

**The First  
Thailand-EU  
FLEGT Voluntary Partnership Agreement (VPA) Negotiation**

**Meeting Minutes<sup>i</sup>**

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**Centara Grand Ladprao Hotel, Bangkok, Thailand  
29-30 June 2017**

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**Participants**

**Thai side**

1.	Mr. Wijarn Simachaya	Thai Chief Negotiator and Permanent Secretary	Ministry of Natural Resources and Environment
2.	Mr. Chonlatid Suraswadi	Director General	Royal Forest Department
3.	Mr. Pralong Damrongthai	Inspector	Ministry of Natural Resources and Environment
4.	Mrs. Rungnapar Pattanavibool	Director	Office of International Cooperation on Natural Resources and Environment
5.	Mr. Pavich Kesavavong	Environmentalist, Senior Professional Level	Office of International Cooperation on Natural Resources and Environment
6.	Mrs. Pornpen Warawilawan	Deputy Managing Director	Forest Industry Organization
7.	Ms. Benjamaporn Promperm	Senior Trade Officer	Department of Foreign Trade (DFT)
8.	Ms. Pantalika Phongchababnapa	Trade Officer, Professional Level	DFT
9.	Mr. Pathkamol Dattibongs	Senior Trade Officer	Department of Trade Negotiations (DTN)
10.	Ms. Pimpitchaya Withoonwatcharawate	Trade Officer	DTN
11.	Mr. Sukan Sirichantaradilok	Professional Legal Officer	Thai Customs
12.	Mrs. Sirilak Niyom	Director of European Union Division	Department of European Affairs (DEA)

**EU side**

1.	Mr. Jorge RODRIGUEZ ROMERO	EU Chief Negotiator and Deputy Head of Unit	Multilateral Environmental Cooperation, DG for the Environment, European Commission
2.	Ms. Hlene PERIER	Forest and Wildlife Policy Officer	Multilateral Environmental Cooperation, DG for the Environment, European

3.	Mrs. Luisa RAGHER	Minister – Deputy Head of Delegation	Commission Delegation of the European Union to Thailand
4.	Ms. Isabelle DE STOBBELEIR	First Secretary	Delegation of the European Union to Thailand
5.	Mr. Dusit MEKSINGVEE	Trade and Business Information Officer	Delegation of the European Union to Thailand
6.	Mrs. Sutthiya CHANTAWARANGUL	Programme Officer	Delegation of the European Union to Thailand
7.	Mr. Alexander HINRICHS	Head of Asia office	European Forest Institute (EFI)

#### **Observers**

1.	Mr. Sapol Boonsermsuk	Thai Focal Point	Royal Forest Department (RFD)
2.	Mr. Banjong Wongsrisoontorn	Director of TEFSO	RFD
3.	Mr. Thada Suwannawimon	Forestry Technical Officer Professional Level	RFD
4.	Mr. Boonsuthee Jirawongpanich	Forestry Technical Officer Professional Level	RFD
5.	Ms. Nongnut Saejia	Forestry Technical Officer Professional Level	RFD
6.	Ms. Woranuch Emmanoch	Foreign Relations Officer	RFD
7.	Ms. Pitchaya Wetchaya	Coordinator Assistant	RFD
8.	Ms. Chatdinee Konman	Coordinator Assistant	RFD
9.	Ms. Yada Hatthatummanoon	First Secretary	DEA
10.	Ms. Ploy Khumthukthit	First Secretary	DEA
11.	Ms. Narumon Oris	Environmentalist, Professional level	Office of International Cooperation on Natural Resources and Environment
12.	Ms. Panjit Tansom	Consultant	Thailand-EU FLEGT Secretariat Office (TEFSO)
13.	Ms. Isiyanee Samrit	Database Officer	TEFSO
14.	Ms. Kessara Sanmongkol	Operation Officer	TEFSO
15.	Ms. Somrudee Nicro	FLEGT Facilitator for Thailand	EU FLEGT Facility, EFI
16.	Mr. Bruno Cammaert	Forestry Officer	EU FAO FLEGT Programme
17.	Ms. Erica Pahnann	International Consultant	EU FAO FLEGT Programme
18.	Ms. Josil Murray	International Consultant	EU FAO FLEGT Programme

## **Session 1: Introduction**

### **TH Chief Negotiator: opening remarks**

- TH is honored to host the 1<sup>st</sup> negotiation round of FLEGT/VPA process and hopes that it will contribute to the elevation of TH forest industry to international standard.
- TH informs the progress made on Legality Definition, Product Scope, Supply Chain Control as well as the already starting Timber Legality Assurance System.

