

Linking people, places and products





A guide for promoting quality linked to geographical origin and sustainable Geographical Indications

Second edition





LINKING PEOPLE, PLACES AND PRODUCTS

A guide for promoting quality linked to geographical origin and sustainable geographical indications

This guide has been jointly produced by the Food and Agriculture Organization of the United Nations (FAO) and SINER-GI

Second edition

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FAO Programme on Quality Linked to Geographical Origin

Worldwide, there are increasing social expectations and consumer demand for food and agricultural products that bear a specific quality label, in particular with a relation to origin, tradition, and a particular know how. Promotion and preservation of such origin-based quality can contribute to rural development, food diversity and consumer choice. This is in particular is a result of the preservation and promotion of local natural, cultural and social resources. Moreover, the recent development of new schemes, such as geographical indications, requires guidance. FAO therefore, in 2007, launched a programme on origin-linked quality in order to contribute to rural development by assisting member countries and stakeholders in the implementation of origin-based quality schemes, both at institutional and producer level that are tailored to individual economic, social and cultural contexts.

Website: www.foodquality-origin.org





Within FAO, this guide is the result of the collaboration between the Nutrition and Consumer Protection Division and the Rural Infrastructure and Agro-industries Division which both support the development of specific quality schemes to enhance sustainable development.

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Foreword

According to the 1996 World Food Summit, "food security exists when all people at all times have physical and economic access to safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life". Within this broad definition, the quality and specific attributes of food, diversity and local access are all matters to be taken into account. In various parts of the world, generations of people have built up their local identity, with know-how, recognized typical food products and a specific landscape that reflects the interaction between natural resources and production systems. Today, this link among a product, a place and the inhabitants not only represents a heritage to be preserved, but also has a market value in its own right, as consumers become increasingly interested in quality linked to geographical origin, traditions and typicity.

In view of the positive impact such links can have on rural development and the preservation of biodiversity, FAO recently expanded the scope of its activities in the field of specific quality to encompass quality linked to geographical origin. An informal Interdepartmental Working Group on Voluntary Norms for Specific-Quality Products was set up to oversee and coordinate the development of this new sphere of activity. Several seminars have been organized in recent years in various parts of the world – the Mediterranean basin (2007), Latin America (2007), southwestern Europe (2008) and Asia (2009) – to raise awareness regarding not only the importance of origin-linked quality, but also requirements in terms of legislative framework, certification systems and support activities. Participants in these seminars recommended that FAO should develop guidelines to assist government officials and stakeholders in the development of sustainable systems in this connection.

FAO is thus pleased to present this guide, which is the fruit of close collaboration among its experts, members of the interdepartmental working group and the network of experts belonging to the European Union-funded SINER-GI Project. This collaboration provided access to a whole range of information on products of origin-linked quality, current processes and projects, experience in implementing such schemes and best practices in this regard.

It is our hope that this guide, combined with the case studies carried out in various regions of the world, will assist stakeholders, particularly small farmers and producers in developing countries, in their efforts to preserve and promote their products of origin-linked quality, taking advantage of consumer interest in such products in order to improve their livelihoods and promote sustainable agriculture and rural development.

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LIST OF ACRONYMS AND ABBREVIATIONS

ARPQC Regional Association of Cotija Cheese producers

AMIGHA Moroccan Association for the Geographical Identification of Argan Oil

CIGC Inter-professional Committee of Comté cheese

CIRAD Agricultural Research Center for International Development (France)

CoP Code of practice
DAI Dinaric Arc Initiative
DO Denomination of Origin

EU European Union

EURONATUR European Nature Heritage Fund

FAO Food and Agriculture Organization of the United Nations
FEDECACE National Federation of Coffee Growers of Ecuador
FNC National Federation of Coffee Growers of Colombia

GI Geographical Indication
GMO Genetically Modified Organism
IDA Ibar Development Association

IDIAFDominican Institute for Research on Agriculture and ForestIFOAMInternational Federation of Organic Agriculture MovementsINRANational Institute for Agricultural Research (France)INTANational Institute for Tecnological Agronomy (Argentina)

