



**(Draft) Technical Minute meeting between Ad-Hoc Working group
of Thai-EU FLEGT VPA and The European Forest Institute (EFI)**

No.1/2559

Monday 26th September 2016

At Meeting room 1, Tiem Kom Krit, Royal Forest Department, Bangkok

Attendees

- | | |
|-------------------------------------|--|
| 1. Mr.Sapol Boonsermsuk | International Forestry Cooperation, RFD |
| 2. Ms.Pimpichaya Witoonwatcharavech | Department of Trade Negotiations |
| 3. Pol.Lt.Col.Morakrot Sangraku | Deputy Superintendent 1 |
| 4. Mr.Supat Moonpruk | Agricultural Land Reform Office |
| 5. Ms.Pompen Worawilawan | Forest Industry Organization |
| 6. Ms.Sutinee Wattana | Department of Foreign Trade |
| 7. Ms.Rattana Saartnak | Permission Division, RFD |
| 8. Mr.Panus Siriarporntham | Forest-checkpoint Division, RFD |
| 9. Mr.Kron Manutsrisuksai | Forest Land Management Division, RFD |
| 10. Mr.Niwat Luengborisut | Reforestation Promotion Division, RFD |
| 11. Mr.Somsak Prompathima | Forestry Law Division, RFD |
| 12. Mr.Chalermkiat Sutsakorn | Forest Protection and Fire Control Bureau, RFD |
| 13. Mr.Phongsa Choonam | Tree Bank |
| 14. Mr.Nirut Buapha | Natural Resources and Environment Network
Esan cooperater |
| 15. Mrs.Yingluck Patiphanthewa | Private Forest Plantation Cooperative Limited |
| 16. Mr.Thiti Wongprasert | The Thai Chamber of Commerce
and Board of Trade of Thailand |
| 17. Mr.Prasert Emdeengamlert | Sawmills Association |
| 18. Mr.Pingsun Wang | Thai Panel Product Industry Club |
| 19. Mr.Poramet Payapsatan | RECOFTC |
| 20. Mr.Phongsak Hengnirun | Faculty of Forestry, Kasetsart University |
| 21. Mr.Banjong Wongsrisoontorn | TEFSO |
| 22. Mr.Boonsuthee Jeravongpanich | Forestry Certification Office, RFD |

Absentees

- | | | |
|----|--------------------------------|--|
| 1. | Mr.Sukan Sirichantaradilok | The Customs Department |
| 2. | Ms.Benjamaporn Pornperm | Department of Foreign Trade |
| 3. | Mr.Baramee Chairat | The Assembly of the Poor |
| 4. | Mr.Sawat Sookchan | Mae Tha Sustainable Agriculture Development |
| 5. | Mr.Jirawat Tangkijngamwong | The Thai Chamber of Commerce
and Board of Trade of Thailand |
| 6. | Asst.Prof. Ethipol Srisaowalak | Chulalongkorn University |
| 7. | Mr.Thanun Ounkomol | The Federation of Thai Industries |
| 8. | Ms.Warangkana Rattanarat | RECOFTC |

Participants

- | | | |
|-----|-------------------------------|--------------------------------------|
| 1. | Mr.Sebastian Schrader | EFI |
| 2. | Ph.D.Somrudee Nicro | EFI |
| 3. | Mr.Bruno Cammaert | FAO |
| 4. | Ms.Josil P.Murray | FAO |
| 5. | Mr.Thada Suwanwimon | Forestry Certification Office, RFD |
| 6. | Ms.Nongnuch Sae-Jia | Forestry Certification Office, RFD |
| 7. | Ms.Preeyanun Muengsan | Reforestation Promotion Office, RFD |
| 8. | Mr.Krek Meemoogkij | Thai CSOs FLEGT |
| 9. | Ms.Chonlanet Prechacharuensri | Forest Land Management Division, RFD |
| 10. | Ms.Ratee Boonrod | Permission Bureau, RFD |
| 11. | Mr.Ekasit Aneksittisin | Thai Timber Association |
| 12. | Mr.Krittasin Yammoon | Permission Bureau, RFD |
| 13. | Mr.wanchalerm Kranto | Forestry Certification Office, RFD |
| 14. | Ms. Isiyanee Samrit | TEFSO |
| 15. | Ms. Kessara Sanmongkol | TEFSO |
| 16. | Ms. Panjit Tansom | TEFSO |
| 17. | Ms.Thanaporn Chotemanee | TEFSO |
| 18. | Ms.Piraya Buddhasri | TEFSO |

The meeting started at 09.45 hrs.

