

## AREPO POSITION PAPER ON EUROPEAN COMMISSION EVALUATION OF GEOGRAPHICAL INDICATIONS AND TRADITIONAL SPECIALITIES GUARANTEED PROTECTED IN THE EU

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The [Association of European Regions for Products of Origin \(AREPO\)](#) brings together 33 European regions and more than 700 associations of producers for over 50% of European GIs. AREPO aims to promote and defend the interests of producers and consumers in European regions committed to promoting quality agri-food products.

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## KEY MESSAGES

This position paper aims at supporting AREPO contribution to the public consultation on the evaluation of EU food quality schemes, launched by European Commission (EC) in November 2019. Its scope is the whole set of EU quality schemes, with a particular focus on PDO and PGI for agricultural products and foodstuffs.

Through the LAFS (Localised agro-food systems) conceptual approach, the effectiveness, the efficiency, the relevance and the coherence of EU quality policy have been assessed. To this end, EU quality policy has been studied as a public policy which enables the production of public goods considered in terms of sustainable rural development, growth and employment, diversification of rural economy, protection of natural resources and landscape, welfare of farm animals, food security, food safety and traceability.

Nevertheless, GIs **enormous potential in delivering public goods is still underutilized in the EU** and a renewed attention from policy makers is needed to **unlock it**.

Particularly, in order to achieve these objectives, further **simplification and harmonisation** of EU Quality Policy is needed. As a result, the European Commission should:

- **Implement the simplification** concerning the **amendments** to products' specifications;
- Redact clear **guidelines for the competent national administrations** which will be given additional responsibility in the management of **GIs amendment**;
- Publish and keep up to date **Commission guidelines on the interpretation of Regulation** concerning internal evaluation criteria for GIs registration and amendments;
- Clarify labelling rules for **processed products using a GI as an ingredient**;
- Provide for **trainings addressed to the professionals** involved in the process of GIs registration at national level, in order to overcome the differences and lack of harmonisation.

In line with the prominent place given to GIs by President von der Leyen in the mission letter for the new Commissioner for Agriculture and Rural Development, Janusz Wojciechowski, **in order to strengthen EU Quality policy**, European Commission should:

- **Improve enforcement and harmonise controls in the MS**, to assure the credibility of the system and consumer trust;
- **Strengthen protection** to cover more effectively attempts by third parties to **abuse the GIs reputation** (exploitation, weakening and dilution of reputation);
- Strengthen GI protection against any bad faith registration in **second-level domain names**;
- **Request MS to regulate the relations between trademarks and GIs** in order to **extend the protection** of the latter, defining within the **national registration procedure** the moment in which the registration of a trademark is refused on the grounds that the protected name or GI is being registered;
- Guarantee the same level of protection to GIs containing, in part or in whole, names of breeds or varieties (Art. 42, Reg. 1151/2012 seems to introduce distinctions);
- Clearly **determine who owns the intellectual property (IP) of the GIs** referred to in Article 1.1.c Reg. 1151/2012;
- **Strengthen the role of GIs producer groups** in particular with regard to supply regulation;
- Create an **online tool in order to assure to consumers more transparency** and easier access to **readable information** concerning product specifications and characteristics.

Furthermore, **better coherence among EU policies concerning the agro-food sector is needed**. As regards Common Agricultural Policy and Rural Development:

- It is essential to maintain the **support for certification and promotion activities** for **all producers** participating in an EU quality scheme (not limiting it to new ones) and to implement it **independently**.

Furthermore, the administrative checks should be done in all Member States and Regions only on a sample basis, in order to **reduce the administrative burden and costs** both for managing authorities and for beneficiaries.

**Support for GIs producer groups is fundamental.** For this reason, rural development measures should provide support for:

- Carrying out **ex-ante evaluations** of the impact of registering a new GIs, as well as **strategic diagnostics** concerning the application process and GI products characterisation;
- **Operating costs** of producers groups;
- Activities related to the **surveillance of the enforcement of the protection** of the registered names, especially for small and new PDO/PGI, concerning in particular support for **legal protection costs**;
- **Ex-post evaluation** of the impact of a registered GI in order to update product specifications to address eventual sustainability issues, consumers expectations, developments in scientific/technical knowledge, evolution in market, climate change adaptation and risk management.
- Specific programmes to **support coordinated and collective activities** in order to strengthen the supply chain.

