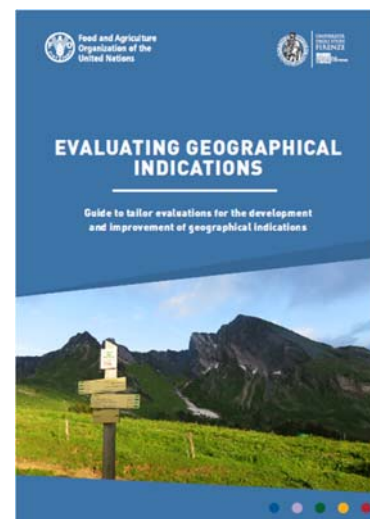


# The Guide “Evaluating Geographical Indications”

## Objectives, methods, applications

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## Introduction

**GI Initiative:** key points

- Shared rules on process and product (product specification)
- A name (GI) that indicates the correspondence of the product to the rules
- A collective organization of stakeholders
- A control system that guarantees the consumer and protects the name on the market

GI initiatives foster the “origin-linked quality virtuous circle” for the producers, other stakeholders, and society in general:

- **Economic benefits**
- **Social benefits**
- **Environmental benefits**

→ *Sustainability of the GI initiatives*

However, they may result in failures or exert **unintended negative effects**.



# The importance of evaluation

## A definition:

According to FAO and OECD

*Evaluation is a systematic assessment, based on objective evidence, of an ongoing or completed initiative (or a project or wider policy), its design, implementation and results.*

*The evaluation assesses the relevance and attainment of the expected objectives of the initiative and of its developmental efficiency, effectiveness, impact and sustainability.*

*An evaluation should provide credible and useful information that enables the incorporation of lessons learned into the decision-making process of the initiative.*

## Benefits of evaluation of GI initiatives:

- Creates self-understanding and self-responsibility for stakeholders
- Enables the demonstration of (potential or actual) benefits to consumers, buyers and other interested parties
- Helps identify ineffective rules and practices in order to change them
- Enables the understanding of connections and trade-offs between economic, social and environmental effects and improve the overall sustainability
- Creates a basis for strategic planning to improve the effectiveness of the GI initiative in the future
- Produces credibility and visibility of the GI initiative
- Improves knowledge useful for other initiatives
- Motivates requests for support and funding from the public sector

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## Aims of the Guide

The **methodology** should allow producers and other GI stakeholders to:

1. **Identify and assess** the many economic, social, and environmental effects resulting from GI initiatives
2. **Take decisions** about the best way to launch/adapt GI initiatives with respect to desired objectives.

The Guide proposes a **practical and flexible approach** to **support a participatory evaluation process**, with tools and examples.

### BOX 13 – HINTS FOR EVALUATION

#### Interlinked effects

There are relevant links between the different typologies of effects. For example, a change in prices will affect profitability; effects on both prices and profitability may be assessed. Evaluators must take due account of these interlinked effects when managing the evaluation process.

### BOX 15 – DEFINITIONS

#### Value added

Value added is the sum of profits, depreciation costs of fixed investments on land and other capital, and labour costs. Value added is equivalent to revenues minus intermediate consumption. In regional and national accounts, value added corresponds to the incomes received by the owners of capital and labour.

### BOX 16 – TOOLS

#### SWOT analysis of an OP product and its production system: examples of findings

STRENGTHS (i.e. the main strengths of an OP in relation to opportunities and threats)	WEAKNESSES (i.e. the main weaknesses of an OP in relation to opportunities and threats)
<p>Examples:</p> <ul style="list-style-type: none"><li>• The OP enjoys a good reputation on local markets.</li><li>• The OP benefits a high price on the local market and this price is largely supported by producers and farmers.</li><li>• The OP serves a local plant variety that answers to consumer demands.</li><li>• The OP's image is strongly linked to local culture and traditions.</li><li>• The OP's production system is based on well-suited local production and quality rules.</li><li>• Actors along the value chain have strong competences and skills.</li></ul>	<p>Examples:</p> <ul style="list-style-type: none"><li>• Farmers and processors have high production costs.</li><li>• Products depend on a single buyer.</li><li>• Increased demand for farmers to improve quality and work.</li><li>• The production system has weak connections to the domestic market.</li><li>• Lack of collective organization of producers causes difficulties in dealing with downstream actors/buyers.</li><li>• ...</li></ul>
OPPORTUNITIES (i.e. the main strengths the OP shares with reference to opportunities and threats)	THREATS (i.e. the main threats to the OP stemming from the economic, social and environmental context and its evolution)
<p>Examples:</p> <ul style="list-style-type: none"><li>• Consumer interest in specific quality products and labels is growing.</li><li>• Consumer awareness of the social and economic role of producer processes is growing.</li><li>• There is a high degree of cohesion and solidarity among local producers.</li><li>• Producers support GI initiatives.</li></ul>	<p>Examples:</p> <ul style="list-style-type: none"><li>• Competition in high-quality market segments is increasing.</li><li>• The geographical name (sub)used under the OP is used on non-authorized local markets, with a potential negative effect on the OP's reputation.</li><li>• Food regulations (e.g. hygiene rules) have certain restrictions and penalties.</li></ul>

### BOX 9 – GI INITIATIVES IN ACTION

#### GI initiatives and sustainability: figs of Djebba (Tunisia)

Djebba is a small town and an ancient archaeological site in north-western Tunisia. Its location at the foot of a mountain range gives the Djebba area a specific microclimate with lots of rain and sunshine and high temperatures; these conditions are favourable to the growing of fig trees. A specific variety of figs, Bouhouli, is cultivated in this area only. Part of the Bouhouli fig crop is dried in the traditional way, with the fruits often being spread out under the sun and the dried figs usually being soaked in olive oil. The cultivation of figs has been an important source of livelihoods for several generations of farmers in the area. Local knowledge of the peculiarities of the territory guides production and processing methods. Every year, a fig festival is organized in Djebba. However, local producers trying to strengthen their fig operators encountered many difficulties, including the presence of imitations on the market. To remedy this situation, a GI initiative was developed and implemented by a local association, supported by regional and international agencies. Today, the Djebba fig is officially registered and protected by a controlled denomination of origin (AOC). The GI initiative helped to improve the performance of the local production system of Djebba figs with regard to the three pillars of sustainability.



