



Food and Agriculture  
Organization of the  
United Nations

oriGIn

Organization for an International  
Geographical Indications Network

## Proceedings of the Third regional consultation on geographical indications in Europe and Central Asia



# Proceedings of the Third regional consultation on geographical indications in Europe and Central Asia

Published by  
the Food and Agriculture Organization of the United Nations  
and  
Organization for an International Geographical Indications Network  
Budapest, 2023

Required citation:

FAO & oriGIn. 2023. *Proceedings of the Third regional consultation on geographical indications in Europe and Central Asia*. Budapest, FAO.  
<https://doi.org/10.4060/cc6415en>

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO) or Organization for an International Geographical Indications Network (oriGIn) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO or oriGIn in preference to others of a similar nature that are not mentioned.

The views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO or oriGIn.

ISBN 978-92-5-137932-5 [FAO]

© FAO and oriGIn, 2023



Some rights reserved. This work is made available under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 IGO licence (CC BY-NC-SA 3.0 IGO; <https://creativecommons.org/licenses/by-nc-sa/3.0/igo/legalcode>).

Under the terms of this licence, this work may be copied, redistributed and adapted for non-commercial purposes, provided that the work is appropriately cited. In any use of this work, there should be no suggestion that FAO endorses any specific organization, products or services. The use of the FAO logo is not permitted. If the work is adapted, then it must be licensed under the same or equivalent Creative Commons license. If a translation of this work is created, it must include the following disclaimer along with the required citation: "This translation was not created by the Food and Agriculture Organization of the United Nations (FAO). FAO is not responsible for the content or accuracy of this translation. The original English edition shall be the authoritative edition."

Disputes arising under the licence that cannot be settled amicably will be resolved by mediation and arbitration as described in Article 8 of the licence except as otherwise provided herein. The applicable mediation rules will be the mediation rules of the World Intellectual Property Organization <http://www.wipo.int/amc/en/mediation/rules> and any arbitration will be in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL)

Third-party materials. Users wishing to reuse material from this work that is attributed to a third party, such as tables, figures, or images, are responsible for determining whether permission is needed for that reuse and for obtaining permission from the copyright holder. The risk of claims resulting from infringement of any third-party-owned component in the work rests solely with the user.

Sales, rights and licensing. FAO information products are available on the FAO website ([www.fao.org/publications](http://www.fao.org/publications)) and can be purchased through [publications-sales@fao.org](mailto:publications-sales@fao.org). Requests for commercial use should be submitted via: [www.fao.org/contact-us/licence-request](http://www.fao.org/contact-us/licence-request). Queries regarding rights and licensing should be submitted to: [copyright@fao.org](mailto:copyright@fao.org).

Cover photographs:

The National Intellectual Property Center of Georgia – Sakpatenti; Comité Interprofessionnel de gestion du Comté, France.

# Contents

Foreword	VI
Abbreviations and acronyms	VII
Overview	1
Introduction	1
Geographical indications: definition and figures	1
Legal systems to protect geographical indications	3
Economic impact of geographical indications	3
Factors behind geographical indications success	4
Major international trends concerning geographical indications	5
Legal convergence	5
Emerging issues related to sustainability	6
Specific issues related to nutrition	7
Sustainability and geographical indications in the Common Agricultural Policy and Farm to Fork Strategy	8
Conclusions and recommendations	9
Studies concerning Europe and Central Asia	10
Executive summary	10
A country baseline report for Croatia	12
Introduction	12
Regulatory framework for geographical indications	12
Sector potential and obstacles (including in relation to sustainability)	18
Market situation	19
Annex. List of Croatian products registered in the European Union	20
A country baseline report for France	22
Introduction	22
Regulatory framework for geographical indications	22
Potential and obstacles for geographical indications (including in relation to sustainability)	26
Market situation	28
A country baseline report for Hungary	30
Introduction	30
Sector potential and obstacles (including in relation to sustainability)	32
Market situation	33
References	34
Annex. Hungarian products in the European Union GI register (31 October 2021)	35
A country baseline report for Poland	38
Regulatory framework for geographical indications	38
Sector potential and obstacles (including in relation to sustainability)	42
Market situation	43



A country baseline report for the United Kingdom	46
Regulatory framework for geographical indications	46
Market situation	50
Annex. United Kingdom geographical indications (as of October 2021)	53
References	53
A country baseline report for Georgia	55
Introduction	55
Market situation	61
A country baseline report for the Republic of Moldova	62
Introduction	62
Regulatory framework for geographical indications	62
Sector potential and obstacles (including in relation to sustainability)	67
Market situation	71
Annex. List of protected geographical indication and protected designation of origin in the Republic of Moldova	74
A country baseline report for Montenegro	75
Introduction	75
Regulatory framework for geographical indications	76
Sector potential and obstacles (including with respect to sustainability)	81
Market situation	82
A country baseline report for the Russian Federation	86
Introduction	86
Regulatory framework for geographical indications	86
Sector potential and obstacles (including in relation to sustainability)	90
Market situation	92
Annex. Russian GI producers	94
A discussion on the role of FAO and other development partners (opinion of the country assessment experts)	95
Appendix: European Union approach for inspection on geographical indications, Adrien Trucas, Certipaq	99
(Russian version): Подход Европейского Союза к инспектированию географических указаний, Адриен Трукас, Certipaq	103

## Tables

1. National rules regarding the implementation of the EU regulatory framework for GIs in Hungary	30
2. Polish-registered geographical indication products	39
3. Public awareness of geographical indications	43
4. Number of GI by product type and GI type (as of October 2021)	47
5. Number of GI by product type and registration decade (as of October 2021)	48
6. UK producer group size by product type and GI type (as of October 2021)	48
7. Control body by UK GI product type	49
8. Estimated sales (EUR thousands) of UK GI products in 2017, by scheme type and market geography	51
9. Estimated share (%) of total UK GI value in 2017, by scheme type and market geography	51

## Figures

1. Global distribution of geographical indications by continent	2
2. Global distribution of geographical indications by legal system	3
3. Components of the oriGIn-FAO Sustainability Strategy for Geographical Indications	7
4. Hungarian GIs in the European Union GI register, by product type and type of GI	31
5. Hungarian consumer recognition of GIs	33
6. Organization of supervision and control system for PDO, PGI, TSG in Poland	41
7. Competent authorities and control bodies for verification of compliance with specification	41
8. United Kingdom geographical indication system logos	46
9. Labels for protected designation of origin (ZOP); protected geographical indication (ZGO) and guaranteed traditional speciality (GTS) in Montenegro	77
10. PDO label – Crnogorska goveđa pršuta (Montenegrin beef prosciutto)	79
11. PDO label – Crnogorska Stelja (Montenegrin Sheep Stelja)	79
12. PGI label – Njeguška pršuta (Njeguska prosciutto)	79
13. PGI label – Crnogorski pršut (Montenegrin prosciutto)	79
14. PDO label – Pljevaljski sir (Pljevaljski cheese)	80
15. PDO label – Kolašinski lisnati sir	80
16. Emblem for GI	87
17. Emblem for AO	87

# Foreword

On 20 December 2021, the Food and Agriculture Organization of the United Nations (FAO) and Organization for an International Geographical Indications Network (oriGIn) hosted the online event, Third regional consultation on geographical indications in Europe and Central Asia. Some 111 representatives from 34 countries of geographical indications (GIs) groups, national intellectual property offices and the World Intellectual Property Organization (WIPO), other public authorities (the representatives of ministries for agriculture and the European Commission's Directorate-General for Agriculture and Rural Development), as well as geographical indication (GI) experts, participated in the event.

A discussion paper was presented during the consultation outlining key concepts and global trends concerning GIs today. The empirical material presented in the paper was primarily built on oriGIn and FAO experiences, but also on country studies prepared for the Russian Federation, Republic of Moldova, Georgia, a group of Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan), as well as European Union countries (France, Poland, Hungary and Croatia). On behalf of oriGIn – the global alliance of GI – Massimo Vittori, Managing Director, coordinated the activities carried out by oriGIn. Dmitry Zvyagintsev, FAO Policy Officer, coordinated the activities carried out by FAO. Dariusz Goszczyński and Jakub Jasiński (Foundation Original, Poland) acted as focal points to ensure the availability of guidance on the content and the structure for the country studies.

The following experts prepared the country studies:

- France – Nathalie Vucher, Chairman, Board of Controls, Institut National de l'Origine et de la Qualité (National Institute for Origin and Quality);
- Croatia – Jelena Đugum, PhD, Ministry of Agriculture;
- Hungary – Áron Török, Corvinus University of Budapest;
- Poland – Dariusz Goszczyński and Jakub Jasiński, Foundation Original;
- Georgia – Eka Gabunia, Sakpatenti;
- Republic of Moldova – Liliana Vieru, State Agency on Intellectual Property of the Republic of Moldova (AGEPI);
- Russian Federation – Dmitry Bulatov, National Union of Food Exporters;
- United Kingdom of Great Britain and Northern Ireland (hereinafter United Kingdom) – Andrew Moxey and Angela Tregear, Pareto Consulting; and
- Montenegro – Aleksandra Martinovic, University of Donja Gorica.

Following one month of public consultation (20 December 2021 to 20 January 2022), which was facilitated by oriGIn, this document was updated and finalized. We would like to thank the participants of the consultation for their valuable comments and suggestions. In particular, we would like to thank Florence Tartanac (Senior Officer, FAO), Emilie Vandecandelaere (Nutrition and Food Systems Economist, FAO), Enikő Kelemen-Zobor (Ministry of Agriculture, Hungary), Anson Jose (Cochin University of Science and Technology, India), and Andrew Moxey (Pareto Consulting, United Kingdom) for their comments on the methodology of the country assessments and technical insight on the country studies and discussion paper. The activity was implemented within the framework of the FAO Regional Office for Europe and Central Asia's Regional Initiative on improving agrifood trade and market integration.

# Abbreviations and acronyms

AGEPI	State Agency on Intellectual Property of the Republic of Moldova
AO	appellations of origin
AOC	appellation d'origine contrôlée (controlled appellation of origin)
CAP	Common Agricultural Policy
CIS	Commonwealth of Independent States
DCFTA	Deep and Comprehensive Free Trade Agreement
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EUIPO	European Union Intellectual Property Office
FAO	Food and Agriculture Organization of the United Nations
GDP	gross domestic product
GI/s	geographical indication/s
INAO	National Institute of Origin and Quality
IP	intellectual property
IPR	intellectual property rights
MAFI	Ministry of Agriculture and Food Industry of the Republic of Moldova
NGO	non-governmental organizations
OAPI	Organisation Africaine de la Propriété Intellectuelle (African Intellectual Property Organization)
PDO	protected designation of origin
PFN	protected food names
PGI	Protected geographical indication
SDGs	Sustainable Development Goals
TRIPS	trade-related aspects of intellectual property rights
TSG	traditional speciality guaranteed
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
USAID	United States Agency for International Development





# Overview

## Introduction

Geographical indications and appellations of origin (AO) as intellectual property instruments have become increasingly recognized in recent decades as tools for quality and rural development. The First regional consultation on GI in Central Asia was organized by FAO in 2017. Reports concerning the situation in the Russian Federation, the Republic of Moldova and Georgia were discussed and a strategy for future activities on GI in the FAO Europe and Central Asia region was developed. The Second regional consultation on GI in Central Asia was organized in 2019. The discussions focused on the GI situation in the European Union as well as in Türkiye, Montenegro and Albania. Relevant non-governmental organizations (NGO) such as oriGIn, the French Agricultural Research Centre for International Development (CIRAD), Institut National de l'Origine et de la Qualité (National Institute for Origin and Quality), and REDD (Switzerland) took part in the event.

On 20 December 2021, FAO – in cooperation with oriGIn – hosted virtually the Third regional consultation on geographical indications in Europe and Central Asia. The event had as its objectives to discuss the international scenario concerning GIs, analyse the state of affairs in the Russian Federation, Republic of Moldova, Georgia and in a group of Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan), as well as provide recommendations for organizing future activities on GI, in light of the Sustainable Development Goals (SDGs) and the new FAO framework. The country studies analysed the national GI regulatory frameworks (definitions, protection, groups and controls), sector potential (including sustainability), and if relevant, obstacles to its development as well as the market situation (consumer perception, promotional activities, commercialization, distribution).

The closing plenary session presented the conclusions of group debates and possible follow-up activities. The detailed programme of the online event, as well as the presentations delivered, are available on the oriGIn website at <https://www.origin-gi.com/20-12-2021-third-regional-consultation-on-geographical-indications-in-europe-and-central-asia-virtual/>.

Following the online event, all participants had the month of January 2022 to comment on the discussion paper and country studies, with comments provided by Enikő Kelemen-Zobor, Anson Jose, and Andrew Moxey.

## Geographical indications: definition and figures

Over the years, GIs have become a truly global phenomenon. Before looking at major international trends, it is interesting to recall some basic principles and figures, as well as the factors that determine the economic, social and environmental impact of GIs.<sup>1</sup>

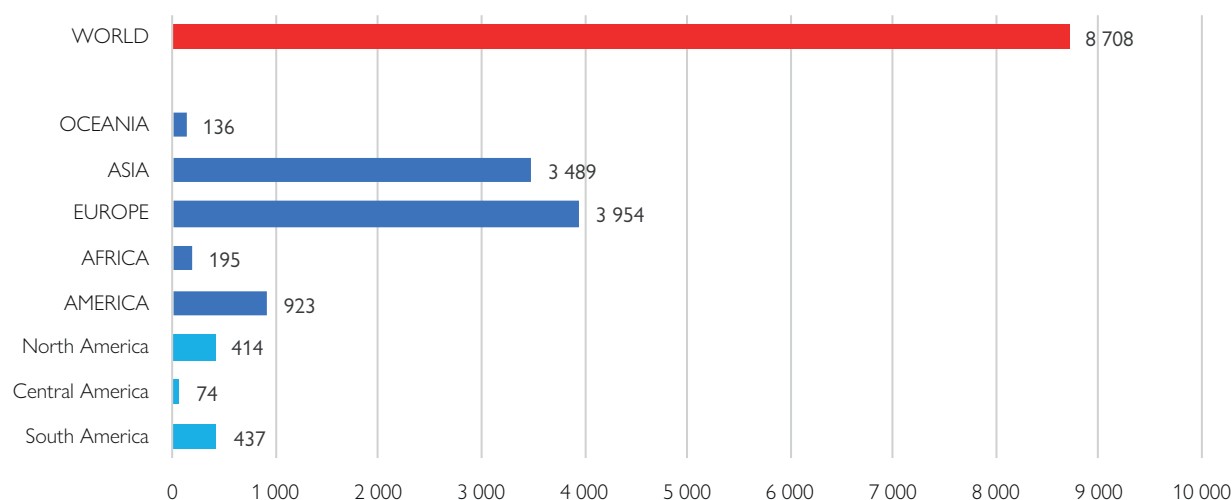
Geographical indications are names used to identify and commercialize agricultural products, wines and spirits, as well as other traditionally made goods such as crafts, that are deeply rooted in a given geographical environment. The products' unique qualities, characteristics and reputation are linked to their geographical origin by virtue of climate, soil composition, tradition, biodiversity, local know-how, as well as other natural and human factors.

Examples of GIs can be found in almost every country around the world – Parmigiano Reggiano (cheese, European Union/Italy), Kakheti (wine, Georgia), Budapesti téliszalámi (meat product, European Union/

<sup>1</sup> This paper has been finalized by oriGIn in the framework of the FAO project, Studies and Organizing a Virtual Regional Consultation on Geographical Indications in Europe and Central Asia. The views expressed represent the point of view of oriGIn and not of FAO.

Hungary), *pruneax d'Agen* (prunes, European Union/France), Gorodetskaya Rospis (wooden product, Russian Federation), Idaho potatoes (vegetables, United States of America), tequila (spirits, Mexico), *cabrito de Tete* (meat product, Mozambique), *poivre de Penja* (pepper, Organisation Africaine de la Propriété Intellectuelle/Cameroon), Colombian coffee (coffee, Colombia), Montecristi (hat, Ecuador), Longjing cha (tea, China), Phu Quoc (fish product, Viet Nam), Chomp Phet (apple, Thailand), and Adelaide Hills (wine, Australia). According to the oriGIn Worldwide GI Compilation, there are currently 8 708 GI names recognized in national jurisdictions across the world.<sup>2</sup>

Figure 1. Global distribution of geographical indications by continent



Note: Data from last consultation of the oriGIn Worldwide GI Compilation, 13 December 2021.

Moreover, several countries where the overall number of recognized GIs is still relatively low, are conducting studies aimed at identifying potential GI products and planning or implementing projects to register the names of the most promising ones.

With respect to legal definitions, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organization (WTO)<sup>3</sup> provides an internationally accepted definition, as “... indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”. The Lisbon Agreement for the Protection of Appellations of Origin and their International Registration,<sup>4</sup> adopted in 1958 under the auspices of the World Intellectual Property Organization (WIPO), in its Article 2, defines AO as “the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors”.

While for AO the link between the product and its geographical environment is stronger than for GI, the underlying idea, for both concepts, is for geographical names to identify products, which cannot be reproduced elsewhere with the same characteristics. As a result, all AO can be considered GI.<sup>5</sup> The Lisbon Agreement was updated in 2015 with the adoption of the Geneva Act on Appellations of Origin and Geographical Indications, which introduced the concept of GI under the treaty’s scope of application.<sup>6</sup> That definition of GI largely reproduces that of the TRIPS agreement (Article 22).<sup>7</sup>

<sup>2</sup> The oriGIn Worldwide GI Compilation is available at [www.origin-gi.com/worldwide-gi-compilation/](http://www.origin-gi.com/worldwide-gi-compilation/) – the last consultation was on 13 December 2021. This is a conservative estimate of GI names. The total number recognized worldwide possibly exceeds 10 000.

<sup>3</sup> [www.wto.org/english/docs\\_e/legal\\_e/27-trips\\_01\\_e.htm](http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm)

<sup>4</sup> More information about the Lisbon Agreement can be found at [www.wipo.int/lisbon/en/general/](http://www.wipo.int/lisbon/en/general/)

<sup>5</sup> For the purposes of this paper, therefore, and for the sake of simplicity, we mainly use the term GI.