The Ad-Hoc Working group had 11 meetings on Legality Definition (LD) and technically submitted draft LD to The European Union (EU). EU has been sent their feedback to Thailand on 13 August 2016. Thai-EU FLEGT Secretariat Office (TEFSO) arranges this meeting that aims to open an opportunity for Thai working group to discuss on EU feedback in technical aspect with the representative of The European Forest Institute (EFI). The total of participants are 43 people from a government, CSOs and private sectors.

Agenda item 1 Notifications

Due to Mr.Pralong Damrongthai, Deputy Director General of Royal Forest Department (RFD) is occupied with official duties; he assigns Mr.Sapol Boonsermsuk, Director of International Forest Cooperation to be a chairman of this meeting.

Conclusion The meeting is informed.

Agenda item 2 Progress/Update FLEGT process by Thai and EFI side

Thai side

Representative from Thai side, Mr.Banjong Wongsrisoontorn, Director of Thai-EU FLEGT Secretariat Office (TEFSO) updates FLEGT process in Thailand in 4 issues, which are:

Legality Definition (LD): Since 2014 until the present, Thailand had 11 meetings to discuss on LD. The meeting on 24 August 2016 is no.4 of this year. The latest draft LD considers as nearly complete.

Product Scope: In 2016 TEFSO arranged 2 meetings on product scope and the meeting has drafted the first product scope and technically submitted to EU.

Supply Chain Control: The first meeting on Supply Chain Control had been arranged on 30 August 2016. Many stakeholders are interested in attending this meeting; TEFSO has revised flowchart and description base on the conclusion of the meeting, which already sent to the working group to review.

Mini-field test: The mini-field test had been arranged on 22-24 September 2016 by RFD and EFI, which aimed to reflect the indicator and verifier under LD. This is prepared for a complete field test of LD in the nearly future.

EFI side

Mr.Sebastian Schrader, Technical Consultant to the EU FLEGT Facility from EFI updates the FLEGT process that Indonesia will be the first country on FLEGT Licensing that will be effective on 15 November 2016. At the same time, Vietnam had done all annexes and expects to have the conclusion meeting in November this year. Vietnam is engrossed to the second country of the world on FLEGT licensing.

Moreover, Technical Consultant to the EU FLEGT Facility from EFI informs that The European Commission (EC) is pleased to begin the first negotiation with Thailand and considered the latest draft LD is complete but it has a few issue need to improve. For the gap issue paper, Technical Consultant to the EU FLEGT Facility from EFI is interested and need to be informed if Thai side has the complete version.

Conclusion The meeting is informed.

Agenda item 3 Discussion on the EU feedback of Legality Definition (LD)

Due to some issue on EU feedback of Legality Definition (LD) has been revised base on the conclusion of the Ad-Hoc Working group meeting no.4/2016 on providing draft Legality Definition (LD) on 24 August 2016. In order that Thai side had some issue need to have more clarification from EU representative for discussing and revising the draft LD to be more complete. Mr. Sebastian Schrader, Technical Consultant to the EU FLEGT Facility from The European Forest Institute (EFI) raises key issues that both sides are concern which refers to EU feedback document on LD which are:

Topic 3 Combine Operator 6 (Transportation Operator) to other operators

Mr. Sebastian Schrader, Technical Consultant to the EU FLEGT Facility from EFI suggests combining operator 6 (Transportation Operator) to the others operators because their related to timber except operator 6. After mini-field test reflect that each operator has different regulation and document references, if remain operator 6, it will complicate to identify the document and implementing process base on each operator so combining operator 6 will make verification process more simple and effective in systematic aspect.

Mrs. Pornpen Worawilawan, Deputy Director of Forest Industrial Organization (FIO) requests to Technical Consultant to the EU FLEGT Facility from EFI to give an example of operator 6 into operator 1 as a guideline on LD revision.

