

**Minutes of the Third Negotiation (NEG3)
for the Thailand-EU Voluntary Partnership Agreement (VPA) on FLEGT
at Rama Gardens Hotel and via Video Conferencing
Bangkok, Thailand and Brussels, Belgium
on 16 September 2020**

The Meeting started at 13:25 hrs. (Bangkok time).

PARTICIPANTS

The European Union (EU) side was led by Chief Negotiator Dr. Hugo-Maria Schally, Head of Unit of Multilateral Environmental Cooperation, Directorate General (DG) for Environment, European Commission (EC), and comprised of Mr. Diego Torres, International Relations Officer - International Forest Policy, Multilateral Environmental Cooperation Unit, DG Environment, EC; as well as Mr. Laurent Loudrais and Mrs Sutthiya Chantawarangul from the European Union Delegation to Thailand.

The Thai (TH) side was led by Mr. Pongboon Pongthong, Deputy Permanent Secretary (DPS), Ministry of Natural Resources and Environment, accompanied by the National FLEGT VPA Committee.

Support to the negotiations was rendered by Dr. Alexander Hinrichs and Mr. Morne Van Der Linde, EU FLEGT Asia Programme, European Forest Institute (EFI), and Dr. Somrudee Nicro, National FLEGT Facilitator.

SESSION 1: INTRODUCTION

TH opening remarks

DPS Pongthong acknowledged the good cooperation, support, and coordination received from the EU and all Thai stakeholders (comprising government authorities, the business sector and civil society organisations) that have ensured steady progress in the FLEGT-VPA negotiation process. He affirmed Thailand's commitment to realising the Sustainable Development Goals (SDGs) with the objectives to achieve better conservation and restoration of Thailand's forest resources as well as to encourage individuals to grow economically viable trees and maximise the sustainable use of forest land. He noted that the ongoing Thai-EU FLEGT VPA negotiation process has contributed to improved forest law enforcement, strengthened forest governance as well as improved sustainable and legal forest management in Thailand. TH is also in the process of gathering additional information to help inform the negotiation timeframes, formulate shared objectives, and prepare all relevant sectors for continuing work on forest law enforcement, governance, and trade.

EU opening remarks

In his opening remarks Dr Schally affirmed the continued commitment and support of the EU to reaching agreement and concluding the VPA with Thailand. The FLEGT-VPA process demonstrates a commitment towards achieving TH's and EU's common goals of eco-friendly growth, increasing forest cover, mitigating forest degradation, and ending illegal logging.

The role of the VPA process in shaping policy and steering related discussions in Thailand was acknowledged. Dr Schally expressed the EU's acknowledgement and appreciation for TH's efforts and advances made in policy and regulatory reforms within the sector. He highlighted that NEG3 reinforces the commitment of both sides to combat illegal logging, reduce deforestation, work towards sustainable forest management, and ensure legal timber trade

while attaining its ambitions on preserving biodiversity, conservation and curbing climate change.

Dr Schally stressed the regional importance of the FLEGT-VPA process in Thailand and noted that it can strengthen the legal status of Thai timber and the capacities needed to meet international market requirements, not only in the EU. He further expressed the EU's belief that NEG3 will result in a roadmap for work over the next year contributing towards the conclusion of the VPA.

SESSION 2: GENERAL UPDATES

EU Updates

The EU shared its experiences working on combatting illegal logging and on deforestation since the adoption of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in 2003, the FLEGT Regulation on the establishment of a FLEGT licensing scheme for imports of timber into the EU (2005), and the EU Timber Regulation (EUTR) in 2010.

With regard to the FLEGT Regulation and VPAs, the EU noted that VPA processes are in place in 15 countries in varying stages of negotiation and implementation. Indonesia is currently the only country issuing FLEGT license to the market. The different stages of negotiation and implementation is a result of prevailing circumstances and challenges inherent to the respective countries situated in different regions with different geo-political backgrounds. The EU affirmed that FLEGT licensing would contribute towards improved market access within the EU, as was illustrated by the case of Indonesia. Following the start of FLEGT licensing, timber exports from Indonesia to the EU increased.

The EU proceeded with an update on the EUTR and its implementation. A 'fitness check' of the EUTR and FLEGT Regulations is ongoing to assess their impacts and effectiveness since adoption, including the product scope of the EUTR. The EU encouraged TH to provide inputs into the ongoing online public consultations. Related to the EUTR and FLEGT Regulations, the EU informed TH on a study currently underway on third party certification schemes to assess their potential role in the implementation of the EUTR or FLEGT regulations, or new legislation. TH was also updated on biennial reports and country overviews in respect to EUTR implementation.

The Communication on Stepping up EU Action to Protect and Restore the World's Forests (2019) has as objective reversing global deforestation. It will strengthen EU partnerships with both consumer and producing countries. On the demand side, the EU will work to encourage consumption of 'deforestation-free' products whilst focusing on measures to reduce pressures on forests on the supply side. The EU actions will strengthen international cooperation to stop deforestation and degradation of forests, support reforestation, redirect finance to support sustainable land-use practices, as well as support research and innovation. Such actions need to be coordinated and complemented at the international level using all available mechanisms in the context of trade and trade policy, and finance mechanisms available to support more sustainable land-use practices.

