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# **The role of producers' organizations and other parties in GI implementation– UNIDO's experience**

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## The UNIDO approach – starting point

- **Increasing demand** for “traditional products of regional origin” that are rooted in the local culture of their territories
- **Tradition and origin** - together with quality – represent **unique selling points** for which consumers pay a price premium.
- Opportunity to lift rural producers in remote regions out of **poverty**
- A **Geographical Indication** is a tool, which can help exploiting the economic potential of typical products



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## **Geographical Indications are not enough to...**

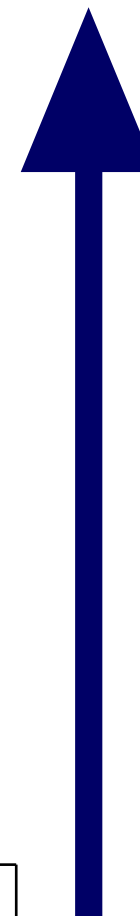
- **Create the product reputation**
- **Generate a price premium**
- **Guarantee that producers will comply with the standards**

**... territorial-wide collaboration is needed**



## UNIDO Intervention Logic

<b>Objective</b>	Improve socioeconomic conditions of producers and contribute to an inclusive and sustainable local development
<b>Impact</b>	<ul style="list-style-type: none"><li>➤ Producers' income increased</li><li>➤ Employment improved and rural exodus stemmed</li></ul>
<b>Result</b>	➤ <b>Reputation of the product and sales improved</b>
<b>Outputs</b>	<ol style="list-style-type: none"><li>1) Average product quality improved at a regional level</li><li>2) Marketing strategy implemented</li><li>3) Visibility of the product increased in the region of origin</li><li>4) Reputation protected by collective distinctive sign</li></ol>
<b>Activity</b>	<b>Collective action at the territorial level (PPP initiative)</b>
<b>Baseline</b>	A typical product with unexploited potential is being produced in a region where producers receive small revenues from sales.



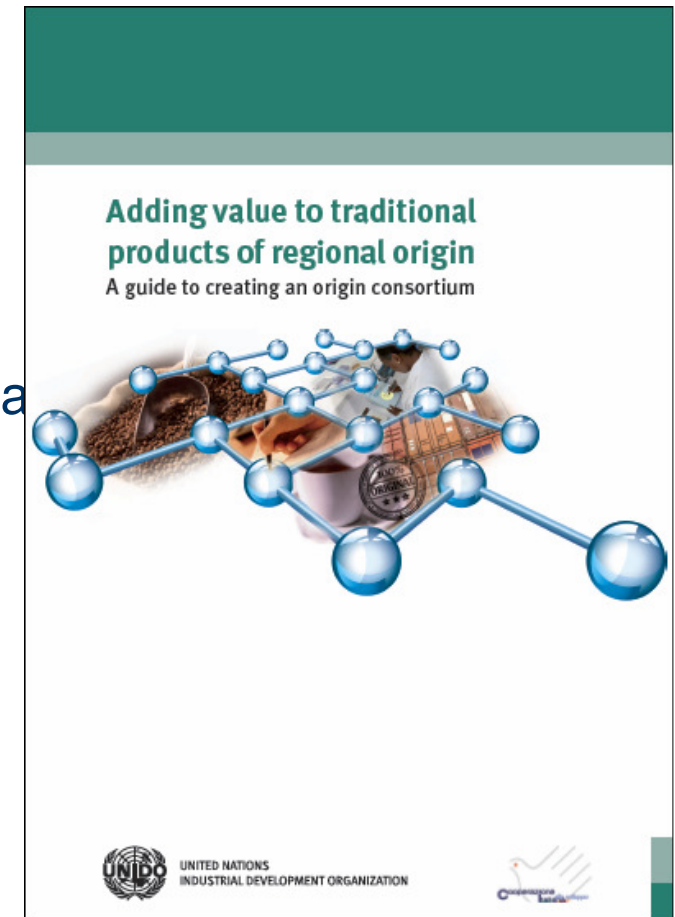
# UNIDO Experience on the Valorization of Typical Products

