

Minutes of Technical Meeting

No. 1/2017

On 14th September 2017 at Tulip meeting room,

Rama Gardens Hotel, Bangkok

Ad-Hoc Working Group

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| 1. | Mr. Chonlatid Suraswadi | Director-General , RFD |
| 2. | Mr. Sukan Sirichantaradilok | Legal Officer, Professional Level, Thai Customs Department |
| 3. | Mr. Korn Manassrisuksi | Director of Forest Geo - Informatics Division,
Forest Land Management Bureau, RFD |
| 4. | Ms. Preeyanun Muengsan | Forestry Technical Officer, Reforestation Promotion Bureau, RFD |
| 5. | Mr. Metanee Seemantra | Forestry Technical Officer, Professional Level, Forest Protection
and Fire Control Bureau, RFD |
| 6. | Mr. Chutithep Phohipak | Forestry Technical Officer, Senior Professional Level,
Forest Research and Development Bureau |
| 7. | Mr. Niwat Luengborisut | Forestry Officer, Professional Level, Reforestation Promotion
Office, RFD |
| 8. | Mr. Krek Meemoogkij | Secretary, Community Enterprise Network |
| 9. | Mr. Trakul Sawangarom | President, Community Forest Network in 5 Provinces of
Eastern Forest Complex |
| 10. | Mr. Phongsa Choonam | President, Tree Bank |
| 11. | Mr. Wirote Tipin | President, Sustainable Development Foundation (SDF) |
| 12. | Mrs. Yingluck Patiphanthewa | President, Private Forest Plantation Cooperative Limited |
| 13. | Mr. Prasert Emdeengamlert | Vice President, Thai Timber Association |
| 14. | Ms. Supassara Chaipipat | Trade and Investment Promotion Officer

The Thai Chamber of Commerce and Board of Trade of Thailand |
| 15. | Ms. Rungnapa Wattanavichian | Thailand Forest Certification Council,

The Federation of Thai Industries |
| 16. | Mr. Pingsun Wang | Secretary, Thai Panel Product Industry Club |

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| 17. | Mr. Poramet Payapsatan | FLEGT-VPA Project Coordinator, RECOFTC |
| 18. | Mr. Jaran Maksomboon | Director of Non - Timber Forest Product Permission Division,
Permission Bureau, RFD |
| 19. | Mr. Boonsuthee Jeravongpanich | Forestry Technical Officer, Professional Level,
Permission Bureau, RFD |

Absentees

1. Representative of Department of Foreign Trade
2. Representative of Department of Trade Negotiations
3. Representative of Planning and Information Technology Bureau, RFD
4. Representative of Natural Resources And Environmental Crime Division
5. Representative of Agricultural Land Reform Office
6. Representative of Forest Industry Organization
7. Representative of Faculty of Forestry, Kasetsart University
8. President of Mueng Ling Family Forest Network, Surin
9. Asst. Prof. Ethipol Srisaowalak

Attendees

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| 1. | Mr. Sapol Boonsermsuk | Director of International Forestry Cooperation Office, RFD |
| 2. | Mr. Alexander Hinrichs | Regional Advisor Asia, EFI |
| 3. | Mr. Peter Viehbeck | Private Sector Expert, EFI |
| 4. | Ms. Somrudee Nicrowattanayingyong | FLEGT Facilitator for Thailand |
| 5. | Mr. Somporn Khongthanakrittakorn | SmE Consultant, EU FLEGT Facility, EFI |
| 6. | Mr. James H. Sandom | International Expert Field Testing |
| 7. | Ms. Pawinee Udommai | Legal Consultant |
| 8. | Mr. Montri Yotarak | Private Forest Plantation Cooperative Limited |
| 9. | Mr. Ukrit Kalayee | Private Forest Plantation Cooperative Limited |