<sup>6</sup> The Geneva Act of the Lisbon Agreement entered into force in February 2020. For more information, find the analysis of the treaty conducted by oriGIn at [www.origin-gi.com/content-page/item/14917-26-02-2020-the-wipo-geneva-act-of-the-lisbon-agreement-enters-into-force-today-the-long-awaited-international-register-for-geographical-indications-is-now-a-reality.html](http://www.origin-gi.com/content-page/item/14917-26-02-2020-the-wipo-geneva-act-of-the-lisbon-agreement-enters-into-force-today-the-long-awaited-international-register-for-geographical-indications-is-now-a-reality.html)

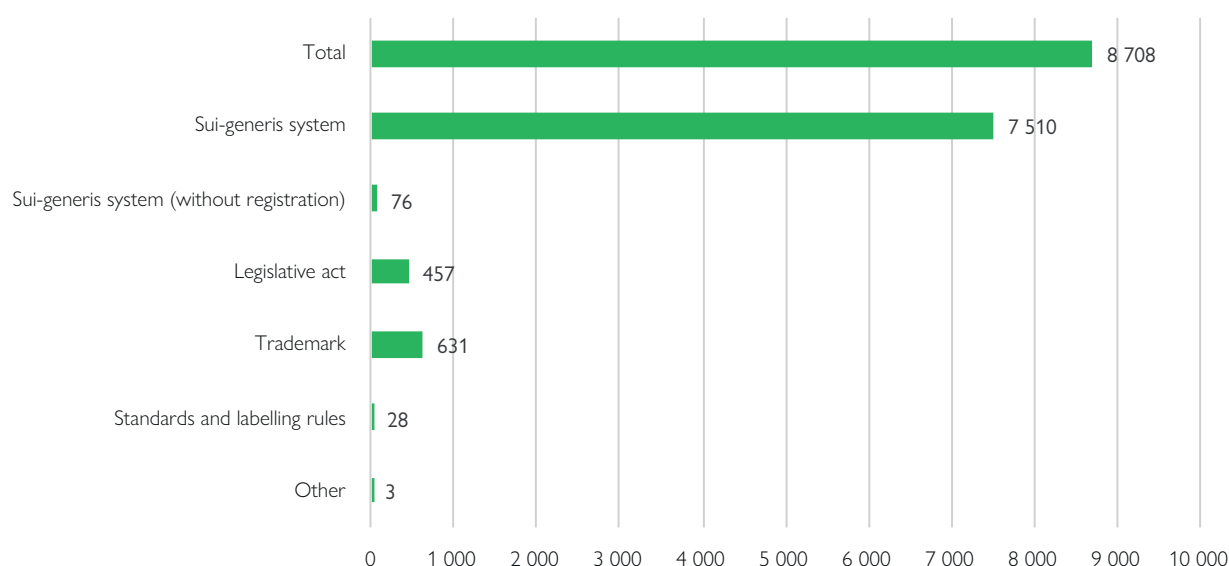
<sup>7</sup> See the full text of the Geneva Act at <https://wipolex.wipo.int/en/treaties/textdetails/12586>

## Legal systems to protect geographical indications

From a legal perspective, GIs are intellectual property rights (IPR). Both *sui generis* systems, in which GIs are considered an independent intellectual property (IP) category, and trademark systems, including certification and collective marks, provide a set of criteria concerning the registration of names, third-party opposition, and length of protection. The length of protection is much stronger in *sui generis* systems than in trademark systems.<sup>8</sup> Following a request for protection by an association of producers (usually through a document in which the relevant geographical boundaries, production methods, the product's characteristics, and the link between these elements are explained) and approval by the competent public authority, an exclusive right over the commercial use of the geographical name at issue is granted. The rationale is the protection of the unique qualities and tradition behind the products identified by such names, which are the result of decades (in some cases centuries) of efforts and require investments to cover the costs associated with respecting specific production rules and controls, as well as carrying out monitoring and enforcement activities.

The exclusive right over a geographical name established by a GI is not a right over a category of product. It is rather limited to banning competitors outside the defined geographical area (or inside the geographical area if they do not respect the product's characteristics codified by the relevant actors) from using the protected name (including its translations in *sui generis* systems) associated with the same category of product, or even in a different category, if there is an attempt to exploit the name reputation.

Figure 2. Global distribution of geographical indications by legal system



Note: Data from last consultation of the oriGIn Worldwide GIs Compilation, 13 December 2021.

## Economic impact of geographical indications

From a commercial perspective, GI allows for the differentiation of a product based on its geographical origin. As markets become more and more globalized and trade regulations shift toward traceability, producers around the world are viewing the GI scheme with increasing interest to position their goods in specific market segments and respond to non-trade regulations. As a result, GIs create value for millions of producers, processors and distributors around the world. In the European Union, the GI sector makes a tremendous contribution to the economy, accounting for sales of more than EUR 75 billion and some 15.5 percent of total European Union food and drink exports.<sup>9</sup> The average premium rate ensured by GI gives concrete opportunities to producers in

<sup>8</sup> On this, see also Legal convergence.

<sup>9</sup> Study on economic value of EU quality schemes, geographical indications and traditional specialties guaranteed (TSG), by AND International and ECORYS, published by the Directorate-General for Agriculture and Rural Development (European Commission), 2019.



rural areas, creating long-lasting jobs and contributing to the prevention of rural exodus. The positive effects of GI on the rural economy can be seen in all countries and regions around the world. For example, in Colombia, where thanks to the strategy of differentiating and adding value to the local coffee based on its geographical origin, more than 540 000 families are devoted to coffee production;<sup>10</sup> or in Cambodia, where following the national recognition of Kampot Pepper (produced in the provinces of Kampot and Kep) through GI in 2010, it has seen a tremendous increase in export sales (a three-fold increase in average purchase prices at farm gate, rising from an average of USD 7.50 in 2009 to USD 22.70 in 2020).<sup>11</sup>

These economic data reflect a major trend in trade – consumers worldwide are increasingly demanding in terms of information and seeking authentic stories behind the products they wish to buy. Through GI, they benefit from a wider range of choice and diversity, increased market transparency, and reduced transaction costs in their search for niche products. On top of creating job opportunities and revenues in their respective sectors, GI has the potential to generate spillover effects in related sectors – such as the tourism and enogastronomic industry – and contribute to the maintenance of vibrant rural areas.

---

## Factors behind geographical indications success

For the GI scheme to be successful – and produce the above-mentioned results – international practice shows that a number of conditions need to be in place. First, there needs to be a collective approach among producers and other relevant actors within a given value chain. In the early stages of GI, such actors have to codify the unique product's characteristics linked to the geographical environment, establish a common platform (an association or similar, depending on the national law), and give it functional governance rules. This represents tremendous potential in terms of income distribution among the actors of value chains.<sup>12</sup> When the GI is recognized, the established common platform has to carry out a number of tasks, including promotional campaigns and, above all, protection and enforcement activities. The collective approach generates economies of scale that are beneficial for producers, especially for small businesses that do not have the critical mass to carry out such activities on their own. *Sui generis* systems have the potential to promote such a collective approach, as the request for registration is submitted by a group or an association. Under trademark systems, the application can be submitted by an individual company (individual trademarks), a certifier independent from the relevant producers (certification mark), or an association (collective mark).

Likewise, a robust system of protection and enforcement is required. Paying law firms to monitor markets and ensure enforcement can be prohibitive for producers' associations, especially for those representing small GI names. Here again, *sui generis* systems seem to respond better to the needs of GI, as they provide more solid protection, which extends to the use of the protected names in translation, accompanied by expressions such as style, kind, type, and even when the true origin of a product is indicated; and, in some cases, some level of administrative protection (also called *ex-officio*), with various degrees of involvement and effectiveness by public authorities.

Finally, the credibility of a GI system also depends on controls, which must ensure the promise made to consumers is respected and the product's authenticity guaranteed. Both internal (supervised by the association of producers) and external controls are possible (the ideal case is a combination of both), while third-party controls represent a further guarantee of impartiality – in this case, public authorities carry out such controls or accredit qualified bodies in line with ISO (International Organization for Standardization) standards.

---

<sup>10</sup> Data of the Colombian Coffee Federation (FNC). More information at <https://federaciondecafeteros.org/wp/listado-noticias/fnc-cafe-de-colombia-attract-new-customers-and-important-partners-in-europe/?lang=en>

<sup>11</sup> Data of the Ministry of Commerce of Cambodia. More information at [www.wipo.int/lisbon/en/news/2021/news\\_0001.html](http://www.wipo.int/lisbon/en/news/2021/news_0001.html)

<sup>12</sup> On this, see also the section on Emerging issues related to sustainability.

## Major international trends concerning geographical indications

### Legal convergence

The TRIPS agreement does not require a specific system to protect GI. Nevertheless, as previously mentioned, a large majority of jurisdictions around the world currently protect GIs via independent systems (*sui generis*), while a minority of countries still rely exclusively on trademarks (including certification and collective marks).

This “legal convergence” has been the result of several factors, the first of which is the understanding by national authorities that solid legal protection is one of the crucial factors for success on GI.<sup>13</sup> Second, there has been a proliferation of bilateral treaties covering GI – such as standalone GI agreements, sectoral GI agreements, free trade agreements with a chapter on GI, or cooperation agreements – that have been concluded since the 1970s. Through them, a large number of GIs have obtained solid protection in foreign jurisdictions. There are at least 200 such agreements currently in force. Some examples are the 1997 European Union–Mexico Agreement on spirits, the 2006 European Union–Albania Agreement on wines and spirits, the 2010 Russia–Switzerland GIs Agreement, the 2017 European Union–Armenia Partnership Agreement, the 2014 European Union–Ukraine Association Agreement, and the 2018 Georgia–Switzerland GIs Agreement.<sup>14</sup>

Another important factor to have contributed to the legal convergence in national jurisdictions is the conclusion in 2015 and the entry into force in 2020 of the Geneva Act of the Lisbon Agreement. This treaty significantly improved the Lisbon Agreement, in particular by:

- introducing GI under the treaty scope of application of the Lisbon system (Article 2), previously limited to AO;
- providing a solid level of protection (strengthened compared to the Lisbon Agreement) for both GI and AO (Article 11). The protection of names now extends to their use on goods that are not of the same kind as those to which the AO or GI applies, and on services, provided that this use impairs or dilutes in an unfair manner, or takes unfair advantage of the reputation of an AO or GI;
- keeping the principle of one unique application for an AO or GI – made through WIPO – following which contracting parties have one year to analyse and decide whether to extend or refuse protection in their jurisdictions (Article 5);
- clarifying the relations with prior trademark rights, in line with international norms and jurisprudence (Article 13);
- giving the possibility to intergovernmental organizations, such as the European Union and the Organisation Africaine de la Propriété Intellectuelle (OAPI, the African Intellectual Property Organization), to become contracting parties under certain conditions (Article 28[1]: iii); and
- introducing more flexibility in terms of filing applications (groups and beneficiaries are now allowed to file an international application under certain circumstances, Article 5.3) and fees, which make the Geneva Act an attractive treaty for a variety of legal systems and traditions.

As of 16 December 2021, the Geneva Act covers 35 jurisdictions around the world – the 27 European Union countries (including France and Hungary, which have also joined the treaty individually to ensure the continuity of rights of their appellations of origin already protected under the Lisbon Agreement),<sup>15</sup> Albania, Cambodia, Côte d’Ivoire,<sup>16</sup> Ghana, Lao People’s Democratic Republic, Democratic People’s Republic of Korea, Oman, Samoa, and Switzerland.

With respect to the studies conducted under the FAO project, Studies and organizing a virtual third regional consultation on geographical indications in Europe and Central Asia, the Geneva Act applies to Croatia, France,

<sup>13</sup> On this, see Factors behind geographical indications success.

<sup>14</sup> On this, see oriGIn work on bilateral agreements covering GI, available at [www.origin-gi.com/web\\_articles/bilateral-plurilateral-agreements/](http://www.origin-gi.com/web_articles/bilateral-plurilateral-agreements/)

<sup>15</sup> On this see oriGIn comments at [www.origin-gi.com/16-07-2021-hungary-joins-the-geneva-act-of-the-lisbon-agreement-and-the-eu-establishes-the-first-list-of-ao-and-gis-to-be-protected-under-the-system/](http://www.origin-gi.com/16-07-2021-hungary-joins-the-geneva-act-of-the-lisbon-agreement-and-the-eu-establishes-the-first-list-of-ao-and-gis-to-be-protected-under-the-system/) and [https://www.origin-gi.com/web\\_articles/28-01-2021-wipo-genevaact-france-france-has-joined-the-geneva-act-of-the-lisbon-agreement/](https://www.origin-gi.com/web_articles/28-01-2021-wipo-genevaact-france-france-has-joined-the-geneva-act-of-the-lisbon-agreement/)

<sup>16</sup> The Geneva Act is not yet in force in Côte d’Ivoire. As a member state of OAPI, the Geneva Act will enter into force with respect to the country three months after the date on which OAPI deposits its instrument of accession to the act, in accordance with its articles 28 and 29.

Hungary and Poland as members of the European Union. Meanwhile, as parties to the Lisbon Agreement, Georgia and Montenegro might join the Geneva Act in the coming years. The Russian authorities have also expressed an interest in the Geneva Act.

On the other hand, concerning the other two factors for GI success, namely the presence of solid GI associations and a robust system of protection and enforcement, the same international convergence cannot be seen. A number of GI names in Asia, the Americas and Africa lack these key components, which prevent those GIs from deploying their full potential. By way of example, with respect to the studies conducted under the same FAO project, in the Russian Federation and Georgia systems of controls are not in place before products are put on the market.

## Emerging issues related to sustainability

With a growing world population (projected, according to the United Nations, to reach 9.8 billion by 2050), and its implications in terms of quantity and quality of available food, use of water and impact on the overall environment, agriculture (like any other economic sector) faces today challenges associated with sustainability and its economic, environmental and social components. In other words, value chains are rethinking their business model to be able to continue to generate value, and provide for the needs of a growing world population, taking into account social and environmental objectives, so that the ability of future generations to meet their own needs is not compromised.<sup>17</sup> The COVID-19 pandemic has definitely accelerated these trends.

Working towards sustainability is not just a moral obligation; commercial considerations also play an important role in the debate. The generational shifts represented by “millennials” becoming a major driver of change in consumer behaviour, has caught the attention of big companies and retailers with respect to local, original and small products that can be trusted. Sustainability is becoming a major factor influencing consumer behaviour. Boston Consulting Group estimates that between 2011 and 2016, large US consumer groups lost USD 22 billion in sales to smaller brands.

The United Nations SDGs are the blueprint to achieve a more sustainable future.<sup>18</sup> They address the major global challenges that we face. With respect to several SDGs, such as those related to poverty, hunger, health, gender equality, decent work, climate and environmental degradation, GI is called upon to provide answers.

Historically, long before civil society started to question companies and brands over their impact on the environment and the social welfare of their employees and communities, GI has been sensitive to issues such as gender equality, decent work, climate and environmental degradation. First, with respect to environmental issues, such products cannot switch production elsewhere, as delocalization is not compatible with the scheme itself. Resources and natural capital in a given geographical area must be conserved for GI to continue to exist and thrive in the long term. This is why several quality products deeply rooted in a given geographical area, while adapting to consumer tastes, have been in existence for centuries. Moreover, from a social and economic perspective, GI products are an integral part of their communities. Their ability to generate and fairly distribute value for all relevant stakeholders along the chain is a key factor in their success. This is achieved through “local value chain governance” which allows relevant stakeholders to be represented within associations of producers and other actors within value chains, such as *consejos reguladores*, *associations interprofessionnelles*, *consorzi*, etc. In this respect, local stakeholders are in a privileged position to develop alliances in their respective territories, creating the appropriate environment for collaboration between economic actors, regulators and local authorities. For all these reasons, quality products deeply rooted in a given geographical area, which have obtained GI recognition or are working towards it, are in a strategic position to respond to the sustainability challenges of our time, and even represent a model for other economic sectors embarking on such a process. This does not mean that they are sustainable by definition. But the fact that value chains coordinate in their territories to preserve and promote local resources encourages the generation of sustainability pathways.<sup>19</sup>

<sup>17</sup> United Nations report of the World Commission on Environment and Development (Brundtland Report), 1987. Sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their needs.

<sup>18</sup> The complete list of SDGs is available at <https://sustainabledevelopment.un.org/?menu=1300>

<sup>19</sup> On GI and sustainability, see oriGIn activities carried out in cooperation with FAO, [www.origin-gi.com/184-uk/activities/policy-and-advocacy/11286-gis-sustainability.html](http://www.origin-gi.com/184-uk/activities/policy-and-advocacy/11286-gis-sustainability.html)

To help GI respond to these emerging issues, oriGIn and FAO have developed a Sustainability Strategy for Geographical Indications around four components: Prioritize, Assess, Improve and Communicate. It aims to encourage GI associations around the world to look at their potential in the field and engage with local stakeholders to give full visibility and improve their sustainability performance.

Figure 3. Components of the oriGIn-FAO Sustainability Strategy for Geographical Indications



Likewise, guidelines for GI groups for prioritizing their issues, assessing current sustainability performances (economic, social, environmental and governance), and improving them, are being developed in the framework of the oriGIn-FAO collaboration, together with a solid sustainability indicators database. These tools, which are expected to become available in 2022, connect possible sustainability priorities to some 400 indicators that can not only measure GI performance in each area of interest (economic, social, environmental and governance), but also to other sustainability frameworks, such as the SDGs or the Global Reporting Initiative (GRI). In addition, the sustainability indicator database classifies each indicator characteristics in terms of usability, type, definition and requirements, among several attributes.

The studies conducted under the FAO project, Studies and organizing a virtual third regional consultation on geographical indications in Europe and Central Asia, confirm that sustainability is high among the priorities of GI procedures and that they need support to deal with the associated challenges.

