

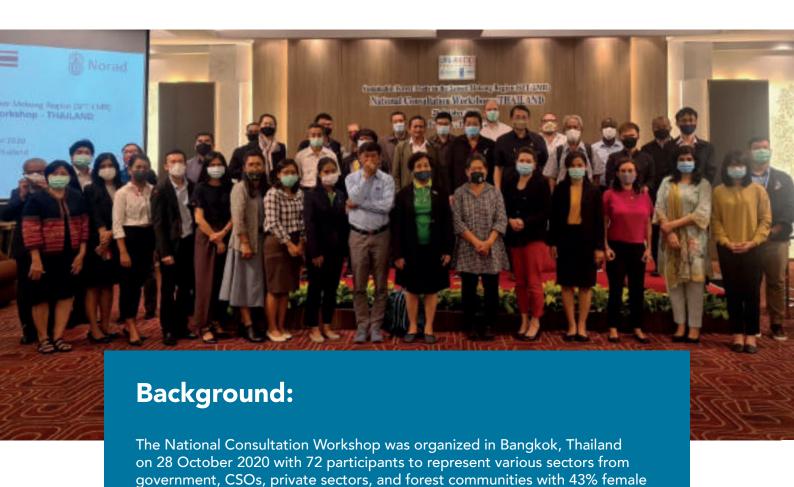
Location Bangkok, Thailand

28 October 2020 **Date**

Participants Government, CSOs,

private sector, forest

communities



Objectives:

To provide the project overview to the wider national stakeholders on project outcomes and outputs

participants.

To receive feedback and insights from the diverse group of stakeholders, to identify project activities for Thailand. The activities for Thailand should be consistent with national priorities and will leverage synergies from existing initiatives to support the three of project outcomes, including support of community-led enterprises and SMEs to access legal and sustainable value chains for Thailand and the Lower Mekong Region.

Workshop methodology:

- Opening remarks
- SFT-LMR Project Overview and Thailand timber outlook, UN-REDD;
- Presentations
 - Forest Carbon Partnership project for Thailand,
 - Forest Inventory in Thailand
 - Illegal Logging & Satellite Monitoring
 - Thai Timber Legality Definition and Supply Chain Control
- Panel Discussion Opportunities and Challenges for SMEs & Smallholders in Timber Production

Group Discussions

- 1. Cross-boundary cooperation (Government)
- 2A Timber regulation, National Standard & Community Forest (Government)
- 2B Timber regulation, National Standard & Community Forest (Private Sector and Forest Communities)
- 3 Data Sharing on Sustainable Forest Trade

Opening remarks:

Ms Isabelle Louis, UNEP; Mr Ben Vickers, FAO

Opening remarks noted the challenges in forestry sector, which require cross collaboration from various stakeholders to achieve sustainable forest trade. The project facilitates enhancing law enforcement, responsible investment, and market access to increase cross-border cooperation and to ensure continuity in addressing illegal logging, improving forest governance and providing capacity building for Thailand and LMR in relation to climate change mitigation.

Thailand timber outlook:

The trade investment of timber industry, notably in the furniture sector in Thailand has been declining in recent years due to impact of the US-China trade war among others, and of COVID-19 economic downturn, which have caused over 30% of wood mills to temporarily shut down. Rubber wood to China has dominated the export sector with over 95% of total export to China. This should be used as a case study for government to allow other species to commercialze which will provide better incentive mechanism for diversifying plantation for ecnomic forest promotion. Facilitating law enforcement on timber processing and trading, particularly for SMEs and smallholders will also enhance available market on local timber consumption and will reduce trade demand on logging import from other countries.

Presentations:

Forest Carbon Partnership project for Thailand

Mathieu VanRijn, FAO

- Support of the National Forest Monitoring System and Forest Reference Level (FRL) submission to the UNFCCC in 2021
- Improvement of Measurement, Monitoring and Reporting (MMR)
- FRL to be used as baseline for inclusion of Forestry in Thailand's Nationally Determined Contributions to the Paris Agreement and for accessing climate finance

Forest Inventory in Thailand

Somyot Saengnin, DNP

- Goal is to increase national forest cover to 40% (25% from conserved forest and 15% economic forest)
- 3rd National Forest Inventory in 2017-18 and carried out since 2003
- Platform for satellite monitoring and data sharing to collaborate with RFD on 4th Inventory including plantation growth and accuracy of forest cover

Illegal Logging & Satellite Monitoring

Anusorn Rungsipanich, GISTDA

- The need to include government subsidiary and concession through private sector involvement to improve efficiency and capacity in data collection for continuity in long-term plan
- Improve trend and mechanism from protection to promotion will create more incentive to grow and reach the goal of 40% forest cover
- Near real-time satellite monitoring 'Pitak Pai' with RFD license on tracking images of recently encroached area with SMS notifications to local authorities
- Cross check reference with data set on forest and land tenure
- Traceability on plantation growth need to be improved in tree crown cover to see better result in green cover monitoring and to continue funding proposal