- TH hopes that FLEGT will not be an obstacle to bilateral trade but will help promote global forest good governance.
- TH is glad that JEM2 was fruitful even though some issues still need further discussion. TH hopes to be able to find common understanding during the negotiation.
- TH reiterates that it looks forward to continuing support on VPA from the EU including transfer of knowledge and technology which will help lift TH standard nationally and regionally.
- TH stresses that VPA process will contribute to the Sustainable Development Goals (SDGs.)
- TH proposes that future bilateral cooperation on natural resources be maintained.

### **EU Chief Negotiator: opening remarks**

- EU thanks the teams for making this negotiation happened.
- EU stresses that TH and EU have long history of relation on forest cooperation and look forward to continuing cooperation.
- TH engagement shows TH commitment on timber legality which will give positive impact in the Asia region.
- EU sees TH as a strategic partner in the Asia region.
- EU reiterates that the FLEGT VPA is a long-term partnership, not a project.
- EU stresses that wide range of stakeholders in the EU: Member States, European Parliament, and private sector and civil society stakeholders, have expectations since the VPA combines trade and environmental aspects.
- EU trusts that the VPA process will strengthen TH market reputation, additional markets also have similar requirements.
- EU congratulates TH on the VPA progress and notes that JEM has confirmed TH commitment, however, significant works still need to be done.
- EU ensures TH that it is equally committed to take this work forward.
- EU thanks TH for its participation in Brussels conference and bilateral talks earlier in June 2017.

## **Session 2: VPA process update**

### **EU introduction to FLEGT**

- EU shares that the evaluation of the FLEGT Action Plan confirmed that the policy is relevant, the initiative so far has achieved significant result.
- EU points out that more and more countries and consumers are paying attention to EUTR.
- EU highlights that Indonesia is the first country to issue FLEGT licenses.
- EU is working more also with other key players, for example, China, Japan and Australia.
- Expectation/interests of EU on this negotiation
  - Making more progress on a number of VPA components.
  - Highlighting political support from TH government (various ministries) to ensure a successful VPA.
  - Highlighting the importance of sufficient resources: financial resources, human resources as well as sufficient expertise for the work.
  - Stressing that participation from all relevant stakeholders, stakeholders' funding and capacity building are also important.

- Reiterating that VPA is about forest governance reforms and needs to be mainstreamed into national reforms. Its scope goes beyond forest-related legislation because it includes environment and social aspects, such as workers' rights, human rights, participation of civil society and private sector, etc.
- EU stresses that key elements of VPA process is to ensure sufficient control in the supply chains and important to find a balanced approach in the verification mechanism to avoid over-regulation on smallholders.
- EU reaffirms that TH government and other TH stakeholders are the ones to find best way to adapt the VPA to TH reality. EU stands ready and is keen to support the process.
- EU mentions the strong link between VPA and EUTR, and highlights that the regulation applies to EU domestic markets too.
- EU is working closely with EU member states on EUTR.
- EU believes that the VPA process has a potential to strengthen Thailand's market reputation.
- EU looks forward to seeing steps taken by TH and TH-EU common understanding.