### Specific issues related to nutrition

In the context of sustainability, nutrition is another important challenge the world is facing. The role played by traditional foods, diets and food systems in people's nutritional status is recognized in a number of studies. The impact of the use of GI on nutrition and diets has been researched much less than that of socioeconomics, biodiversity or natural-resources availability.

The potential of GI foods to contribute to healthy diets and curb non-communicable diseases has been analysed by FAO in the 2021 paper, The nutrition and health potential of GI foods.<sup>20</sup> It presents five case studies on the nutritional potential of registered GI foods – *Carnalentejana* (Portuguese beef), *furu* (Chinese fermented tofu), Parmigiano Reggiano and Grana Padano (Italian fermented cheese), *rooibos* (South African herbal tea), and indigenous rice varieties from the highlands of Borneo (Malaysia and Indonesia). The study explores the link between the production processes and the nutritional composition of the final products. Indeed, the nutritional characteristics of these foods can be largely attributed to their unique ingredients and production procedures, which are linked to their geographical origins. The analysis of nutritional compositions not only considers ordinary nutrients, but also bioactive compounds, which do not usually appear in nutritional fact tables. A number of foods similar to the case study subjects (not necessarily GI) are briefly discussed in the respective sections. After the case studies, three topics are briefly explored – the development of GI specifications to maintain and improve nutritional values, the role of GI foods in healthy diets, and the determination of food composition.

Nutrition was also the subject of an FAO-oriGIn webinar series on GI sustainability, which highlighted many stories about the nutritional advantage of GI foods, but also the need to conduct more research on GI products and their link to nutrition and health. Low processed food, the presence of ancient breeds, endemic crop species and local varieties, intrinsic quality, adaptation to the *terroir* (a French terms that refers to a defined geographical area), are all features that contribute to the nutritional quality of a GI product. Specifications have

<sup>20</sup> Available at [www.fao.org/3/cb3913en/cb3913en.pdf](http://www.fao.org/3/cb3913en/cb3913en.pdf)



been recognized as a tool to strengthen or preserve nutritional quality, but producers often lack knowledge or are simply not aware of the specific nutritional or health aspects. When they are aware, they might not know how to value them, and producer organizations often do not have the financial capacity to carry out analysis or studies to explore nutritional aspects in their products. Finally, some recommendations were made to improve the quantity and quality of food composition data, focusing on biodiversity and microbiological diversity:

- To inform and educate taking cultural aspects into consideration.
- To improve consumers' knowledge about low-processed and ultra-processed food, and their differences.
- Include nutrition experts in GI working groups to support producers in the development or assessment and improvement of their GI specifications.

### Sustainability and geographical indications in the Common Agricultural Policy and Farm to Fork Strategy

On 25 June 2021, European Union institutions reached an agreement on the future Common Agricultural Policy (CAP), which will cover the period 2023–2027. Some elements concerning GI and sustainability, which will impact European Union countries and provide a model for other countries, were introduced:

- The possibility for groups to introduce sustainability elements in product specifications on a voluntary basis.
- The distinction between European Union amendments and standard amendments to the products' specification, to simplify procedures.
- The recognition of interbranch organizations: a new recital clarifies that European Union countries may recognize interbranch organizations at different geographical levels.
- The extension of supply management to all protected designation of origin (PDO) and protected geographical indication (PGI) products, with differences on the procedure for adopting production plans.
- The exemption of PDO/PGI in the wine sector from some competition rules.

At the end of 2019, the European Commission (EC) presented the European Green Deal, Europe's roadmap that should enable citizens and businesses to benefit from a sustainable green transition. In this framework, the Commission also announced the Farm to Fork Strategy, which has the following objectives:

1. Strengthen the efforts of European farmers and fishermen to tackle climate change, protect the environment and preserve biodiversity, through the common agricultural and fisheries policies.
2. Ensure that at least 40 percent of the overall CAP budget and at least 30 percent of the Maritime Fisheries Fund for 2021–2027 contributes to climate action.
3. Ensure that national strategic plans for agriculture fully reflect the ambition of the Green Deal – leading to the use of sustainable practices (precision agriculture, organic farming, agroecology, agroforestry) and stricter animal welfare standards; and reflecting an increased level of ambition to reduce significantly the use and risk of chemical pesticides, as well as the use of fertilizers and antibiotics.
4. Contribute to achieving a circular economy by reducing the environmental impact of the food processing and retail sectors.
5. Combat food fraud, including strengthening enforcement and investigative capacity at European Union level.
6. Stimulate sustainable food consumption and promote affordable healthy food for all – helping consumers choose healthy and sustainable diets and reduce food waste; and improving the position of farmers in the value chain.

Some of these issues will be addressed in the framework of the reform of the European Union GI system; legislative proposals were presented by the Commission during the first quarter of 2022.

---

## Conclusions and recommendations

Almost 100 participants from 34 countries participated in the meeting, including administrative staff from ministries of agriculture, agencies responsible for the protection of IPR, FAO experts, the European Commission, WIPO, NGOs and producer associations.

Based on two sessions and a follow-up plenary discussion with FAO Members, the following areas for improvement and cooperation were identified:

- Encourage and support the ongoing process of identification of potential GI names, as well as the selection and registration of the most promising ones.
- Support the knowledge and awareness of GI logos among consumers.
- Simplify GI systems in terms of procedures to take into account the needs of the large majority of stakeholders, represented by small producers.
- Encourage and support the process of accession to the WIPO Geneva Act of the Lisbon Agreement.
- Support producers to understand the benefits and establish solid associations and groups, with transparent governance, to carry out quality, promotion, and protection and enforcement activities.
- Support producer groups to promote GI in internal and external markets.
- Support local authorities to strengthen or set up control systems tailored for their local conditions and in line with international standards for international trade.
- Help producers understand and navigate the market and regulatory implications related to emerging sustainability challenges.

Local stakeholders (producers, public authorities, NGOs, research centres) and international institutions should coordinate their efforts in pursuing the above-mentioned objectives.

# Studies concerning Europe and Central Asia

---

## Executive summary

Under the FAO project, Studies and organizing a virtual third regional consultation on geographical indications in Europe and Central Asia, nine country studies were elaborated.<sup>21</sup> Specifically, five studies concerned European Union countries (Croatia, France, Hungary, and Poland) and the United Kingdom (which after Brexit implemented a system that reproduces the main characteristics of that in place in the European Union); while four studies concerned Georgia, Republic of Moldova, Montenegro, and the Russian Federation.<sup>22</sup>

With respect to countries in Central Asia, notably Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, we refer to the Hilfswerke's study elaborated specifically for this region in the framework of a project funded by the European Union.

The analysis of the country studies focused on the national GI regulatory frameworks (definitions, protection, groups, and controls), sector potential (including sustainability), and obstacles to its development, as well as the market situation (consumer perception, promotional activities, commercialization, distribution).

All countries analysed have in place a *sui generis* system to protect GIs.

From the studies it emerged that, notwithstanding a well-established legal framework, the awareness of EU quality schemes is not uniform across Europe. In Hungary and the Republic of Moldova, there is a need to involve more producers to make them understand the benefits of embarking on a GI strategy. In the United Kingdom, there is a lack of collective production systems, and therefore, many GI applicants there have to create a producer group to comply with the regulations, rather than build upon an existing group. Producer organizations need support for strengthening governance and controls (Croatia, Hungary, Poland) as well as investments to support promotion and access to export markets.

There is also a need to raise awareness on the role that GIs can play in the transition to more sustainable agriculture, and how GI producers can benefit from the inclusion of more efficient sustainability elements in their production practices.

Another critical issue is consumer awareness and understanding of GIs. Unfortunately, it remains low – even with respect to logo recognition – and the proliferation of labels create confusion, to the detriment of GI products. Furthermore, from the studies it emerged that in recent years, countries such as Georgia and the Republic of Moldova have taken significant steps to modernize the national GI system and bring it closer to international and EU standards with the support of international organizations.

---

<sup>21</sup> These studies have been conducted by independent experts and do not represent the views of FAO or oriGIn.

<sup>22</sup> Although Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan were not the subject of in-depth studies in the framework of the project, they also benefit from *sui generis* systems to protect GIs.

In those countries, one of the challenges in capitalizing on existing AO and GI potential is the lack of awareness of the importance of protection among the main stakeholders (farmers, producers, local authorities). Most producers are not sufficiently aware of the benefits of the GI system, and therefore, it is not attractive enough to deploy the existing potential and increase GI registrations. Capacity development is a priority for authorities in charge of GIs and awareness campaigns should cover all the stakeholders involved in the GI pathway. There is a need to work on strengthening GI groups and establish reliable and transparent controls.

Furthermore, there is no express recognition at the political level of the role of the GI system in supporting the development of sustainable production, even if there is a common recognition among stakeholders that GI production processes present sustainable elements, with the part they play in preservation of the environment, and with the potential for a strong cultural and social impact and contribution to regional development.



## A country baseline report for Croatia

### Introduction

This country report analyses the GI regulatory framework, sector potential (including sustainability) and its development, as well as the market situation (consumer perception, promotional activities, commercialization, distribution) in the Republic of Croatia.

Croatia became the 28th member of the European Union on 1 July 2013. The country covers an area of 87 661 km<sup>2</sup> (land and sea), of which 56 594 km<sup>2</sup> is land, and it has a population of 4 284 889 people. Geographically, Croatia is both central European and Mediterranean, as it borders Slovenia, Hungary, Serbia, Montenegro, Bosnia and Herzegovina, and Italy. An estimated 91.6 percent of Croatian territory is classified as rural, and 8.4 percent as urban – with 47.6 percent of the population living in rural areas and 52.4 percent living in urban areas.

Croatia has a rich tradition of production and preparation of various agricultural products and foods, which are characterized by a special quality and traditional production techniques. They make up Croatia's specific gastronomic identity, which has become, with the help of tourism, increasingly recognizable, even beyond its borders. The valorization of local products, and GI protection and branding projects, gained momentum once Croatia joined the European Union, and once the Ministry of Agriculture decided to support actively all producer associations aiming to obtain one of the three EU quality labels – namely the PDO, PGI, and traditional speciality guaranteed (TSG) labels.

### Regulatory framework for geographical indications

The regulatory framework for the protection of traditional products as GIs in Croatia consists of both EU regulations and national legislation.

The European Commission has adopted several regulations on the application of EU quality schemes for agricultural and food products.

- Regulation (EU) No. 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs.

EU Regulation 1151/2012 seeks to enhance Europe's quality policy for agricultural products by increasing the coherence of various quality schemes. It includes measures to support agricultural and processing activities as well as the farming systems associated with high-quality products, in line with European Union rural development policy objectives. However, the regulation does not apply to spirit drinks, aromatized wines, or grapevine products.

The regulation's main elements are: requirements for designations of origin and GIs and for TSG; product specification; content of application for registration and procedure to register names; opposition procedure; amendment to a product specification; the use of names, symbols and identifications; the level of protection of registered names and common EU symbols; relations between trademarks, designations of origin and GIs and traditional periods for use of PDO and PGI; scheme for optional quality terms ("mountain product"); provisions on official controls; delegation by competent authorities to control bodies; quality scheme indications and symbols and role of producers; cancellation.

Regulation No. 1151/2012 is followed by a delegated and implementing regulations:

Commission Delegated Regulation No. 664/2014 of 18 December 2013 supplementing EU Regulation 1151/2012 of the European Parliament and of the Council with regard to the establishment of the European Union symbols for PDO, PGI and TSG and with regard to certain rules on sourcing, certain procedural rules and certain additional transitional rules (regulation on the logos to be used for PDO, PGI and TSG).

- Commission Implementing Regulation No. 668/2014 of 13 June 2014 laying down rules for the application of EU Regulation 1151/2012 on quality schemes for agricultural products and foodstuffs.
- Regulation on how Regulation No. 1151/2012 should be applied.

Several regulations on the application of European Union quality schemes have also been adopted for the wine sector.

The basic regulation in this area is EU Regulation No. 1308/2013 of 17 December 2013 of the European Parliament and of the Council establishing a common organization of the markets in agricultural products and repealing Council regulations (EEC) No. 922/72, (EEC) No. 234/79, (EC) No. 1037/2001 and (EC) No. 1234/2007.

Based on the basic regulation, the European Commission has adopted a delegated and implementing regulation:

- Commission Delegated Regulation 2019/33 of 17 October 2018 supplementing EU Regulation No. 1308/2013 as regards applications for protection of designations of origin, geographical indications and traditional terms in the wine sector, the objection procedure, restrictions of use, amendments to product specifications, cancellation of protection, and labelling and presentation.
- Commission Implementing Regulation 2019/34 of 17 October 2018 laying down rules for the application of EU Regulation No. 1308/2013 as regards applications for protection of designations of origin, geographical indications and traditional terms in the wine sector, the objection procedure, amendments to product specifications, the register of protected names, cancellation of protection and use of symbols, and of EU Regulation No. 1306/2013 as regards an appropriate system of checks.

The main elements of those regulations are rules supplementing EU Regulation No. 1308/2013 concerning PDO, PGI and traditional terms, in addition to labelling and presentation in the wine sector; and rules for the application of regulations No. 1306/2013 and No. 1308/2013 respectively, concerning PDO, PGI and traditional terms, in the wine sector.

Regarding aromatized wine products, the following regulations are in force:

- EU Regulation No. 251/2014 of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatized wine products and repealing Council Regulation (EEC) No. 1601/91.
- Commission Implementing Regulation (EU) 2020/198 of 13 February 2020 laying down rules for the application of EU Regulation No. 251/2014 of the European Parliament and of the Council as regards the establishment of the register of geographical indications protected in the sector of aromatized wine products and the listing of the existing geographical designations in that register.

As regards spirits, the basic regulation in this area is EU Regulation 2019/787 of the European Parliament and of the Council of 17 April 2019 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EU) No. 110/2008.

Based on this basic regulation, the European Commission has adopted these delegated and implementing regulations:

- Commission Implementing Regulation (EU) 2021/1236 of 12 May 2021 laying down rules for the application of EU Regulation 2019/787 concerning applications for registration of geographical indications of spirit drinks, the opposition procedure, amendments to product specifications, cancellation of the registration, use of symbol and control.
- Commission Delegated Regulation (EU) 2021/1334 of 27 May 2021 amending EU Regulation 2019/787 as regards allusions to legal names of spirit drinks or geographical indications for spirit drinks in the description, presentation and labelling of other spirit drinks.
- Commission Delegated Regulation (EU) 2021/1335 of 27 May 2021 amending EU Regulation 2019/787 as regards the labelling of spirit drinks resulting from the combination of a spirit drink with one or more foodstuff.

- Commission Delegated Regulation (EU) 2021/1465 of 6 July 2021 amending EU Regulation 2019/787 as regards the definition of allusions to legal names of spirit drinks or geographical indications for spirit drinks and their use in the description, presentation and labelling of spirit drinks other than the spirit drinks to which allusion is made.
- Commission Delegated Regulation (EU) 2021/1096 of 21 April 2021 amending EU Regulation 2019/787 as regards labelling provisions for blends.

The implementation of EU regulations on quality schemes for agricultural products and foods is ensured through the Law on Agriculture (Official Gazette No. 118/18, 42/20, 127/20, 52/21) and the corresponding Ordinance on protected designations of origin, protected geographical indications and traditional specialties guaranteed and optional term “mountain product” (Official Gazette No. 38/19).

The Law on Agriculture defines the competent authority for the establishment and implementation of the system in Croatia. It defines the official controls and contains misdemeanour provisions. The law also contains provisions on the procedure of delegation of control bodies for verification of compliance with the specifications before placing the product on the market and obligations of control bodies regarding delegated tasks. The corresponding ordinance mainly prescribes the contents and forms of applications.

The implementation of EU regulations on quality schemes for the wine sector is ensured through the Wine Law (Official Gazette No. 32/19) and the corresponding Ordinance on protected designations of origin and protected geographical indications, traditional expressions and wine designation (Official Gazette No. 141/10, 31/11, 78/11, 120/12, 82/13, 30/15, 118/18 and 32/19).

The Wine Law defines the competent authority for the establishment and implementation of the system in Croatia, prescribes the national protection procedure, national oppositional procedure, and registration process at European level. It defines the official controls and contains misdemeanour provisions. The law also contains provisions on the procedure of delegation of the control body for verification of compliance with the specifications before placing the product on the market, and obligations of the control body regarding delegated tasks. The corresponding ordinance mainly prescribes the contents and forms of applications.

The implementation of EU regulations on quality schemes for spirit drinks is ensured through the Law on Agriculture (Official Gazette No. 118/18, 42/20, 127/20, 52/21, Chapter V) and the corresponding Ordinance on spirit drinks (Official Gazette No. 61/09, 141/09, 86/11, 104/11 and 118/12).

### **Registration and protection of geographical indications**

In Croatia, the procedure of protection of names as a PDO, PGI or TSG and traditional terms is carried out in accordance with European and national legislation. The competent authority is the Ministry of Agriculture, and the procedure is carried out in two phases. In the first phase, the name of the product is protected at the national level, and there is a decision on transitional national protection of the name as a PDO, PGI, TSG or traditional terms.

The national procedure is initiated by submitting an application for the protection of the name to the Ministry of Agriculture. The procedure is carried out by the expert commissions established by the minister. The examination of applications implies the determination of compliance with the prescribed requirements of the provisions of EU Regulation No. 1151/2012, related implementing and delegated regulations of the European Union, the Act on Agriculture and corresponding ordinance, in the case of agrifood products. In the case of wines, it involves a determination of compliance with the prescribed requirements of the provisions of EU Regulation No. 1308/2013 and related implementing and delegated regulations of the European Union, Wine Law and corresponding ordinance; and in the cases of spirits, it involves a determination of compliance with the prescribed requirements of the provisions of the Law on Agriculture. When the relevant expert commissions find that the submitted application fully complies with all relevant prescribed requirements, the ministry publishes a notice of the submitted application in the Official Gazette and the product specification on the ministry's website. Within a period of 30 days (for agrifood products) and 60 days (for wines and spirits), any natural or legal person having a legitimate interest may lodge a notice of opposition. If the ministry receives no notice of opposition, it issues a decision on the transitional national protection of the name as a PDO, PGI,

TSG or traditional terms. If an objection is submitted, the ministry invites the applicant and the complainant to a procedure to come to an agreement.