## ❖ Scope of interventions:

- ❖ Promotion of typical products through distinctive signs since 2010 (**food and handicrafts**)
- ❖ Publication of specialized **Guide Book**
- ❖ Delivery of **training courses** in Latin-America, Africa, and Training Centre in Turin, Italy
- ❖ Projects in **Peru, Ecuador, Morocco and Tunisia**

## ❖ Core Competencies and experience:

- Value Chains and SME networks development
- Certification and Traceability
- Company upgrading & market access



# UNIDO intervention approaches

The intervention logic followed by UNIDO on the ground depends on the local context and project funds:

- Focus on setting-up a producers' organization (*origin consortium*) and registration of a collective mark
- Focus on promoting a broad territorial public-private partnerships (PPP) to implement a geographical indication
- Focus on improving the governance, the competitiveness of the value chain and the effective use of a GI or Collective Label



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## Origin Consortium – Definition

**Formal association of producers, SMEs and/or cooperatives in one single value chain with the objective to add value, increase and protect the reputation of a typical local product (agro-food or handicrafts)**



# Origin Consortia project in PERU



**Marketing Colectivo**  
Asesorar a la organización colectiva en elaborar una estrategia conjunta de promoción y posicionamiento de la marca colectiva en los mercados regionales y nacional.

- Funded by Italy in 2011
- Counterparts: **Peruvian Ministry of Agriculture** and the **Institute for Intellectual Property Rights**
- During the **first year 5 origin consortia** established
- 9 additional origin consortia in process



**Asociatividad**  
Fomentar la cohesión de las organizaciones con un enfoque de gestión y uso de las marcas colectivas como una herramienta para mejorar la competitividad de los emprendimientos rurales.

**Estandarización de la Calidad Agroalimentaria**  
Asesorar a la organización colectiva en estandarizar sus productos para que garanticen una calidad uniforme.

- Native Potatoes
- Golden Berry
- Forest Honey
- Traditional Pasta
- Native cotton handicrafts



# Project Selection Criteria

After a training, participants (*producers & support institutions*) were asked to prepare preliminary OC project proposals. The 5 most promising were selected to receive assistance.

1	Typical product with strong territorial link with market potential
2	Small producers with low income operating in a rural area with some form of organization
3	Presence of NGOs and/or national support institutions
4	Producers have problems to access higher market segments



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## Origin consortia intervention - Peru

The 5 groups of producers were assisted by UNIDO in collaboration with the Ministry of Agriculture and the Institute for IP Rights to:

- Set-up a consortium
- Develop rules of production and packaging for the traditional product of regional origin
- Define and agree on a collective mark managed by the consortium (name, logo, rules of use)
- Register the collective mark
- Develop joint marketing tools
- Ensure basic product controls
- Implement joint activities such as the common stand at the fair MISTURA in Lima, September 2012

# Peruvian Origin Consortium – Native Potatoes

**PRODUCT:** Native potatoes cultivated in Paucara (Huancavelica) in altitudes ranging from 3500 to 4200m; excellent climatic conditions; more than 350 types of native potatoes; yellow, rose, red, lila and blue colours; consumption of native potatoes by Incas and before is well documented

**ORIGIN CONSORTIUM/ COLLECTIVE MARK:** Set-up of a Consortium incorporating 500 producers; registration by the Consortium of the word and figurative collective mark “Sumaq Sonqo” (*beautiful heart*)

**PRODUCTION AND QUALITY IMPROVEMENT:** support in natural selection of seeds, joint purchase of inputs and machinery, good agricultural practices

**MARKET ACCESS IMPROVEMENT:** Marketing around tradition and origin; 10 000 kg sales at the Mistura Fair at 2.5 soles/kg (1 soles wholesale); currently selling daily to MINKA (retail market in the capital Lima); sales increase by 65%



supported by NGO CARE



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# GI implementation through PPP - ECUADOR