As concerns **Promotion policy**, AREPO recommends to:

- **Maintain a sizable budget** dedicated to products covered by the EU quality policy;
- Establish specific **sub-categories for the different schemes** (PDO, PGI, organic, mountain products, etc..) in order to allow participants to present their proposals under the ad-hoc sub-program;
- **Simplify the participation** with a streamlined bureaucratic process, easy to access and manage;
- Encourage participation of **Promotion Associations or Committees**, avoiding restrictions to their participation, such as the obligation to form expensive and unmanageable coalition between legally mixed entities;
- Encourage and fund the implementation of **small projects** in order to reach more producers.

Furthermore, it is highly crucial to reconsider the place of agriculture and food within the **EU trade policy**, especially in the light of their annual turnover and export value. European Commission should:

- **Systematically consult all European GIs** in order to redact the list of products to be protected in each trade agreement;
- Assure that the **inscription** to the bilateral register(s) remains **open** to those GIs registered after the entry into force of the relevant trade agreement(s), as well as to pre-existing GIs not included in the list;
- Create an effective, simple and transparent **multilateral system for the protection of geographical indications**, in the interest of both producers and consumers;
- Enhance the **transparency of internet governance** to ensure an effective protection of GIs as an IPR.

Finally, GIs and other quality schemes still need EC support to develop multidisciplinary **research, innovation and education** to unfold their potential and promptly respond to current challenges. To this end, AREPO recommends the European Commission to:

- **Include EU quality schemes in** its strategic approach to EU agricultural R&I, defining **specific priorities** in order to strengthen their contribution to public goods creation;
- Implement the above-mentioned priorities with an **increase in funding and in specific project calls** dedicated to GIs and other EU quality schemes;
- Financially support the creation of new **formative offers** in order to assure the existence of GIs **experts with a generalist background**, trained on local and traditional products, with a transversal multidisciplinary approach.

## INTRODUCTION

*The quality and diversity of the Union's agricultural, fisheries and aquaculture production is one of its important strengths, giving a competitive advantage to the Union's producers and making a major contribution to its living cultural and gastronomic heritage.*

(EC 2012)

EU quality schemes aims at protecting the names of specific products to promote their unique characteristics, linked to their geographical origin as well as to traditional know-how. Nevertheless, they should not be depicted only as intellectual property rights.

In fact, EU Geographical Indications (GIs) have several objectives: 1) to address citizens and consumers demand for quality and traditional products, 2) to assure conditions of fair competition and remuneration to producers, 3) to provide clear communication to consumers concerning the characteristics of the products and 4) to contribute to and complement rural development policy as well as market and income support policies of the Common Agricultural Policy (CAP), in particular in less favoured areas, in mountain areas and in the most remote regions, where the farming sector accounts for a significant part of the economy and production costs are high (EC 2012).

For this reason, **EU quality policy** should be considered as a “**public policy aiming at delivering public goods to the whole European society**” (Arfini et al., 2019) and should be evaluated in this perspective. As a matter of fact, GIs protection is often associated with the production of public goods, such as the conservation of biodiversity, the protection of cultural heritage, socio-cultural and rural development and the reduction of poverty (Vandecandeleere et al., 2010).

The enormous potential that EU GIs can offer to sustainable development of rural areas is still underutilized in the European Union. As a consequence, AREPO welcomes the Commission's initiative to evaluate EU food quality schemes and **intends to enrich its contribution to the public consultation with the present position paper**. Its **scope** is the **whole set of EU quality schemes, with a particular focus on PDO and PGI for agricultural products and foodstuffs**.

The first section introduces the **theoretical framework** adopted: the **localised agro-food systems (LAFS) approach**, which constitutes an effective analytical tool to consider the specific characteristics of geographical indications and their potential in generating public goods.

In the second paragraph the **effectiveness of the EU quality policy has been assessed**, analysing its contribution to origin and quality products qualification and valorisation. In particular, this part considers the **added value and benefits** produced by this system in terms of sustainable rural development, growth and employment, diversification of rural economy, protection of natural resources and landscape, welfare of farm animals, food security, food safety and traceability.

Then, it follows a description of **the efficiency and relevance of EU quality schemes**, taking into account **costs and obstacles** that limit the potential of their functioning. In this regard, the paper provides for **suggestions to simplify and strengthen EU quality policy**.