INTERG Technical Center for Oils (Morocco)

IP Intellectual Property
IPR Intellectual Property Rights

IUCN International Union for Conservation of Nature NAFTA North American Free Trade Agreement

NGO Non-Governmental Organization

OAPI African Intellectual Property Organization

ORIGIN Organization for an International Geographical Indications Network

PDO Protected Designation of Origin
PGI Protected Geographical Indication
PGS Participatory Guarantee System

PROCHILE Direction of Promotion and Export of Chile SICA Coffee Information System, Colombia

SINER-GI Strengthening International Research on Geographical Indications project

of the EU

STREP Specific Targeted Research or Innovation Project of the EU

SWOT Strengths, Weaknesses, Opportunities, Threats

TM Trade Mark

TRIPS Trade-Related Aspects of Intellectual Property Rights Agreement

UCODEP Unit and Cooperation for People Development UNEP United Nations Environment Programme

UNESCO United Nations Educational, Scientific and Cultural Organization UNCTAD United Nations Conference on Trade and Development, Italy

UNDP United Nations Development Programme

UNOCACE Union of the Cacao Farmer Organizations of Ecuador

WIPO World Intellectual Property Organization

WTO World Trade Organization
WWF World Wildlife Fund

Introduction

Linking places, local stakeholders and their products

Strengthening the ties among local stakeholders, places and agricultural and food products is a major step towards sustainable rural development. These relations are based on local capacities to create value within a global market, while remaining anchored in a specific place. Origin-linked products have specific quality attributes that are inseparably linked to the places where they are produced and that build up a reputation over time, associated with a geographical indication (GI) that identifies them. These differentiated products can thus meet a specific and remunerative demand. Consumers are increasingly concerned with the specific attributes of agricultural and food products, particularly in terms of their culture, identity and means of sustainable production. Moreover, such products can contribute to biodiversity preservation, cultural heritage protection, sociocultural development and rural poverty reduction.

The identity of GI products as differentiated origin-linked products reflects the unique combination of local natural resources (climate, soil, local animal breeds and plant species, traditional equipment etc.) and cultural assets (traditions, know-how and skills, often handed down from generation to generation) in a given territory, thus establishing specific links among the product, local stakeholders and the territory.

Over time, the attitude of the various stakeholders within the production area (farmers, processors, local consumers, public bodies, NGOs etc.) and their interaction with other factors outside the zone build up the identity of the product in relation to the territory and a specific group of people. This process involves various actors, who coordinate and harmonize their production and trading practices.

Geographical indications for sustainable development

An origin-linked product can become the pivotal point of a specific-quality virtuous circle within a territorial approach, meaning that its promotion as a GI product can have positive effects that are reinforced over time, thus allowing preservation of the agrifood system and related social networks, which in turn contributes to economic, sociocultural and environmental sustainability:

- economic sustainability should bring about improvements in producers' incomes and quality of life, and make the entire rural economy more dynamic;
- sociocultural sustainability is based on local stakeholders' assuming ownership of the process, taking part in decisions and actions regarding GI products and benefiting from a fair distribution of the gains; their identity and their pride in their work and culture are also boosted, through local knowledge and traditions;
- environmental sustainability means that any actions should help in preserving or, indeed, improving – local natural resources, particularly biodiversity, landscape, soil and water, for future generations.

The contribution of the GI process to sustainable development will depend on how local resources are used and on the interaction among local stakeholders.

The importance of establishing rules for the use of geographical indications

The main threats to development of the origin-linked quality virtuous circle are external pressures and the lack of coordination among local stakeholders. Market globalization and new technologies may endanger the specific features of traditional farming systems and processing techniques. In addition, the reputation and value of a GI product may attract imitators and free-riders, either inside or outside the recognized production area. Misleading practices mainly involve use of the product name and, in some cases, some of its specific features.

For all these reasons, it is strongly recommended that a set of rules be established at the local level in order to prevent loss of the product specific quality, but also to avoid misappropriation of the name, thus fostering consumer confidence. This process includes the development of a code of practice (CoP) to define the product in relation to its origin and the establishment of a local organization to ensure not only coordination among local stakeholders but also product conformity.