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| 10. Mr. Jittiwat Srilapat | Private Forest Plantation Cooperative Limited |
| 11. Ms. Piyathip Lewpanich | Private Forest Plantation Cooperative Limited |
| 12. Ms. Wasu Wipoosanapat | RECOFTC |
| 13. Mr. Wiroat Kanaphongsa | Manager, Thai Panel Product Industry Club |
| 14. Ms. Arunwan Petchsung | Thai Hevea Wood Association |
| 15. Mr. Thanapol Torsittidechkul | Consultant, Thai Hevea Wood Association |
| 16. Mr. Piyapong Thampanya | Thailand Forest Certification Council,
The Federation of Thai Industries |
| 17. Ms. Siwaporn Rangsiyanon | Environmentalist, Senior Professional Level,
Ministry of Natural Resources and Environment |
| 18. Mr. Warakorn Kasempankul | Forestry Technical Officer, Professional Level, RFD |
| 19. Mr. Thada Suwanwimon | Forestry Technical Officer, Professional Level,
Permission Bureau, RFD |
| 20. Ms. Sarintara Laochan | Forestry Technical Officer,
Forest Research and Development Bureau, RFD |
| 21. Mr. Weerapon Buprasert | Forestry Officer, RFD |
| 22. Mr. Aumpon Nakpong | General Service Officer, RFD |
| 23. Mr. Surachat Boonchoowong | Photographer, RFD |
| 24. Ms. Pitchaya Wetchasap | Coordinator, Thai-EU FLEGT Secretariat Office (TEFSO),
Permission Bureau, RFD |
| 25. Ms. Chatdinee Konman | Coordinator, Thai-EU FLEGT Secretariat Office (TEFSO),
Permission Bureau, RFD |
| 26. Ms. Panjit Tansom | Technical Consultant, Thai-EU FLEGT Secretariat Office
(TEFSO) |
| 27. Ms. Isiyanee Samrit | Database Officer, Thai-EU FLEGT Secretariat Office (TEFSO) |
| 28. Ms. Kessara Sanmongkol | Operation Officer, Thai-EU FLEGT Secretariat Office (TEFSO) |

The meeting started at 09.40 hrs.

Mr. Chonlatid Suraswadi, the Director General of the Royal Forest Department (RFD) was the chairman of the Technical Meeting between Thai- EU FLEGT VPA Ad-Hoc Working Group

and European Forest Institute (EFI) No.1/2017. There were 51 participants from government sector, civil society, and private sector. The meeting was run agendas as following:

Agenda item 1: Notifications

Technical Meeting No.1/2017 was consequent from the 1st Negotiation held in June 2017. Moreover, verification of unregulated species on private land is one of the important issues that European Union has focused on. Thailand will discuss to find both legal and governance way. Thanks to EU's aid and technical support through EFI, Thailand highly hopes that the discussion would achieve the objectives as planned.

Agenda item 2: Approval the minute of the Technical Meeting between Thai-EU FLEGT VPA Ad-hoc Working Group and EFI No.1/2016 on Monday, 26th September, 2017

No one edited any statement in the minutes.

Resolution The meeting adopted the minutes.

Agenda item 3: Next Steps of the Technical Meeting between Thai-EU FLEGT VPA Ad-hoc Working Group and EFI No.1/2016 on Monday 26th September 2017

TEFSO edited and circulated the LD draft to the Ad-hoc Working Group, also uploaded on www.tefso.org, according to the resolution of the previous meeting.

Resolution The meeting was informed.

Agenda item 4: Notifications and Discussions

4.1 Presentation on Vietnam's control of imported timber by Mr. Alexander Hinrichs, EFI

Mr. Alexander Hinrichs, a representative of EFI, presented the control of imported timber of Vietnam through Due Diligence System which contains 1) information 2) risk assessment and 3) risk mitigation. Risk is considered by species, source of timber and legal reference of each exporting country. Vietnam has published species list imported from each country and corruption index that are main factors of risk assessment. The high-risk timber must show additional document in order to assure the legality of such timber. Plus, Vietnam pays attention to civil society to monitor timber importation and crime. Every shipment must conduct through Due Diligence System, except other shipments detailed, like species, country of harvest and operator, same as the former shipment.