Lastly, the fourth section is dedicated to the evaluation of the **coherence of EU quality policy**. Particularly, it discusses to which extent it is able to contribute to and complement measures from Common Agricultural Policy, Promotion policy, EU Trade policy, Research and Innovation and Education and Training, with several inputs on **how to improve the coherence among EU policies concerning the agro-food sector**.

## 1. THE LOCALISED AGRO-FOOD SYSTEMS APPROACH

Localised agro-food systems (LAFS) are defined as “*production and service organisations (agricultural and agro-food production units, marketing, services and gastronomic enterprises, etc.) linked by their characteristics and operational ways to a specific territory*” (Muchnik J., 1996; Muchnik J., Sautier D., 1998).

This concept appeared for the first time in the 90s, at a time when rural societies were in crisis and bigger issues emerged such as food and environmental problems and sustainable development. The originality of the LAFS focus arises largely from the analysis of **social networks that develop links between local resources, including agriculture, food and the territory**. Thus, the **territory** is approached as a ‘**region-resource**’, defined as a group of interrelated territorial specific assets, not only a place for the location of economic activities. Under this concept **three meanings** can be identified for LAFS:

1. a **concrete object**, i.e. a group of visible agro-food activities that are territorially established;
2. a **conceptual approach**, i.e. a way of analysing *in situ* the development of identity based agro-food local resources and their systemic interactions;
3. an **institutional tool**, which can be used by administrative bodies in their planning programs.

The LAFS conceptual approach aims at understanding the **processes of territorial anchorage of agro-food activities**, representing the **variety of their forms** and identifying the **driving forces** of their evolution in time. It adopts a **dynamic focus** on the links between food and territory, resulting from the interaction of products, people, institutions and social relations.

Furthermore, the **qualification process** of territorial products, the **collective actions** developed to obtaining the recognition of the origin, as well as the **territorial governance** are fundamental for LAFS studies which investigate the effects of localized agro-food systems economic-institutional activity upon **rural development**.

The research on LAFS requires a multidisciplinary approach integrating different disciplines from natural and biotechnical sciences to social sciences. Furthermore, LAFS approach is not exclusive but interacts and dialogues with others approaches in the same territory, i.e. multifunctional agriculture, agroecology, sustainable intensification, with the common aim to build local sustainable food systems.

This conceptual approach is extremely relevant in the present context to cope with new economic, environmental and societal challenges for European food systems, namely global food and nutrition security, environment and climate change and growth and jobs in rural territories.

Thanks to its multiple dimensions and dynamism, **LAFS approach constitutes both an effective analytical tool to study GIs and their potential in generating public goods** (Arfini et al., 2019) and a **useful institutional tool to elaborate policy recommendations**.

## 2. HOW EFFECTIVE HAS EU POLICY BEEN ?

Localized agro-food systems are a relevant part of the EU agro-food system. Thanks to their characteristics and qualities, LAFS offer interesting opportunities in supporting rural development strategies able to include family farmers, small and medium enterprises operating in other stages of

food supply chains, and other small firms operating in connected activities like the rural tourism ones.

Production processes in LAFS are based on a territory, meaning places of production characterised by specific resources. These resources determine the peculiarities of product quality attributes offering opportunities to differentiate the product on the market. Local enterprises and other local actors are therefore required to define the identity of the product specific characteristics, i.e key features of production process and its links with local, including human resources. Innovation and competences are very important in this step. Once local stakeholders collectively agree on a common strategy the product has to be “validated” by the outside. The society (consumers, citizens, public institutions, etc.) has to recognize the values connected to the product; this qualification can be supported by communication and quality signs.

The valorisation of products whose quality characteristics are linked to their territory of origin is of paramount importance for LAFS. In this perspective, **the EU quality policy is a very important tool that contributes to origin and quality products qualification and valorisation.** It recognises that the quality and diversity of the production in the EU is one of its important strengths, making a major contribution to its living cultural and gastronomic heritage. The EU quality schemes for Geographical Indications (PDO, PGI) and for Traditional Specialties Guaranteed (TSG), together with the optional quality term for “mountain products” and EU organic farming regulation, have supported the **transition towards product quality differentiation.**

**Sustainable rural development, growth and employment:** Based on the EU experience, this recognition of origin or quality products through protected GIs allows the market to remunerate producers, through the price mechanism generating an **added value that is redistributed along the value chain.** The extra-price for producers allows them to further develop their farms and firms and enhances the collective action on GI promotion and control. Thus, both individual and collective investments activate a “*virtuous*” circle (Belletti and Marescotti 2011) able to effectively reproduce local specific resources connected to product quality attributes. This qualification process fixes and links the added value to the territory, keeping local production systems alive, especially those systems based on small and medium enterprises, and located in marginal areas (Bérard and Marchenay 2004; Barham and Sylvander 2011), where the farming sector accounts for a significant part of the economy and production costs are high.