Thai Timber Legality Definition and Supply Chain Control

Panjit Tansom, Thai - EU FELGT Secretariat Office, FAO-EU FELGT

- FLEGT working group is to develop national standard and implementation with five critical control points including wood origin, log transportation, processing and verification, timber transportation, and trade and export.
- RFD is working on independent process of verification and certification process trade for both export and import control via traceability and due diligence system
- In process of database management and data sharing with RFD single window



Panel discussion:

Opportunities and Challenges for SMEs & Smallholders in Timber Production

Dr Krek Memongkij , Coordinator, Tree Bank

- Promote local communities and create awareness to the public on planting trees
- Tree bank's principle are that the trees belong to the growers as current assets including promoting incentive and sustainable financing for tree growers
- Support smallholders on growing, harvesting, processing, and trading wood products for inclusive and collective supply chain management
- Promote diversified plantation including fast, medium, and slow growing trees including evergreen and deciduous to ensure greenery throughout the year
- Local participation has increased as COVID-19 led many to relocate back home
- Adapt to resilience, SFM management in agriculture area, and forest fire prevention
- Plan to collectively submit carbon credit for Forest Community in Sakaew province with over 30 branches and 1,500 members
- All related forest products are recycled and collectively trade via cooperative but face challenges on law and regulation on wood processing and chainsaw permit



Ms. Pathanajarin Suankeawmanee (Nhoy), Project Manager, Bangkrachao Urban Forestry

- Coordination on agroforestry to increase green cover in urban forest community
- Climate change mitigation, urban landscape planning, and soil and irrigation management are key areas that needed support to achieve sustainability
- Incorporate eco-tourism and collective cooperation of integrated landscape management to provide natural learning classroom targeting youth and public

Akarin Wongaphirat, Thai Hevea Wood Association

- Management of wood manufacturing and recycle waste through biomass energy
- Wood associations are to collectively engage with China on wood export
- Rubber wood plantation has dominated the sector with over 3.5 million Hectare with many plantations registered under Rubber Authority of Thailand
- The competitiveness of Rubber wood sector and timber industry have decreased due to rising labour, trade war, and COVID-19 impact which need to diversify the timber market and wood product scope

Group discussions

1A – Cross-boundary cooperation (Government)

- Many existing initiatives on forestry cooperation in Mekong areas, including CMLVT dialogue and related ASEAN working groups (SFM, climate change) on enhancing forest landscape restoration, joint transboundary cooperation, and SFM strategy to increase forest cover
- Joint implementation with Laos and Cambodia on illegal logging monitoring with SMART patrol with future collaboration on timber trade
- Illegal logging cooperation also extends to ASEAN Wildlife Enforcement Network and International Law Enforcement Academy, and forest police for joint trainings and meetings for government officers on forest crime investigation
- National Single Window is linking with Customs Department as focal point. RFD single window is responsible for timber products on export and import control, national certification, including permit, and license modules
- Existing international technical assistance including TICA for Mekong Region, APFnet, ITTO, AFOCO
- Data sharing cooperation including GIZ project on developing wood DNA



2A – Timber regulation, National Standard & Community Forest (Government)

- In 2 years vision, RFD would like to provide sustainable incentive. Seedlings have been allocated country wide to the public but are mostly planted in the buffer of agriculture area as the long-term investment of tree growing have not met the urgent demand of local farmers in financial incentive to overcome the poverty level
- RFD has recently expanded the Economic Forest Division to support the initiative
- The group addressed the challenge of Siamese Rosewood which are highly valuable but face challenges in promoting due to strict process and are listed in CITES
- Smallholders are facing challenges to collectively negotiate for the better price
- Access to market is crucial as many farmers sell logs as raw materials without being able to create added value in timber products
- Numerous species do not have standard market price which left many transactions up to negotiation. Many farmers could be in disadvantage without collective bargaining as a group when selling to the intermediate agents
- All degraded forest land KTC areas that are distributed to the local for agriculture and plantation require 20% SFM practices which should be strongly implemented and monitored for impact of economic value generated

- SFM practice are not fully incorporated or implemented to leverage the impact of reforestation and replantation effort to increase green cover country wide
- RFD has developed progress on national certification to be implemented for all stakeholders and operators in the supply chain
- Development of map and guideline for growing high demand species throughout different landscape and regions in Thailand, including a platform to monitor efficiency of timber production of different species other than teak plantations
- Revision of Article 7 allow harvesting any species in private land but supporting law on processing and commercializing are still in process to be finalized
- The challenges require inclusive feedback and cross sectoral collaboration to drive realistic and sustainable incentive mechanism with financial institutions
- Strengthen cooperatives with Cooperatives
 Department and access to market (including online platforms) with Forestry Industry
 Organization
- Survey and forest monitoring are needed to provide detailed database for National Forest Inventory in Economic Forest area