An update was also provided on the **European Green Deal**, adopted in December 2019, which sets out a long-term strategy for the EU to become a 'climate neutral' continent by 2050. At the

heart of the Green Deal are the **Biodiversity** and **Farm to Fork Strategies**, which will be important components in the EU's actions against global deforestation and degradation.

The EU reinforced the mutual commitment of the parties to combatting deforestation, supporting sustainable forest management, and promoting the sustainable use of natural resources.

TH acknowledged the updates provided and noted that these updates will be valuable in its discussions on improving forest management in Thailand. The objectives shared is also in line with the national strategies to increase economic forest areas and natural forests to cover 55% of the overall land area of the country.

TH Updates

TH proceeded with its national updates. Over the past two years TH launched and started implementing its **20-year National Strategy (2018-2037)**. The Strategy delineates key policies and strategies on Competitiveness Enhancement, Eco-friendly Development and Growth, Public Sector Rebalancing and Development, and on improving Public Engagement. The Strategy further aims to increase forest cover to 55% of the overall land area of the country, with economic forest being no less than 15%. Currently, the economic forest area is 8% and TH aims to achieve the 15% goal by 2032.

The Master Plans developed under the National Strategy deal with ambitions on aspects such as sustainable development, enhancing the quality of the civil service, and legal process development. The Master Plans also describe Thailand's goals for sustainable forest management and the eradication of illegal logging. These aspirations coincide with the FLEGT-VPA which aims to promote sustainable development, benefit-sharing, and good governance. The National Strategy includes a new **National Forest Policy** that was formulated in 2019. The Policy shares similar goals with the FLEGT-VPA in promoting sustainable forest trade, legal forest products, good industry and forest service, forestation in government-authorised public and private lands, economic development through the responsible use of forest resources, promotion of forest certification, sustainable forest management, and biodiversity conservation.

TH has revised several laws relevant to the FLEGT-VPA. The **amendment of the Forest Act (Section 8), B.E. 2562 (C.E.2019)** lifts restrictions on the harvesting, transport, and processing of all species of timber from private land, as well as describing voluntary self-declaration of timber legality for export and trade, as an alternative to verification done by government authorities. Future announcements will also be made allowing other institutions to verify the legality of timber sources in accordance with government standards. Other revisions included the National Reserved Forest Act, B.E. 2507 (C.E. 1964), and the National Reserved Forest Act (No. 4), B.E. 2559 (2016); Private Forest Plantation Act (No. 2), B.E.2558 (C.E. 2018); Community Forest Act, B.E. 2562, (C.E. 2019); and the Factory Act (No. 2), B.E. 2562 (C.E. 2019).

TH emphasized its commitment to realising the Sustainable Development Goals and its commitment to achieve better conservation and restoration of its natural resources. Through this initiative TH aims to adopt preventative measures to reduce deforestation and promote the planting of forests to increase the economic forest area to 3.48 million hectares by 2032, in response to the domestic and international market demand while also increasing TH's overall forest area to 55 percent of the country.

TH is also on track in achieving its UNFCCC commitments and has reduced GHG emissions beyond initial targets; the aim is to reduce emissions even further by 2030.

SESSION 3: NEGOTIATOR POINTS

3.1: Presentation of JEM 5 Results

TH presented the conclusions of JEM5:

Main conclusions on National Process

1. TH acknowledged the EU's commitments towards combatting deforestation, reforestation, increasing forest cover and strengthening natural forest resilience.
2. The EU will update TH on the result of the EU's 'Fitness Check' currently being conducted on FLEGT and the EUTR, including the EUTR product scope review.

Main conclusions on Annex 1: Product Scope

1. Both sides agreed to continue the work on the Product Scope and to continue exchanging information on the Product Scope.
2. TH will discuss with additional stakeholders to ensure full stakeholder participation in the development of the Annex.
3. TH will send a revised draft of the Annex which reflects the stakeholders' discussion and linkages with other annexes to EU.
4. TH agreed to consider the EU's recommendations related to minimum alignment of Product Scope with EUTR and the broadening of Product Scope.

Main conclusions on Annex 2: Legality Definition

1. TH and the EU agreed to put this Annex aside at technical level until closer to the initialing of the Agreement. TH will continue to update this Annex to reflect related legislative changes as well as progress made in other VPA Annexes.
2. Exchanges on technical issues will continue, particularly related to the regime for public lands, legality control for timber on public lands, and the implications of the amendment of the Factory Act on legality checks and control (and what this will mean in practice in terms of checks and control of legality).
3. TH will continue to work on outstanding aspects in the LD and monitor and document future regulatory changes relevant to the VPA.
4. TH will send a revised draft of the LD to EU as the August 2020 contains minor mistakes.