Furthermore, it contributes to the **valorisation of rural identity** as well as cultural and gastronomic heritage, with a positive impact on country exports and appeal for tourism.

In this way, quality schemes safeguard employment and SMEs. They could as well prevent depopulation and contribute to territorial and social cohesion as well as to sustainable rural development, ensuring attractiveness of rural areas as places to live and work. In a nutshell, they can actually contribute to **territorial, local, regional and rural development** (Sylvander, Isla & Wallet, 2011; Barjolle, 2016).

**Diversification of rural economy:** The preservation of local specific resources, both material and immaterial, can exert positive effects on the local system as a whole. These **resources can be used in other production processes, mainly services production** (like tourism, restaurants, etc) or **bio-based production**, both on-farm and in other sectors in the territory.

This can generate important opportunities to other rural sectors and activities: e.g. tourism, agritourism, bio-based circular economy etc. This **multifunctionality and diversification** is fundamental for sustainable development as well as resilience of rural and marginal areas.

**Protection of natural resources and landscape:** GIs' powerful local governance presents a great potential in terms of protection of **rural landscape and sustainable management and reproduction of natural resources**. GIs embrace and preserve **cultural and socioeconomic diversity** as well as **biodiversity**, respecting the need to create bottom-up solutions, adapted to the local specific context.

In particular, they can be thought of as ways of conserving biological resources such as animal breeds, plant varieties or types of ferment and of maintaining both biodiversity and traditional knowledge (Barjolle et al., 2011).

This may promote biodiversity conservation directly, through the use of a specific genetic resource, or indirectly through production and management practices that include landscape and ecosystem services. For instance, in the Alpine region the PDO allows farmers to carry on the production of Alpine cheeses by heating milk over a wood fire, using wood harvested from the pastures around the cottage, even though electricity could displace this traditional technique. In doing so, the maintenance of Alpine forests is ensured, which is a great service rendered by alpine farmers.

Direct benefits in terms of sustainability derive from the fact that governance and market success contribute to the viability of rural livelihoods that are directly linked to sustainable use of specific biological resources (Larson, 2007; Thévenod-Mottet, 2010).

A study on olive oil sector (Belletti et al. 2015) demonstrates that even if protection of GIs cannot be considered an environmental tool per se, it can potentially play a positive role in environmental conservation, acting as a barrier to the increasing intensification of the olive-oil sector and thus preserving traditional farming systems. Furthermore, GIs provides the opportunity for territorialisation of environmentally friendly production rules, taking into account the multiplicity of local specific resources.

**Contribution to the welfare of farm animals:** Among public goods derived from GIs, the contribution to animal welfare is one of them. As a matter of fact, the way animals are bred and fed is fundamental for the very characteristics of some products to the extent that their Codes of Practice provide strict regulations concerning the breed and feeding of animals, i.e. forbidding substances that may interfere with the normal rhythm of growth and development of the animal, requiring a precise origin of forage and specific conditions for the transport of animals in order to prevent them from suffering for any alteration or discomfort that could affect their state or physical integrity. These elements can be considered as a positive improvement in the care of animals' health and physiology (Strength2Food, 2019).

**Food security, food safety, and traceability:** GIs can contribute to **food security**, both by delivering safe local and nutritious food, and by supporting the welfare of farmers, generating a higher income that allows producers to buy complementary food. Thanks to the mechanisms included in the specifications to assure product **traceability**, they also represent an important contribution to **food safety**.



### MAIN CHALLENGES IN TERMS OF GIS SUSTAINABILITY

Despite the positive impact in terms of public good creation outlined so far, it should be noted that not all quality systems reach this ideal situation. Due to the heterogeneity of the situation in the sector, there is not always a positive impact in terms of sustainability and several tensions and challenges are still present. EU quality policy *per se* is not sufficient in guaranteeing the functioning of GIs virtuous circle, with the creation of added value for producers (Vandecastelaere, 2009). In this perspective, it is extremely important to assure the right support to producers in finding solutions that ensure both product quality and environmentally friendly production processes.