# Methodological aspects

GIs are specific and complex objects  
→ complexity of evaluation.

Key aspects:

- Need for comparison: diachronic approach
- Coverage of multiplicity of effects (also the not expected ones)
- Interpretation of results: chains of causality
- Integration of qualitative and quantitative methods
- Combination of objective and subjective methods
- Combination of "internal" and "external" evaluation
- Principle of continuous evaluation
- Separation of evaluation design, analysis of results and interpretation/judgement

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## The guiding principles of the Guide

There is no 'absolute' or neutral assessment: there are always values and criteria that guide it.

In the FAO-UNIFI Guide the criteria are oriented by the conception of **GIs as local commons**:

- Inclusion and representativeness: empowerment of actors
- Fairness: focus on the distribution of the effects
- Sustainability : ability to reproduce the basis of valorisation and attention to "off-firm" effects.

Flexibility and adaptability to concrete situations → **the Guide proposes a structured approach to evaluation and a toolbox**

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# Prospective and retrospective evaluation

Importance of evaluating both before and after launching a GI initiative.

## Prospective evaluation

The general aim of prospective evaluation is to decide whether and how to launch a GI initiative, helping stakeholders to **define the rules** by predicting the effects that the GI initiative will have on various dimensions (economic, social and environmental).

## Retrospective evaluation

Its aim is to assess to what extent the GI initiative is worthwhile, and whether the natural and human resources used to produce the GI products are reproduced, improved and preserved to foster long-term economic, social and environmental sustainability.

This evaluation considers the actual effects of the GI initiative on different dimensions (what happened, or is happening, as a result of the GI initiative). The general aim is to **assess the effects** of the GI initiative and **help producers and other stakeholders in improving it**.

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## The structure of the Guide

Introduction	
1. The complexity of evaluating the effects	Defines what a GI initiative is, and introduces some basic concepts and methodological principles for evaluating GI initiatives effects
2. Mapping the potential effects of GI initiatives	Presents an overview of the main potential economic, social, and environmental effects of GI initiatives
3. Planning the evaluation process	Gives an overview of the evaluation process and describes the first steps to organize the evaluation process
4. Prospective evaluation: whether and how to activate a GI initiative	Illustrates how stakeholders can map and assess the expected effects from a GI initiative, in order to feed participative reflection and decision-making process. This chapter is mainly addressed to stakeholders that are building a GI initiative
5. Retrospective evaluation: what effects from the GI initiative	Helps stakeholders to reflect about the effects the GI initiative has produced, and to take accordingly decision in order to improve the GI performance in order to meet their expectations. This chapter is mainly addressed to stakeholders that are managing an ongoing GI initiative.
6. Conclusions and recommendations	Contains main conclusions and some recommendations for setting-up GI initiatives evaluation.
Annex: References	Lists books, articles and websites useful for deepen the knowledge and practice of evaluation.
Annex: Glossary	Explains all the main “non-common” concepts used in the Guide.

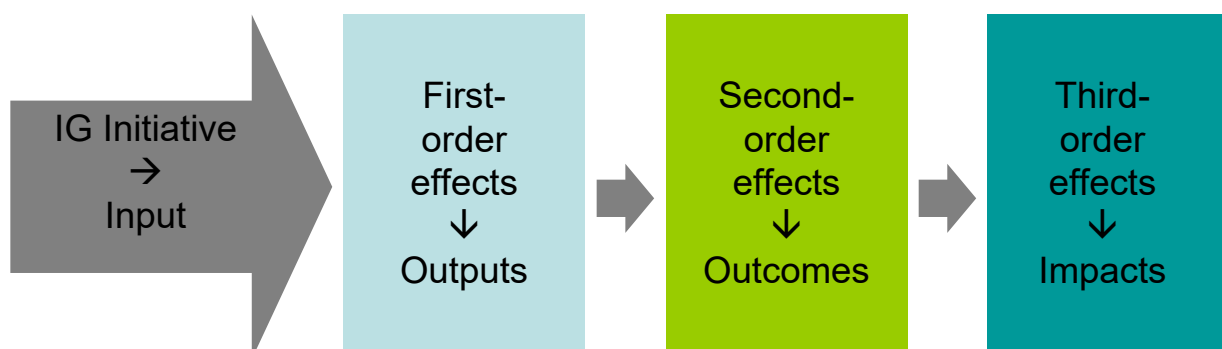
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# Mapping the potential effects of GI initiatives

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## The multiplicity of effects of GI initiatives

GI initiatives exert a multiplicity of effects: on businesses, on the production system, on the wider territory.