Main conclusion on Annex III: Condition for Release for Free Circulation in the European Union of Thai FLEGT-Licensed Timber Products (CR)

1. TH and the EU agreed at technical level to put aside this Annex until the end of the VPA negotiation process, when all Annexes will be reviewed again.

Main conclusions on Annex IV: TLAS

1. TH will provide more details in the TLAS description on issues raised by the EU, i.e., confiscated timber, the role of private certification per government standards, independence between the verification and licensing processes and information management.
2. EU notes that the terminology of "certification" and the broader issue of the role of private certification within the VPA needs to be further discussed and clarified. Recognising that this is a sensitive issue, TH and the EU will continue to exchange information to ensure that the system TH puts in place does not beset TLAS implementation or its objectives.

3. TH and EU have a common understanding that confiscated timber will be excluded from the TLAS regardless of its origin and agreed to discuss the precise wording /description in the text of the Annex to guarantee this common understanding is reflected.
4. TH and EU will further discuss and exchange information on data management in context of implementing LD, supply chain controls, verification, and licensing whilst taking into account the developments of the RFD Single Window system.
5. The EU agreed to provide TH with examples of FLEGT licensing schemes in other countries that have signed VPAs and share a draft version of Annex IV.
6. Annex IX on Public Disclosure of Information and Annex X on the JIC's Functions will be deliberated on later.

Main conclusions on SCC

1. The EU acknowledged and congratulated TH on the progress that has been made since 2019 in developing the SCC Annex.
2. TH will continue to exchange with the EU on the issue of reclaimed timber, import control, self-declaration procedures (including plan to use SD for SCC on public land), and data management.
3. Both sides agreed that aspects such as reclaimed wood, imports, self-declaration and data management would be incorporated into Annex VI once finalised.

Main conclusions on SCC on PL

1. TH will share the framework of the risk classification study with the AHWG and EU FLEGT Asia Programme for comment before starting the study which is expected to be completed in November 2020. TH will communicate with the EU regarding the extent to which the study's findings will affect changes in the SD procedures.
2. EU and TH will continue to exchange views on the role of mill operators in complying with the legal sourcing requirements, and related RFD process for monitoring mill operators.
3. EU noted that the extension of the self-declaration system to some forms of public land should be further discussed and TH agreed to continue to provide information in this regard.
4. TH will continue discussions on the self-declaration Guidelines via the SWG on SCC on Private Land; training will be conducted after the Guidelines are adopted and announced.

Main conclusions on import control

1. TH noted the EU's emphasis on the importance of the import control system within the VPA process with TH.
2. EU congratulated TH on the progress made on the presentation on import control but noted that further development of risk assessment and risk mitigation methods was needed, illustrating the issue with some examples based on the EUTR experience.
3. TH Import Control SWG will continue internal discussions on pre vs. post import control of operators' DDS, and other outstanding issues in consultation with all related sectors. TH takes note of the shared experiences of Indonesia, Vietnam, and the EUTR.
4. EU requested an update of the August 2019 Import Control Concept Paper to serve as a basis for specific topics on which additional technical assistance could be offered. TH will share a draft of the import control in early 2021 and begin the drafting of the Import Control section of the SCC Annex with support from the EU FLEGT Asia Programme.
5. EU proposed to conduct joint technical consultations or workshops on import control to share EU experiences and to assist TH in developing the Import Control section of the SCC Annex.

Main conclusion on Terms of Reference for the Independent Audit (IA)

1. Both sides agreed with the current draft Annex and will put the Annex aside until the end of the negotiation process when all the annexes will be reviewed altogether.

Main conclusion on CSOs participation

1. TH will share more information on its internal discussions on CSO independent monitoring and observation of the TLAS.

3.2: Discussion of Specific Negotiator Points

The Negotiator Points resulted from issues identified at JEM 5 that required further discussion, consideration, clarification, and/or agreement on the way forward. Dr. Alexander Hinrichs from the EU FLEGT Asia Programme (EFI) informed the parties about each negotiator point which was subsequently discussed between the parties.

National updates

Negotiator Points (1-3):

1. *Importance of sharing information on upcoming Land and Forest Policy Reforms in TH with relevance to the VPA.*
2. *Importance of sharing insights on NSW, RFD-SW and other data management tools with relevance to the VPA/TLAS.*
3. *Importance of sharing description on public land classification in TH, upon consultations with relevant government agencies.*

EU: The EU indicated that it is necessary for it to obtain an overall understanding of the public land classification in TH in order to assess the potential risks of natural forest degradation that may be associated with timber from public land. In view of this the EU requested maps, data, statistics and other relevant information on the amount of government-authorized public land and natural forest area. The EU further requested information on the regulation on government-authorized public land.

TH: Thailand agreed to continue exchanging information. Additional discussions are, however, needed on what kind of information can be shared as obtaining information such as data, statistics and maps on government-authorized public land area and forest area would involve various agencies. Certain information may also raise national security issues which will have to be considered. TH will consult with these agencies and consider the extent of information that can be shared with the EU. Notwithstanding, the EU should be assured that TH will maintain natural forest area and will prevent deforestation. As per the National Forest Strategy TH's ambition is to increase the natural forest area.