Due Diligence System's operation and paper form of each country do not need to be same, but they rely on an appropriate design of each country. However, the system must be simple and easy to operate. In some countries, government sector is appointed as an administrator of electronic Due Diligence System together with other sectors. The Due Diligence aiming to verify the legality

is a responsibility of the importer who strictly conducts, especially the high-risk timber of exporting country in order to protect the illegal timber entering into supply chain.

Resolution The meeting was informed Vietnam's control of imported timber and Thailand will study it to develop Thailand's.

4.2 Presentation on Thailand's control of imported timber by The Federation of Thai Industries, Ms. Rungnapha Wattanawichian; and Discussion (Attachment No.2)

Ms. Rungnapha Wattanawichian presented the Sub-Working Group meeting to confer the way to control imported timber of Thailand. They studied the system from various countries such as Vietnam and United States, including an example of Certificate of Origin (CO) originated from New Zealand and Sawmill Association so that the Due Diligence System will be designed and operated. The paper form of Due Diligence System for Thailand has been drafted as well. Furthermore, Thai Sub-Working Group discussed the risk assessment of timber importation, with a draft of CO+ which is a checklist facilitating risk classification of each timber and timber products and clarifying additional information of origin and the legality of timber in order to support CO's reliability.

Ms. Arunwan Petchsang, a representative of Thai Hevea Wood Association, gave an opinion that the Due Diligence System is suitable for the document verification proving the legality. In addition, the paper form that Thailand has drafted might be used as a model to develop the control of Thailand's timber importation and exportation.

Mr. Alexander Hinrichs, the representative of EFI, paid attention to the development of CO+ because the 1st Negotiation highlighted inadequacy of CO attached with the high-risk country's importation. Moreover, he suggested that Thai side should understand that the Due Diligence System of this meeting was for only importation.

Mr. Chonlatid Suraswadee, Director-General of Royal Forest Department (RFD), showed an opinion that there should be a discussion among countries of harvest such as Myanmar, Malaysia, Laos, etc. to find a way to standardize for ASEAN member states. Additionally, he thought that this issue should be raised in the ASEAN conference or workshop to develop and level up timber certification standard of ASEAN, if possible. Moreover, RFD guaranteed that Thailand will use only one standard to verify imported timber and he agreed that there should be the additional documents in order to assess the risk.

Resolution The meeting agreed to set up Sub-Working Group to develop Due Diligence System for controlling timber importation, with TFCC as a leader. This issue will be discussed with EFI further.

4.3 Presentation on the way to verify unregulated species on private land

4.3.1 Self-clarification (by self) (Attachment No. 3) by Mr. Phongsa Choonam, Tree bank; and Discussion

Mr. Phongsa Choonam, a representative of Tree Bank, presented a paper form and a process of self-clarification (by one's self) for unregulated species on private land. The paper form contains four elements, namely, 1) the ownership information 2) land information 3) tree and wood identified species, amount and size and 4) legal authority information, refer to the constitution, section 144/145. The timber that is a component part of the owner's land means that land, root and tree are under the right of the owner to certify evidences showing the ownership. Therefore, self-clarification is righteous under the Constitution. Also, it is legal under the governance.

According to the complexity of Thailand's law, Mr. Alexander Hinrichs, the representative of EFI, questioned as following 1) Can the self-clarification be used by every type of lands? 2) Will it be problematic if the owner's address identified in ID card and the actual address is not the same? 3) What organization/who will be a witness for that self-clarification? 4) How is the documents be kept? and 5) How is the self-clarification associated with the supply chain control?

Mr. Phongsa responded those observed questions as follows: 1) The self-clarification (by one's self) cannot be used by every type of lands, for example, it cannot be used by Sor Por Kor because those timber are regarded as a timber from the forest. 2) Address movement of persons is compatible with international principle. 3) Anyone can be the witness. 4) The document is a primary evidence, then it must be kept. and 5) The document for self-clarifying can be an attachment for free supply chain, with additional documents.