In the next sections, the position paper will elaborate some policy recommendations in order to address the obstacles and disincentives that may jeopardize the overall sustainability of EU quality schemes.

### 3. HOW EFFICIENT AND RELEVANT HAS EU POLICY BEEN ?

As described in the previous section, quality and origin product valorisation through GIs and other EU quality schemes generates **benefits** for producers, consumers and for the whole territory that in general outweigh the additional costs.

From the point of view of **consumers**, EU quality schemes gives the product quality assurance, in terms of information and certainty on product origin as well as of strict compliance with a series of quality requirements, thanks to the mechanisms included in the specifications to assure product traceability. Moreover, certification and controls further protect consumers with additional guarantees on product's origin and production. As a result, consumers establish solidarity links with the cultural identity of the territories that express these products.

This, in turn, increasing product competitiveness generates an added value for **producers**. In fact, GIs are an effective marketing instrument capable to help producers securing sales markets. PDOs and PGIs, especially, are means of qualitative differentiation that enable producers to escape competition on the production cost side. Thus, the additional costs are compensated by the price premium and by the protection against misappropriations and imitation.

Furthermore, GIs are pivotal for strengthening the **regional economy** as a whole. Thanks to their multidimensional link to the territory, as already explained before, GIs can have positive effects on rural development dynamics, creating spillover effects on the local economy (Arfini, 2005) and contributing to the protection of landscapes, natural resources and cultural heritage. GIs are also an important tool of regional marketing, since products reputation is reflected on the territories of origin with an evident gain in terms of visibility and cultural and touristic attractiveness for regions.

However, despite the benefits outlined so far not all quality systems reach this ideal situation. The cost/benefit ratio can be very different depending on the type of product and the sector. In fact, products covered by EU quality schemes and their producers still encounter **costs and obstacles** which serve as disincentives for registering new products and complicate the management of the existing ones.

**Bureaucracy** is one of the main obstacles. Producers face **complex and long registration processes** and a high bureaucratic effort is required as well for the amendment procedure to product specifications. This leads to an **increase in costs and administrative burdens**, due to the implementation of new controls or traceability systems and the establishment of rigorous quality assurance and certification plans.



GI **managing costs** (producer groups, certification, promotion, etc.) are often high and difficult for producers to bear, especially in the case of small PDO/PGI (small both in terms of production volume and number of operators).

Concerning GIs protection, **conflicting interests often arise with owners of individual brands or trademarks**: adverse interpretations of GIs protection in cases where international trademark rules conflict with GI rules leave a level of uncertainty and therefore does not encourage participation in quality schemes.

Finally, it should be noted that the message and meaning of EU quality schemes have not reached the majority of consumers. In particular, the average **consumer** has difficulties in identifying and differentiating the logos of different EU quality schemes and the values associated with them. With regard to the TSG, the **lack of awareness and knowledge** is almost absolute.

### SUGGESTIONS TO SIMPLIFY AND STRENGTHEN THE EU QUALITY POLICY

#### **1. Simplification and harmonisation of the administrative procedure for GIs registration and amendment**

Simplification and harmonisation of the administrative procedure for GIs registration and amendment should help to speed up and reduce the cost of the whole process.

AREPO recognizes the work that has already been done by Commissioner Hogan concerning the simplification of the GI system. In particular, we welcome the harmonisation process concerning registration, modification and cancellation procedures in different quality systems. While there is a *raison d'être* due to the differences between the different sectors (food, wine, spirits), greater harmonisation is desirable.

Furthermore, in the framework of Common Agricultural Policy revision, we welcome the Commission proposal to simplify the procedure concerning the amendments to products' specifications. In this regard we would like to call the attention of the Commission to the need to preserve the EU character of the GI system. While we support the proposal to leave Member States manage standard amendments in order to speed up the procedure, an increased subsidiarity should not undermine the European nature of the GI system.

At the moment the process of GI registration is highly different from MS to MS. Although the different approaches to the procedure at national level are attributable to MS competences in the field of their administrative activities, they are not known and can be assumed to be significant.

The recent popularity of GIs raises a number of risks and dangers due to this lack of harmonisation and to the presence of different strategies at national level. Some GIs are registered too quickly, sometimes with a top-down approach. Therefore, the supply chains are inadequately prepared, the specifications are not consensual and the control systems are non-operational.