The second phase of the procedure is the registration of the name at European Union level, which is carried out by the European Commission and ends with the adoption of the implementing act and entering a name in the register.

The procedure is initiated by submitting an application for the registration of the name to the Ministry of Agriculture, which then lodges an application dossier with the European Commission. An applicant is obliged to submit an application for the registration within a period of 30 days after receiving a decision on transitional national protection of the name. The Commission shall scrutinize by appropriate means any application that it receives, in order to check that it is justified and that it meets the conditions of the respective scheme. Where, based on the scrutiny carried out, the Commission considers that the conditions laid down in regulations are fulfilled, it shall publish in the Official Journal of the European Union the Single Document and the reference to the publication of the product specification (for PDO and PGI), or the specification (for TSG and traditional terms). Within three months of the date of publication in the Official Journal (for agrifood products and spirits), and two months (for wines), the authorities of a European Union country or of a third country, or a natural or legal person having a legitimate interest and established in a third country, may lodge a notice of opposition with the Commission. If the Commission receives no notice of opposition, it shall adopt implementing acts registering the name. If a notice of opposition is lodged with the Commission, it checks the admissibility of the reasoned statement of opposition and invites the authority or person that lodged the opposition and the authority or body that lodged the application to engage in appropriate consultations for a reasonable period that shall not exceed three months. If an agreement is reached, the Commission shall register the name by means of implementing acts adopted; if an agreement is not reached, it will adopt implementing acts in order to decide whether to register or not.

Registered names shall be protected against:

- any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including when those products are used as an ingredient;
- any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation” or similar, including when those products are used as an ingredient;
- any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin; and
- any other practice liable to mislead the consumer as to the true origin of the product.

Product names protected by transitional national protection have the same scope of protection as names registered at the European Union level.

Croatia has 50 names registered in the European Union, 31 of which (62 percent) refer to agricultural products and foods, 18 of which (36 percent) refer to wines, and one to aromatized wine (2 percent). Sixty-four percent of the names are registered as PDO, 34 percent as PGI, and 2 percent as GI.

Furthermore, another 13 food names (six as PDO and seven as PGI) are protected by transitional national protection and are in the process of registration at the European level.

So far, there are no cases of infringements or conflict with trademark applications concerning national GIs, settled before a court or the IP office.

As regards the imitation of national GIs in foreign markets, one example is for the PGI, Dalmatinski pršut. Products named Dalmatinski pršut were produced in Serbia and sold on e-commerce platforms, using the reputation of the protected name Dalmatinski pršut. The Croatian Ministry of Agriculture sent a note to

Serbian Ministry of Agriculture, Forestry and Water Management, recalling the Stabilization and Association Agreement between the European Union on one side, and the Republic of Serbia on the other (OJ L 278 18.10.2013, p. 16), by which Serbia undertook to take measures in the event of misuse of registered PGI names. Croatia asked for measures to be taken to prevent further abuse of the name Dalmatinski pršut, as well as all other registered Croatian GIs. After that, the protected name was removed from the e-commerce platforms.

As regards wine, aromatized wine and spirits, there have been no cases of infringements or conflict with trademark applications concerning national GIs settled before a court or the IP office; nor were there reported cases of imitation of national GIs in foreign markets.

### **Producer groups**

In Croatia, the most significant role producer groups have is at the initial phase of preparing the documentation required for the registration of GI. According to EU regulations and national law, only a group of producers can apply for registration. At that stage they are very enthusiastic, but as the process of registration is very slow and could last for several years, the enthusiasm of producers can wane. In some cases, groups break up. On the other hand, successful groups are those that have the administrative and financial support of regional counties and local authorities. An example of a successful association is the Croatian Prosciutto Cluster (Klaster hrvatskog pršuta) which brings together four producer groups of four protected Croatian prosciuttos (PDO Istarski pršut, PGI Krčki pršut, PGI Dalmatinski pršut, and PGI Drniški pršut). This cluster was established with the support of the Ministry of Agriculture, the Croatian Chamber of Commerce and other relevant institutions. Its main goal is to increase competitiveness with a joint appearance on domestic and European markets. Other objectives include encouraging economic cooperation of members to promote individual and common economic interests, establishing various types of cooperation and business relations in domestic and foreign markets, organization of joint procurement and performance towards suppliers of raw materials and repro materials, encouraging the conclusion of agreements with other economic groups, encouraging the development and improvement of the work of members, promotion and harmonization of interests and coordination on joint projects and programmes, sales promotion, export promotion and discovery of new sales markets. The cluster has 24 regular members and two supporting members, which covers about 95 percent of the total prosciutto production in Croatia.

Even though EU Regulation 1151/2012 has prescribed the role and rights of the group, producers are not completely aware of their role, especially in contributing to ensure that the authenticity of their products is guaranteed on the market by monitoring the use of the name in trade and, if necessary, by informing competent authorities on irregularities. So far, only the Croatian Prosciutto Cluster is actively pursuing its role in preserving product reputation and combating unfair competition.

With regard to agrifood products, there are 27 producer groups in charge of administering 29 GIs, and two GIs are administered by two single producers (in the application process they were treated as a group since they were the only producers in the area). In general, almost all groups have the same composition – producers, and a few members who play a consultant role. In some cases of processed products, raw-material suppliers are also group members – for example, in the case of one PGI meat product, the producer group is comprised of producers of the final product, plus one breeder as a group member and the raw-material supplier.

With regard to wine and aromatized wine at national level, there are four regional organizations, and the Association of Winemakers in the Croatian Chamber of Commerce, providing technical and professional support to winemakers for the protection, dissemination and use of protected traditional terms and GIs. They can also undertake activities necessary for their protection. For spirits on the national level, there is an association of drink producers that promotes its members' common interests.

The Ministry of Agriculture provides support for the start-up of production organizations recognized by the ministry and with a business plan approved by the ministry. The aid intensity is limited to 100 percent of the eligible costs. Aid of up to HRK 750 000 (EUR 100 000) may be granted to producer organizations. For GI producers to be eligible for support, it is hard to meet the set requirements for a minimum number of members and the minimum value of marketable production.



There is currently no GI producer group in Croatia recognized as a producer organization. If producers of fruit and vegetables with geographical indications – such as PDO Neretvanska mandarina, PDO Varaždinsko zelje, PGI Lički krumpir – achieved such a status, they could benefit through the National Strategy for Sustainable Operational Programmes of Producer Organizations in the Fruit and Vegetable Sector for the period 2021–2023, one of the four specific support programmes of the European Union prescribed by the Common Market Organization Regulation (EU Regulation No. 1308/2013). This is a three-year programme whose objectives are achieved through the implementation of approved operational programmes of recognized producer organizations. The strategy is implemented in three key areas: market orientation, positioning and competitiveness; sustainable production and efficient management of natural resources; and mitigation of the consequences of unfavourable market conditions and the consequences of climate change. The effective implementation of concisely structured and measurable operational programmes seeks to contribute to the achievement of the priorities and objectives of the strategy, and thus to the sustainability of operations and the competitiveness of the producer organization and its producer members. The operational fund is financed by the financial contributions of the members of the producer organization and the financial contribution of the European Union, where financial assistance is equal to the financial contributions of the members of the producer organization. National financial assistance may amount to a maximum of 80 percent of the total financial contributions of the members, and constitutes an addition to the operational fund. Funds from the operational fund are used only to finance activities carried out under approved operational programmes.

The implementation of the programme is co-financed with funds from the European Agricultural Guarantee Fund and funds from Croatia's state budget.

### **International protection of geographical indications**

At present, Croatia is not planning to protect any of the national GIs under the Geneva Act of the Lisbon Agreement because, in most cases, they are still produced in limited quantities and sold locally, on the Croatian market.

Regarding European Union bilateral and under-negotiation agreements covering national GIs, in most cases Croatian products are included, with Croatia putting efforts to have other products included also. The EU-Japan Economic Partnership Agreement is in force and five Croatian agrifood products are included in the list of protected products with GIs.

An Agreement on Cooperation in the Field of Geographical Indications and their Protection concluded between the European Union and China is in force, with no Croatian products on the list, but over the next four years, the agreement will be expanded and by March 2025 China will be ready to accept the second EU list, which includes seven Croatian GIs (six agrifood and one wine).

The Free Trade Agreement between the European Union and Vietnam is in force and the list of GIs protected in Vietnam includes one Croatian product.

The European Union is negotiating with Chile on the update of a Free Trade Agreement, with Croatia emphasizing the importance of updating the list of GIs for wines and spirits from the existing agreement. Croatian wines were not included in the original list because Croatia was not yet a member of the European Union when the agreement was made. The list of products with GIs includes four Croatian agrifood products.

A free trade agreement between the European Union and Indonesia has been under negotiation since 2016 and is progressing slowly. The EU list of GIs includes five Croatian agrifood products. A political agreement on the modernization of the Global Compact between the European Union and Mexico has been reached and the signing and ratification of the agreement will be possible once the necessary legal procedures have been completed. The list proposed by the European Union for protection in Mexico includes five Croatian products (four agrifood and one wine) with GIs.

An agreement has been reached on the trade part of the EU-Mercosur (Argentina, Brazil, Paraguay, Uruguay) Agreement but the agreement has not yet been ratified. Thanks to the agreement, around 350 European products with GI will be protected in the four Mercosur countries. This is the largest agreement on geographical



indications ever concluded under a trade agreement, and the list includes six Croatian products (five agrifood and one wine).

Negotiations between the European Union and Tunisia on the Deep and Comprehensive Free Trade Agreement (DCFTA) began in 2015, and the result so far is very modest. Regarding GIs, Croatia proposed the inclusion of 15 Croatian products on the list.

Intensive negotiations have been underway with Australia. In January 2021, European Union countries discussed issues related to protected products that, in Australia's opinion, are in conflict. Australia considers two Croatian products to be in conflict. In February 2021, Croatia submitted proposals for solutions, as well as arguments for keeping both products on the GI list, but it has yet to receive a response from Australia. The EU list for the protection of GIs on the Australian market includes 25 Croatian products (19 agrifood and six spirits).

Negotiations with New Zealand are also underway, and as far as GIs are concerned, some progress has been made. Croatia is emphasizing the importance of leaving the list open for the possibility of adding new products. Croatia requested the European Commission to include 19 agrifood products – 16 wines and six spirits.

### **Control system of geographical indications**

With regard to the control system for agrifood products, verification of compliance with the product specification – before placing the product on the market – is carried out by delegated bodies, which are private certification bodies accredited according to the ISO/IEC 17065:2013 norm by the Croatian Accreditation Agency and authorized by the Ministry of Agriculture. The costs of these controls are covered by the food business operators which are the subject of control. The level of costs depends on the type of product, production steps and methods, and, most importantly, produced quantities. Furthermore, the price depends on the certification body. For example, the prices for PDO extra virgin olive oils that food business operators paid in 2020 varied from HRK 3 000 (EUR 400) to HRK 12 000 (EUR 1 600). Operators in 2020 paid from HRK 6 000 (EUR 800) to HRK 9 500 (EUR 1 266) for a PGI meat product. Each food business operator has a contract with the certification body in which, among other things, the price of control is defined. Participation in the quality scheme is supported by Measure 3.1. of the Rural Development Programme (RDP), so the costs of certification are fully refundable for farmers.

Regarding the control system for wines and spirits, verification of compliance with the product specification, before placing the product on the market, is carried out by Croatian Agency for Agriculture and Food and authorized by the Ministry of Agriculture.

In the case of wines, the costs of these controls are covered by the producers that are the subject of control.

The costs of checks and tests in the procedure of official control of attesting the conformity of products with the product specification and issuing the certificate of conformity of products, in the case of spirits, are covered from Croatia's state budget.

Official controls of all GI products (agrifood products, wines and spirits) at the level of food production and processing, at the retail level and at import, in customs warehouses or at the place of destination, regardless of origin, are carried out by the Agricultural Inspection of the State Inspectorate. Agricultural Inspection also carries out e-commerce control. The documentation and identification inspection, upon import of consignments, is performed by officials from the Customs Administration.

### **Sector potential and obstacles (including in relation to sustainability)**

The Ministry of Agriculture, as the competent authority, has not had a targeted consultation with GI producer groups regarding GIs and sustainability, so it is difficult to assume their position on this issue. On the other hand, the Ministry of Agriculture as a policymaker is aware of the EU debate on the Farm to Fork Strategy and its implications for GIs. The introduction of additional sustainability requirements may represent an additional financial burden for GI producers in Croatia, and if they are to be incorporated into product specifications, it could also affect control prices, so in parallel with the introduction of sustainability requirements, financial support measures for producers are more than welcome.

There is no specific study on potential GIs in Croatia available, but the Ministry of Agriculture has a list of potential GIs and the data is collected most commonly in collaboration with county offices for economy and agriculture. These are mainly traditionally produced meat products and traditional meals, as well as autochthonous varieties of fruit and vegetables.

The most common obstacle for recognition of additional GIs is the non-existence of registered producers. These are often traditional products that are difficult to find on the market because there is no legal registration concerning such products. For example, there is a – locally very famous – traditional meat product from one Adriatic region, but it is produced only for local needs. There are no registered producers of the product, although a well-known event dedicated to it is held during the tourist season. There is also a famous cheese produced on one Croatian island, but there are no legal producers of it. Existing traditional establishments that produce the cheese do not meet the veterinary requirements for approval. The solution could be the construction of new, modern facilities; however, there is no interest in such an investment. The Ministry of Agriculture is ready to provide maximum professional support in finding the best and easiest solution, but producers do not seem interested in legalizing production.

### Market situation

In Croatia, GI products are mainly sold on the domestic market, because you are usually dealing with small quantities produced by small producers. A few of the GIs are sold in markets outside Croatia, though in modest quantities. The main distribution channels of national GIs are direct sales and local markets. Some are distributed through big retailers, but that is mainly the case for big producers such as those in the meat industry.

The COVID-19 crisis has caused losses in all economic sectors. A major challenge was, and still is, the procurement of raw materials and feed. High prices of feed leads to a higher price for the final product, and in that respect determining a price that is acceptable for consumers is a great challenge. Another challenge has been with workers and risk of COVID-19 breakthrough in production facilities, and the temporary closing of production. On the other hand, during the lockdown in Croatia, consumers began to buy food online directly from producers, especially primary products such as fresh fruit and vegetables. The lockdown situation has certainly contributed to the producer's awareness that they have to invest in online sales and online advertising. Confidence in Croatian manufacturers has also grown, and therefore so has demand for traditional products.

Although there are no official studies, awareness of protected products and European Union GI logos in Croatia is still low, but some progress can be noted. It has certainly improved by virtue of the large number of products entering the quality scheme, and thus by the faster transfer of knowledge about the meaning and appearance of European Union GI logos. Although consumers are often not sure about the meaning of the logo itself, they recognize the product names and associate them with the geographical area of production. The Ministry of Agriculture estimates that knowledge of European Union GIs in Croatia is still poor, so it is making significant efforts to promote all the aspects of quality systems, logos, and Croatian protected products. The ministry constantly promotes Croatian GIs through targeted events such as fairs, conferences and workshops, and it uses all the tools available to communicate the significance of GIs to the public. In December 2020, a project called CroTaste – Haus of Croatian food (CroTaste – Kuća hrvatske hrane) was launched. It is a promotional sales centre of Croatian agricultural products and a significant platform for the promotion of Croatian GIs, Croatian island products, and other products of small and medium-sized Croatian producers. The project represents a programme cooperation between the Croatian Agency for Agriculture and Food and Agro-klaster d.o.o., with the support and strategic orientation of the Ministry of Agriculture and Vukovar-Srijem county to encourage domestic production.

Consumers typically make the decision to buy a GI product because they believe it to be healthier – produced without pesticides or artificial additives and from local breeds or plant varieties. So, they make a choice based on sustainability factors, but it is questionable whether they know what the term “sustainable food systems” means in practice.

Regarding promotional activities of the GIs, producers are aware of EU funds under Regulation 1144/2014, but they show a low interest, mostly due to a lack of financial and organizational resources.

## Annex. List of Croatian products registered in the European Union

### Agricultural products and foods (ranked in order of registration):

#### Registered PDO:

1. Ekstra djevičansko maslinovo ulje Cres – Class 1.5. Oils and fats (butter, margarine, oils, etc.)
2. Neretvanska mandarina – Class 1.6. Fruit, vegetables and cereals fresh or processed
3. Ogulinski kiseli kupus – Class 1.6. Fruit, vegetables and cereals fresh or processed
4. Istarski pršut – Class 1.2. Meat products (cooked, salted, smoked, etc.)
5. Krčko maslinovo ulje – Class 1.5. Oils and fats (butter, margarine, oils, etc.)
6. Korčulansko maslinovo ulje – Class 1.5. Oils and fats (butter, margarine, oils, etc.)
7. Paška janjetina – Class 1.1. Fresh meat
8. Šoltansko maslinovo ulje – Class 1.5. Oils and fats (butter, margarine, oils, etc.)
9. Varaždinsko zelje – PDO; Class 1.6. Fruit, vegetables and cereals fresh or processed
10. Slavonski med – PDO; Class 1.4. Other products of animal origin (eggs, honey, various dairy products except butter, etc.)
11. Istra – PDO; Class 1.5. Oils and fats (butter, margarine, oils, etc.)
12. Paška sol – PDO; Class 1.8. Other products of Annex I of the Treaty (spices, etc.)
13. Paški sir – PDO; Class 1.3. – Cheeses
14. Malostonska kamenica – PDO; Class 1.7: Fresh fish, molluscs and crustaceans and products derived therefrom.