Mr. Alexander commented on this case, the details of timber must be considered, like amount/portion for production, and the witness of the self-clarification must be inquired as well. In addition, they must connect with the existing system, comply with VPA, refer to the national law, and be tested to realize some problems/barriers. Nevertheless, it might be used for small household but it might be more strictly used for large-scale operators.

Mr. Chonlatid Suraswadee, Director-General of RFD, more explained that previously, there is no any certification of unregulated species on private land. Furthermore, he agreed that the certification must not be a burden of anyone. Eventually, those timber and timber products must be legally certified by government sector to ensure that those do not originated from natural forest and to be sure that exported timber and timber products are harvested from legal source.

A representative of Forest Checkpoint Division, RFD, agreed with the strict traceability. Additionally, the presented self-clarification (by one's self) is similar to E-tree that RFD has developed so the documentation should be through the electronic system that is easily traceable.

4.3.2 Self-clarification operated by Private Forest Plantation Cooperative Limited (certified by government sector) (Attachment No.4)

Mr. Montri Yotarak, a representative of Private Forest Plantation Cooperative Limited, presented Self-clarification operated by Private Forest Plantation Cooperative Limited (certified by government sector). He explained that Private Forest Plantation Cooperative Limited has a system to register members' information which can be examined the legality of source of timber. The system can refer to the actual entity of such member, including restricted and unrestricted

timber planted. The form of self-clarification contains three elements as following: 1) person's information 2) planting registration 3) membership's background. Moreover, the Private Forest Plantation Cooperative Limited has distributed a sim card to the members in order to guarantee that ID number and land title deed can affirm the entity of the owner and to be used as a database showing amount/volume and location of the tree. The database facilitates for trade. The whole database clarifies the legality from the origin of registration. Plus, he agreed that electronic system can be examined and certified to facilitate to users and the form should be the same to operate.

Mr. Chonlatid Suraswadee, Director-General of RFD, showed an opinion that the third party that will give a certification can be set up in the future. Furthermore, Thailand must develop database system completely, so it can trace and control all timber planted in Thailand. E-tree might be developed to put ID card information and land title deed number in order to be able to obviously confirm the entity and land. Government sector must design the system to support this operation because government is the owner of all land information and certifies where such timber comes from.

Mr. Krek Meemungkij, a representative of Community Enterprise, agreed with the support among various sectors to conduct the self-clarification of each organization presented without the same form and RFD is the center of collecting information.

Resolution The meeting agreed to set up the Sub-Working Group, with TFCC as a leader, to draft the way to verify unregulated species on private land. This point will be discussed with EFI further.

4.4 Feedback from the LD field test by Mr. James Sandom (Attachment No. 5)

Legality Definition (LD) Field Test aims to collect data from all six operators to verify an efficiency of each indicator and verifier identified in LD. There are three teams of auditors separately operating 62 sample sites across Thailand. Mr. James Sandom, International Consultant, observed overall of LD field test as follows:

1. Confirmation of issues and problems identified in the gap analysis

- Traceability and legality at origin for imported material
- Problems related to unregulated species from private land
- Desire from small/medium scale producers and community-based organizations for simplified systems of permits
- Absence of legal requirements or criteria/indicators /verifiers related to environmental and social issues

2. Issues relating to verification of processes described in the LD

- Process is described but indicators only relate to specific parts of the process.
- Process is described – but certain elements of the process are missing.
- A process is undertaken but the process is not described in LD.

3. Issues related to adequacy of the indicators and their practicality as means of verification

- CITES – clear process elaborated in the LD. But the process and indicators are only valid if the timber is already pre-identified as a CITES-listed species. The process and indicators are insufficient for coping with timber that should be listed but which is not identified – e.g. mahogany.
- State owned enterprises – current indicators in the LD – for workers are specifically designed for private companies and oversight and regulation by Ministry of Labour. But indicators are not designed to verify the workplace and employment terms.
- The indicators relating to receipts for fees and payments. Not easily or readily accessible – possibly by accessing these receipts digitally.

