Demonstrating the Multi-Functional Role of Forests

Initiatives to Demonstrate the Multi-Functional Role of Forests

Japan is a heavily forested country, with forests occupying approximately two-thirds of the land. Forests play multifunctional roles, but today, their carbon dioxide sequestration capacities are attracting attention as Japan and other countries grapple with climate change issues. Forests also play an important role in biodiversity conservation. On the other hand, they face a variety of challenges, including slumping prices for standing timber, increased costs for reforestation, and the inability to find workers.

The Bank, in cooperation with forest owners' cooperatives, will help demonstrate the multi-functional role of forests by resolving upstream, midstream, and downstream issues related to forests and forestry.

	Nochu Potential Forest Productivity Fund	This fund was established in 2005 (the former fund until 2013) and subsidized 115 projects nationwide over a total of 18,400 hectares valued at ¥2.31 billion as of the end of fiscal 2021. This fund contributes to the regeneration of degraded privately owned forests by subsidizing projects that aim to maintain the public benefits and the sustainable multiple functions of forests.
Upstream Issues Management intensification, integration and expansion of raw wood production	Forestry Labor Safety Improvement Measures	The annual death/injury rate per 1,000 workers in the forest industry is at a level about nine times the average of all industries. It is urgent to improve labor safety in the forest industry. This project subsidizes the purchase of forestry work safety equipment, etc., which is offered to Japan Forest Owners' Cooperatives, private businesses contracted by cooperatives and students of forestry colleges, etc. (3,703 cases/¥600 million from FY2015 to FY2022).
	Establishing a Forest-Derived Credit Platform	In collaboration with the National Federation of Forest Owners' Co-operative Association, we launched a platform at the end of March 2023 with the aim of contributing to the green growth of forests and forestry and a carbon-neutral society. This platform provides comprehensive support for forest-derived credits from creation to sale.
Midstream Issues Productivity improvement of processing and marketing	Export Support	Wood exports from Japan are on the rise (¥52.7 billion in fiscal 2022), mainly due to a growing demand for wood overseas. We support exports through timber intensification in cooperation with a network of forest owners' cooperatives, and we are exploring new demand for Japanese timber overseas.
Downstream Issues Wood demand expansion and wood	Wood Solution Network (WSN)	To solve the issues facing the forestry industry in Japan, we must create a platform by which various companies and organizations (from upstream forest owners' cooperatives to midstream lumber, processing and distribution companies, and finally to the nearest downstream end users) come together to solve issues. In 2016, the Norinchukin Bank established the Wood Solution Network to expand the utilization of wood, focusing on Japanese wood.
utilization expansion	Spreading Wood Use Education and Expanding the Utilization of Wood Products Nationwide	As part of the efforts to expand the utilization of Japanese wood, we cooperate with a network of forest owners' cooperatives nationwide to promote education by using wood products in events sponsored by government, schools, etc., nationwide. We also participate in activities to donate wood products.

Topics

Contributing to the Realization of a Sustainable Society Through Wood Utilization

The fulfillment of forests' multiple functions, appropriate maintenance and effective utilization of logged forests are pressing issues. The Bank has joined the Japan Wood Design Association (JWDA)* in an aim to facilitate the use of domestic lumber and realize a sustainable society by utilizing forest resources.

* Established in December 2021, the Japan Wood Design Association refers to efforts aimed at solving social issues using wood as "wood design," and aims to contribute broadly to society through efforts to turn the forest industry into a growth industry, revitalize local communities and realize a sustainable society including decarbonization.





Ceremony to commemorate the establishment of the JWDA

Forestry Safety Education 360 Degree VR that Improves the Labor Safety of Forestry

The Bank expanded the lineup of "forestry labor safety improvement measures" in fiscal 2020 by introducing the "Forestry Safety Education 360 Degree VR: Chainsaw Cutting Operation." In fiscal 2021, we additionally produced two educational videos "Disposing of Hanging Trees" and "Chainsaw Kickback" reflecting feedback from viewers.



Images of VR



Establishing a Platform to Support Forest-Derived Credits from Creation to Sales

In collaboration with the National Federation of Forest Owners' Co-operative Association, we launched a platform for forest-derived credits at the end of March 2023. In doing so, we aim to contribute to the green growth of forests and forestry and a carbon-neutral society. We will provide comprehensive support for the smooth creation of forest credits by forest cooperatives nationwide. In addition, we will bring forest cooperatives and prospective purchasers together on the platform.





FC BASE-C (Forest Credit Base Create) Mechanism for the creation of forest-derived credits (to be operational in March 2023)