Dear colleagues,

Yesterday we participated with [name] to the International Trade Center (ITC) event on Deforestation-free global value chains. The event was the fourth one organized by ITC and aimed at focusing on the identification of constructive actions to implement deforestation-free value chains and sharing good practices, with the idea of developing recommendations to stakeholders and policy makers.

Participated to the opening panel with DG Trade, embassy of Ecuador, WWF, WRI, Ferrero and representative of FEDIOI/Coceral/Fefac. Video messages were provided by a Philippine’s chocolate company. Here are the key messages:

- General support on the outcomes of the negotiations;
- WRI recalled the importance to engage with partner countries, Australia, UK, USA, China to encourage to take stronger actions and going beyond legality. Dialogue with countries and partnerships have to be really implemented, building on partnerships that already exist with a prominent role of civil society;
- WWF has been supporting, saying that developing a regulation at EU takes time and complement a political framework also needed from the country itself. Checks and penalties are key for enforcement and ensure there will be no circumventions; stressed the need for cooperation measures "legislation are always part of a package of measures - they cannot solve all problems";
- DG TRADE underlined again that it is not a ban for countries, and the regulation respects WTO rules;
- Representative from Ecuador embassy explained the efforts made by Ecuador in developing full traceability mechanisms and the national monitoring system [Ecuador is part of the SAFE project financed by INTPA];
- Representative of FEDIOI/Coceral/Fefac put forward the issue of specific commodity guidelines and asked for strengthening accompanying measures for smallholders;
- Ferrero presented the transparency policy of the company along the full segregated supply chain. Underlined that time is needed to implement traceability. It took from 2011 to 2015 to the company but recognize that today, there is a high maturity of all actors in this regard. He called for taking all stakeholders onboard and put attention not to leave someone behind. He explained that there is a lot of competitiveness on the ground for cocoa. 20 dollars per ton is the estimated cost of traceability. 40/50 dollars if using imagery satellites, mainly paid by the private sector;
- [name] gave insight on several elements of the text after yesterday trilogue and put emphasis on the path taken to get there. She emphasized that this Regulation is anchored on consultations by the Commissions with many stakeholders (the Regulation is inspired by best practice in the private sector where a lot is already done) and a solid IA. The benchmarking is
not a punishing mechanism but rather a tool to make this Regulation work in a cost-effective way, allowing COM to engage with partners.

Questions from the audience were focus on the impacts on smallholders, cooperation tools, rational behind the cut-off date, criteria for benchmarking system, guidelines partnerships and certifications. Representatives of Brazil were quite though and cynic on the outcomes of the regulation. Also to be note that VPAs were not mentioned.

On third countries side, Ecuador (who was part of the panel) raised the importance of mitigating the risk of trade diversions. BR took the floor to emphasize that this Regulation is discriminatory (referring to title of article 3) and the EU has not been listening to third countries complaints enough.

This opening was followed by breakout sessions, on inclusiveness, partnerships and traceability.
  - On traceability, I heard lot of misunderstanding and misinterpretations of the regulation (for instance asking how the COM will control, or saying that UK has similar initiative,
  - Worries from the audience (private sector, NGOs, research, BR, IN) were mostly about data sharing and business confidentiality of geolocation, whether it will be owned by the private sector or on open source. It was underlined that in some countries (Tanzania, Malaysia), it can be prohibited by law to access those data, in order to protect small holders.
  - Part of the discussion was oriented to the EU observatory and satellite imageries and access to this type of information.
  - The issue of having geolocation at the time of the production was raised as for the need for “risk based guidelines”.