Negotiator Points:

4. *Importance of sharing information on EUTR and FLEGT regulations fitness check.*
5. *Importance of sharing information on EU new forestry policy and regulatory developments such as the European Green Deal relating to timber and timber products, as well as EU timber trade standards/policies including EU timber consumption statistics and EU timber market trends*

TH requested that the EU share information related to trade promotion and market direction in the EU for the usage of timber (statistics, policies and market tendencies) so that TH can use this information to determine its promotion of economic timber to match with the EU's market demand and to support the principles of using natural resources sustainably and intelligently.

EU: The EU affirmed that it would continue to share information on policy developments regarding forestry actions, including information about standards and policies affecting the EU timber trade. The EU will share all available statistics and data on timber consumption and trends including data from the Independent Market Monitor.

Conclusions

- ➔ *TH agreed to share further information on the description of public land classification in TH, upon consultations with relevant government agencies.*
- ➔ *TH will consult with related agencies to consider the extent of data on government allocated land area and forest area that can be shared with the EU. The EU acknowledged TH's concerns regarding the potential sensitive nature of certain data. The EU is willing to receive the information that TH side can provide after the said consultations.*
- ➔ *EU will continue to share information on forest management and the preservation plan; it further agreed to share information on timber trade data, policies, and standards as requested by TH side.*

Annex 1: Product Scope

Negotiator Points:

- 1. Alignment with EUTR is recommendable.*
- 2. EU will continue to inform TH about discussions on EUTR product scope.*
- 3. TH will consider practical solutions to include reclaimed timber to TH product scope and discuss further at the technical level.*
- 4. TH will share draft Annex with EU at the end of January 2021.*

TH: Emphasised importance of consultations with stakeholders to understand how the PS will affect operators concerned.

EU: The EU noted that TH did not share an updated Product Scope for discussion at JEM 5; TH agreed to share updates and a revised Annex with the EU by the end of Jan 2021.

EU: The EU reiterated the importance of the alignment of the Annex with the EUTR Product Scope for ease of implementation as well as for reasons of market appeal. Regarding bamboo, although this was not discussed at JEM 5, the EU remains interested to learn more about TH views on bamboo.

Conclusions

- ➔ *TH takes note of the EU's emphasis to ensure alignment with the EUTR Product Scope and pursue technical solutions to distinguish between recycled and non-recycled materials, as well as revising the Product Scope to be in coherence with other annexes such as the SCC and TLAS.*
- ➔ *TH will send the revised Product Scope to the EU within January 2021 after having undertaken further consultations with stakeholders concerned.*
- ➔ *EU will continue to inform TH about the discussion on the EUTR PS.*

Annex II: Legality Definition (LD)

Negotiator Points (1-3):

1. *Both sides to agree to put aside the LD Annex until closer to the initialing of the VPA Agreement.*
2. *Both sides will continue exchanges on technical issues such as control on public lands and environmental and social obligations.*
3. *Both sides agreed to monitor and assess upcoming regulatory changes and progress on other VPA Annexes, and how they can be reflected in the LD.*

EU: The EU confirmed that regular exchanges of information between TH and EU will continue and that any policy and/or regulatory changes and/or new developments can be discussed at the next JEM. TH was reminded of the need to identify any regulatory changes that might have an impact on the LD and the way in which it is covered in the TLAS (or other annex).

TH: TH confirmed that any regulatory change that will affect this Annex (or other annexes) will be shared with EU.

Conclusions

- *TH will follow up on any regulatory changes and progress in other annexes that can have an impact on the LD (and vice versa). Information on any regulatory changes and potential impacts will be shared with the EU.*
- TH and EU agreed to put aside this Annex until closer to initialing the VPA agreement but will continue exchanging information on TH regulatory changes, and progress in other Annexes that could affect the LD.*

Annex III: Condition for Release for Free Circulation in the European Union of Thai FLEGT-Licensed Timber Products (CR)

EU and TH: Annex III is fully developed and agreed at technical level; no further comments or discussion.

Conclusion

- *The parties agreed that the annex is fully developed and will put aside until the end of the negotiations, when it will be reviewed along with other annexes.*

Annex IV: FLEGT licenses

Negotiator Points:

- *Both sides to agree that EU will share a draft of the Annex in January 2021 and inform about the way FLEGT licenses are issued in other VPAs.*
- *EU to inform further on e-licensing pilot with Indonesia and experiences with licensing procedure.*

TH thanked EU for agreeing to send a sample draft of this Annex as a guideline for TH in developing this Annex. TH will inform the EU if there are further questions.

EU expressed their willingness to provide recommendations and share information on successful experiences gained from the enforcement of other VPAs.