### **Permanent Secretary presents Thai VPA process**

- TH presents history of TH VPA process and three stages of the VPA process: negotiation, signing and rectifying, and FLEGT licensing and implementation.
- TH VPA will have 10 Annexes. TH has been developing 4 of them with EFI technical support: Legality Definition, Product Scope, Supply Chain Control and Timber Legality Assurance System. EU has been informed of the draft Legality Definition (LD) and Product Scope (PS) and provided its feedback.
- TH reassures its interest in the VPA as it will ensure legal sources of timber and traceability, strengthen stakeholder participation and increase TH competitiveness. It is also in line with the Sustainable Development Goals (SDGs).
- Forestry is one of the issues included in TH 20-year National Development Strategy and a national committee has been set up to reform natural resources management.

## **JEM2 main conclusions**

### **Dr. Alexander Hinrichs (EFI) presents main JEM conclusions and points of negotiations:**

1. Taking note of update from both sides on focal points, negotiation structure and changes
2. Update on main forest related policy developments in Thailand, including recent creation of Thailand's National Forest Policy Committee (relevance for VPA identified)
3. Significant efforts from Thailand to develop tree planting on private land and community forestry
4. Significant progress to ensure proper stakeholders consultation in RFD's work
5. EU update on evaluation of FLEGT Action Plan (high relevance confirmed)
6. EU update on EUTR: strengthening implementation and link to VPA process (FLEGT licenses automatically compliant under EUTR)
7. Coordination of EU funding to VPA through EU Delegation (Thailand also presented its funding)

8. Strong commitment from Thailand to ensure that the VPA process is supported at political level and by all relevant Ministries and Government agencies
9. Need to continue involving all stakeholders (including civil society and private sector) and include relevant but not direct forestry-related government agencies/organisation, e.g., environmental, social, labour and anti-corruption, at least to keep them informed of the process
10. Need to secure resources (technical expertise and funding) – cost-sharing to ensure Thailand's ownership
11. Significant progress on legality definition: most timber sources covered, need to reflect on operational aspects and how to include most recent (legal) initiatives
12. Upcoming field test of legality definition (with stakeholders' involvement) as reality check, results to be discussed at AHWG
13. The scope of the TH TLAS is for all markets, domestic and international (same as most other VPA countries)
14. Confiscated timber is only used for public use, not to be included as a timber source in the LD
15. Charcoal will not be included in the product scope / LD
16. Product scope: agreement from TH to look into additional EU suggestions and to come back to EU with revised draft
17. Verification mechanisms for unregulated species: recent developments on Thai side on new mechanisms, including through e-Tree registration system – Several other options proposed for testing through pilot projects (under EU FAO FLEGT Programme)
18. Verification of imports: Ministry of Commerce and MONRE/RFD in dialogue on an import regulation, EU explained due diligence approach used in EU and by other VPA countries – positive response by Thai side
19. Very advanced system on supply chain controls – Agreement to reflect on this in the context of developing the TLAS structure, with support from consultant (testing legality definition) and EFI
20. TLAS synergies with existing mechanisms (private certification, due diligence, CITES) clarified. Potential role of certification in TLAS to be further explored.
21. Introduction of VPA legal text and annexes: agreement that EU will share draft legal text with Thailand

EU took note of Thailand's proposed roadmap to 2019. Both sides agreed on the 9-month detailed and complementary roadmap.

### **Session 3: Negotiator points**

#### **Legal development**

**22. Importance of setting a clear way forward to address gaps (identified in gap issue paper) in a systematic way, including technical issues under the control of RFD, but also broader actions coordinated through recently established National Forest Policy Committee**

**23. Importance of addressing other legislative developments (beyond strict forest related issues) linked to legality definition and VPA process, including on environmental and social safeguards (EU recommended to engage with relevant agencies)**

**TH:**

- TH reaffirms that MNRE and relevant departments give importance to forest management and will amend laws and regulations not supporting people's participation.
- People's access to information will be ensured. Good governance is now a government policy. On-line systems will be used to allow people's access to information and increase transparency of government conduct.
- National Forest Policy Committee will be responsible for the tasks.

**EU:**

- This process reaffirms political commitment on the reform and it will be a very good way of taking the VPA to work. EU trusts that the system shown by TH will ensure much transparency. EU reaffirms the need to address the LD gaps identified so far in a systematic way, with the involvement of relevant stakeholders, to ensure that all gaps are addressed in a strategic and timely way.
- Stresses the need to get all relevant agencies on board of the VPA process.