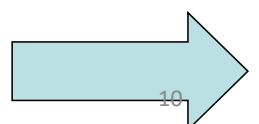


E.g. Number of enterprises using the registered IG

E.g. Prices of product with registered GI

E.g. Impacts on biodiversity, social cohesion, tourism

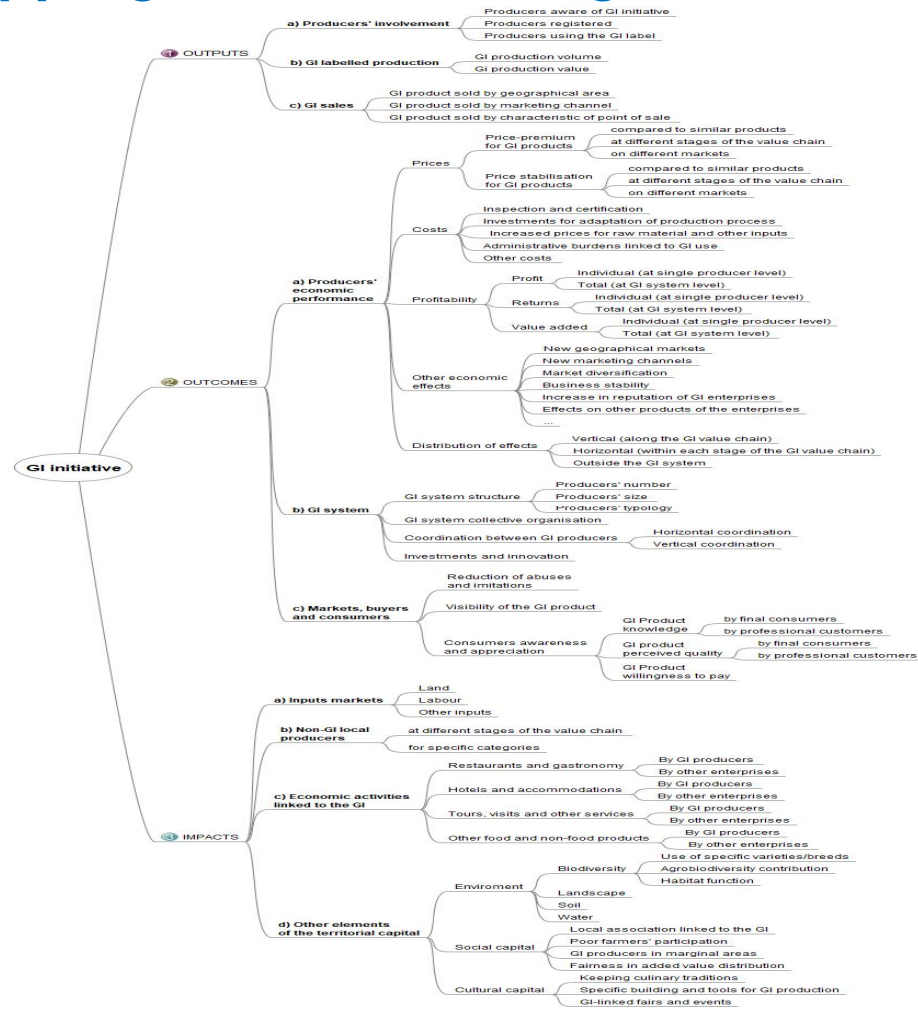
Drawing up a map of the potential effects of GI initiatives



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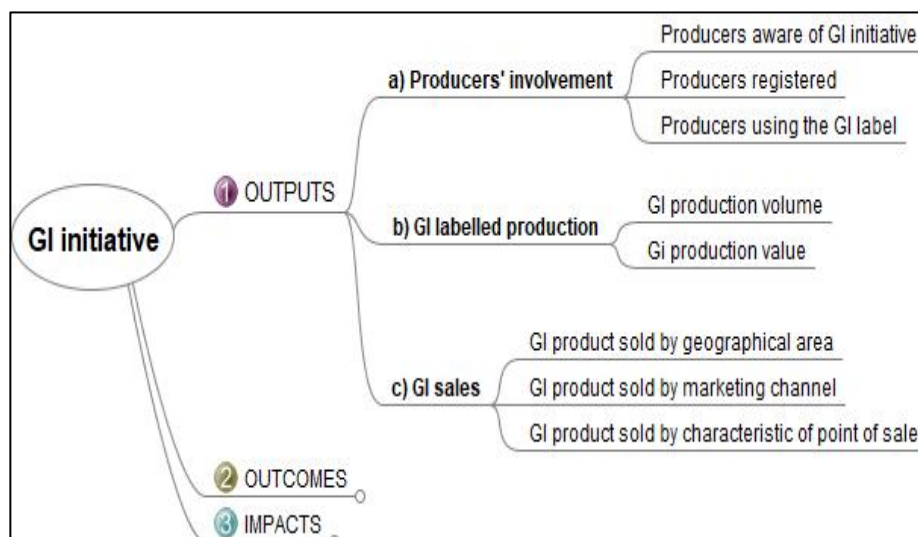