Conclusions

- *The EU will share a draft of the FLEGT License Annex in Jan 2021 and inform TH of how the FLEGT licenses are issued in other VPA countries.*

- ➔ *The EU will further inform TH on the e-licensing pilot with Indonesia and also share experiences on Indonesian FLEGT licensing.*

Annex V: Timber Legality Assurance System (TLAS)

Negotiator Points (1-2):

1. *Both sides to agree to specify some topics further:*
 - *Description of confiscated timber, providing necessary assurances that it will not enter Thai timber supply chain.*
 - *Role of private certification in accordance with government standard in the TLAS and SCC (to be discussed with the EU for feedback and recommendation).*
 - *Establishing 'verification' and 'licensing' bodies while ensuring independence between them, and from other TLAS functions.*
 - *Data management and role of electronic systems in the context of implementing legality definition, supply chain controls, verification, and licensing functions.*
2. *Both sides to agree to continue exchanges at the technical level.*

EU: The EU highlighted specific areas/topics in the TLAS Annex where further technical exchanges and refinements are needed prior to finalising the Annex. There is an agreement between TH and the EU on the status of confiscated timber in the TLAS. The exclusion of confiscated timber from FLEGT licensing is crucial for the public credibility of the VPA; therefore, it needs to be described in clear and practical terms. There is also a need to clarify the role of private certification schemes in the context of the TLAS and SCC, as well as their implementation. The EU affirmed that this is a sensitive issue and that there is a need to continue to exchange information to ensure that the system TH puts in place does not adversely impact on the TLAS implementation or its objectives. The EU recognized that while such systems can play a role within the context of VPA implementation (i.e. similar as is case with EUTR), they cannot become a substitute for controls, monitoring and verification licensing systems implemented by the government. The EU further noted that licensing is an independent function and that there is a clear need to describe the agencies in charge of verification and licensing as well as how information will be managed.

TH reassured the EU that confiscated timber will not enter the supply chain and assured the EU that it will provide more details to the EU on the role of private certification in the context of TLAS implementation and SCC. TH also agreed to add more description in institutional arrangement and continue discussions on data management at the technical level.

Conclusions

- ➔ *TH agreed to work with the EU on the wording of the text of the TLAS in order to guarantee the mutually agreed exclusion of confiscated timber from supply chain.*
- ➔ *TH will provide further clarification on the role of private certification schemes in the TLAS description as well as continue exchanges with the EU on this sensitive matter.*
- ➔ *TH will establish the verification and licensing bodies of TLAS ensuring the independence between them, and from other TLAS functions.*
- ➔ *TH and EU agreed to further discuss data management taking into consideration the development of the RFD Single Window.*
- ➔ *TH and EU agreed to continue discussion at technical level to complete the draft TLAS.*

Annex VI: Supply Chain Control (SCC)

Negotiator Points:

- *Both sides to agree to specify some topics further:*
 - *Description of reclaimed timber, self-declaration, import control and other aspects currently still under discussion.*
 - *Description of RFD Single Window System at principle level including its application in managing supply chain data/information to ensure compliance with SCC and informing a FLEGT licensing decision.*
- *Both sides to agree to continue information exchanges at the technical level with a view to finalising the Annex*

EU noted the importance of the legal imported timber and the SCC system that will provide best assurance in this regard. The EU is committed to work with TH to create an integrated import control system. The EU reiterated that efficient import control system of TH can significantly contribute to other import control systems in the region.

TH thanked EU for giving advice and recommendations on drafting the SCC Annex over the past two years. Although substantial progress has been made there are minor issues still to consider further. Such issues include such as control of reclaimed timber, import controls, the legality controls of timber arriving at the mill (SD), and data management within the SCC. TH noted that it is important for consultations to continue between TH and EU to further develop and finalise the Annex.

Conclusions

- ➔ *TH will continue developing the other aspects of the draft Annex on SCC including supply chain control on private land, self-declaration, import control, and supply chain control of reclaimed timber.*
- ➔ *TH will continue developing a data management system, which will check its compatibility with the SCC and ensure the availability of the information on SCC at the FLEGT licensing stage; this system will be further described in the SCC annex draft.*
- ➔ *TH and EU agreed to continue exchanges at the technical level to finalise the annex.*

Supply Chain Control on Private Land

Negotiator Points (1-5):

1. *TH will share the framework for the risk classification study with the AHWG and FLEGT Asia for comments prior to undertaking the planned study on SC risks on private lands.*
 - a. *TH will communicate with EU regarding the extent to which the study's findings will affect changes in the self-declaration procedures.*
2. *TH will continue discussions on the self-declaration Guidelines via the SWG on SCC on private land (training will be conducted after the Guidelines are adopted).*
3. *TH will share draft concept note on self-declaration on private lands with EU at the end of 2020.*
4. *EU and TH will continue to exchange information at the technical level on the self-declaration approach, including on the roles of mill operators and RFD's processes for monitoring the legal compliance of mill operators.*
5. *EU and TH will continue to exchange at a technical level on the self-declaration approach on public lands.*

EU remarked that the SCC annex is well-structured and close to completion. However, it is necessary to assess how the SCC will interact with mill operators, how the mills implement control over Self-Declarations, and how RFD will supervise the mill's controls. It is also

essential to clarify how private certification will replace or complement parts of the self-declaration.