The GI can then be recognized by public authorities and protected as an intellectual property as provided for in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organization (WTO) (1994). Producers may decide to apply for GI recognition and registration, according to the legal and institutional framework of the country. As such, the use of a GI requires formal identification of authorized users, which can be achieved only through a concerted approach.

The importance of value chains in managing geographical indications

For any origin-linked product, implementation of a GI process for sustainable optimization, based on specific local resources and a set of rules laid down in a code of practice, requires the establishment of a system for management of the GI through an organization suited to local conditions and capable of managing a GI strategy encompassing the whole value chain. Obtaining legal protection is not an end in itself, but a possible step in the quality virtuous circle, which has the overall aim of creating a profitable and sustainable system for all local stakeholders and the whole zone. A GI value chain organization is vital for management of the GI through the marketing, traceability and conformity of the product, a high degree of empowerment of producers and processors, and, lastly, the capacity to incorporate a certain number of technical or management innovations for sustainable development of the system

The origin-linked quality virtuous circle: a methodology for development

The local implementation of a GI process thus requires a whole range of activities and conditions. The origin-linked quality virtuous circle can be used as a methodology to support local stakeholders in their management of the various activities involved in the GI system and optimization of the potential of the GI for sustainable development. The quality circle proposed in this guide is composed of various steps: identification of local resources, qualification of the product as a GI (setting of rules), remuneration (management of the GI system) and reproduction of local resources to boost sustainability. Public actors can play a major role all the way around the circle by providing an adequate institutional framework and encouraging the potential positive effects of origin-linked products on rural development.

The origin-linked quality virtuous circle



Objectives of the guide

The objectives of this guide are:

- 1.to explain what origin-linked quality and the GI concept are;
- 2.to raise awareness regarding the potential of origin-linked products for rural development and conditions for sustainability;
- 3.to facilitate implementation of GI processes at local level by providing tools and a concrete methodology.

Based on multidisciplinary research and empirical evidence from all over the world, this guide is intended for practitioners, rural development specialists from the public or private sectors, representatives of value chains, policy makers, rural community leaders and trainers. It is intended more particularly for those involved in the development of agricultural and food systems who have an interest in promoting and preserving local food products and resources (traditions, know-how and natural resources) within a perspective of rural development. The role of these facilitators is of paramount importance in helping local stakeholders to become aware of the potential of origin-linked products, organize themselves and carry out collective actions, understand the importance of appropriate rules and pilot the GI system towards economic, sociocultural and environmental sustainability.

This practical guide avoids prescriptive or normative solutions, instead offering an approach that provides step-by-step answers to the main questions facing development actors seeking to identify, define and protect products of origin-linked quality through the adoption of various measures allowing their sustainable development.

Structure of the guide

After a general description of the origin-linked quality virtuous circle, four parts of the guide describe specific phases in the circle, while the fifth discusses related public policies:

- description of the origin-linked quality virtuous circle;
- identification: awareness-raising among stakeholders and assessment of potential (Part 1);
- qualification: establishment of rules and a code of practice (Part 2);
- remuneration: marketing aspects and organization (Part 3);
- reproduction of local resources: ensuring sustainability (Part 4);
- the role of public policies in the overall process (Part 5).

Each chapter describes concepts and provides concrete examples from case studies from all over the world, together with some practical exercises. Recommendations or models are also provided. At the close of each chapter, a self-assessment form is provided so that readers can carefully think over the issues involved in their particular situation.

At the end of the guide, a detailed glossary provides definitions of the main concepts and technical terms.

The different steps of the origin-linked quality virtuous circle

Certain food and agricultural products have a specific quality linked to their production origin that can make them famous as a result of characteristics linked to their local natural and human environment. This specific quality provides a product with the potential to play a role in a sustainable development process, inasmuch as local stakeholders can turn latent local resources into active assets, preserving and enhancing them, so that they receive society's recognition and are better remunerated in markets. This part of the guide describes the various stages in the methodology to be adopted for sustainable development based on

the origin-linked quality virtuous circle.