**TH:**

- Confirms that its LD will engage all relevant authorities; the reform of legal framework will be reflected in LD.
- TH supports the participation of civil society. For example, MNRE has NRE volunteers nationwide help taking care of forest reservation. Local communities also work with relevant authorities to protect the forest. TH tries to facilitate people to access information through RFD on-line systems.

### **Linkages, consultations, new system**

**24. Importance of ensuring that FLEGT and REDD+ can be mutually supportive**

- EU stresses that there are potential synergies. Thailand should try to identify how these would work in the Thai context.
- TH expresses that both are under MNRE responsibility. They can be mutually supportive. TH receives support on REDD+ from Forest Carbon Partnership. TH has carbon REDD+ strategy. Thailand Greenhouse Gas Management Organization (TGO) promotes works on voluntary reduction of greenhouse gas. MNRE Minister issues certificates to agencies which successfully reduced their greenhouse gas.
- TH wants to learn from the EU on how to enhance synergies between FLEGT and REDD+.

**25. EU interest to understand any legal requirements for consultation under the new Thai Constitution and relevant organic laws**

- TH explains the consultation process required by Art. 77 of the new Constitution and reaffirms that once organic laws are promulgated, TH will review if they should be incorporated into LD.
- EU is pleased to learn of the strong mandate for consultation required by the Constitution.

**26. EU interest to learn more about RFD 4.0/RFD National Single Window computer systems that allow real time monitoring of forest resources and all timber movements**

- TH stresses that its system is a comprehensive one but admits that it still needs to be further developed. The VPA lessons learned will be incorporated to other Thai initiatives. For example, TH now has Government Facilitation Act. Thai people can track progress of agencies' work on-line. TH also has a mobile application for people to roughly check legality of forest areas.
- EU is quite impressed with Thai National Single Window (NSW) system since it will be extremely useful for both users and officials. The system will provide a useful tool to support the VPA especially on transparency. EU trusts that the system will be further developed through the engagement of end users.
- EU reiterates that EU will continue its support to TH on the VPA process but TH will have to make its own choices in the national context.

**27. Access to information captured in RFD 4.0 or other initiatives such as One Map (Who can access the information? How One Map initiative plays any role on VPA)**

- TH explains that it provides open access to information via on-line systems, aiming to depending less on officials' judgement.
- One Map covers all land in the country, including forest areas, showing land boundary at 1:4000 scale. The initiative is under the responsibility of Ministry of Justice.
- There are many government agencies overseeing different kinds of state land: e.g. MNRE, Ministry of Finance, Ministry of Interior. RFD and DNP oversee only forest areas.

**Legality definition (LD)**

**28. Significant progress made at technical level, thorough field test on LD and its operational aspects to start next month, further points:**

- **Important to update LD in light of new legislative developments, e.g. potential Tree Bank Act and Economic Plantation Act**
- **Stronger link to other environmental and social requirements**
- **Clarification if there is any potential source of timber beyond the 4 sources currently identified: public land (national reserved forest), private land, imported timber**
- **Thai side to update EU about progress on LD**
- TH will provide financial support for the LD field test. Thailand will explore ways to incorporate the remaining gaps into LD.

- EU welcomes TH's willingness to allocate a budget for LD field test and will see how things can really work in practice on the ground.
- LD is a good and solid document. It reflects state of play. EU welcomes the idea of amending it if there are any reforms or changes in legislation (flexible instrument).
- EU is pleased that the scope of TLAS is to be applied not only for the EU but also for all other markets (international and domestic).
- EU reiterates that field test will provide opportunity to check practicality in the Thai LD.
- TH confirms that EU's understanding of the land categories is correct.

**29. Agreement to take the matter forward through the consultants and upcoming field test, with EFI support**

**30. Agreement to explore ways to incorporate any remaining gaps into LD**

- TH confirms its commitment to explore the possibility to take into account any remaining gaps and will consider them carefully, including through the upcoming LD field test.