TH noted the importance of SCC on private land and the self-declaration system. TH expects that the SD approach can be adapted to timber from public land as well, to promote economic timber production. TH is developing a SCC on PL description via multi-stakeholder discussion, which will be included in the SCC annex. The description provides three possible pathways to declare legality of timber from private land, including self-declaration (accompanied by certain evidence such as source identification and picture).

Conclusions

- ➔ TH will share the risk classification study framework with the AHWG and FLEGT Asia for comments prior to undertaking the study. TH will communicate with EU regarding the extent to which the study's findings will affect changes in the SD procedures.
- ➔ TH will continue discussion on SD guidelines via the SWG on SCC on PL, and TH will share a draft concept note on SD on private land with EU at the end of 2020.
- ➔ EU and TH will continue exchanges at the technical level on the SD approach, including mill operators in the implementation of SD PL and RFD's process to monitor mill operators.

Supply Chain Control on Imported Products

Negotiator Points (1-4):

1. *TH will continue to discuss aspects such as pre vs. post import control of operators' DDS and any other outstanding aspects.*
2. *TH will share an update of its current Import Controls concept note with the EU for consideration and comment in January/February 2021.*
3. *Exchanges will continue at the technical level to finalise TH's import controls with a view to including it in the other Annexes (LD, TLAS and SCC).*
4. *EU and TH to conduct joint technical consultations or workshops by virtual means on import control to share the EU experiences (if required).*

EU: The EU emphasised that considering the structure and role of TH's timber industry in the region, it is of the utmost importance that imported timber entering the Thai supply chain is legal and that the necessary controls are in place to ensure the legality of imported timber. The EU is willing to share experiences in this regard. The EU is committed to working with TH at the technical level to establish and finalise the import control system, which would be integrated into the TLAS and in the overall description of SCC. Effective import control is the main way in which TH can exercise a positive influence on timber legality control in other countries in the region.

TH: The noted that the topic of import control (in the context of timber legality) is a new concept to Thailand and that additional time is required for TH to consider and discuss the best options in the TH context. TH thanked the EU for its support on technical aspects so that concerned agencies can enhance their understanding and come to common agreement on this issue.

Conclusions

- ➔ *TH will continue discussing aspects and options for import control, such as pre vs post import control of operators' shipment.*

- ➔ TH will share an update of its current Import Control concept note for consideration and comment in January/February 2021.
- ➔ TH and EU will continue exchanges at the technical level to finalise import control with a view to including it in other annexes.
- ➔ EU will provide assistance in the form of technical consultations and/or workshop(s) via virtual means to share EU experience on import control.

Annex VII: Terms of Reference for the Independent Audit

TH and EU had no further comments on the IA, which is agreed to have been fully developed and agreed at the technical level.

Conclusion

- ➔ TH-EU agreed on the current draft annex and to put aside until the end of the negotiations, when it will be reviewed along with other annexes.

Annex IX: Public Disclosure of Information (PDI)

Negotiator Points:

Both sides to agree that:

1. TH to start internal deliberations with stakeholders on the Annex
2. TH to share draft Annex with the EU in March 2021

EU: The EU noted that work now must be implemented by the TH side to progress on the Annex. The EU sought clarity on the process and next steps in moving the Annex forward. TH noted the importance of the role of CSOs in FLEGT and pledged to facilitate further discussion on the roles and responsibilities of all sectors in further developing this document.

Conclusion

- ➔ TH agreed to start internal deliberations with stakeholders on the Annex. TH reaffirmed the commitment to have CSOs lead the Annex drafting.
- ➔ TH agreed to share draft Annex with the EU in March 2021.

Annex status and the next round of discussion of each annex

TH-EU agreed with the current annex status and the next round of discussion of each annex, as follows:

Legal Text and Annex to the VPA		Status
Legal text		Legal text will be developed/ deliberated after NEG4.
Annex I:	Product Coverage	- Work ongoing. - To be discussed at JEM6.
Annex II:	Thai Timber Legality Definition	- Put aside. - Work ongoing.
Annex III:	Condition for the Release for Free Circulation in the Union of Thai FLEGT-Licensed Timber Products	- Put aside (final draft)
Annex IV:	FLEGT Licensing Scheme	- Work will commence in Jan 2021. - To be discussed at JEM6.
Annex V:	Thai Timber Legality Assurance System	- Work ongoing. - To be discussed at JEM6.
Annex VI:	Thai Supply Chain Controls (including SD and import control)	- Work ongoing. - To be discussed at JEM6.
Annex VII:	Terms of Reference for the Independent Audit	- Put aside (final draft)

Annex VIII:	Criteria for Assessment of the Operational Readiness of the Thai Timber Legality Assurance System	To be developed after NEG4.
Annex IX:	Public Disclosure of Information	- Work ongoing. - To be discussed at JEM6.
Annex X:	Functions of the Joint Implementation Committee	To be developed after NEG4.