#### Registered PGI:

1. Krčki pršut – Class 1.2. Meat products (cooked, salted, smoked, etc.)
2. Baranjski kulen – Class 1.2. Meat products (cooked, salted, smoked, etc.)
3. Lički krumpir – Class 1.6. Fruit, vegetables and cereals fresh or processed
4. Drniški pršut – Class 1.2. Meat products (cooked, salted, smoked, etc.)
5. Dalmatinski pršut – Class 1.2. Meat products (cooked, salted, smoked, etc.)
6. Poljički soparnik – Class 2.4. Bread, pastry, cakes, confectionery, biscuits and other baker's wares
7. Zagorski puran – Class 1.1. Fresh meat (and offal)
8. Slavonski kulen/Slavonski kulin – PGI; Class 1.2. Meat products (cooked, salted, smoked, etc.)
9. Međimursko meso 'z tiblice – PGI; Class 1.2. Meat products (cooked, salted, smoked, etc.)
10. Lička janjetina – PGI; Class 1.1. Fresh meat (and offal)
11. Zagorski mlinici – PGI; Class 2.3. Bread, pastry, cakes, confectionery, biscuits and other baker's wares
12. Bjelovarski kvargl – PGI; Class 1.3. Cheeses
13. Brački varenik – PGI; Class 1.8. Other products listed in Annex I to the Treaty (spices etc.)
14. Varaždinski klipč – PGI; Class 2.4. Bread, pastry, cakes, confectionery, biscuits and other baker's wares
15. Rudarska greblica – PGI; Class 2.4. Bread, pastry, cakes, confectionery, biscuits and other baker's wares
16. Dalmatinska pancetta – PGI; Class 1.2. Meat products (cooked, salted, smoked, etc.)
17. Dalmatinska pečenica – PGI; Class 1.2. Meat products (cooked, salted, smoked, etc.).

#### Products undergoing registration process, PDO and PGI:

1. Novigradska dagnja – PDO; Class 1.7: Fresh fish, molluscs and crustaceans and products derived therefrom
2. Goranski medun – PDO; Class 1.4. Other products of animal origin (eggs, honey, various dairy products except butter, etc.)
3. Zagorski bagremov med – PDO; Class 1.4. Other products of animal origin (eggs, honey, various dairy products except butter, etc.)
4. Dalmatinska janjetina – PDO; Class 1.1. Fresh meat (and offal)
5. Meso istarskog goveda, boškarina/Meso istrskega goveda-boškarina – PDO; Class 1.1. Fresh meat (and offal)
6. Komiški rogač – PGI; Class 1.6. Fruit, vegetables and cereals fresh or processed
7. Varaždinsko bučino ulje – PGI; Class 1.5. Oils and fats (butter, margarine, oils, etc.)

8. Zagorski štrukli/Zagorski štruklji – PGI; Class 2.4. Bread, pastry, cakes, confectionery, biscuits and other baker's wares
9. Slavonska kobasica – PGI; Class 1.2. Meat products (cooked, salted, smoked, etc.)
10. Ludbreški hren – PGI; Class 1.6. Fruit, vegetables and cereals fresh or processed
11. Samoborska češnjovka/Samoborska češnofka – PGI; Class 1.2. Meat products (cooked, salted, smoked, etc.)
12. Lički škripavac – PGI; Class 1.3. Cheeses
13. Bračko maslinovo ulje – PDO; Class 1.5. Oils and fats (butter, margarine, oils, etc.).

## Wines and spirit drinks

PDO registered wines:

1. Ponikve
2. Dalmatinska zagora
3. Dingač
4. Hrvatska Istra
5. Hrvatsko Podunavlje
6. Hrvatsko primorje
7. Istočna kontinentalna Hrvatska
8. Moslavina
9. Plešivica
10. Pokuplje
11. Prigorje-Bilogora
12. Primorska Hrvatska
13. Sjeverna Dalmacija
14. Slavonija
15. Srednja i Južna Dalmacija
16. Zagorje-Međimurje
17. Zapadna kontinentalna Hrvatska
18. Muškati momjanski.

Undergoing registration at national level:

1. Brtonigla – PDO.

GI registered aromatized wine:

1. Samoborski bermet.

GI registered spirit drinks:

1. Hrvatska loza
2. Hrvatski pelinkovac
3. Hrvatska stara šljivovica
4. Hrvatska travarica
5. Slavonska šljivovica
6. Zadarski maraschino.

---

## A country baseline report for France

### Introduction

This study will analyse the state of affairs regarding GI in France, focusing particularly on the national regulatory framework, the potential of GIs to play a further active role in more sustainable agriculture, their situation vis-à-vis the market, and their potential for development.

### Regulatory framework for geographical indications

The legal framework for the protection of GIs is mostly based on three European Union regulations:

- Regulation for agrifood products (EU) No. 1151/2012 (PDO/PGI);
- Specific Regulation for spirits (EU) No. 787/2019 (GI); and
- Specific Regulation for wine sector (EU) No. 1308/2013 (PDO/PGI).

Taking into account that the European Union has an exclusive competence for managing European GIs, national authorities have regular contact with the European Commission about:

- recognition of new GIs;
- modification of existing GIs; and
- indirect participation to negotiations for bilateral agreements (consultations).

A modification of Regulation (EU) No. 1151/2012 is taking place and due for enforcement in January 2022 (“OMNIBUS”). Some of the procedures will be amended to simplify and accelerate recognition and modification procedures of GI food products. One important aspect is that “standard” modifications of specifications will be dealt with entirely at national level, with immediate enforcement after approval. Major modifications (“European” or “Union” modifications) will still be dealt with by the European Commission, with their instruction possibly outsourced to the European Union Intellectual Property Office (EUIPO).<sup>23</sup>

### Competent authorities involved with geographical indications

The Ministry of Agriculture and Food takes the lead on the definition and implementation of the policy on GIs:

- providing the legal framework, within the broader European Union legal framework;
- validating the product specifications after approval by the National Institute of Origin and Quality (INAO), the *sui generis* body for all French GIs;<sup>24</sup>
- participating in INAO committee and board meetings; and
- taking part in the promotion of GIs.

The Ministry of Economy takes part in other aspects of the protection through the:

- Industrial Property Office (INPI), also in charge of GI for non-agricultural products.
- General Directorate for Competition Policy, Consumer Affairs and Fraud Control, in charge of controls on the market (protection of consumers against deception and fraud). It has a dual role – to detect and prevent fraud, whether or not the fraud has an impact on product safety, and secondly to ensure compliance with rules on EU quality logos covered by Regulation (EC) No. 882/2004. The inspectors have competence for controls in France covering all GIs and non-GI products misappropriating GIs.
- Customs authorities (DGDDI), in charge of the controls of goods originating from third countries accessing the EU market through French borders.

---

<sup>23</sup> This is still under discussion.

<sup>24</sup> [www.inao.gouv.fr](http://www.inao.gouv.fr)

Under the supervision of the Ministry of Agriculture, the INAO as a public body is in charge of several aspects of the GI system in France, notably the examination of applications and national procedure of recognition of new GI products (explained below), supervision of official controls delegated to accredited control bodies, and protection and promotion of GIs in France and abroad.

### Registration and protection of geographical indications

A very specific framework, and procedures, are in place in France related to recognition of GIs at national level. They involve several phases and related requirements, in particular:

- Existence of a group of producers representing all stakeholders of the future GI (called the *Organisme de Défense et de Gestion*, or ODG), this association of producers will work with their local INAO office to prepare the application.
- Preliminary presentation to, and examination by, the competent national committee of the INAO (there are five national committees at the INAO – PGI/TSG and superior quality food products, PDO dairy and food products, wine and spirits PDO, wine and cider PGI, organic farming – as well as the approval and control board).
- Visit and meeting in the geographical area of a team of experts with the members of the producer group for a full examination and assessment of the application.
- National procedure of opposition.
- Approval of specification and control plan.
- Publication in national official journal of the approval decision.

The application is then transmitted to the European Commission by the French Ministry of Agriculture for the European procedure of registration to take place. After completion and publication in the Official Journal of the European Union, the designation and product specification will be registered and protected.

Once registered on European Union level, a GI offers a permanent right and the product cannot become generic. The name is protected by the state and by the producer group. The protection is *ex officio*, the most efficient legal protection where appropriate sanctions can be implemented in criminal or civil courts. The scope of the protection is absolute versus similar products and relative versus other products, insofar as the use of the name exploits the reputation of the protected name. The protection is at national, European or international level, depending on the applicable provisions. The protection is based on IP law, but also on consumption law, and agricultural law. The level of protection is high and wide, covering theft, counterfeiting, misappropriation of reputation, and damage to image; any direct or indirect commercial use which exploits the reputation of the GI such as misuse, imitation, evocation, even if the true origin of the product is indicated, even if accompanied by expressions such as “type”, “kind”, “sort”; any other false or misleading indication or practice which misleads consumers about the true origin (presentation, description, packaging, labelling); and any translation, transliteration of the GI name.

The producer groups, stakeholders and the INAO can go as far as to take legal action in order to ensure the protection of designations of origin and GIs and to obtain compensation for damage suffered:

- by civil litigation (particularly in the field of intellectual property); and
- by becoming a civil party in the context of criminal proceedings, initiated on the basis of the reports and reports drawn up by the main competent authorities in France in the field of the repression of fraud concerning designations of origin and PGI (General Directorate for Competition Policy, Consumer Affairs and Fraud Control).

However, before legal action, the INAO also often initiates amicable proceedings in cases of illegal use (non-compliance with specifications, illegal labelling, etc.), which in a large number of cases solves the problem.

#### *Focus on trademarks*

Geographical indications are protected against later trademarks applications. The INPI, for France, would be the first instance to reject the registration of trademarks which could create confusion or might take advantage of an existing GI (Regulation (UE) No. 1151/2012 translated in French Regulation of 2015 (*Art. L. 711-3*,



*Ordonnance, art. 3), "Cannot be validly registered and, if it is registered, is likely to be declared void a mark infringing previous rights having effect in France, in particular: (...) A registered geographical indication mentioned in article L. 722-1 or a request for a geographical indication subject to approval of its specifications and subsequent registration."*

However, the law only provides for cases of similar products. According to the law, the INPI can only reject trademarks related to products of the same type as a GI. Recently, the European Court of Justice has nevertheless taken a decision in favour of "Champagne" and against "Champanillo",<sup>25</sup> even though the trademark Champanillo was intended to be used for a service chain of bars, and not for a wine. This will be used at national level in future assessments of trademarks.

The success of GIs is also such that it of course happens that a GI reputation can be misused by other products. French dairy products regularly face usurpation, copying or parasitism.<sup>26</sup> In 2020, for instance, the Court of Justice of the European Union ruled in favour of PDO Morbier, protecting its visual appearance. This decision could lead to prohibiting in future, under certain conditions, the reproduction of the characteristic shape or appearance of a product protected by a GI, since this causes consumer deception. Wines and spirits that are largely exported are sometimes imitated on foreign markets – for example, a PDO wine, Côtes de Provence, imitated in the United States of America.

As far as foods are concerned, Lentilles du Puy PDO is probably one of the most imitated GIs because of its reputation and notoriety, and also because the product is sold dried (hence with a long shelf life). The fraud (usurpation) takes place in places such as Belgium, Germany and the United Kingdom, and on the internet. Once informed – either by producer group or lawyer agencies – the INAO takes action. The French authorities get in touch with the relevant national authorities where the fraud takes place to demand action and generally the problem can be solved. Things have been more complicated with the United Kingdom since Brexit, and also online, unless the source is an identified supplier. The main issue is that type Puy lentils are produced and exported from Canada, a third country, and efforts to stop the use of this denomination have not been successful there yet. That is why the actions taken to stop their commercialization on European markets are ongoing and will have to be repeated every time and everywhere a new usurpation takes place until the problem is finally solved with Canada.

## French geographical indications

In 2019, the number of French GIs recognized in the European Union was 681, broken down as follows:

- 363 PDO/denomination of origin wines and spirits (53 percent);
- 74 PGI wines (11 percent);
- 50 PDO dairy products (7.5 percent);
- 51 PDO foods (without dairy products, 7.5 percent); and
- 143 PGI foods (21 percent).

At the end of October 2021, French names listed in European Union register included 361 PDO wines and spirits, 75 PGI wines, 108 PDO foods (including dairy products), and 150 PGI foods.

A national system of GI protection is still available, but only for PDO (called AOC for national protection), as it is compulsory to be recognized in your own country if one wants to be protected with a PDO at European level. For PGI, the national recognition offers a temporary national protection only if chosen by the producer group, and then the producers must be in compliance with the specifications during European Union examination, which immediately follows approval at national level. Hence, there is no national GI scheme, except for non-agricultural products, which is managed by the INPI. To date, 12 non-agricultural products are protected with a GI.

<sup>25</sup> <https://curia.europa.eu/jcms/upload/docs/application/pdf/2021-09/cp210154fr.pdf>

<sup>26</sup> [www.processalimentaire.com/qualite/signes-de-qualite-le-cnaol-demande-a-renforcer-la-protection-des-fromages-sous-aop-et-igp](http://www.processalimentaire.com/qualite/signes-de-qualite-le-cnaol-demande-a-renforcer-la-protection-des-fromages-sous-aop-et-igp)

Controlled appellation of origin (AOC) in France is mainly a step towards PDO. The small number of French products certified by an AOC label alone are products that have already received their certification in France and whose application for European PDO protection is in progress – the Brousse du Rove for instance, which obtained its AOC in March 2018, was recognized as a PDO by Brussels in 2020. Once the PDO has been obtained, the AOC marking can no longer appear on the product, except in the case of alcoholic beverages.

The other case where we can find an AOC label alone concerns products not covered by European Union regulations. This is the case, for example, with products from the forest-wood sector, such as Chartreuse wood or Crau hay, which are among the few non-food products to have received an AOC.

In rare cases, the European Commission may also consider that the specifications presented are insufficient. This was the case for French Gruyère, which got its AOC in France in 2007, but which the European Union then refused. After seven years, the product finally settled on a PGI.

### France and the WIPO Geneva Act

In order to preserve acquired rights and the anteriority of appellations of origin (AO) registered under the 1958 Lisbon Agreement, a transfer procedure under the Geneva Act has been initiated at European and French level. The French authorities support the producer groups towards the protection of their products under the Geneva Act. The INAO performs most of the administrative work of preparing information and exchanges with the producer groups; while cooperation with the European Commission is carried out jointly with the departments of the Ministry of Agriculture (Globalization and Food Security Office).

This transfer procedure takes place in several phases according to which the French authorities (INAO and Ministry of Agriculture) are authorized by the European Commission to update progressively GI protection. In July 2021, 69 PDOs were affected, then during the Joint Committee on 23 September, France was authorized to update 209 new PDOs (21 agrifood, 11 spirits and 176 wines). New phases will follow with additional GIs.

The French Rural and Maritime Fishery Code provides for the recognition of producer groups for all products with a designation of origin or a PGI and defines their missions as well as the principles and methods of their recognition as a producer group.<sup>27</sup>

Thus, producer groups are recognized by a decision of the director of the INAO, after consulting the competent national committee. These decisions are published on the INAO website. No application can be submitted, or even more lead to a PGI and PDO, without previous submission and recognition of the producer group itself – and one only for a GI product, part of the process of certification. As per the relevant law, the producer group candidate must be a voluntary non-profit association and any application file must contain in particular the status, the rules of procedure, and information showing the representation of every category of stakeholder in the production of the proposed GI. This last aspect plays an important part in the chain of value and fair sharing of the added value. The main missions of the producer group – compulsory as per regulations and the French Code Rural – must be listed in the status.

Mandatory missions regarding GI products managed by an association legally recognized as a producer group:

- Preparing the specifications or its modifications; taking part in the implementation process by its members and in the implementation of the control plan – and in particular the organization of internal controls.
- Keeping an updated list of its members (stakeholders) and regularly transmitting this list to the control body and the ministry.
- Endeavouring to help protect the name, the product and the geographical area where the product is produced, as well as adding value to the product.
- Choosing the control body.
- Preparing the control plan with the control body.
- Officially validating the final control plan.

<sup>27</sup> Code rural – French regulation.

Optional missions of producer groups can be added, such as:

- Preparing good practice guidelines so as to help preserve the environment.
- Helping preserve the moral or material interests of its members (to be lightly described, if this mission is of interest).

These producer groups must also show they have a democratic functioning, and be completely open to any stakeholders.

### **Control system of geographical indications**

In France, the INAO is the official competent authority for the organization of controls on GI products.

- On the one hand, the INAO Council of Approval and Controls (CAC) defines the principles of controls and gives notice about approval of control bodies and every control plan. After initial approval, the INAO assesses control bodies on a regular basis (supervision).
- The INAO then delegates 100 percent of the external controls to these control bodies which also have to be accredited.<sup>28</sup>

The authorities in charge of controls differ, depending on the phase.

- Controls during the production phase – controls are the INAO's responsibility with delegation to control bodies. Internal controls are also carried out by the producer group, and self-controls by the stakeholders themselves. Only external controls are considered official. The cost varies, depending on the amount of control points and the frequency with which they are to be checked by control bodies.
- Controls on the market – the French fraud authorities are responsible for carrying out official controls on the market. Inspectors have access to all premises and documentation. A report of inspection is prepared, including a description of the purpose of the controls, the control methods applied, the results of analysis if any, and if appropriate a description of the actions that the producer must undertake following the control.

### **Potential and obstacles for geographical indications (including in relation to sustainability)**

In France, the application file for a future GI must contain a rather high number of elements in order to at least ensure the basis for the social and economic sustainability of the production.

These include:

- its present and long-term economic and social impact;
- how it involves an important and diversified number of stakeholders; and
- how the market evaluation, as well as the costs involved in the good practices linked to the specification, will allow an adequate profit for all stakeholders.

Producer groups, though they are aware that GI could play a more active role in sustainable agriculture, still need support with regard to the implementation of good environmental practices and the role of GIs in resisting globalization and commodification of food. The Ministry of Agriculture and the INAO already encourage producer groups to progressively and collectively bring their producers towards more environmentally friendly measures and thus better correspond to market expectations. However, to date and from a legal perspective, criteria exclusively related to sustainability could not be included in the specifications of GI products, unless they influence the quality or link of the product with the area of production.