2B – Timber regulation, National Standard & Community Forest (Private Sector and Forest Communities)

- Recommendation on promoting all species to have the same access and process as agriculture product through existing registration via Ministry of Agriculture and Ministry of Commerce to facilitate wood processing and trade for smallholders
- Revision of Plantation Act to be more compatible in complying for smallholders for access to process and trade
- Allow issuance of wood mill permit to extend covering all species in private lands
- Streamline database information from related agencies in portals and websites to provide relevant information and other guidelines to tree growers on growing different speicies in different landscape, including update on relevant regulation
- Revise the chainsaw license to be compatible im practical implementation including studies on technological, environmental, and economic impact to utilize recycle waste and to maximize yeild production from forest product
- Recommend for no permission needed for harvesting in private lands but adopt traceability via Self-Declaration scheme
- Government to provide more capacity building and information sharing and guideline on tree growings
- Recommend policymakers to shift away from strong protection enforcement to promotion of sustainable forest trade on voluntary based
- Provide incentive through tax incentive and subsidary including price guantee for contract farming. Recommend 'Tree for Cash' program
- Finalize Thailand One Map to provide clear

- land tenure reference to all including at local level from sattelite monitoring
- Implementing national standard should be voluntary-based as smallholders have limited cost and capacity to implement national standard accordingly
- One stop service at RFD for permission, certification, registration, and others
- Cross collaboration effort for agencies on Agriculture, Foerstry, and related agencies to work together on integrated landscape management
- Support domestic forestry industry including source for local renewable energy
- Support innovative approach for smallholders including access to online market
- Capacity building to focus on practical training and on-site implementation

3 – Data Sharing on Sustainable Forest Trade

- National Forest Inventory (NFI) cover responsibility of three agencies including RFD, DNP, DMCR to update on SMART database to update on forest and land use change. Need to do site visit survey on missing areas in economic forest
- RFD would like to strengthen database for data collection and statistic management including capacity building for related officers to utilize the applications to improve4th NFI cycle which will be carried out in 2021
- Improve 'Pitak Pai' application on illegal logging monitoring system
- Strategic planning on risk mitigation and prevention of illegal logging
- Need to improve satellite system to improve near-real time monitoring of deforestation and land use change

SUMMARY of discussions BY OUTCOME:

OUTCOME 1 Regional and Transboundary cooperation

- SFT-LMR presents an opportunity to leverage existing MoUs and regional partnerships to work together on forestry cooperation such as CMLVT dialogue and ASEAN collaboration on SFM, and enhancing forest cover along the border
- Existing initiatives have identified key areas of cooperation to mutually agree on details and scope of joint implementation
- National priority is to expand green cover to meet the national goal of 15% green cover and 40% forest cover by 2030

OUTCOME 2 Sustainable Forest Management and Forest Governance

- Smallholder farming in agribusiness remain critical for Thailand's strategy to incerase green cover to 55% of total land. Many cooperatives and community forest network have identified barriers on providing capacity building to create added value in forest product, on access to market and on supply of quality seeds. The cooperatives also suggested capacity building to develop online self-declaration and member database including species and locations
- Many have expressed the need to lessen time and cost in complying with regulation on Plantation Act. It is important to reflect smallholders' participation and inclusion in developing related policies on supply chain control and to be part of decision-making as part of forest governance stakeholders
- New Community Forest Act 2019 allows greater flexibility on processing wood at plantations for smallholders and for forest communities to commercialize forest products

- Related acitivities for RFD will include implementation of RFD single window modules on certification, wood mill permit, self-declaration, and other modules to provide pathway connection to ASEAN single window
- Permission to sell and to export is key factor
 to drive market incentive for sustainable
 forest trade for other species. Facilitate
 trading for other species similar to rubber
 wood will boost the free trade on forest
 industry sector's competitiveness that are
 currently in declined, including facilitate tree
 growers and smallholders for opportunity to
 process and commercialize wood products
- Current law and regulation may not facilitate sustainability due to agriculture expansion into forest area. Promotion of value chain for timber production should facilitate opportunities to add value such as home construction and renewable energy waste. Diversifying from rubber and palm oil plantations require promoting commercial benefit of tree growing as asset and can have liquidity for driving economic incentive for investment of growing diversified plantation
- Smallholders plantation are combined over 32 million hectares and their participation have the greatest potential in increasing green cover and moving from the trend of mono agriculture
- Department of Agriculture extension has National Single Window extension services on certification of agriculture products relating to CITES e-license. engaging with local officers including border checkpoint for CITES