# Mapping and monitoring the effects



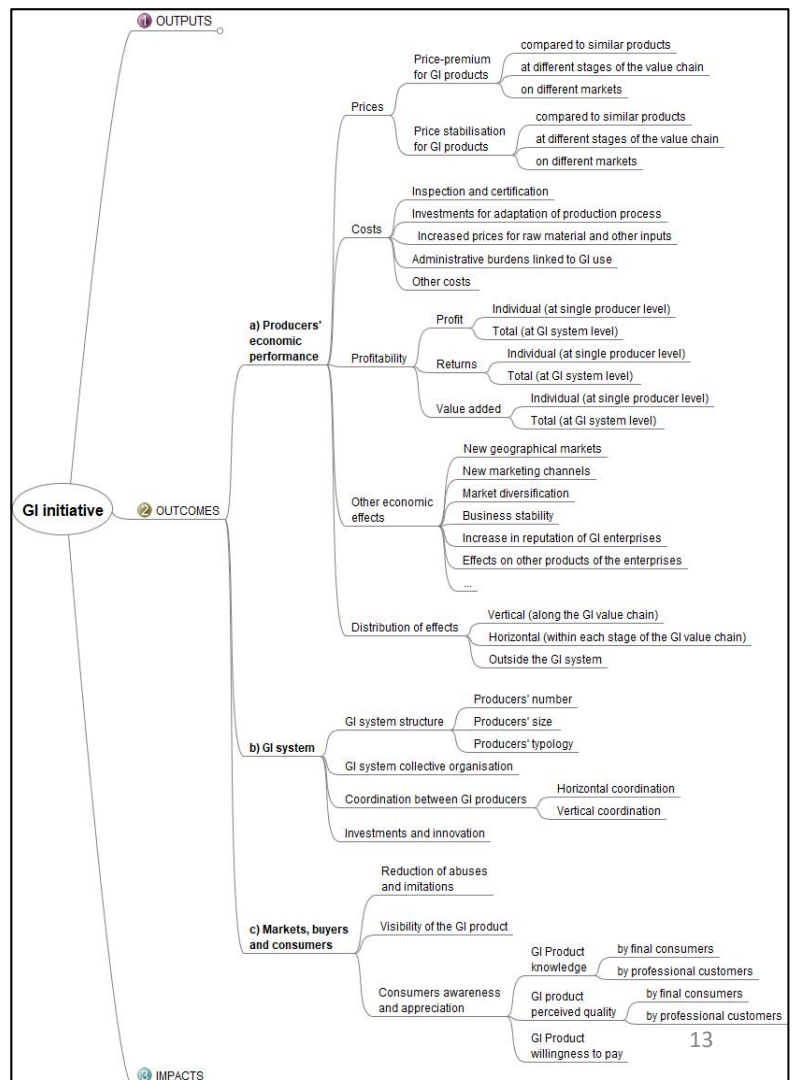
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## Multiplicity of effects of IGA initiatives: outputs (1st order effects)

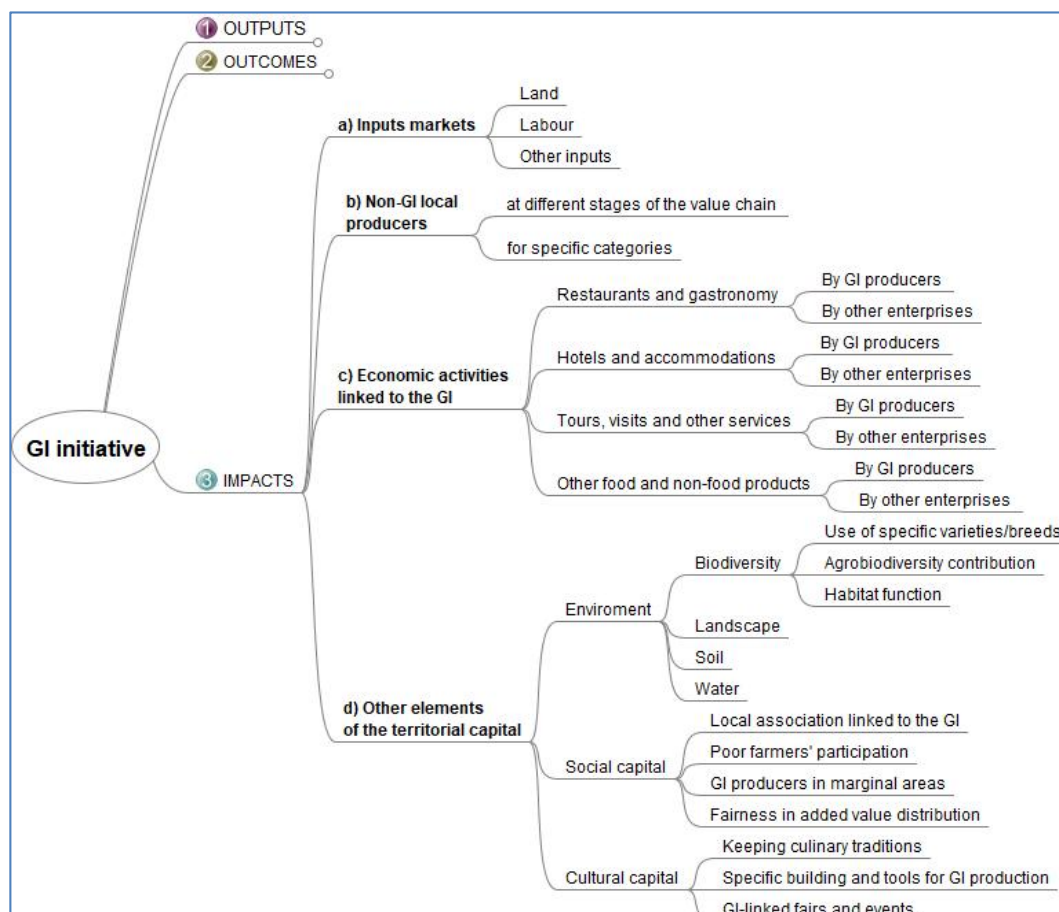


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# Multiplicity of effects of GI initiatives: **outcomes** (2nd order effects)