This should change with the regulation “Omnibus”, which will amend regulations (EU) 1308/2013 and 1151/2012. Thus, under the new EU regulation the contribution to sustainability will then be considered one of the properties of GIs which can add value to GI products. This will also immediately impact the French

---

<sup>28</sup>By COFRAC, national accreditation body.

assessment of GI applications or modifications, and producer groups should be able to include sustainability criteria without having to justify them through a causal link with the characteristics of the product.

Besides the legal obstacle which has made it difficult to use GIs as a formal tool toward sustainability until now, there are other issues as far as producer groups are concerned. Some, such as the Comité Interprofessionnel de Gestion du Comté (CIGC), the GI group representing the PDO Comté, has long been working to include sustainability in all its dimensions as an important aspect of their collective work, well before the word sustainability even existed. A recent study demonstrated the high performance of the Comté value chain in terms of quality of soil and air, biodiversity, as well as socioeconomic equity.<sup>29</sup> In general, the higher the price of the GI product – which is often linked to the type of process (unprocessed versus processed, quality criteria of the raw material, PDO versus PGI)<sup>30</sup> – the easier it is to work on a sustainable approach. It is more difficult to convince producers or producer groups to adopt more sustainable and environmentally friendly measures when the added value is not high enough. That is often the case for non-processed PGIs or small sectors.<sup>31</sup>

Many sectors, however, and many GIs, do offer intrinsically sustainable criteria even if they do not always reflect as such in their specification, or even if some producer groups are not always aware of what is sustainable in their methods of production.

That is why, and subsequent to Omnibus, it would be beneficial to support producer groups become more aware of their existing sustainable practices (versus standard intensive production) so that they can emphasize and promote them. European or national support for promotion of these practices could then help producer groups add value to their GI products based on sustainability, and then work progressively towards more demanding and efficient sustainability criteria. This could be particularly useful for the horticultural sector, which faces difficulties in adding value to their products; it could also help it compensate for the costs of certification.<sup>32</sup>

### Inventory of geographical indications

The INAO keeps an updated record of existing GIs on their website,<sup>33</sup> each accompanied with the relevant documents (specifications, link to the legal publications, geographical area, date of recognition). This transparency allows the consumers, as well as any stakeholder, or media, to have access to all information regarding all of the GIs protected.

Potential GIs, and their specification, that are “in progress” are managed internally by the INAO – and with the Ministry of Agriculture – but are not available to the public. The draft specification is shared inside the INAO (notably within the committee in charge of the *instruction nationale*) and once the instruction has been completed and the relevant committee has given their approval, the national opposition procedure is published on the INAO website for the public’s knowledge.<sup>34</sup> After the European instruction and vote, the link to the European opposition procedure also becomes available on the INAO website. On the other hand, as soon as the application is made, producer groups are encouraged – and sometimes requested – to provide public information, through the media for instance, in order to communicate widely about the future GI, in order to avoid misunderstandings, serious obstacles, or if they are missing important producers which could at a later stage constitute an obstacle to the application.

<sup>29</sup> <https://fr.calameo.com/comte/read/002256870519b04c36e22>

<sup>30</sup> Study on assessing the added value of PDO/PGI products (Areté); Strengthening sustainable food systems through geographical indications - An analysis of economic impacts (FAO, 2019).

<sup>31</sup> [www.franceagrimer.fr/content/download/64805/document/SYN-FL%20SIQO%202019-VF.pdf](http://www.franceagrimer.fr/content/download/64805/document/SYN-FL%20SIQO%202019-VF.pdf) (p. 4).

<sup>32</sup> [www.franceagrimer.fr/content/download/64805/document/SYN-FL%20SIQO%202019-VF.pdf](http://www.franceagrimer.fr/content/download/64805/document/SYN-FL%20SIQO%202019-VF.pdf)

<sup>33</sup> [www.inao.gouv.fr/eng/Official-texts/Search-a-product](http://www.inao.gouv.fr/eng/Official-texts/Search-a-product)

<sup>34</sup> [www.inao.gouv.fr/eng/Espace-professionnel-et-outils/Suivi-des-demarches/Procedures-nationales-d-opposition-en-cours](http://www.inao.gouv.fr/eng/Espace-professionnel-et-outils/Suivi-des-demarches/Procedures-nationales-d-opposition-en-cours)

## Market situation

### Main countries and channels of distribution for geographical indications

In 2017, France counted a total of 724 GI products representing a total sales value of EUR 26.94 billion.<sup>35</sup> Most agricultural products and food GIs are sold on the domestic market, but the situation is the opposite for spirits, and somewhere in between for wines:

- 240 French GIs in the agricultural product and foods sector with a total sales value of EUR 4.09 billion,<sup>36, 37</sup> of which EUR 3.82 billion was sales on the national market, and EUR 274 million was exports (EUR 26 million of which goes to third countries).
- 432 GIs in the wine sector for a total of sales value of EUR 19.38 billion, of which EUR 11.3 billion was sales on the national market, and EUR 8.09 billion was exports (EUR 4.75 billion to third countries).<sup>38</sup>
- 52 GIs in the spirits sector for total sales of EUR 3.47 billion, of which EUR 290 million was sales on the national market, and EUR 3.18 billion was exports (EUR 2.77 billion to third countries).

The main channels of distribution for national GIs in France are the big retailers, then come exports and the catering sector – and particularly so for foods. Since 2014, a reorganization of the big retailers has been taking place, notably with the expansion of small-city supermarkets versus out-of-town large supermarkets. This is not sufficient, however, to counterbalance the extreme competition, via price wars, between the seven largest French supermarket chains, which has a negative effect on the fair compensation for GI products.

Meanwhile, the French EGALIM Law, and more recently the Climate Law,<sup>39</sup> intend to promote the use of quality products – including GIs – in the public catering sector. Provided GI agricultural and food products can adapt to the requirements of the catering sector, and match the relatively low purchasing prices asked, it could represent in the medium and long term an opportunity for some GI products.

### Challenges and opportunities for geographical indications during the pandemic

During the COVID-19 pandemic, partly because of the lockdown and partly because of the increased concern around people's health, there was a change in consumption trends observed in France. There was a shift to more local, green, and seasonal food consumption, and somewhat of a return to more traditional ways of consuming food involving more fresh products and more cooking at home. On the other hand, buyers of fruit and vegetables used this period of time to buy more from local farmers, whereas e-commerce has led to an increase in the purchase of non-fresh foods.

For GI management, the pandemic has been quite problematic, even if national authorities, and the European Commission, have been proactive and reactive. A major challenge was to deal with specification temporary amendments when and as necessary (in the meat, dairy products, and fish sectors), in order to establish the regulatory framework during the pandemic and study every specific amendment.

An example was the possibility to freeze raw products, when necessary, in order to avoid waste, particularly during the first wave of COVID-19 and the first lockdown. The INAO and national authorities made themselves available to study the requests of temporary modifications, so as to guarantee the maintenance of the quality of GI products together with organizing the necessary flexibility of the methods of production during the pandemic. The INAO's CAC also kept a strict if adapted frame of controls during the period of restrictions and modifications.

<sup>35</sup> <https://op.europa.eu/en/publication-detail/-/publication/a7281794-7ebe-11ea-aea8-01aa75ed71a1/language-en>

<sup>36</sup> 244 in 2019.

<sup>37</sup> EUR 4.15 billion in 2019.

<sup>38</sup> 437 in 2019.

<sup>39</sup> The Climate and Resilience Law of 22 August 2021 reflects part of the 146 proposals of the Citizen's Climate Convention adopted by the president, to reduce greenhouse gas emissions by 40 percent by 2030, in a spirit of social justice.

## Public awareness of geographical indications

According to a survey carried out in 2016 among 3 600 readers of the magazine *Que Choisir*, AOC, PDO and PGI are less well-known than other national labels, such as Viandes de France, or commercial collective labels like Saveurs de l'année, or product of the year. Furthermore, according to the same survey, two out of five people would buy more GI products if they had more explanation on the meaning of the schemes.<sup>40</sup> However, AOC and to a lesser extent PDO are quite familiar to the French consumer – more so than a PGI. A big proportion of consumers have little knowledge of the real definition of PGI, and do not know the difference between the two schemes.

No general market research or survey has been conducted on these questions recently in France. The European Commission, however, published a study in December 2020 highlighting the fact that “the awareness and understanding of GI/TSG schemes remain low in several member states, and some confusion between the different schemes remains”. Even if the logos and the schemes are well used in France, Spain and Italy, some improvements, through promotion and further education of consumers on GIs, would be helpful.

## Geographical indication promotion supporting schemes

Few national groups were aware of, or had access to, EU funds under Regulation 1144/2014 for their promotional activities. More information could have been transmitted to producer groups, particularly smaller ones. Larger sectors have access to this type of information through their respective consortiums, syndicates or interprofessional sectoral organizations.

National funds, or more specifically regional funds, are being made available – if less frequently than ten years ago – to promotional campaigns in the agrifood sector. However, they are generally destined for collective campaigns – that is, a whole sector, or a whole region. Specific promotional campaigns are more accessible to larger GIs, generally through European Union funding.

<sup>40</sup> [http://www.lecese.fr/sites/default/files/pdf/Avis/2018/2018\\_18\\_qualite\\_origine\\_produits\\_alimentaires.pdf](http://www.lecese.fr/sites/default/files/pdf/Avis/2018/2018_18_qualite_origine_produits_alimentaires.pdf)



## A country baseline report for Hungary

### Introduction

The objective of the study is to analyse the agrifood GI sector in Hungary.

The report covers the GI regulatory framework (protection, groups and controls), sector potential (including sustainability) and obstacles to its development, as well as the market situation (consumer perception, promotional activities, commercialization and distribution).

### Regulatory framework for geographical indications

Hungary is a member of the European Union. Therefore, EU regulations apply here as well. Hungarian law for GI regulations (see Table 1) aligns with European Union GI regulations (1151/2012, 1308/2013 and 2019/787).

### Registration and protection of geographical indications

The GI registration procedure has several steps. For the national procedure, the GI producer group submits the application to the Ministry of Agriculture. The product description is evaluated by the Hungarian Council of GIs (or for wines, the Council of Wine GIs). The council has delegates from the Ministry of Agriculture, the National Food Chain Safety Office, the Hungarian Intellectual Property Office, and from various producer and consumer organizations and representatives. In the event the application meets all the criteria, the product description is published in the official journal of the Ministry of Agriculture and the official GI websites ([www.gi.kormany.hu](http://www.gi.kormany.hu) and for wines [www.boraszat.kormany.hu](http://www.boraszat.kormany.hu)). If there is no objection received within two months of the publication, the minister of agriculture takes a decision resulting in temporary national GI protection and forwards the application to the European Commission for the European Union phase of the registration.

Table 1. National rules regarding the implementation of the EU regulatory framework for GIs in Hungary

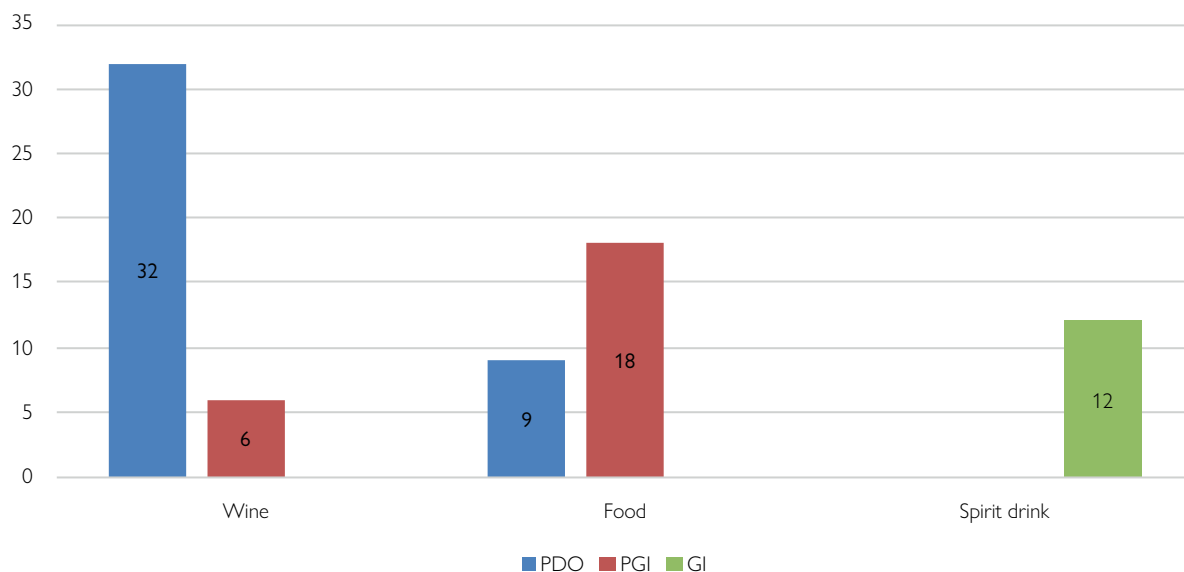
	Year	Reference of the regulation	Thematic coverage	Description
Agricultural products and foods PDO/PGI Wines PDO/PGI Spirits GI Aromatized wine products GI	1997	Act No. XI of 1997 on the protection of trademarks and geographical indications (Chapter XVII/A)	trademarks and geographical indications	General rules on the Union protection of GIs for agricultural products, foods, vine and wine products, aromatized wine products and spirit drinks.
Agricultural products and foods PDO/PGI Spirits GI	2009	158/2009 (VII.30.) Government Decree	application, control	National regulation for the content of specifications, procedures for application, registration, cancellation, controls, national scrutiny, national opposition procedure.
Wines PDO/PGI	2020	Act No. CLXIII. On vine and wine	designation of origin, geographical indications	Planting, cultivation, grubbing up of wine grapes, production and selling of wine products, their registration system, and administrative tasks related to viticulture and wine production.

Source: own composition.

At the end of October 2021, 77 Hungarian products were registered in the eAmbrosia database of the European Commission, of which 38 were wines (49 percent), 27 agricultural products and foods (35 percent), and 12 spirits (16 percent). An additional four food products are under registration (one with published status, three applied), together with three Hungarian spirits (all in applied status).

Regarding the type of GIs, as Figure 1 indicates, most Hungarian wines are PDO (84 percent), while food products are rather PGI (67 percent). Altogether, 53 percent of the registered GIs are PDO, 31 percent PGI, and 16 percent GI. The registered Hungarian GIs are listed in the annex.

Figure 4. Hungarian GIs in the European Union GI register, by product type and type of GI



Source: own composition based on eAmbrosia.

The most important Hungarian GI sector is the wine sector. Hungary has 22 traditional wine districts and 38 wine GIs, indicating that origin plays a significant role for Hungarian wines. Among foods, fresh fruit and vegetables are the most important category with a share of 46 percent, followed by fresh and processed meat (both 14 percent). For spirits, Hungary has registered only the fruit-based (or grape marc) distillate called pálinka, and several regional pálinka varieties.

Hungary was among the first contracting parties to sign the Lisbon Agreement in 1958. Altogether, 28 appellations in Hungary are registered, 20 of which are agrifood products (mainly wines). As a member of the European Union, Hungary joined the Geneva Act of the Lisbon Agreement in 2021.

Due to several EU agreements, many of the Hungarian GIs are also protected outside the European Union. Most Hungarian GI wines benefit from this protection; only the most recent GI appellations are not covered. Typically, Hungarian GI wines are protected in ten to 16 third countries, except for the Tokaj PDO, which is protected by agreements in 31 non-European Union countries. Iceland and Norway recognize 36 Hungarian GI wines, while in Armenia, Georgia, Kosovo, Liechtenstein, Republic of Moldova, Switzerland, Ukraine and the United States of America, 35 Hungarian wines are recognized.

Among foods, Szegedi téliszalámi PDO (salami produced in the municipality area of Szeged)<sup>41</sup> is the most widely recognized (in 21 third countries), followed by Budapesti téliszalámi PGI, a Budapest winter salami (recognized in ten third countries).<sup>42</sup> Countries in the Balkans (Serbia and Kosovo, in particular) have signed an agreement with the European Union recognizing Hungarian GI food products.

Regarding spirits, the overall appellation of pálinka and törkölypálinka (grape marc pálinka) is recognized widely (in 24 and 23 third countries, respectively), followed by four regional pálinka varieties (Békési szilvapálinka, Kecskeméti barackpálinka, Szabolcsi almápálinka, and Szatmári szilvapálinka, all in 15 countries). The highest number of Hungarian GI spirits are recognized in Armenia, Iceland, Mexico and Republic of Moldova (eight appellations).

<sup>41</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52007XC0420\(03\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52007XC0420(03)&from=EN)

<sup>42</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008XC0813\(06\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008XC0813(06)&from=EN)

## Producer groups

Producer groups of wine GIs in Hungary are all local wine communities, and for spirits GIs a certain distillery (the only exceptions are the overall appellation of pálinka and törkölypálinka, where the Ministry of Agriculture submitted the GI application). For agricultural products and foods, the GIs are mostly the cooperatives of producers, or processors, in some cases a single producer/processor.

As there is no additional requirement in the national law, EU regulations apply for the establishment of GI producer groups. Government administration is very supportive, and a top-down approach is often typical for GI registrations. Still, GI producer groups in Hungary are not very active after GI registration. Only a few of them try to benefit from the marketing advantages of GI protection, such as the active use of the GI appellation and the logo. Some GIs also help their members access the market by collecting and selling the products centrally.

## Control system of geographical indications

The National Food Chain Safety Office controls the whole food chain in Hungary, including GIs and county-level government offices. According to Article 11 (2) of the Government Decree No. 158/2009 on the procedure for the protection of geographical indications of agricultural products, foodstuffs and spirit drinks and controls of these products in respect of geographical indications for agricultural products, foodstuffs and spirit drinks, the control authority checks the compliance with the product specification (verification) at the place of production, preparation and distribution. The government covers these inspections; the GI groups do not have to contribute.