OUTCOME 3 – Data sharing on forest monitoring

- Upcoming opportunity for Forestry sector to be included in NDC for Thailand to explore other international and domestic funding mechanism in result-based payment through GHG reduction in forestry and agriculture sector
- Open data in portal and website could be translated and Application Programme Interface (API) can be linked with relevant countries' officer in monitoring the hotspot in transboundary area along the borders on illegal logging and plantations areas
- Sustainable forest trade requires total value chain cooperation from all related operators to improve trading process and require investment in big data for different dimensions for decision making and joint implementation
- Blockchain and digital transformation should be promoted to provide approach in bridging different platforms and databases for data harmonization
- Need technical assistance and capacity building on visual interpretation and database mangement, including sattleite monitoring for government staff, to strengthen National Forest Inventory, National Strategeis, and Action Plans



SFT-LMR library:

- Project Library
- Concept note and agenda
- Presentations
- Participant List
- Keywords for group discussion
- Online Survey Summary
- Project Document / THAI
- Theory of Change / THAI

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"Sustainable forest trade and Sustainable Forest Management are hand in hand which require many sectors to work together to monitor forest data and to improve forest governance. International cooperation in CMLVT will strengthen sustainable forest trade to prepare for larger stage at ASEAN and global level."

- Mr. Sapol Boonsermsuk. Director of Forestry Foreign Affairs Office and Senior Forestry Official for ASEAN

"We need custom data on monitoring reforestation and plantation effort to evaluate the economic value. Economic forest is considered higher priority for promotion of sustainable forest trade as it is a driving force for local farmers and investors to plant more trees"

- Mr Preecha Khumsivai, RFD

"Dialogue on update of Forestry sector in NDC and way forward to pilot project for carbon credit measurement at forest communities level for upscaling activities in the future"

- Ms Suchitra Changtragoon, DNP

"If timber market is the race, rubber wood is the on the fast track with better tax incentive and access to export as agriculture product.

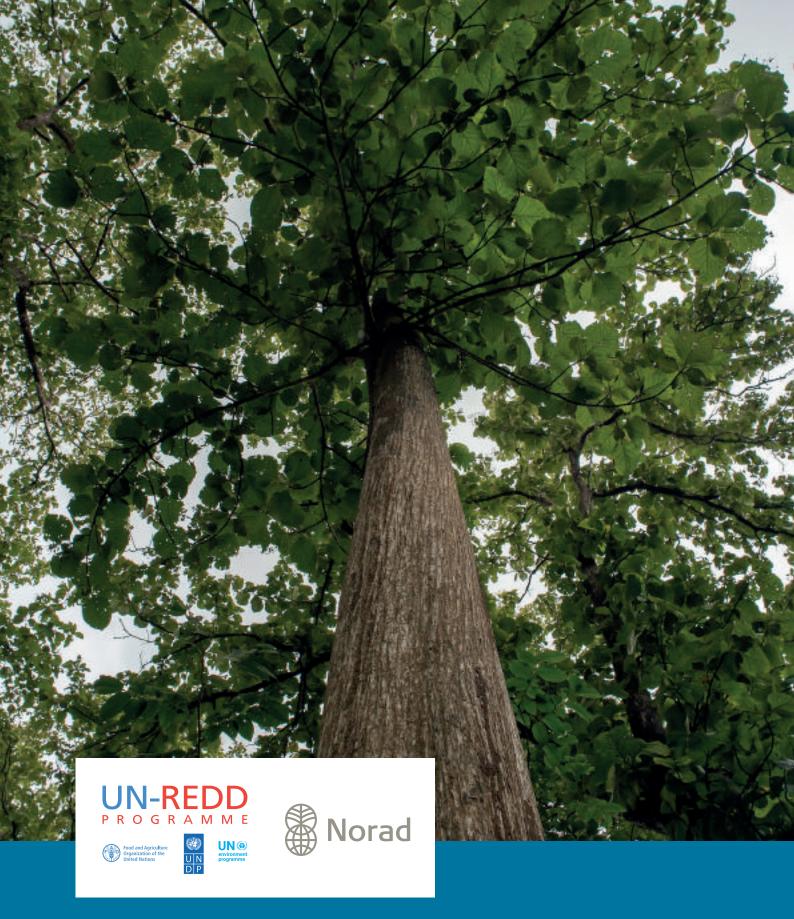
We should address barriers to improve wood processing and commercializing of valuable species in private lands to create demand and hence generate supply for sustainable forest trade"

- Jirawat Tangkijngamqong, Thai Timber Association

INEQUALITY REDUCTION ลดความเหลื่อมล้ำทางสังคม ECONOMY Iศรษฐกิจ SUSTAINABILITY ยั่งยืน ENVIRONMENT สิ่งแวดล้อม

Group2B diagram on achieving sustainability require cross-collaboration from economic, social, and environment sectors to address barriers and unequal access facing smallholders





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