# Multiplicity of effects of GI initiatives: **impacts** (3rd order effects)

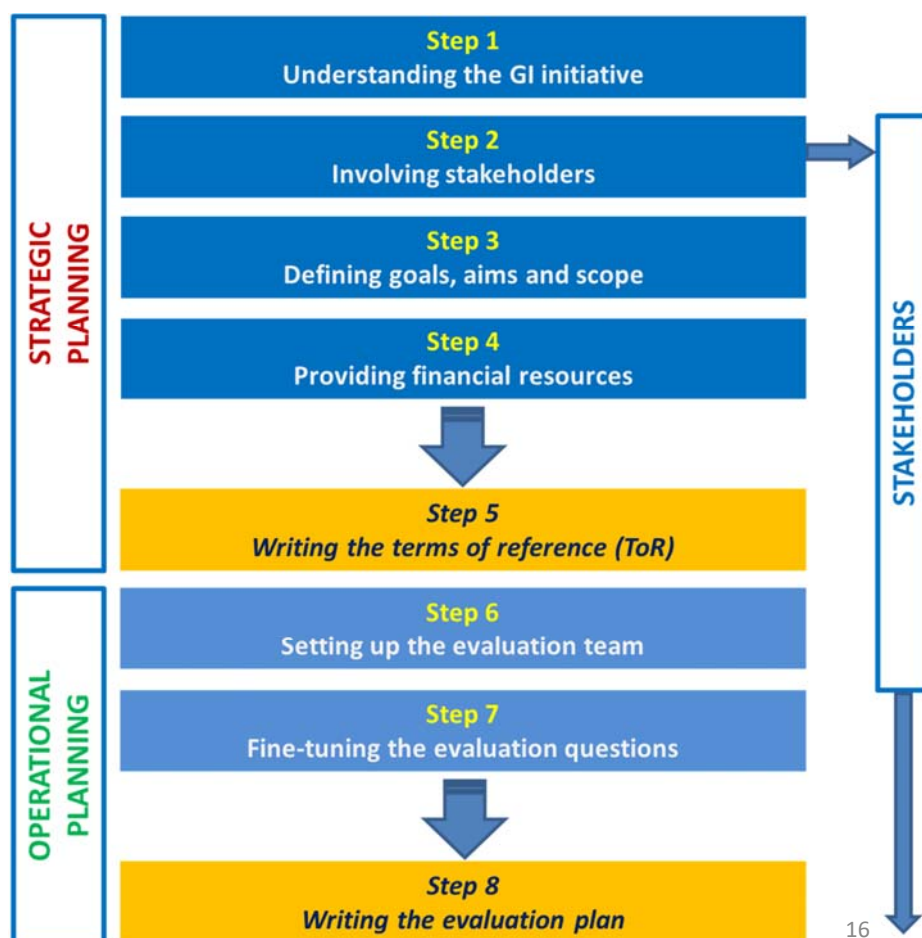


# Planning the evaluation process

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## Planning the evaluation process

- The aim of the strategic planning phase is to make a number of strategic choices that will orient the whole evaluation process.
- The planning phase ends with the writing of the terms of reference (ToR) that will guide the operational phase.
- The strategic phase is driven by the initiator – the person or organization that wants the evaluation to be performed, activates the evaluation process, defines its scope and general aims, provides resources and decides who will carry out the operational phase of the evaluation process.
- The operational phase concerns the planning of the implementation and management of the evaluation process.
- A manager (an individual or team) is in charge of the operational phase, in order to ensure that the required competences and skills are available and guarantee that the evaluation is carried out in the best way possible, in line with the objectives stated in the Terms of reference



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# The Evaluation plan

## Structure and content of the evaluation plan

Each cell of the table must be filled in based on the information that is available during the strategic planning phase. More details will be added by the evaluation team, as soon as evaluation activities start taking place in the field. In other words, the evaluation team should provide as much detail as is available at every stage of the process.

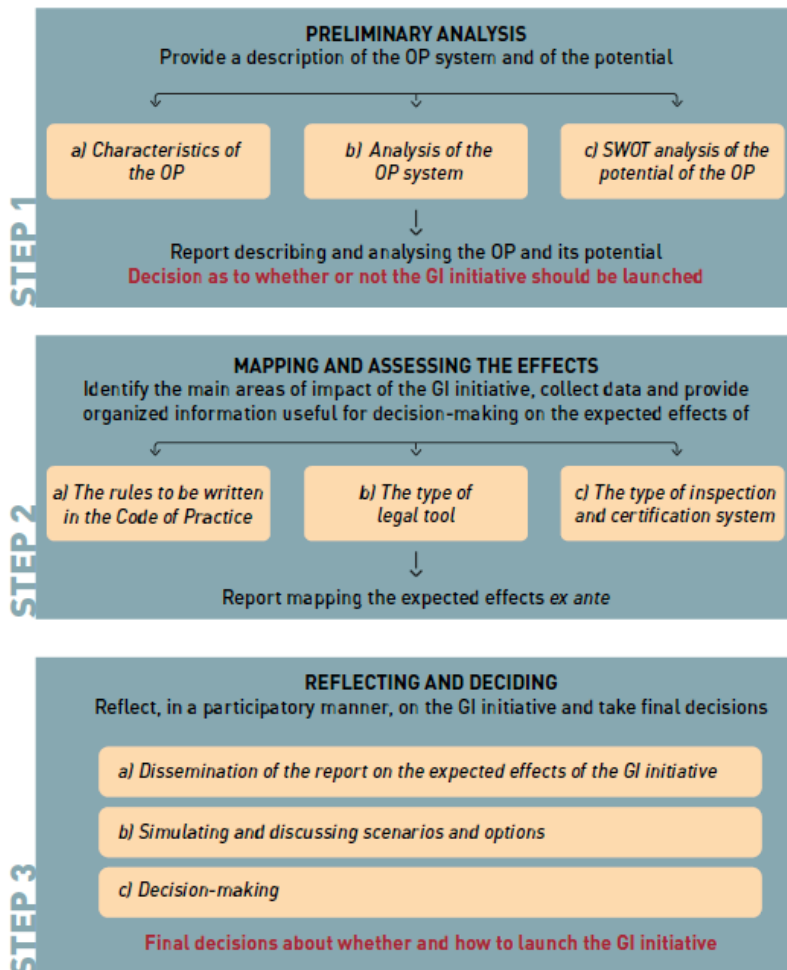
PROSPECTIVE EVALUATION (see Section 5) or RETROSPECTIVE EVALUATION (see Section 6)	Main type of information to be collected	Methods of data collection and interpretation	Stakeholders to be involved, and how to involve them	Human and financial resources needed	Timing of activities (start and end of each step, milestones)
Step 1. Preliminary analysis					
Step 2. Mapping and assessing the effects					
Step 3. Reflecting and deciding					