At all levels – farm-processing, wholesale, retail (including online) – inspections and controls are scheduled based on an annual monitoring plan resulting from a preliminary risk assessment revised quarterly (type of product, results of the previous controls, risk assessment control lists, and so on). The control authorities focus primarily on infringement of labelling requirements and production methods. In some cases, it is easier to verify the compliance of GI specifications:

- when a GI producer group has its own internal control system, which facilitates the work of the control authorities (for example, fresh GI vegetable products); and
- when only a single or very few producers/processors are entitled to use the GI (for example, several national GI pálinka varieties or processed meat products).

## Sector potential and obstacles (including in relation to sustainability)

In Hungary, the environment for the GI system is very supportive from the government's side as the policymakers are fully aware of the importance of the European Union GI system and the role it should play in the agriculture and food industry. National food quality systems (the Traditions-Tastes-Regions programme, in particular) serve as a national ante-room for the European Union GI system; the most important products of this programme are encouraged and supported to apply for EU GI registration (Török, 2019).

In addition, in 2015, the Hungarian government initiated the Geographical Indication Programme to increase the number of Hungarian GI products and improve the market situation for existing GI products (recognition). Though this successful top-down initiative resulted in dozens of new Hungarian GI registrations, the low recognition of the EU GI system is still the biggest obstacle for both producers and consumers.

Recent EU-funded research, [Horizon 2020](#) (including two Hungarian GI value chains, Gyulai kolbász and Kalocsai fűszerpaprika), showed that certified food outperforms its non-certified rivals on most economic and social indicators; however, on major environmental indicators – carbon and water footprint – their performance is similar (Bellassen *et al.*, 2022).

There is a need to support awareness on the role that GIs can play in the transition to more sustainable agriculture, because national GI groups are not fully aware or maybe familiar only, with the dimension of economic sustainability. The main reasons GI groups apply for GI are the protection of their appellations and markets, the prestige of having GI protection, and having a marketing opportunity to distinguish their products from others.

Producers, processors, and other value-chain actors need to invest in promotion and GI-related activities to increase consumer awareness and demand for GI products in Hungary.

## Market situation

In 2017, the Hungarian GI sector had a EUR 397 million sales value, representing 20 percent of total national agrifood products. Twenty-four percent of Hungarian GI sales was exported (inside and outside the European Union). The share of the GI output is highest among wines (76 percent), followed by spirits (5 percent) and foods (3.4 percent) (AND-International, 2019).

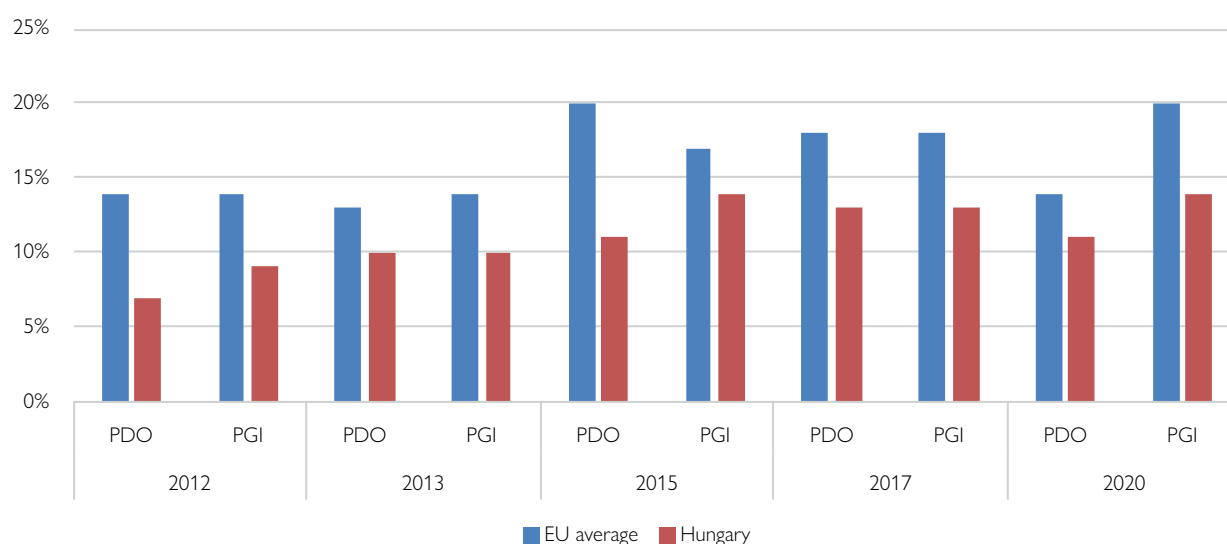
Hungarian GI food products and spirits are mainly sold on the domestic market, in neighbouring countries (especially those with significant Hungarian minority communities), Germany, and the United Kingdom. Exports outside the European Union is minimal. The export share for the Hungarian GI wine sector is significantly higher than for GI foods and spirits. This is mainly due to the very high percentage of wines with GI within total Hungarian wine production (in 2020, it was more than 87 percent). Hungarian GI wines are primarily exported to European countries; however, overseas exports also take place.

Hungarian GI exports are typically sold via long supply chains. In the domestic market, GI foods are mainly marketed through conventional chains. Typically, only small-scale GI foods are sold in shorter food supply chains. Often, products worthy of the GI appellation are sold without the GI name and logo, using only the brand of the producer/processor (Csillag and Török, 2019).

The COVID-19 pandemic resulted in no substantial change in the commercialization of GIs, nor in consumer preferences.

Recognition of European Union GI labels (PDO and PGI) in Hungary is very low – below 15 percent for both labels. It was always below the average (see Figure 5). A recent Horizon 2020 project – using a slightly different approach – identified a higher level of label recognition (16 percent for PDO and 31 percent for PGI) in 2019 (Török, Maró and Jantyik, 2019). This research also found that even those respondents who recognize the label do not know precisely what it means. Consequently, consumers do not really understand the difference between PDO and PGI labels, and they are not aware of the links between GIs and sustainable food systems.

Figure 5. Hungarian consumer recognition of GIs



Source: own composition based on Eurobarometer (European Commission. 2012. *Europeans' attitudes towards food security, food quality and the countryside*. Retrieved from [https://data.europa.eu/data/datasets/s1054\\_77\\_2\\_ebs389?locale=en](https://data.europa.eu/data/datasets/s1054_77_2_ebs389?locale=en); European Commission. 2014. *Europeans, agriculture and the Common Agricultural Policy (CAP)*. Retrieved from [https://data.europa.eu/data/datasets/s1081\\_80\\_2\\_410?locale=en](https://data.europa.eu/data/datasets/s1081_80_2_410?locale=en); European Commission. 2016. *Europeans, Agriculture and the CAP*. Retrieved from [https://data.europa.eu/data/datasets/s2087\\_84\\_2\\_440\\_eng?locale=en](https://data.europa.eu/data/datasets/s2087_84_2_440_eng?locale=en); European Commission. 2018. *Europeans, Agriculture and the CAP*. Retrieved from [https://data.europa.eu/data/datasets/s2161\\_88\\_4\\_473\\_eng?locale=en](https://data.europa.eu/data/datasets/s2161_88_4_473_eng?locale=en); European Commission. 2020. *Europeans, Agriculture and the CAP*. Retrieved from <https://europa.eu/eurobarometer/surveys/detail/2229>)

As long as consumers do not recognize European Union GI labels and are not searching for these products, producers and processors do not consider the GI system an active marketing tool. The main benefit of GI registration is the protection of well-known appellations from counterfeits. Only a few GI groups use the labels as an active marketing tool.

Hungarian GI producer groups rarely engage in marketing activities and promotion. So far, direct EU funds for GI food promotion (through the European Research Executive Agency, REA, and Chafea, the former Consumers, Health, Agriculture and Food Executive Agency) was only used once, promoting Hungarian Grey Cattle PGI meat in Saudi Arabia, Kuwait and Switzerland.

Recently, two EU-funded Hungarian calls were opened for supporting the GI producer groups and their promotion activities, one with significant funds available. These calls are expected to substantially increase awareness of the GI system.

## References

- AND-International.** 2019. *Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialities guaranteed (TSGs)*. Cited on 5 March 2021 <https://op.europa.eu/en/publication-detail/-/publication/a7281794-7ebe-11ea-aea8-01aa75ed71a1>
- Bellassen, V., Drut, M., Hilal, M., Bodini, A., Donati, M., de Labarre, M. D., Filipovic, J. et al.** 2022. The economic, environmental and social performance of European certified food. *Ecological Economics*, 191, 107244. <https://doi.org/10.1016/j.ecolecon.2021.107244>
- Csillag, P. & Török, Á.** 2019. PDO Kalocsai Paprika Powder in Hungary. In: F. Arfini & V. Bellasen, eds. *Sustainability of European Food Quality Schemes*, pp. 151–170. Springer.
- Török, Á.** 2019. A HÍR védjegy ismertsége és beágyazódottsága a magyar fogyasztók körében. *Táplálkozásmarketing*, 6(1): 81–97.
- Török, Á., Maró, Z. M., & Jantyik, L.** 2019. A magyar fogyasztók és az európai uniós földrajzi árujelzős élelmiszercímkek viszonya. *Statistikai Szemle*, 97(6): 546–567.
- United Nations report, Department of Economic and Social Affairs.** 2017. Cited on 5 March 2021 [www.un.org/development/desa/en/news/population/world-population-prospects-2017.html](http://www.un.org/development/desa/en/news/population/world-population-prospects-2017.html)

**Annex. Hungarian products in the European Union GI register (31 October 2021)**

Product type	Name	Product category	Type	Status
Wine	Badacsony/Badacsonyi	Wine	Protected designation of origin (PDO)	Registered
Wine	Balaton/Balaton	Wine	Protected designation of origin (PDO)	Registered
Wine	Balatonboglár/ Balatonboglári	Wine	Protected designation of origin (PDO)	Registered
Wine	Balaton-felvidék/Balaton-felvidéki	Wine	Protected designation of origin (PDO)	Registered
Wine	Balatonfüred-Csopak/ Balatonfüred-Csopaki	Wine	Protected designation of origin (PDO)	Registered
Wine	Balatonmelléki	Wine	Protected geographical indication (PGI)	Registered
Wine	Bükk/Bükki	Wine	Protected designation of origin (PDO)	Registered
Wine	Csongrád/Csongrádi	Wine	Protected designation of origin (PDO)	Registered
Wine	Csopak/Csopaki	Wine	Protected designation of origin (PDO)	Registered
Wine	Debrői Hárslevelű	Wine	Protected designation of origin (PDO)	Registered
Wine	Duna/Dunai	Wine	Protected designation of origin (PDO)	Registered
Wine	Dunántúli/Dunántúl	Wine	Protected geographical indication (PGI)	Registered
Wine	Duna-Tisza-közi	Wine	Protected Geographical Indication (PGI)	Registered
Wine	Eger/Egri	Wine	Protected designation of origin (PDO)	Registered
Wine	Etyek-Buda/Etyek-Budai	Wine	Protected designation of origin (PDO)	Registered
Wine	Etyeki Pezsgő	Wine	Protected designation of origin (PDO)	Applied
Wine	Felső-Magyarország/ Felső-Magyarországi	Wine	Protected geographical indication (PGI)	Registered
Wine	Hajós-Baja	Wine	Protected designation of origin (PDO)	Registered
Wine	Izsáki Arany Sárfehér	Wine	Protected designation of origin (PDO)	Registered
Wine	Káli	Wine	Protected designation of origin (PDO)	Registered
Wine	Kőszeg/Kőszegi	Wine	Protected designation of origin (PDO)	Applied
Wine	Kunság/Kunsági	Wine	Protected designation of origin (PDO)	Registered
Wine	Mátra/Mátrai	Wine	Protected designation of origin (PDO)	Registered
Wine	Monor/Monori	Wine	Protected designation of origin (PDO)	Registered
Wine	Mór/Móri	Wine	Protected designation of origin (PDO)	Registered
Wine	Nagy-Somló/Nagy-Somló	Wine	Protected designation of origin (PDO)	Registered
Wine	Neszmély / Neszmélyi	Wine	Protected designation of origin (PDO)	Registered
Wine	Pannon	Wine	Protected designation of origin (PDO)	Registered
Wine	Pannonhalma/ Pannonhalmi	Wine	Protected designation of origin (PDO)	Registered
Wine	Pécs	Wine	Protected designation of origin (PDO)	Registered
Wine	Soltvadkerti	Wine	Protected designation of origin (PDO)	Registered
Wine	Somló/Somló	Wine	Protected designation of origin (PDO)	Registered
Wine	Sopron/Soproni	Wine	Protected designation of origin (PDO)	Registered
Wine	Szekszárd/Szekszárdi	Wine	Protected designation of origin (PDO)	Registered
Wine	Tihany/Tihanyi	Wine	Protected designation of origin (PDO)	Registered
Wine	Tokaj/Tokaji	Wine	Protected designation of origin (PDO)	Registered
Wine	Tolna/Tolnai	Wine	Protected designation of origin (PDO)	Registered
Wine	Villány/Villányi	Wine	Protected designation of origin (PDO)	Registered
Wine	Zala/Zalai	Wine	Protected designation of origin (PDO)	Registered
Wine	Zemplén/Zempléni	Wine	Protected geographical indication (PGI)	Registered
Food	Akasztói szikiponty	Class 1.7. Fresh fish, molluscs, and crustaceans and products derived therefrom	Protected designation of origin (PDO)	Registered



Product type	Name	Product category	Type	Status
Food	Alföldi kamillavirágzat	Class 1.8. Other products of Annex I of the Treaty (spices, etc.)	Protected designation of origin (PDO)	Registered
Food	Balatoni hal	Class 1.7. Fresh fish, molluscs, and crustaceans and products derived therefrom	Protected geographical indication (PGI)	Registered
Food	Budaörsi őszibarack	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Budapesti téliszalámi	Class 1.2. Meat products (cooked, salted, smoked, etc.)	Protected geographical indication (PGI)	Registered
Food	Csabai kolbász/Csabai vastagkolbász	Class 1.2. Meat products (cooked, salted, smoked, etc.)	Protected geographical indication (PGI)	Registered
Food	Gönci kajszibarack/ Gönci kajsz	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Győr-Moson-Sopron megyei Csemege sajt	Class 1.3. Cheeses	Protected geographical indication (PGI)	Registered
Food	Gyulai kolbász/Gyulai pároskolbász	Class 1.2. Meat products (cooked, salted, smoked, etc.)	Protected geographical indication (PGI)	Registered
Food	Hajdúsági torma	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected designation of origin (PDO)	Registered
Food	Hegykői petrezselyemgyökér	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Jászsági nyári szarvasgomba	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Kalocsai fűszerpaprika-őrlemény	Class 1.8. Other products of Annex I of the Treaty (spices, etc.)	Protected designation of origin (PDO)	Registered
Food	Magyar szürkemarha hús	Class 1.1 Fresh meat (and offal)	Protected geographical indication (PGI)	Registered
Food	Makói petrezselyemgyökér	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Makói vöröshagyma/ Makói hagyma	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected designation of origin (PDO)	Registered
Food	Nagykun rizs	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Őrségi tökmagolaj	Class 1.5. Oils and fats (butter, margarine, oil, etc.)	Protected geographical indication (PGI)	Registered
Food	Szegedi fűszerpaprika-őrlemény/ Szegedi paprika	Class 1.8. Other products of Annex I of the Treaty (spices etc.)	Protected designation of origin (PDO)	Registered
Food	Szegedi szalámi/Szegedi téliszalámi	Class 1.2. Meat products (cooked, salted, smoked, etc.)	Protected designation of origin (PDO)	Registered
Food	Szegedi tükörponty	Class 1.7. Fresh fish, molluscs, and crustaceans and products derived therefrom	Protected geographical indication (PGI)	Registered
Food	Szentesi paprika	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Szilvásváradai pisztráng	Class 1.7. Fresh fish, molluscs, and crustaceans and products derived therefrom	Protected geographical indication (PGI)	Registered
Food	Szomolyai rövidszárú fekete cseresznye	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected designation of origin (PDO)	Registered
Food	Szőregi rózsatő	Class 2.13. Flowers and ornamental plants	Protected geographical indication (PGI)	Registered
Food	Tuzséri alma	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected designation of origin (PDO)	Registered

Product type	Name	Product category	Type	Status
Food	Újfehértói meggy	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Registered
Food	Fertőd vidéki sárgarépa	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Published
Food	Nagykörűi ropogós cseresznye	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Applied
Food	Derecske alma	Class 1.6. Fruit, vegetables and cereals fresh or processed	Protected geographical indication (PGI)	Applied
Food	Keleméri báránypálinka	Class 1.1. Fresh meat (and offal)	Protected geographical indication (PGI)	Applied
Spirit drink	Békési Szilvapálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Gönci Barackpálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Kecskeméti Barackpálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Madarasi birspálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Nagykunsági birspálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Nagykunsági szilvapálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Pálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Szabolcsi Almapálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Szatmári Szilvapálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Törkölypálinka	6. Grape marc spirit or grape marc	Geographical indication (GI)	Registered
Spirit drink	Újfehértói meggyepálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Vasi vadkörte pálinka	9. Fruit spirit	Geographical indication (GI)	Registered
Spirit drink	Nagykörűi cseresznyepálinka	9. Fruit spirit	Geographical indication (GI)	Applied
Spirit drink	Sárréti kökénypálinka	9. Fruit spirit	Geographical indication (GI)	Applied
Spirit drink	Homokháti őszibarack pálinka	9. Fruit spirit	Geographical indication (GI)	Applied

Source: own composition based on eAmbrosia.

## A country baseline report for Poland

### Regulatory framework for geographical indications

The Ministry of Agriculture and Rural Development plays the main role in the implementation of food quality policy (PDO, PGI, TSG products). The ministry is responsible for the registration process, for evaluating proposals at national level, and for contacting the European Commission. *Ex-officio* controls are carried out by institutions dependent on the ministry.

### Registration and protection of geographical indications

The ministry receives and examines applications (formal assessment) for the registration of GIs, including proposals for changes in the specifications of registered products. It also considers objections to applications for registrations of GI, and it is also responsible for relations and contacts with the European Commission (there are two or three employees responsible for GI issues).