- Project funded by Italy
- Counterparts: Produce; Proecuador; IEPI; Ministry of Tourism; NGOs
- Focus on **PPP to implement GI**

## Montecristi Straw Hat GI





## Montecristi Straw Hat – GI product

### Background

- The “Montecristi Straw Hat” has a very long tradition and is only produced in the region of Manabi (special type of straw grows in the region, ancient weaving techniques). Due to commercial practices of the 19th century, the hat became known as “Panama Hat”.
- The production is very work-intensive, but badly paid (only 500 artisans left).
- In 2007 a GI was registered by Ecuador but the production rules were not specific enough and no control and certification mechanisms were set-up
- When the UNIDO project starts mid-2011:
  - GI is not used by the artisans
  - Many institutions try to support the Montecristi Straw Hat production and promotion, but in an uncoordinated manner
  - No territorial strategy exists to improve the reputation of the Montecristi Hat



## Main Results – Montecristi

- In September 2011, UNIDO and the Ministry of Industry start organizing monthly meetings in the Montecristi region, which were attended by the main public and private support institutions: a “Committee to support Montecristi hat artisans” was established
- The Ecuadorian IP Rights Institute has introduced administrative procedures and organized information workshops for the GI application (1 artisan uses the GI, 5 artisans are finalizing the application)
- The Ministry of Tourism is leading a local committee incl. various municipalities for the development of the Montecristi Hat Route
- A local development plan approved in 2013 is being implemented:
  - Trainings to artisans (i.e. production techniques, design, business management, marketing, etc.)
  - Participation at trade fairs and business roundtables
  - Promotional material on the Montecristi Hat and the Tourism Route



# HARISSA Value Chain Development– Tunisia



- Swiss-funded intervention
- Planned start: June 2013
- Main counterparts: Ministry of Industry and Agriculture, APIA; sectoral association;
- Focus on market access through VC dev. and impl. of food quality label





# Tunisian Harissa with “Quality Label”

## Background

- The “Tunisian Harissa” is a hot chilly sauce that has been consumed in Tunisia for centuries. It is a very typical product in Tunisian cuisine (i.e. industrial and traditional Harissa)
- The areas where the chillies are produced and/or the sauce is processed cover several regions in Tunisia
- Products imitations also branded as “Harissa” have appeared on the markets in Algeria, Lybia and Europe.
- To better position high quality Tunisian industrial Harissa on the markets, the Ministry of Industry in collaboration with the Interprofessionnal Grouping of Processed Food (GICA) has published in 2012 the rules of use and the control system for the “Harissa Quality Label”. But this distinctive sign is not yet being used in practice and no certification system has been set-up so far.



# Implementation of “Quality Label”: Challenges

- The chillis has to be of a certain quality → agricultural producers need to plant the “right” chillis, collect them at the right moment and apply GHP
- The chillis must be packed in a standardized way and arrive to the processing company in less than 36 hours from harvesting → the agricultural distribution/ packing centre for chillis needs to have an excellent logistics management system
- The processing company needs to produce high quality harissa and follow the certification process to be able to sell with the “Quality Label”



# Planned UNIDO Assistance

**Markets**

Collective promotion



Certification  
Marketing  
Supply Chain Man

**6 Processors**  
**50% Production**

Quality Label  
GICA

Supplier Contract



Upgrading  
Traceability  
Supply Chain Man

**10 Distribution**

Supplier Contract



Suppl. Contract:  
Premium +  
Tech. Assistance

**2000 Chilli Producers**  
**20 % Production**





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## Conclusions

- GI are an important tool but not the final objective of a typical product valorization strategy
- GI can contribute to improving living conditions of rural producers but only within a comprehensive approach of local development
- UNIDO is a reliable partner to support countries in their efforts to promote inclusive and sustainable rural development strategies based on the valorization of typical products of regional origin.



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**THANK YOU**

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