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## Prospective evaluation

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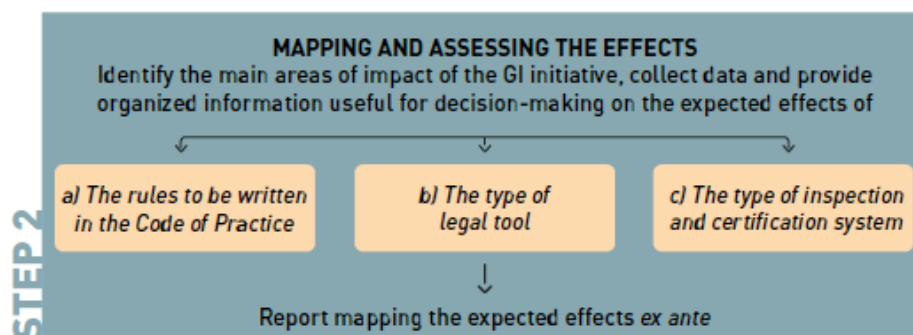
# Steps of Prospective evaluation



- Prospective evaluation helps stakeholders make the best decision by forecasting the possible effects of the GI initiative in different areas (economic, social and environmental).
- The evaluation questions formulated in the planning phase steer the process of prospective evaluation by indicating which effects should be mapped and evaluated
- Step 1: preliminary analysis of the OP and its production system
- Step 2: data are collected on the potential effects of the alternative decisions that stakeholders may take as to the characteristics of the GI initiative
- Step 3: stakeholders discuss the results of the analysis and make final decisions

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## Prospective evaluation: decision areas



The prospective evaluation focuses on the expected effects coming from 3 main decision areas:

- The rules to be included in the Specification: name, geographical boundaries, process and product characteristics
- The type of legal instrument to be used
- The inspection and certification system

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	Variables	Size of the geographical area	
		Large	Small
<b>FIRST ORDER EFFECTS</b>	Number of registered producers	High.	Low.
	GI production volumes	More than 1 000 tonnes, with quality differences.	About 200 tonnes, with a more homogeneous quality.
	Geographical market destination of the GI product.	Sharp increase in export potential.	Mainly local markets.
	Marketing channels of the GI product.	Producers may supply supermarkets.	Sales are directed towards niche markets, restaurants, local shops, tourists, etc.
	---	---	---
<b>SECOND ORDER EFFECTS</b>	Number of enterprises and their dimension.	High number of producers, mainly bigger processing firms.	Only a few small producers join the GI initiative.
	Coordination between enterprises.	Stronger producers' association, strong internal competition.	Higher cohesion and coordination between producers.
	Prices of raw material.	No impact.	Prices of raw materials are expected to increase by 20 percent.
	Prices of non-GI products.	The prices received by GI producers for their non-GI products increase somewhat.	The prices received by GI producers for their non-GI products increase somewhat.
	---	---	---
<b>THIRD ORDER EFFECTS</b>	Price of land.	No significant impact.	Land prices increase, but there is still a lot of land available.
	Number of enterprises that use the GI in their communication.	More enterprises use the GI in their communication due to its export potential.	More enterprises use the GI in their communication in view of local market opportunities.
	Tourist inflows.	No significant impact.	Tourist inflows increase.
	Economic effects on non-GI producers.	No significant variations, as all OP producers join the initiative.	Small increase of sales due to increased tourism and restaurant activity.
	Poor farmers' participation in the GI initiative.	Many poor farmers participate in the GI initiative.	Some stakeholders is excluded.
	Water usage.	The pressure on available water resources is high.	There is no excessive pressure on available water resources.
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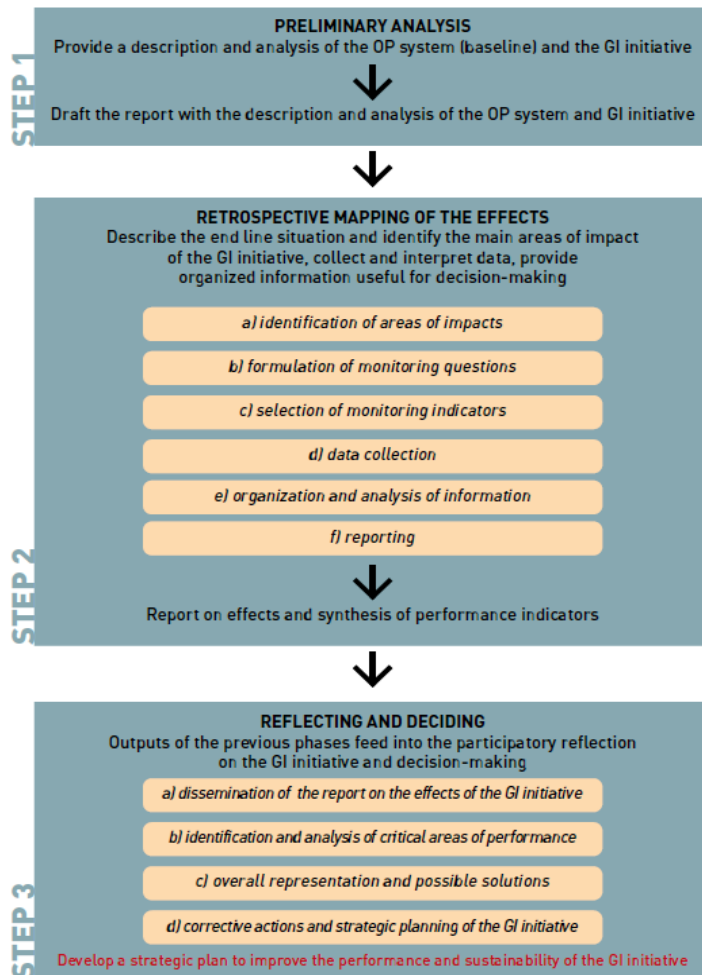
## Expected effects of the definition of geographical boundaries: examples