EU resource support after 2021

TH expressed its appreciation for the EU support throughout the negotiation process of the VPA. The TH side requested continued support from the EU to develop and enforce the FLEGT-VPA, in particular in the following three areas of support:

- 1) **Technical Assistance** – sharing of information and case studies from other VPA countries to assist in document drafting.
- 2) **Strengthening participatory process** - strengthening all sectors' capacity to continue their participation in the process.
- 3) **Capacity building** - sharing technology on wood identification, timber sourcing verification, and timber tracing technology to support FLEGT-VPA enforcement.

EU affirmed its understanding of TH's need for support regarding the ongoing participatory process and for the special technical assistance needed to implement and fully operationalise the VPA. The EU remarked that some technical assistance and support for participatory processes is provided through the FAO-EU FLEGT Programme. The EU acknowledged that other areas such as those mentioned in capacity building will need to be carried out by other institutions and organisations.

Conclusions

- ➔ *EU took note of the requests and asked TH to summarise this request in a short paper to be annexed to the meeting report. The EU will review the request and will work to identify means to undertake related activities and provide best possible support for the negotiations.*
- ➔ *TH and EU will continue the discussion on this at the next negotiation.*

Session 4: VPA negotiation roadmap

Decisions on VPA Negotiation Roadmap

- ➔ EU and TH agreed on the current VPA roadmap, which is annexed to these minutes.
- ➔ The next JEM 6 and NEG 4 will be held in-person in September 2021. The situation will be assessed, and if an in-person meeting is not possible in September 2021, the next meeting will also be held virtually.
- ➔ EU and TH agreed to issue a joint press release to reiterate the continued political will and commitment of both sides to the public. EU will draft a joint press release and send to TH for review. TH will translate the press release into Thai.

EU expressed appreciation for the meeting and TH's progress in the FLEGT-VPA process.

Concluding Remarks

TH thanked the EU and TH counterparts at all levels for helping to make the FLEGT VPA process work and advance so well over the past 2 years since NEG 2. TH expressed hopes that

the work will proceed according to the agreed Roadmap, goals and timelines over the next year.

EU expressed its appreciation for the very efficient and excellent technical support in making the virtual meeting a success, and commended TH for the very good work that has been done at the technical level. EU also thanked the negotiation committee and all the experts that supported the technical work during the negotiations that allowed efficient flow of discussions through the agenda.

Meeting ended at 16:55 hrs.

Attachments:

- Participants list
- NEG3 Agenda
- VPA Roadmap

Appendix 1: Participants list

TH side

1	Mr. Pongboon Pongthong	Deputy Permanent Secretary, Ministry of Natural Resources and Environment
2	Mr. Sapol Boonsermsuk	Director of Office of Forestry Foreign affairs, Royal Forest Department
3	Mrs. Kantinan Peawsaad	Director of Forest Economics Bureau, Royal Forest Department
4	Mrs. Pornpen Warawilawan	Director, Forest Industry Organization
5	Mrs. Rungnapar Pattanavibool	Director of Division of Foreign Affairs, Ministry of Natural Resources and Environment.
6	Ms. Pantalika Pongchabubnapa	Trade Officer, Professional Level, Department of Foreign Trade
7	Ms. Kanitha Kungsawanich	Director, Department of Trade Negotiations
8	Ms. Achara Khemthongyai	Legal Officer, Senior Professional Level, Thai Customs Department
9	Mrs. Sirichada Thongtan	Minister Counsellor, European Union Division, Department of European Affairs

EU side

1	Mr. Hugo-Maria Schally	Head of Unit of Multilateral Environmental Cooperation, DG Environment, European Commission
2	Mr. Diego Torres	International Relations Officer - International Forest Policy, Multilateral Environmental Cooperation Unit, DG Environment, European Commission
3	Ms. Dorte Padro Lopez	International Relations Officer - International Forestry Policy and Multilateral Environmental Agreements, Multilateral Environmental Cooperation Unit, DG Environment, European Commission
4	Ms. Katharina Saul	Legal Assistant, Multilateral Environmental Cooperation Unit, DG Environment, European Commission
5	Ms. Sutthiya Chantawarangul	Programme Officer, Cooperation, Delegation of the European Union to Thailand
6	Mr. Laurent Lourdais	Counsellor Agriculture, SPS, Environment, Delegation of the European Union to Thailand
7	Mr. Alexander Hinrichs	Head of Asia Regional Office, European Forest Institute
8	Ms. Somrudee Nicrowattanayingyong, Ph.D.	FLEGT Facilitator for Thailand and Consultant to EU FLEGT Facility
9	Mr. Morne van der Linde	FLEGT Coordinator, European Forest Institute