Origin-linked products are those that can be differentiated as a result of their local identity or typicity. Their identification as GI products is justified by the particular local context in which they originate and that gives them a specific nature, quality or reputation in consumers' eyes. Their anchoring in their production area allows a quality virtuous circle to be established, inasmuch as promotion of their origin-linked quality can generate positive economic, social and environmental effects, which can then be reinforced over time thanks to sustainable reproduction of the local resources involved. This virtuous circle corresponds to a value creation and preservation process with four main stages (see Figure 1), starting when local stakeholders gain awareness of the potential of the product and agree to launch a collective process. Added value is a result of consumers' and market recognition of the product, and may if necessary be reinforced by official recognition and legal protection of the GI. The sustainability of this production and promotion system for the origin-linked product will depend both on remuneration from the market and on sustainable reproduction of local resources.



Figure 1: The origin-linked quality virtuous circle

The main stages in the origin-linked quality virtuous circle are:

- 1.Identification: growing local awareness and appreciation of the potential of the product.
- 2. Product qualification: establishment of rules for value creation and the preservation of local resources.
- 3. Product remuneration linked to its marketing and to management of the local system.
- 4 Reproduction of local resources, boosting the sustainability of the system.
- 5 Public policies providing an institutional framework and possible support for the various stages in the circle.

Throughout this process, the role of both local economic actors (those involved in production and marketing) and external actors (government authorities, NGOs, research and development centres etc.) is vital. The institutional framework (public policies and regulations) also plays an important role in enhancing and preserving origin-linked quality.

1. Identification (Part 1)

The first step in the activation process is clear identification of the origin-linked product and the local resources needed for its production. This process relies to a large extent on local producers' becoming aware of the potential of specific local resources, for this constitutes the basis of collective action to obtain recognition for the value of the product. Identification of the reputation, the specific resources involved and their link to the specific quality of the product may



Limon of Pica (Chile): identifying the specific characteristics of the product directly in the field.

also require scientific studies and analysis, Pica lemons (Chile): identifying the specific characteristics of the product directly in the field either of resources (soil analysis, history of the product etc.) or of the product and its reputation (tasting, consumer surveys etc.). At this stage, external support can be important in terms of specific technical and scientific contributions.

2. Qualification (Part 2)

The qualification phase is the process by which society (consumers, citizens, official bodies, other stakeholders in the value chain etc.) is put in a position to recognize the value attached to the origin-linked product. Qualification involves not only a clear, unanimous description on the part of producers, defining the characteristics of the production zone, the production process and the qualities of the product, but also the use of appropriate tools to identify, develop and protect these characteristics. In this perspective, attribution of a GI label plays a vital role in signalling the link among the product,



Cocoa Chuao (Venezuela): women dryingcocoa beans in the traditional way in front of the village church; the particular type of flooring gives special drying conditions

its geographical area and its specific quality, making the origin-linked product a "GI product". Qualification requires local producers to draw up a code of practice (CoP) containing the criteria and requirements that allow the specific quality to be achieved. Local producers must therefore join together to establish these rules and implement them in such a way as to guarantee the defined quality. This process is critical both in order to guarantee that consumers receive the expected quality and also in order to ensure the reproduction (preservation and improvement) of local resources.

3. Remuneration (Part 3)

The remuneration phase corresponds to the mechanisms by which society pays producers for the services associated with the origin-linked product, in other words the specific attributes of intrinsic quality, preservation and promotion of natural or cultural resources etc. Remuneration of the GI product has to cover the cost of production, which is often higher than that of more industrialized or imported products, in order to ensure a certain level of profitability,



Remuneration: a local markets in Asia.

and hence of sustainability. One major remuneration mechanism is the market (in terms both of access and of higher prices). Marketing of the GI product requires a collective strategy to manage the collective asset – the reputation of the product – for the creation of added value. A collective structure to manage the GI production and marketing system is therefore important. Remuneration for specific local resources may also be obtained through non- market mechanisms, inasmuch as market mechanisms cannot fully reward certain values of a product, such as the total value of a local resource (a traditional breed or local variety, a particular land management system, preservation of a landscape etc.). If this is the case, it may be necessary to reward these values through government intervention (for example financial support or technical assistance) (see also Part 5).