Mr. Sebastian points to O1-C2.2 that mentioned to timber traceability so need to add transportation operator to those criteria would be enough.

Mrs. Pornpen explained to the meeting that operator 1 is an operator who response on harvesting to log yard only and does not relate to transport to an industry. So transporting is a responsibility of other agency. She requests the Royal Forest Department (RFD) to specify clear responsibility of each operator.

After discussion, the chairman asks the meeting on combining operator 6 to other operators by voting.

Conclusion Most of The meeting agreed on combining operator 6 to others operators.

Topic 10 Content of I1.2.1 in Operator 5 (Processing and Production Operator)

Due to the content of I1.2.1 “An operator operating on a registered forest plantation must hold relevant permits” has been revised of V1.2.1.1 “Permit of venue to transforming timber from registered plantation” and V1.2.1.2 “Production permit” so the meeting has no comment on this issue.

Conclusion The meeting is informed.

Topic 11 Operator 7 I1.2.2 “A Licensed Trader has issued a Confirmation Letter of Transformed Timber/Transformed Rubber Timber or Timber Products for every shipment of timber and retained stub of same”

Mr. Sebastian, Technical Consultant to the EU FLEGT Facility from EFI informs this is a concern on content location in LD only. It does not related to the indicator or verifier revision. The Technical Consultant to the EU FLEGT Facility from EFI questions the reason to put I1.2.2 “A Licensed Trader has issued a Confirmation Letter of Transformed Timber/Transformed Rubber Timber or Timber Products for every shipment of timber and retained stub of same” in P1 which is

principle of operator legality (including land) instead of putting in P2 Sourcing and transportation of Timber which is more suitable.

Mr.Phongsa Chunam comments there is correct to put under P1 Operator Legality (including land).

Mr.Panas Siriahpatham from Forest-checkpoint Division describes to implementation process that in a case of operator need to sale or transport log/product from industry, permitted operator must bring log/product control letter to certify legality and when log and product arrive their destination, the control letter will transform to legality controlling. The detail in controlling letter must correspond to a stub that industry has. It considers the legality of timbering product/transformation. However, this document can use for transport and traceability of timber.

Mrs.Pornpen adds that normally keeping stub is a responsibility of operator then she agrees to put I1.2.2 to P1. For transportation, need only copy of controlling letter.

Mr. Sebastian agrees to the reasons of the meeting and informs to the meeting that he only give a suggestion that does not affect to negotiation. For location of indicator is not raise any effect but if working group need to revise, it can do later.

Conclusion The meeting considers remaining I1.2.2 in the P1 as original.

Topic 13 Mixing traceability and harvesting timber in the same principle

In every operator Criteria 2.1, 2.2 and 2.3, Mr. Sebastian suggests making clear on harvesting and traceability identification. Anything relates to harvesting should move to P3 and traceability related should move to P2.

Conclusion The meeting agreed on the classification of traceability and harvesting then assigns TEFSO to proceed.

Topic 17 Operator 3 I2.2.1 An operator has complied with Forest Plantation Act procedures for harvesting timber on plantations.

Mr. Sebastian requests to Thai side clarify on indicator and verifier of 2.2.1.1 (Timber Harvesting Certification) that, Does it specify to every operator comply to or relate to voluntary registration under Forest Plantation Act only?

Dr. Somrudee Nicro, Consultant to The EU FLEGT Facility, The European Forest Institute (EFI) adds that EU side just question on any operator need to comply on this indicator 2.2.1.1 (Timber Harvesting Certification). She adds that Timber harvesting Certification will use for an operator who registered under Forest Plantation Act only and unregistered operator under this Act no need to comply to this indicator. Therefore she suggests to TEFSO adding the information on page 46 and every page related. Including revising word of “forest plantation” to “forest plantation under Forest Plantation Act” to clearer in gap issue paper.

Conclusion The meeting agreed.

Topic 18 Wording in I2.2.1 of Operator 6

Due to a long sentence of operator 6-I2.2.1, the working group had revised from “A person transporting timber outside of the plantation from which it was sourced has ensured that the timber is stamped with the seal of the Licensed Entrepreneur. The transport operator must also be in possession of the Plantation Timber Register which records the transfer of the timber to the transferee.” to “A person transporting timber outside of the plantation from which it was sourced holds the evident of rightful acquisition” so that Technical Consultant to the EU FLEGT Facility from EFI informed and have no addition comment on this issue.