Observers

1	Mr. Pathkamol Dattibongs	Department of Trade Negotiations
2	Mr. Pathompong Singthong	Department of European Affairs
3	Ms. Panika Pittayavestsoonthon	Department of European Affairs
4	Ms. Sasitorn Siriseree	Forest Industry Organization
5	Ms. Pawinee Udommai	Consultant to draft LD
6	Mr. Somporn Kongthanakritkorn	Consultant to draft SCC
7	Mr. Bruno Cammaert	Food and Agriculture Organization of the United Nation: FAO
8	Ms. Erica Pohnan	Food and Agriculture Organization of the United Nation: FAO
9	Ms. Panjit Tansom	Food and Agriculture Organization of the United Nation: FAO
10	Ms. Tippayarat Limsaisuk	Food and Agriculture Organization of the United Nation: FAO
11	Mr. Jadetayakom Luythong	Food and Agriculture Organization of the United Nation: FAO
12	Mr. Vijarn Sensakul	Legal Office, Royal Forest Department
13	Ms. Apiradee Chitprarop	Legal Office, Royal Forest Department
14	Mr. Montree Nuchanong	Permission Office, Royal Forest Department
15	Ms. Chanisa Rojvisitkul	Economic Forest Promote Division
16	Mr. Witaya Nawipun	Forestry Standard Division
17	Mr. Montri Intasen	Forest Economics Bureau
18	Mr. Weerachon Aranyik	Forest Economics Bureau
19	Ms. Pitinan Wongmakluekao	Forest Economics Bureau
20	Ms. Supawadee Dudjaingam	Forest Economics Bureau
21	Ms. Rujira Sassana	Forest Economics Bureau
22	Ms. Satirajit Paripoonyo	Department of Trade Negotiations
23	Ms. Prattana Meesincharoen	Office of Forestry Foreign Affairs
24	Ms. Piyachat Chuayplod	Office of Forestry Foreign Affairs
25	Mr. Padet Phoomiphan	Forest Industry Organization
26	Ms. Phavinee Chapanon	Department of Foreign Trade
27	Ms. Yarapron Chanchamni	Information and Database Coordinator

Appendix 2: NEG 3 Agenda

NEG 3 – 16 September 2020	
Session 1: Introduction	
13.30 – 13.50 (20 mins)	Greetings, introduction of Thai and EU delegations Agreement on NEG 3 agenda, working methods, note-taking
Session 2: General updates	
13.50 – 14.10 (20 mins)	Update on global FLEGT VPA, EUTR and related EU policy developments (by EU side)
14.10 – 14.40 (30 mins)	Update by Thai side on VPA and regulatory progress since JEM 4 focusing on forest policy/law/regulation and institutional developments in Thailand (by Thai side)
Session 3: Negotiator points	
14.40 – 15.00 (20 mins)	Presentation of JEM 5 results (by JEM co-chairs)
15.00 – 17.00 (120 mins)	Discussion of specific negotiator points (as identified during JEM 5)
Session 4: VPA negotiation roadmap	
17.00 – 18.00 (60 mins)	Discussion and agreement on VPA negotiation roadmap (focusing on steps until NEG 4)

Appendix 3: VPA Roadmap

Joint Road Map from NEG3 until NEG4

Date	Action/element
9-10 September 2020	Fifth Joint Expert Meeting (JEM5 – 2 days)
16 September 2020	Third Negotiation (NEG3 – 1 day)
September 2020 onward	SWG discussions on technical aspects – improvement of Annexes / papers <ul style="list-style-type: none"> • LD (revise to reflect the regulatory changes) • Product coverage • TLAS • SCC • SD on private and public land • Import Control • Public disclosure of information
October 2020	AHWG meeting to discuss results of JEM5 and NEG3
November/December 2020	TH-EFI technical exchanges by virtual means, such as on TLAS, SCC (including SCC on Private lands), Imports Control and Product Coverage
End of December 2020	Thailand sends Draft concept of SCC on Private land (Self-Declaration) to the EU for comment (informal submission)
January 2021	EU sends draft Annex on FLEGT licensing (Annex IV) to TH for discussion
End of January 2021	Thailand sends Draft product coverage Annex to the EU for comment (informal submission)
January 2021 onward	SWG discussions on all technical aspects – improvement of Annexes
January/February 2021	Thailand sends Draft concept on Import Control to the EU for comment (informal submission). EU will provide comments for TH to further develop the concept to include into SCC annex. (Proposal: EU provides workshop on Import Control through virtual means.)
January/February 2021	EFI Technical Mission, meetings with all SWGs
End of March 2021	Thailand sends Draft Public Disclosure Annex to the EU for comment (informal submission).
April – May 2021	National committees meeting to discuss Annexes to be formally submitted to the EU
April/May 2021	Stock taking VC7 on technical level to discuss draft Annexes and prepare next steps
June 2021	Thailand formally sends Draft Annexes to the EU on: <ul style="list-style-type: none"> • Product coverage • TLAS • SCC including SCC on private land

September 2021	Sixth Joint Expert Meeting (JEM6 - 2 days) and Forth Negotiation (NEG4 - 1 day)
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