4. Reproduction of local resources (Part 4)

Reproduction of the system means that resources are preserved, renewed and enhanced all around the circle in order to ensure long-term sustainability of the system producing the origin-linked product, thus guaranteeing the very existence of the product. The reproduction phase therefore depends first of all on assessment of implementation of the previous stages (identification, qualification and remuneration) and their impact on the zone in economic, social and environmental terms. Moreover, the reproduction of local



Chivito criollo del Norte Neuquino (baby goat, Argentina): preservation of the product and the resources mean that young people do not have to leave the mountains.

resources, including the increased reputation of the origin-linked product and its particular zone, may have positive effects on other local economic and social activities. For this stage, it is therefore useful to adopt a territorial strategy.

On the other hand, the reproduction of specific local resources is not automatic even if production becomes more lucrative, because it depends largely on the attitude of local stakeholders and their manner of managing economic relations and local resources. Reproduction requires fair distribution rules throughout the value chain, both between

producers and those involved in marketing and also within the production system itself. The reproduction phase for local resources must also make sure that the environment, landscape, culture, traditions and social fabric are not adversely affected by the associated economic activity.

Role of public policies along the virtuous circle (Part 5)

Public actors (national, regional and local government, other authorities and institutions representing the public interest) can play a major role in the enhancement of origin-linked products in order to increase their positive contribution to sustainable rural development. First, they can provide a legal and institutional framework allowing the recognition, regulation and protection of collective property rights over GIs. Moreover, supportive public policies can provide favourable conditions for a better development of origin-linked products, increasing their positive impact on economic, social and environmental aspects during the various phases of the quality virtuous circle.

ase Study

Case study 1:The value creation process SAFFRON OF TALIOUINE (Morocco)

Saffron of Taliouine is produced in Morocco's Anti-Atlas Mountains. Local stakeholders and facilitators identified promotion and preservation of this origin-linked product as tools for rural development. The methodology adopted was that of the origin-linked virtuous circle.

1. Identification

Saffron of Taliouine enjoys a specific quality and an excellent reputation. Local awareness was promoted by the Moroccan-French NGO Migrations&Development, which developed various types of collaboration to support the identification, qualification and remuneration phases (FAO, the Souss Massa Dra Regional Council, the National Agricultural Research Centre, the Slow Food Organization



Soil analysis by INRA research center.





etc.). The identification phase highlighted the specific origin- linked quality of





 know-how is intimately linked to the Berber culture and localization; traditional villages (douars) retain a strong community tradition.



2. Qualification

Identification of the product potential (soil analysis, composition analysis, sense and taste analysis, market studies etc.) meant that an enhancement and marketing project could be designed. The enhancement concerned all the production stages: cultivation, harvesting, storage and packaging. In order to upgrade their saffron, producers first sought organic and fair-trade certification, while awaiting recognition as a GI product. GI registration will allow enhancement and protection of the specific quality resulting from its link with the particular zone. Formulation of the GI code of practice is a vital part of the project.



Type of packaging is part of the product definition.

3. Remuneration

The development of collective action is based on highly effective village associations. facilitate the creation of producers' associations and cooperatives, and provide better conditions for marketing. The market study led to identification and establishment of trade links with European fair trade companies, while also improving local marketing (traditional fairs, tourism etc.). Collective promotion (communication) is boosted locally thanks particularly to the annual Taliouine Saffron Festival, and internationally thanks to famous chefs.



A renowned French chef participating in field visits in November 2007, recognized and promoted the qualities of the product in his restaurant.





4. Reproduction of local resources

The project takes economic, social and environmental sustainability into account, especially through definition of the product and the production process. The first impact of the project has been assessed in order to improve both the code of practice and marketing of the GI product (for example through analysis of the markets to be targeted and the sustainable farming practices to be observed and included in the code of practice).



The first Saffron festival in Taliouine, November 2007

Source: Garcin, D.G. Carral, S. 2007; Technical cooperation Programme of FAO.