**31. Agreement to immediately revisit the field test methodology and budget for the upcoming legality definition field test**

**Product scope (PS)**

**32. Agreement to include furniture into product scope at a later stage, but to develop a legality definition and TLAS that already include furniture to allow for late joining:**

- EU is looking forward to next steps and keen to learn about timeframe. TH plans to include furniture but there are many stakeholders involved. TH will update EU during JEM3 with more details on timeline. TH will discuss the matter in the AHWG. TH acknowledges that Indonesia and Vietnam included furniture into its PS.
- TH is to share export data structured according to the product scope.
- EU is to share import/export data of timber and timber products according to EUTR.
- TH question: Can products listed in the PS still use DDS? This is important as it will affect the decisions of major furniture companies'.
- Answer: EU has a system of EUTR. Once there is an operational VPA with FLEGT licenses, products under PS will need to use FLEGT licenses and therefore are not subject to DD under EUTR anymore. EU reaffirms that the VPA will facilitate market access for products accompanied with FLEGT licenses. Those that are not in PS but under the EUTR will have to meet EUTR and use DD.
- EU confirms that it is ready to share info on import and export of timber and timber product as requested by the TH side.
- EU stresses that furniture accounts for a significant proportion of Thai timber product exported to the EU market and that including furniture in the PS is a key element. EU agrees to discuss this further at the next JEM as suggested by the Thai side.
- EU stresses that private sector can be assured that the VPA process is useful for them.



## Verification mechanisms

- 33. Thailand's strategic thinking to address gaps and identify options (e.g. through Government-led system, or self-declaration, certification)**
- 34. Involvement of civil society and private sector into the identification and design of such verification mechanisms, including on unregulated species – Design of a proportionate and balanced system, while avoiding over-regulating (cf. smallholders)**
  - TH agrees with EU's suggestion to have a roundtable discussion on non-restricted species in a few months, drawing from the field test, pilot projects and stakeholders' experience. EFI will try to join and present examples from other countries.

## Import verification

- 35. Agreement to continue work on verification of imports and to explore development of a risk-based due diligence system**
- 36. Agreement for technical discussion with Ministry of Commerce and EFI**
- 37. Suggestion to consider approach by American Hardwood Association and in Vietnam VPA**
- 38. Thailand to share import data structured according to its product scope**
  - TH agrees to further develop verification of imports with a risk-based DD approach. EU will share VN experience. A meeting involving Ministry of Commerce, RFD, other stakeholders and EFI will be held to explore options, as indicated in the roadmap.
  - Data on imports of products listed in the product scope will be shared by Thailand.
  - Criteria for risk-based assessments of timber source from the country of harvesting is important.
  - Certificates of origin (CO) as currently used by Thai Customs would need to be complemented by additional information on the legality of the imported timber.

## TLAS

- 39. Agreement to initiate work on designing the TLAS Annex building on LD and supply chain work**
- 40. Importance of seeing TLAS development from the licensing angle – to ensure information required by Licensing Authority to issue a credible FLEGT licence is available**
  - TH will develop TLAS incorporating LD and SCC.
  - EU reaffirms that who will be FLEGT licensing authority is TH's choice. There are several models (e.g., VN, Ghana, and Indonesia).
  - It needs to be assured that the Licensing Authority has accurate information about the legality of the timber to be able to issue the license. Need to discuss this further.

## Session 4: VPA negotiation roadmap

### Roadmap

- 41. Endorsement of the Roadmap developed by JEM2:**

- Both sides reconfirm the 9-month Roadmap agreed at JEM2 for the period, July 2017-March 2018.
- It covers TH's development of: LD field test, supply chain control, verification mechanism, especially non-restricted species and imports, and a TLAS structure.
- During the period, there will be 2 JEMs, 2 video conferences (potentially hosted by EU Del) and 1 negotiation. Exact dates will be jointly set two weeks to one month in advance.
- Both parties agreed that the Roadmap is indicative and flexible.

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## **Annex I: Negotiation Agenda**

## **Annex II: Agreed Roadmap**

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