasing Act, MAFF's Forestry Agency monitors compliance for wood products broadly, while the Ministry of Economy, Trade and Industry (METI) oversees paper products and wooden furniture, and MLIT monitors certain building materials.

## ***Annex 4: Common import requirements for wood products in EU, China, Japan, the US, Australia, and New Zealand***

### **European Union**

- Compliance with EU Timber Regulation (EUTR): Wood products must comply with the EUTR, which aims to prevent the import and sale of illegally harvested timber.
- Due Diligence: Importers must conduct due diligence to ensure the legality of the timber products they import, including risk assessments, documentation checks, and record-keeping.
- Certification: Certain wood products may require certification, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certification, to demonstrate sustainable sourcing practices.

### **China**

- Customs Clearance: Wood products must go through proper customs clearance procedures, including accurate product declaration and compliance with import regulations.
- Phytosanitary Requirements: Wood packaging materials should comply with China's phytosanitary regulations to prevent the introduction of pests and diseases.
- Documentation: Documentation such as certificates of origin, invoices, and customs forms should be complete and accurate.

### **Japan**

- Wood Packaging Materials: Wood packaging materials, such as pallets and crates, should meet Japan's phytosanitary regulations and be treated to prevent the introduction of pests.
- Legal Compliance: Wood products must comply with Japan's laws and regulations regarding legal sourcing and environmental sustainability.
- Documentation: Proper documentation, including certificates of origin, is necessary for import clearance.

### **United States**

- Lacey Act Compliance: The Lacey Act prohibits the importation of illegally sourced plants and wood products. Importers must ensure the legality of the imported wood and comply with Lacey Act requirements.
- Declaration and Documentation: Accurate and detailed declarations, including species, country of origin, and compliance with laws and regulations, are required for wood product imports.
- Phytosanitary Requirements: Wood packaging materials should meet US phytosanitary regulations to prevent the introduction of pests.

### **Australia**

- Import Permits: Some wood products may require import permits from the Australian Department of Agriculture, Water, and the Environment.
- Phytosanitary Requirements: Wood packaging materials must comply with Australia's phytosanitary regulations to prevent the introduction of pests and diseases.
- Compliance with Australian Standards: Wood products should meet relevant Australian Standards for quality, safety, and performance.

## **New Zealand**

- **Import Health Standards:** Wood products must comply with New Zealand's Import Health Standards, which outline phytosanitary requirements and import conditions.
- **Treatment and Certification:** Wood packaging materials should be treated and certified to prevent the introduction of pests.
- **Compliance with New Zealand Building Code:** Wood products intended for construction purposes should meet the requirements of the New Zealand Building Code.

Import requirements may vary depending on the specific wood product, its intended use, and other factors. Importers should consult the relevant authorities and regulations of the destination country for the most up-to-date and accurate information.