Thus, there is a need for greater coherence and clarity of procedures. Ensuring the implementation of a unified registration, amendment and cancellation procedure at national level would bring greater efficiency. The less bureaucratic and uniform is the process, the more successful it will be, not only for producers, but also for those involved at all stages of product transformation.

**AREPO firmly believes that the concept of GI is stronger when it is applied consistently throughout the Union and that a level playing field is ensured between the different Member States.**

**In this regard, AREPO recommends the European Commission to:**

- Implement as soon as possible the simplification concerning the amendments to products' specifications;
- Redact clear guidelines for the competent national administrations which will be given additional responsibility in the management of GIs amendment;
- Publish and keep up to date Commission guidelines on the interpretation of Regulation concerning internal evaluation criteria for GIs registration and amendments;
- Clarify labelling rules for processed products using a GI as an ingredient;
- Provide for trainings addressed to the professionals involved in the process of GIs registration at national level, in order to overcome the differences and lack of harmonisation.

## 2. Strengthening the EU quality policy

AREPO welcomes the prominent place given to GIs by President von der Leyen in the mission letter for the new Commissioner for Agriculture and Rural Development, Janusz Wojciechowski. We appreciate the Commission will to strengthen the system of geographical indications and we would like to suggest to the European Commission to:

- Improve enforcement and harmonise controls in the MS would be key to assure the credibility of the system and consumer trust;
- Strengthen protection to cover more effectively attempts by third parties to abuse the GIs reputation: registered names shall be protected against exploitation, but also against the weakening and dilution of their reputation;
- Strengthen protection to cover Internet domain names registrations: registered GI names shall be protected against any bad faith registration in second-level domain names, i.e. website names;
- **Request Member States to regulate the relations between trademarks and geographical indications** in order to **extend the protection** of the latter, defining within the **national registration procedure** the moment in which the registration of a trademark is refused on the grounds that the protected name or GI is being registered;
- Guarantee the same level of protection to GIs containing, in part or in whole, names of breeds or varieties (Art. 42, Reg. 1151/2012 seems to introduce distinctions);
- Clearly **determine who owns the intellectual property of the GIs** referred to in Article 1.1.c Reg. 1151/2012;
- Strengthen the role of GIs producer groups concerning in particular supply regulation that should be extended to all PDO/PGI products;
- Create an online tool in order to assure to consumers more transparency and easier access to readable information concerning product specifications and characteristics. AREPO welcomes the creation of eAmbrosia, the new public online database of EU GIs gathering together all product categories in one tool. This is a great simplification for the experts working on this sector. Nevertheless, we acknowledge the lack of a promotion and information tool for the general public. The information contained in eAmbrosia should be mainstreamed to increase the knowledge and awareness of consumers.

#### 4. HAS EU POLICY BEEN COHERENT ?

The EU recognises that quality schemes which reward producers for their efforts to produce a diverse range of quality products can benefit the rural economy, particularly less favoured areas, in mountain areas and in the most remote regions. In this way **quality schemes are able to contribute to and complement rural development policy as well as market and income support policies of the common agricultural policy (CAP) (EC 2012b).**

From this perspective, EU quality policy is more than a sectoral policy. In fact, as stated before, **it is a public policy aiming at delivering public goods** and should be considered as a pillar of future European sustainable food system.

Nevertheless, GIs **enormous potential in delivering public goods is still underutilized in the EU** and a renewed attention from policy makers is needed to **unlock it**. EU quality policy *per se* is not sufficient in guaranteeing the functioning of GIs virtuous circle, with the creation of added value for producers (Vandecandelaere, 2009). Thus, a **stronger coherence and coordination with other EU policies should support this virtuous circle, considering the positive effects in terms of public interest** that it is able to generate (Belletti, Marescotti and Touzard, 2015).

##### 4.1 COMMON AGRICULTURAL POLICY

AREPO is calling for a new CAP approach, capable to provide high quality food and to contribute to EU priorities in terms of sustainable rural development.

A more proactive CAP supporting GIs is not only justified by their multiple and specific ties with public goods, but is also needed to strengthen this linkage between GIs and public goods. The entire GI constitution and valorisation process needs to be supported to maximize its potential benefits. It is therefore essential that they are not neglected by EU policies.

In this perspective, quality and origin products are part of the broader rural development policy and can be seen as one important tool for achieving its objectives. For this purpose we suggest to adopt **specific measures** on GIs as well as to introduce a **horizontal priority** for GIs and quality products in rural development policy. There is no single “appropriate policy” for all quality and origin products, so different support tools are required. That is why these two complementary approaches need to be implemented simultaneously to mutually reinforce one another.