Conclusion The meeting is informed.

Topic 19 Wording in V2.3.1.1 of Operator 5

Technical Consultant to the EU FLEGT Facility from EFI comments verifier has the same meaning as an indicator. The verifier should be a document or other evidence, specify “timber account” to be a verifier is too general. In order that Thai side should add a suitable verifier into this.

The working group adds V2.3.1.1 of Operator 5 to “log acquisition evidence” i.e. Transportation Certificate (S.P.15, Transforming timber certificate, Rubber certificate that recording into this account – Log account of Processing sawmill, Transformed timber account of Processing sawmill, Log and Transformed timber record of Processing sawmill.

Conclusion The meeting is informed.

Topic 23 Divide issue in Principle 3 (Operator’s Forest Management, Environment and Harvesting Obligations and Practices)

This is a general suggestion to Principle 3 in LD; the P3 is covered forest management, environmental and harvesting. P3 occurs to every operator so that to make it clear; Technical Consultant to the EU FLEGT Facility from EFI suggests to divide this principle to two parts.

- 1) Principle on forest management (presently show in criteria 3.1, 3.2, 3.3 and 3.4)
- 2) Principle on environmental (presently show in criteria 3.5, 3.6 and 3.7)

Conclusion The meeting agreed on dividing to two issues.

Topic 29 Permission condition monitoring of I3.5.1 under Operator 1 (An operator complies with RFD plantation reporting requirements)

This issue was raised in the mini-field test, especially in discussion with Forest Industrial Organization (FIO) representative about I3.5.1 of Operator 1 that is a regulation of report submit to Royal Forest Department (RFD) to inform on plantation management related. In old document mention only one verification that is annual report and not clear substance what report related including to unclear on verification process to confirm this report. So that Technical Consultant to the EU FLEGT Facility from EFI questions on the detail of verification will be cover all detail or not.

Mr.Niwat Luengborisut from Private Plantation Division gives an example of deforestation renting area by a private operator that must comply with government specific regulation and report overall operation annually. Moreover, an operator must provide a plan to set up a goal of next year. For annual report, verification must verify to the detail and overall operation. This is what EU suggested to have operating document attach to an annual report.

Mr. Sebastian adds that indicator at present mention only operator must comply with regulation on reporting; for a condition of extending permit may need to monitor and add specific indicator i.e. operator comply to permit condition which regulates in law.

The chairman comments that Thailand had regulated the implementation but if need more specifics may add another indicator to this topic.

Dr.Somrudee adds in the draft LD mentions operator must provide a report follow to specify regulation. This report will be a verifier that what operator implement in the past year but in a sentence is not specify that operator has complied to permit condition or not. The report does not mention more detail i.e. industry may need to report on air pollution released to Pollution Control Department which must specify how much their release, high or less from the standard. The verifier must more specify, not mention only verify on an annual report.

Mr. Sebastian makes understand that report and permit condition attached are difference and suggests option to the meeting, which divides into two parts:

1. Remain I3.5.1 and add new indicator i.e. operator must comply with a condition which attached to the permit and may need to add detail in verification process description (more clear method).

2. Adjust I3.5.1, which mention that operator must follow RFD reporting regulation and their permit condition.

Dr.Somrudee agrees following with regulation attached to permit is an important indicator and suggests mentioning about field verification.

Conclusion The meeting is agreed to option 1.

Topic 36 Description of verification under O1, 3 and 5 I4.1.1/2 (Regulation of Labour Protection Act and reporting

Mr. Sebastian points to a description of verification that mention “An operator employing 10 or more prepares a Working Conditions and Workplace Annual report and submits this electronically via the Department of Labour Protection and Welfare website. A Department of Labour Protection and Welfare Officer verifies that the report has been submitted.” which in the draft LD does not mention on reporting verification or operator need to comply with regulation of Labour Protection Act. Therefore, he requests the working group to consider adding information to describe verification process.