4. Issues relating to incomplete or inconsistent understanding or application by operators

- Legal vocabulary written in the LD is difficult to understand and practice by operators. Most of them do not have environmental information/ regulations in the workplace.
- Misunderstanding of regulation and hazardous chemicals permit possession, like glue and resin, by operators.

5. Other relevant findings

- Thailand manages well about confiscated timber; however, that should be identified in the LD.
- There is no any electronic system to record documents attached with transportation and receipts.
- Some workers do not realize the safety of wearing PPE, although the operators prepare equipment for them.
- Thailand should emphasize the basically environmental issue and raising awareness of that to community.

In addition, the full comment will be presented in the FLEGT VPA Ad-hoc Working Group Meeting in October 2017.

Resolution The meeting was informed the primary observations of LD field test. Also, it agreed to invite other related organizations such as Ministry of Labour, Pollution Control Department, and Ministry of Industry to know the observations in the next meeting.

4.5 Presentation on SmE Assessment Program in Mekong countries by Mr. Peter Viehbeck, EFI (Attachment No.6)

SmE initiative related to Mekong countries has been operated for two years, 2017-2019. The aims of this initiative are to assess the capacity: portion, passion, economic value, of SmE, and to find a way to develop a mechanism to support SmE. The methods of this initiative are desk research, stakeholder consultation workshops, questionnaires, and

data collecting in order to develop and push the SmE in Mekong countries to be able to adjust and legally enter supply chain.

Resolution The meeting was informed the progress of SmE initiative in Mekong countries

Agenda item 5: Other matters

- A presentation on Barcode System Development to be traceable and to comply with VPA in Thailand by a representative of Thai Hevea Wood Association aims to develop a software in order to be conducted with rubber plantation from harvesting to transforming to be an exported product, with a connection with National Single Window (NSW).
- A presentation on certification under a national standard: TISI 2861 voluntarily certifies the source of timber highlighted unregulated species on private land. Plus, it will be developed with a low cost so that it will not be a burden of operators.

The meeting was preliminarily informed. Also, the meeting asked about the details of the project. Nonetheless, Ms. Somrudee Nicrowattanayingyong, a representative of EFI, suggested that there should be a clear mapping in order to present the overall of each project and to boost awareness and consideration to develop the projects under FLEGT VPA implementation of Ad-hoc Working Group.

Ms. Panjit Tansom, Technical Consultant, stated that in October 2017, there will be a meeting between Ad-hoc Working Group and EFI on Feedback of LD Field Test. Thus, the meeting should agree to be informed the feedback first and the two projects will be supported by comments.

Mr. Chonlatid Suraswadee, Director-General of RFD, recommended to arrange an internal meeting for feedback of LD Field Test before the meeting with EFI.

Resolution The meeting agreed to create the clear mapping to present the overall of the projects and to be informed the feedback before commenting those two projects.

Agenda item 7: Next Meeting

The meeting between Ad-hoc Working Group and EFI on Feedback of LD Field Test will be held in October 2017. TEFSO will coordinate with the consultants to make an appointment and let the participants know the agenda.

Resolution The meeting was informed the appointment in October 2017

Next step:

- Sub-Working Group to develop the Due Diligence System for controlling the importation of timber will be established, with a representative of TFCC as a leader.
- Sub-Working Group to draft the way of verification of unregulated species on private land will be established, with a representative of TFCC as a leader.

- The results from the two above will be discussed with EFI; however, they rely on the readiness of each Sub-Working Group.
- TEFSO will invite related organizations to be informed the primary observation from LD Field Test in the next meeting.

Meeting finished at 16.45 hrs.

Ms. Isiyanee Samrit

Minutes Recorder

Ms. Pitchaya Wetchasap

Minutes Translator

Mr. Boonsuthee Jirawongpanich

Deputy-Director of TEFSO

Ms. Panjit Tansom

Technical Consultant

Minutes Verifier