Concerning the CAP post 2020, AREPO welcomes the introduction of support for quality schemes under the “cooperation” type of intervention in the Commission legislative proposal on strategic plans (EC 2018). Nevertheless, under the new delivery model proposed by the EC, Member States will have greater flexibility in defining and implementing rural development measures.

For this reason, in order to assure a minimum level of harmonization at the EU level and respect the principle of fair competition, the Regulation should clearly and openly include the following aspects:

1. possibility to implement measures to **promote and setting-up of quality schemes** as well as to **support certification costs**;
2. producer groups as defined by article 45 in Regulation 1151/12 as beneficiaries of measures to promote quality schemes as well as other forms of support for cooperation/collective organization.

### Support for certification and promotion activities

In the current rural development Regulation 1305/13, direct support for quality schemes for agricultural products is limited to article 16 which include support for **certification (measure 3.1)** and for **information and promotion (3.2)**.

In 2016, AREPO realised a survey to analyse the implementation of rural development measure for quality schemes (Regulation 1305/13) in the Rural Development Programmes (RDP) of its member Regions. The results highlighted that **the level of existing aid is minimal, particularly for measure 3.1 on certification**, and usually results in **disproportionate administrative costs that overcome benefits for producers**. Several regions have declared that they have not opened the measure precisely due to these high administrative costs.

It is essential to maintain support for certification costs and promotion, **reducing current administrative burdens** which are not justified for the relatively small amount of aid dedicated:

- the support should be **open to all producers participating in an EU quality scheme**, not just for the new ones;
- the **administrative checks in all Member States and Regions should be done only on a sample basis**, in order to reduce the administrative burden and costs both for managing authorities and for beneficiaries;
- certification and promotion measures shouldn't be coupled, but should be **implemented independently**.

### Support for GIs producer groups is fundamental

Behind GI production systems lies a strong collective governance. Multiple actors, such as producers' networks, processors, public authorities and research centers, participate on different levels along the GI application process and implementation, solving conflicting interests, negotiating quality standards and defining common rules. In this regard, a supportive legal framework with assistance from local public authorities can back up the community of producers in technical aspects and as mediators of conflicts. Although the interaction of such heterogeneous actors might be costly in terms of time, in the end, the involvement of all conflicting interest groups pays off and can facilitate empowerment, trust and social cohesion, higher acceptance of common quality standards, co-learning processes on product characteristics and a higher use of the GI label after registration (Quiñones-Ruiz et al. 2016).

Regulation 1151/12 on quality schemes for agricultural products and foodstuffs draws special attention to the importance of collective organisation and recognises the role of producer groups in ensuring adequate legal protection of PDO/PGI as well as, in general, any activity aimed at improving the value of the registered names and effectiveness of the quality schemes (art. 45).

**These prerogatives should be supported through rural development measures allowing to financially support**, among others:

- **Support** for producers groups in carrying out **ex-ante evaluations** of the impact of registering a new GIs, as well as **strategic diagnostics** concerning the application process and GI products characterisation;
- **Operating costs** of producers groups;

- Activities related to the **surveillance of the enforcement of the protection** of the registered names, especially for small and new PDO/PGI, concerning in particular **support for legal protection costs**;
- **Ex-post evaluation of the impact of a registered GI** in order to **update product specifications** addressing eventual sustainability issues and taking into account consumers expectations, developments in scientific and technical knowledge, evolution in market and marketing standards, as well as climate change adaptation and risk management.
- Finally, GIs producer groups should have the possibility to **implement specific programmes to support coordinated and collective activities in order to strengthen the supply chain.**

### PROMOTION POLICY

In the framework of Promotion Policy, one of the main priorities is increasing awareness and recognition of EU quality schemes, to date too little recognized by consumers (Special Eurobarometer 473). As a matter of fact, the message and meaning of EU quality schemes have not reached the majority of consumers. In particular, the average consumer has difficulties in identifying and differentiating the logos of different EU quality schemes and the values associated with them, culminating in the absolute lack of awareness and knowledge with regard to the TSG.

AREPO praises the above-mentioned commitment of the European Commission, acknowledging the importance of the budgetary lines currently dedicated to these topics, both for single and multi programmes.