Dr.Somrudee informs Mr.Sebastian that Thai side had added information but it may have a mistake that there is not show in the English version of the document. Thai side adds “In case that the officer has verified and suspected that the document is false, the officer has authority to go into an enterprise, send the letter of inquiry, or summon to clarify the facts or send a written order for the employee to follow correctly. (In fact, this sentence already shows in English version of LD)

Mr. Bruno Cammaert, Forest Officer of FAO FLEGT program comments to specify an indicator method of this report i.e. RFD considers of environment and labour issue when extending the permit. Are there any condition that RFD will cancel or no extend the permit to an operator? Instead of verifying only annual report. In addition, he comments that it should be put only necessary verifier.

Ms.Rattana Sa-Arduak from Permission division clarifies that in principle timber industry permit extending, RFD focusing to timber source legality but does not focus on a labour and environment issues.

Mr. Sebastian agrees to a principle of Mr. Bruno and comments that any regulation must need to verify which can consistency adjust i.e. if verification process needs criteria of labour to extend permit; it can put in detail under verifier in LD. If LD is complete, it needs to do a field test to ensure verifier and indicator are effective. In case indicator and verifier are not complete; it can revise the LD later.

Conclusion The meeting is agreed to RFD consider on extending a permit that seeing the legality of labour and environment element.

Agenda item 4 Feedback from mini-field test by EFI

Mr. Sebastian Schrader, Technical Consultant to the EU FLEGT Facility from EFI concludes general comment from mini-field test on 22-24 September 2016.

Day 1 the team visited plantation cooperative Amphor Tha-Mai, Chantaburi to test I1.1.1 2.2.1 and 2.3.1 which unfortunate for the team which cannot test other two indicators of sawmill.

Day 2 the team visited FIO to test 1.1.1, 5.2.1 (tax) and 4.4.1 (Labor regulation) In the afternoon, the team visited Kabinburi timber checkpoint, Pracheenburi that related to operator 6 and learn about NSW including to input related information.

Day 3 visiting Sincharoen Veneer and Plywood, Nonthaburi which learning on traceability process under I2.3.1 and 4.1.1 (Environment)

Notice from mini-field test

- The draft LD nearly complete but need some revised on structure and related detail of verification process

- Detail of verifier in LD is different from implementing i.e. frequency of verifying of operator 5 I4.4.1 that is annually verification.

- Need more clearly identifies on traceability regulation of harvesting, environmental and social.
- Consider on healthy of labor in an industry for extending industry permit; found that there may have a related regulation, which has not been mentioned in LD.

- Found some misunderstand on wording in C2 “Forest Plantation” to “Forest Plantation under Forest Plantation Act” and log that not in plantation means it is unregistered under this Act.

- NSW is a good basic system in supply chain control. The information is up-to-date and input immediately to the system which can analyze to quantity manner for considering of a process in the supply chain. For this mini-field test found that some information that use to control supply chain are collect in paper i.e. timber account of timber industry sector which has not been input to NSW.

Mr. Sebastian informs that it is a brief notification only. For complete feedback from the mini-field test will send to TEFSO later.

Conclusion The meeting is informed.

Agenda item 5 Next step (Suggest by EFI)

Mr. Sebastian Schrader, Technical Consultant to the EU FLEGT Facility from EFI informs that the field test to develop effectively and complete verifier is going to arrange in the near future which EFI can support budget of this event. However, Mr. Sebastian expects to arrange the field test in November-December 2016. The specific time must internally discuss again.

Mr. Bruno Cammaert, Forest Office of FAO FLEGT program suggests inviting relevant agencies i.e. PEFC TISI TFCC joining next field test.

Conclusion The meeting is informed and agreed to the suggestion.

Agenda item 6 Other matters

Mr. Banjong Wongsrisoontorn, Director of TEFSO informs on postponing JEM that planned to arrange on November-December 2016 but as the cabinet approval process took longer, so there has to postpone to next year.

Conclusion The meeting is informed.

Next step

- TEFSO proceed on revising draft LD base on meeting conclusion

Next meeting

Next meeting TEFSO will be informed later.

Conclusion The meeting is informed.

The meeting finish at 14.30 hrs.

Ms. Panjit Tansom

Minutes translator

Ms. Isiyanee Samrit

Database Officer

Minutes recorder

Minutes verifier