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## Retrospective evaluation

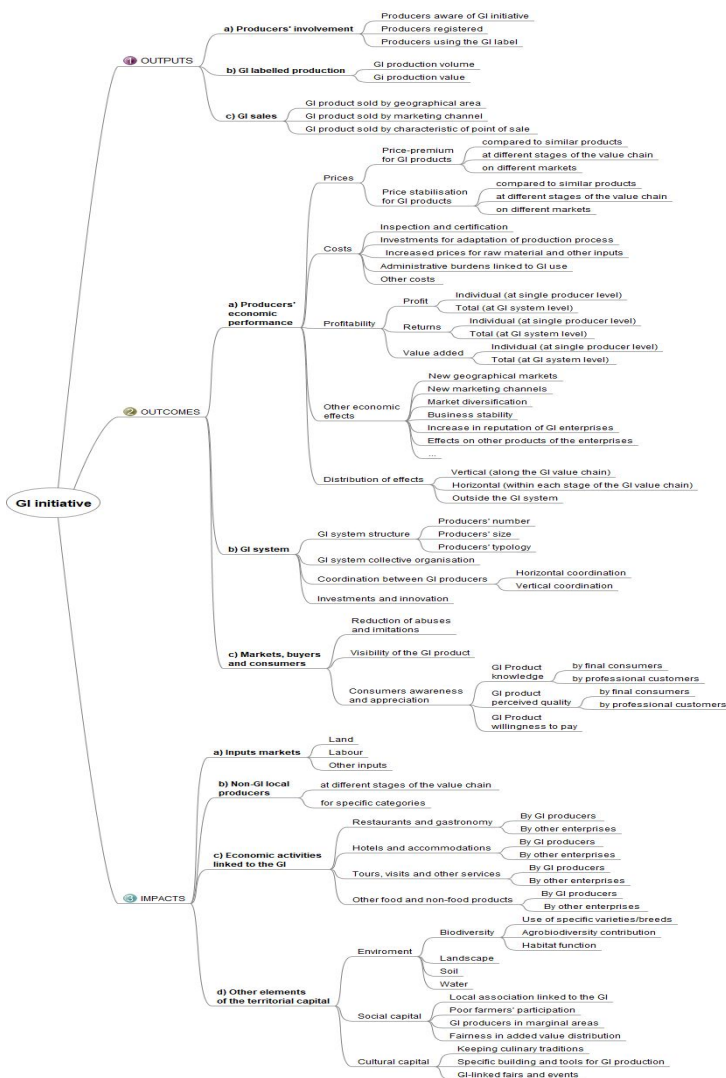
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# Retrospective evaluation



- The aim is to map and analyse the categories of effects produced by the GI initiative as compared to the baseline situation, and make according decisions on future corrective and supporting actions
- The general approach of retrospective evaluation is based on the detection and assessment (qualitatively and quantitatively) of the changes induced by the GI initiative:
  - for local producers (both those participating in and those excluded from the GI initiative),
  - in the entire production system
  - and in the wider local territory and society.
- The retrospective evaluation assesses whether these changes correspond with stakeholders' expectations and the GI initiative's aims.