Nevertheless, it should be noted that the majority of stakeholders involved in promotion of products under EU quality schemes are small associations who can't access such complex instruments. In fact, the selection process favours big projects with high budgets and big partnerships.

As a consequence, AREPO recommends to:

- Maintain a sizable budget dedicated to products covered by the EU quality policy;
- Establish specific sub-categories for the different schemes (PDO, PGI, organic, mountain products, etc..) in order to allow participants to present their proposals under the ad-hoc sub-program;
- Simplify the participation with a streamlined bureaucratic process, easy to access and manage;
- Encourage participation of Promotion Associations or Committees, avoiding restrictions to their participation, such as the obligation to form expensive and unmanageable coalition between legally mixed entities;
- Encourage and fund the implementation of small projects in order to reach more producers.

### TRADE POLICY

The benefits of GIs are particularly significant from an international trade perspective, since they can provide an export-promotion mechanism through which the EU can compete on quality rather than price. With this in mind, it is highly crucial to reconsider the place of agriculture and food within the **EU trade policy**, in particular the role of GIs that with their specificities due, at least in part, to their territories of origin, with their inherent natural and human factors, represent a whole section of European agricultural and food culture, that should be better enforced and protected.

EU quality schemes, covering so far 1.432 GIs for foodstuffs and 1.602 GIs for wine - PDO and PGI registered by the European Commission (EC)- represent an annual turnover of at least € 60 billion and an export value estimated at € 15 billion.

At the same time, the misuse, imitation and evocation of GIs in international trade are increasing, together with usurpation and abuses of reputation on the internet, to the detriment of both consumers and certified producers, endangering the overall economic sustainability of GI sector as well as local communities.

As a consequence, EU GIs should be adequately taken into account in all trade negotiations conducted by the EU and protected in all trade agreements with third countries, as well as in multilateral and international trade agreements signed by the EU.

**In particular, AREPO recommends the European Commission to:**

- Systematically consult all European GIs in order to redact the list of products to be protected in each trade agreement;
- Assure that the inscription to the bilateral register(s) remains open to those GIs registered after the entry into force of the relevant trade agreement(s), as well as to pre-existing GIs not included in the list.
- Create an effective, simple and transparent multilateral system for the protection of geographical indications, in the interest of both producers and consumers.
- Enhance the transparency of internet governance to ensure an effective protection of GIs as an intellectual property right. This would be particularly important concerning the management of the ICANN system for assigning domain names.

**RESEARCH AND INNOVATION POLICY**

The European Commission is a big stakeholder in this context since it has provided financial support and has funded research projects on GIs and EU quality schemes. DOLPHINS, SINER-GI, EuroMARC and Strength2food (ongoing) are four of the most important projects on EU quality schemes financed by the EC through the Framework Programme for Research (FP) and Horizon 2020.

Nevertheless, GIs and other quality schemes still need EC support to develop multidisciplinary research and innovation. This is of paramount importance in order to unfold the potential described and elaborate solutions to the above-mentioned challenges.

**To this end, AREPO recommends the European Commission to:**

- Include EU quality schemes in its strategic approach to EU agricultural R&I, defining specific priorities in order to strengthen their contribution to public goods creation;
- Implement the above-mentioned priorities with an increase in funding and in specific project calls dedicated to GIs and other EU quality schemes.



## EDUCATION AND TRAINING

The development of human and social capital is essential to the successful functioning of EU quality schemes. The implementation of solutions to the above-mentioned challenges requires to assure the right skills and expertise to all relevant stakeholders involved in the process.

**Higher education has a fundamental role in that.** EU quality schemes need two complementary profiles of experts:

- **Experts in a specific disciplinary field** (agronomy, animal sciences, food science, food technology, microbiology, ecology, economics, sociology, geography, anthropology, marketing, law and political science, among others);
- **Generalists** trained on local and traditional products, with a transversal multidisciplinary approach.

While the first profile is more common, since several masters in food science, marketing and economics include courses on GIs, in different Member States, a more general and comprehensive formative offer is rarer.

For this reason, it would be important to further develop and strengthen a **transversal approach to train GIs experts**, able to understand the whole complexity, characterisation, construction and development of a GIs in all its dimensions.

**To this end, AREPO recommends the European Commission to:**

- Financially support the creation of new formative offers in order to assure the existence of **GIs experts with a generalist background**, trained on **local and traditional products**, with a transversal multidisciplinary approach.

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