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## Retrospective evaluation: identifying areas of impact

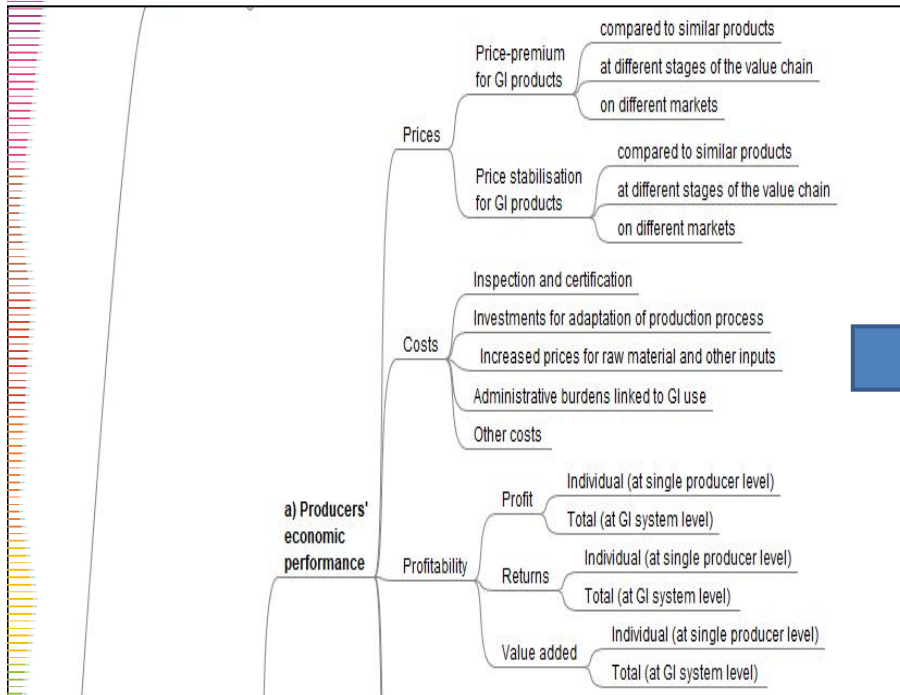
### Points of attention:

- Assessing the initiative from different points of view → participation of different categories of actors
- Considering all categories of effects → Develop actors' awareness
- Formulating hypotheses about causal chains between GI initiative and observed effects
- Considering potential disturbing factors

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# Monitoring indicators for economic performance



(Example) INDICATORS FOR MONITORING QUANTITIES AND TURNOVER OF A GI PRODUCT	
Q	Quantities of GI labelled product
Q	Quantities of GI labelled product sold
%	Quantities of GI labelled product sold: distribution per relevant marketing channel (direct, short and long channels; traditional and modern channels; and so on)
%	Quantities of GI labelled product sold: distribution per geographical market (local, regional, national, and international)
Q	Quantities of GI labelled product not sold as GI labelled
%	Quantities of GI labelled / Potential quantity of the GI labelled product
%	Quantities of GI labelled product sold / Potential quantity of the GI labelled product
\$	Turnover of GI labelled product, on the final market
%	Turnover of GI labelled product, on the final market distribution per relevant marketing channel (direct, short and long channels; traditional and modern channels; and so on)
%	Turnover of GI labelled product, on the final market distribution per geographical market (local, regional, national, and international)
\$	Turnover of GI labelled product, at the gate of RGI production system (producer prices)
%	Share of the GI labelled product (at farm gate level) on the market value of the total production of the Origin product (both RGI and non-RGI)
%	Share of the GI labelled product on the final consumption market value
...	...

## Reflecting and deciding: identification of critical performances

The below table provides an example of how to present the findings of the analysis of critical performances, whereby indicators are organized on the basis of the various objectives of the GI initiative.

Objectives of the GI initiative	Indicators	Performance (scale: very good, good, bad, very bad)	Explanations, comments, differences between groups, etc.	Level of criticality
Ensure that the GI label is used by many producers	Quantities of GI-labelled products sold, as a percentage of total production	Very good	Quantities sold are high, thanks to the participation of a number of big firms in the area.	Highly critical, because the GI initiative aimed at using the GI to improve market access for small producers.
	Number of farmers using the label	Bad	Many small farmers are unable to take part in the GI initiative, due to difficulties to comply with formal traceability rules.	
	Number of processors using the label	Bad	Many small processors are unable to take part in the GI initiative, due to difficulties to comply with formal traceability rules.	
	...	...	...	
Increase profitability for farmers	Sales price	Good/bad	The price of the GI-labelled product has increased; the price of non-labelled products has fallen slightly.	The performance in terms of profitability, and especially of small farmers and processors, is critical
	Quantities sold	Good		
	Costs of production	Bad	Production costs have risen due to the rules of the CoP, in particular for small farmers.	
	Costs of certification	Bad	Big farmers are pushed to intensify their production methods, due to the increase in market prices.	



# Testing the Guide



Prospective:  
Madd di Casamance  
(Senegal)

Retrospective: Café di Marcala  
(Honduras)



**Marcala – Se han alcanzado los objetivos iniciales?**



"La principal motivación que tuvieron para asociarse a la DO Café Marcala fue obtener el sello de certificación para poder conseguir un mejor precio por su producto... otra de las principales razones fue proteger la calidad de su café y el patrimonio de la zona, .... y ser beneficiario de las capacitaciones que brinda la DO"



Prospective:  
Chayote del Valle  
De Ujarrás (Costa Rica)

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## Conclusions

- Evaluation as an ongoing process:
  - ✓ Ex ante: decide whether and how start a GI initiative
  - ✓ Ex post: assessing and adapting the ongoing GI initiative
- Importance of evaluation:
  - ✓ Internal value → **decision-making tool** for improving the sustainable performance of GIs
  - ✓ External value → as an **accountability tool** for consumers and institutions
- Evaluation as an **organized but flexible process** → need for **adaptation** to single cases specificities
- Participatory approach → involvement of different **categories of actors**

→ *How to develop a culture of evaluation in GI organizations (producer groups)?*

→ *How to integrate evaluation in decision making of public bodies? (e.g. registration and amendment process)*

→ *New EU regulation about "sustainability undertakings"*

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## EVALUATING GEOGRAPHICAL INDICATIONS

Guide to tailor evaluations for the development  
and improvement of geographical indications



Thank you!