The Council for Traditional and Regional Products operates within the Ministry of Agriculture and Rural Development. This council is a consultative and advisory body for the minister of agriculture. It meets and examines applications (via substantive evaluation) and any objections raised to these proposals. The council consists of six members that are experts in matters related to regional and traditional products, especially in the field of industrial property rights, Polish tradition, culture, and ethnography. The council also has a chairman, who is a representative of the Ministry of Agriculture and Rural Development.

The national stage of application assessment consists of a formal evaluation, a national objection procedure, the opinion of the council, and the decision of the minister on meeting the requirements of EU regulations and on the transmission of the application to the European Commission. The national stage takes about three months. Registering at European Union level takes at least a year.

In Poland, infringements of the law related to protected names occur rather sporadically. These are incidental matters because the *ex-officio* control works quite efficiently (despite the relatively small number of inspectors), and Polish PDO/PGI/TSG products are not economically significant enough to be the subject of counterfeiting. Naturally, some violations and counterfeiting of registered products occur and are detected by the Agricultural and Food Quality Inspection every year (including on e-commerce platforms). This applies in particular to highly reputable products such as Oscypek PDO (cheese) or Ser koryciński swojski PGI (cheese), and also to Rogal świętomarciński PGI (pastry). Over the several years that have passed since the registration of the first Polish product in the EU register, there has also been an improvement in the awareness of producers who have learned to fight for their rights and report any violations to the relevant authorities. There was also a case of registration of “Polska vodka” outside Poland (in Singapore and China) – both trademarks were cancelled after intervention from Poland.

The following Polish products have been registered in the European Union system of GIs (PDO/PGI/TSG) for agricultural products, foods and spirits:

- 10 PDOs (including the first EU-registered product that is made in two countries – honey from Sejny in Poland and Lazdijai in Lithuania);
- 24 PGIs and 2 GIs in the spirits sector; and
- 10 TSG.

Most of the (ten) Polish-registered products are fruit and vegetables. There are also eight meats and meat products, and five cheeses. So far, none of the Polish applications for registration have been rejected by the European Commission.

Table 2. Polish-registered geographical indication products

	<b>PDO</b>	<b>PGI (+spirit drinks)</b>	<b>TSG</b>	<b>Total</b>
<b>Poland</b>	<b>10</b>	<b>26 (+2)</b>	<b>10</b>	<b>46 (+2)</b>
Fruit and vegetables	3	7		10
Meat/meat products		4	4	8
Cheese/dairy products	3	2		5

Source: author's own elaboration.

There are currently three products applying for registration, one of which is the first Polish PGI in the wine sector (Wino z Podkarpacia/Wino podkarpackie).

The Polish authorities (Ministry of Agriculture and Rural Development), due to minimal exports of GI products to countries covered by the Geneva Act of the Lisbon Agreement, do not plan to use this protection option yet.

With respect to bilateral agreements (regarding GI products) concluded or negotiated by the European Union, the Polish Vodka GI should be mentioned. This product is protected under several dozen agreements signed by the European Union with other countries – for example, Polish Vodka GI is protected in China under the EU-China Trade Agreement (like 99 other GIs from the European Union). Other Polish PDO/PGI/TSG products appear under these agreements sporadically (when there is a particular interest in a given market), as they do not have significant global export potential.

There are no bilateral agreements concluded or negotiated by the European Union covering or treating Polish GIs in a specific way. The exception is Polish Vodka GI.

In Poland, the national system for the registration and protection of GIs is relevant only for GI industrial and handicrafts products. The system is managed by the Patent Office. Unfortunately, to this day no GI has been registered for non-food products.

### Producer groups

According to the requirements of EU law, PDO, PGI or TSG products may be registered by producer groups, and only in exceptional cases (for example, production by one producer only) is a derogation possible. This type of derogation was used only once in Poland in the case of Chleb Prądnicki PGI, where there was only one producer of this product in Kraków-Prądnik. Polish law does not define the legal form of the group in line with the principle that “two producers are already a group of producers”. Nevertheless, the majority of PDO/PGI/TSG products in Poland are managed by organized groups of producers (mainly the fruit and vegetables sector), industry associations and organizations (mainly bakery and meat products and honey), as well as cooperatives (mainly dairy products). Some of the groups are more active in the field of product protection and promotion, others are less dynamic or do not work at all (rather rare cases) – such as Heather honey from Bory Dolnośląskie PGI or Podkarpackie honeydew PDO, which due to the lack of proper pollen and honeydew for several seasons were hardly producing at all.

The role of GI producer groups is very significant. It begins at the stage of preparing product specifications. After the registration of the GI, the role of the group is mainly to ensure the quality of the product. The most common activities of groups include:

- receive applications from manufacturers who want to undergo control and certification;
- keep a register of producers authorized to use the protected name;
- conduct internal control (regardless of certification by public or private certification bodies);
- distribute the common label – numbered labels are used by some groups of producers of GI products in order to control the protected product on the market. For example, in the specification of a GI product, producers declare that only the association of producers is entitled to print labels. The labels are then distributed among producers according to the needs and scale of production;
- manage the common logo of the product (if any); and
- monitor the market for proper use of the name.

It is also important for groups to organize information and promotional activities, and in participate in training and meetings with representatives of other groups in order to exchange good practices. They should also maintain contact with various authorities.

In Poland, groups and associations managing PDO/PGI/TSG products can count on support from the Rural Development Programme related to:

- payment to producers of contributions to participate in a group (association, union); and
- co-financing of promotional and marketing campaigns regarding the registered product.

Usually, the groups include only producers or processors of the PDO/PGI/TSG product. The Sady Grójeckie association, which brings together both organized groups of fruit and vegetable producers, and individual fruit growers from the region of origin, should be mentioned. It is undoubtedly the most effective group in Poland, which not only represents the greatest economic power in apple production in the whole of the European Union, but also operates in the field of promotion and marketing, trade, lobbying and professional advice for fruit growers. More about the activities of the association can be found at <https://jablkagrojeckie.pl/>.

### **Control system of geographical indications**

There is a so-called “hybrid system” in Poland – the compliance of production with the specification can be controlled by public services and by private certification bodies. The farmer or the producer is the one who decides.

#### **General Inspectorate of the Agricultural and Food Quality Inspection**

The General Inspectorate supervises entities that carry out control and certification of GIs, such as the Voivodship inspectorates of agricultural and food quality, and private certification bodies (see below). It also supervises the GI market by conducting *ex-officio* controls.

#### **Voivodship inspectorates of agricultural and food quality**

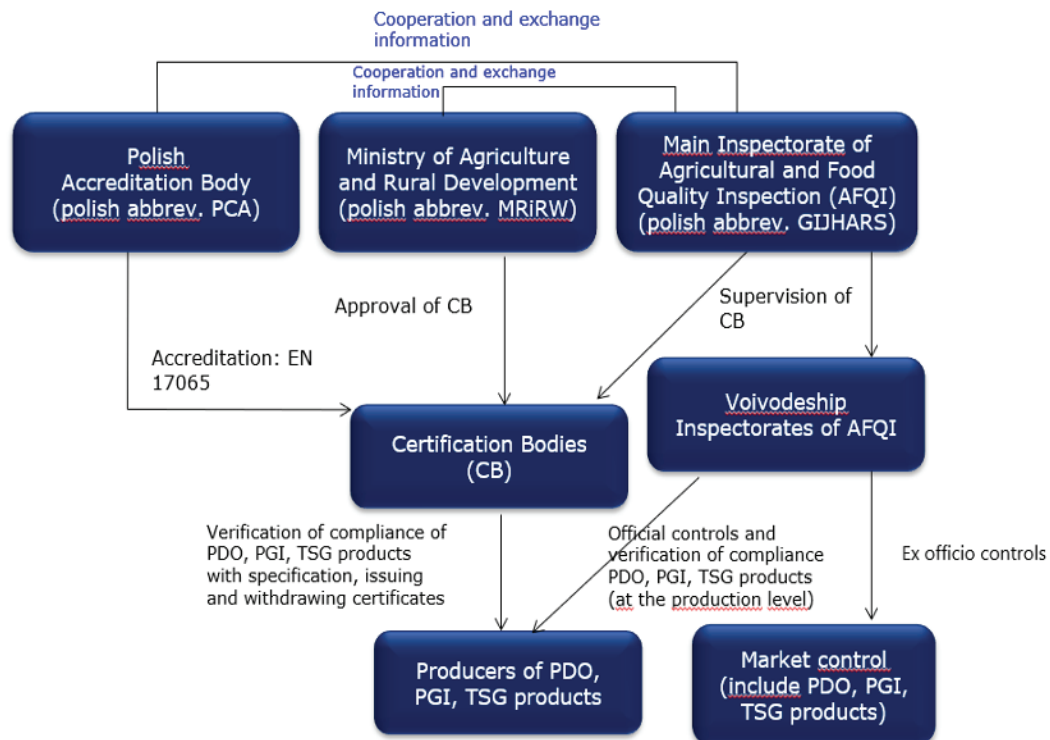
These inspectorates check compliance with the GI specifications. There are 16 regional inspectorates in Poland (two employees in each regional inspectorate responsible for high-quality products).

#### **Private certification bodies**

Private certification bodies must be accredited and authorized by the order of the minister of agriculture and rural development. The certification bodies check compliance with the specifications.

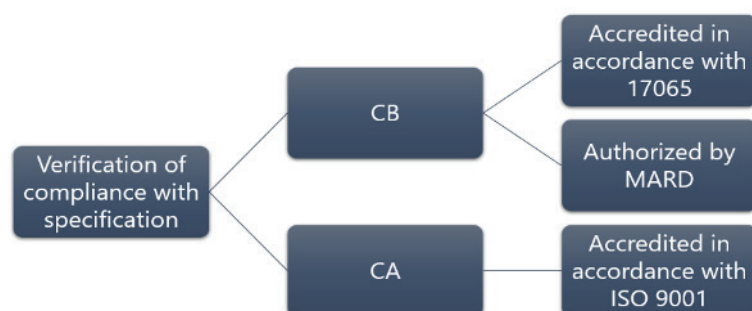
Producers of PGI (or designations of origin) choose for themselves which control body carries out control and certification, confirming that their product is manufactured according to the specifications (the expenses for this are covered by producers). The conditions certification bodies have to meet to become authorized are set out in the Act on the registration and protection of names and designations of agricultural products and foodstuffs and on traditional products (Article 41). The main requirement with respect to certification bodies is that they have to be independent. There are currently four accredited certification bodies in Poland that are entitled to carry out verification of compliance with specifications (for PDO/PGI/TSG products).

Figure 6. Organization of supervision and control system for PDO, PGI, TSG in Poland



Source: author's own elaboration based on current Polish legal provisions.

Figure 7. Competent authorities and control bodies for verification of compliance with specification



Source: author's own elaboration based on current Polish legal provisions.

### Agricultural and Food Quality Inspection (AFQI)

The objective of the AFQI is to supervise the commercial quality of all foods and agricultural products during production and on the market (including controls of quality of exported products). Its specific tasks include the control of agrifood products registered as PGI, PDO or TSG, and cooperation with other inspections exercising such control (including in other countries).

The legal basis for the AFQI is the Law (of 21 December 2000) on the commercial quality of agrifood products (<http://dziennikustaw.gov.pl/DU/2015/678/1>).

The Agricultural and Food Quality Inspection complains about the lack of staff that could perform the necessary inspections in the GI and organic food sectors (this is also the competence of the AFQI). Nevertheless, the awareness of inspectors in the scope of detecting violations regarding GI, and achievements in that regard, should be assessed positively. Despite modest resources, the AFQI also controls the online food trade (including



GI products). However, due to the lack of EU regulations in this area (there is no *lex specialis* in the field of e-commerce), it is not an easy task, and it is difficult to organize it in cooperation with e-commerce players.

### Sector potential and obstacles (including in relation to sustainability)

It is impossible to generalize and state that all PDO/PGI/TSG producer groups understand the importance of the inevitable transformation to sustainable agriculture. It is worth noting, however, that some groups (for example, the PGI Grójec apple or the PGI Łącko apple) emphasize the obligation to produce fruit using integrated production, which minimizes the use of plant protection products, and also very often boast about products that are GI and have been produced organically. Some of the groups dealing with meat production emphasize the use of native, traditional breeds or the application of the principles of increased animal welfare.

As emphasized in the point above, some of the producer groups are anticipating the direction agriculture and food production will go, and are making changes already today.

Most PDO/PGI/TSG producers that are commercialized through organized distribution channels complain about cooperation with retail chains. According to the producers, more and more retail chains want to have PDO/PGI/TSG products on the shelves. Nevertheless, although high-quality products in themselves do not generate large sales volumes, they do attract customers to the store, customers who then make much larger purchases than the advertised product. However, despite this main goal for the PDO/PGI/TSG product, retail chains strive to:

- lower the price below the break-even point;
- use their dominant position to introduce unilaterally beneficial commercial practices; and
- break up the group and establish cooperation with individual producers – the latter are much more inclined to accept the terms of the retail network than groups and associations of producers with greater clout and better negotiation skills.

Comprehensive inventory studies of the sector's potential have not been conducted in Poland. Nevertheless, the dairy sector shows the greatest potential for PDO/PGI/TSG registration, due to:

- strong dairy traditions in almost all regions of Poland;
- the variety of dairy products related to both local know-how and the specificity of the raw material (milk, breeds, feed); and
- market structure dominated by dairy cooperatives with many years of tradition and well-established recipes for local dairy products.

An opportunity can also be seen in the registration of PDO/PGI/TSG in the:

- meat (meat products) sector – for example, one of the Polish export bestsellers, Polish oat goose (has not been registered yet); and
- fruit and vegetable sector – Poland is distinguished not only by a large range of fruit and vegetable varieties specific to its regions, it is also characterized by a great uniqueness of individual local crops and local know-how. It is also a dominant producer of certain fruits and vegetables (blackcurrant, chokeberry, strawberries, apples), which affects its reputation and perception by consumers.

It seems that in Poland, from the procedural and institutional point of view, the system of evaluation and registration of PDO/PGI/TSG products works very well. The biggest obstacle to the development of the GI system is invariably the mentality of producers, who often lack the requisite trust needed to form groups, associate, and cooperate – thus, registration becomes impossible. In order to support groups under the funds for rural development, both co-financing of the costs of the participation of producers in the association, and the creation of so-called operational groups for the development of the high-quality food sector, are possible.

## Market situation

### Main countries and channels of distribution for geographical indications



Protected designations of origin, protected geographical indication, and traditional speciality guaranteed products in Poland are characterized by a rather low market power and low production volume, which is why they are sold mainly on the domestic market. About half of PDO/PGI/TSG products are sold nationwide, and half on a regional or local basis. The exception is Polish Vodka GI, which is exported on the world market. The value of pure vodka exports from Poland in 2020 amounted to PLN 521 million (about EUR 120 million). Poland is the first vodka producer in the European Union, and fourth in the world. Nevertheless, Polish Vodka GI still accounts for a small percentage of its production and exports.

Discount stores and supermarkets are the main channels of distribution in Poland (53 percent of trade). Market and hypermarkets' shares dropped to 10 percent in 2020. The rest of the market – 37 percent – is large and small grocery stores, as well as kiosks and petrol stations (Nielsen IQ). These channels sell most of the countrywide PDO/PGI/TSG products. It should be emphasized that retail chains in Poland are increasingly turning to regional and traditional or GI products, which attract consumers to their stores.

### Challenges and opportunities for geographical indications during the pandemic

The report, E-commerce B2B – Business on the Internet, shows that during the COVID-19 pandemic, the value of e-commerce in Poland increased by 30 percent, with forecasts for 2021 predicting an increase of up to 40 percent. Unfortunately, there is no data that references PDO/PGI/TSG products.

Table 3. Public awareness of geographical indications

Have you ever seen products bearing any of the following food quality / origin labels?				
Label	Sample	Yes, and I know what it means	Yes, but I don't know what it means	I have not seen
	City residents	23.4%	9.4%	67.2%
	Inhabitants of rural areas	36.1%	7.6%	56.3%
	Total	30.9%	8.3%	60.8%
	City residents	19.3%	7.5%	73.2%
	Inhabitants of rural areas	27.6%	5.4%	67%
	Total	24.3%	6.2%	69.5%

2020 EU study: Total sample (N = 2627); City (N = 1067); Rural areas (N = 1560)

Source: Badanie: Polskie obszary wiejskie i rolnictwo 2020 (Polish rural areas and agriculture 2020). 2021. A study commissioned by the Ministry of Agriculture and Rural Development, the Agency for Restructuring and Modernization of Agriculture, the National Center for Agricultural Support and the Agricultural Social Insurance Fund, developed by the consortium, BST Group and EU Consult, Warsaw 2021.

Cited 20 December 2021. <https://www.gov.pl/web/rolnictwo/polska-wies-i-rolnictwo>

There are no studies in Poland on changing consumer preferences regarding GIs as a result of Covid-19.

In the minds of Polish consumers, there is a link between local products (not necessarily GI) and sustainable development – a local product purchased in a local store from a local supplier reduces CO<sub>2</sub> emissions. This environmental value related to closeness (locality and freshness) definitely outweighs other dimensions of sustainability, such as the social or economic dimensions.

## **Geographical indications promotion supporting schemes**

### **European Union funds**

National GI producer groups are entitled to benefit from the European Commission promotion mechanism established by Regulation 1144/2014.<sup>43</sup> However, due to the high requirements for participation (for example, having large financial resources or the need to submit appropriate collaterals) and the low economic power of most GI groups, only a few can apply for support under this mechanism.

A much more attractive approach was possible under the mechanism before 2014, when a request for information measures could be submitted by a competent authority of a member state. In such a case, 50 percent of the costs were covered from the national budget and 50 percent from Commission funds. Poland implemented two information campaigns on GIs, which played a very important role in the development of this system. They were very positively evaluated by producers. Unfortunately, since 2014, Regulation 1144/2014 no longer provides for the possibility to apply for support for information measures on GIs.

In Poland, there is still a low level of knowledge about the existence of quality schemes (such as GIs) under which high-quality products are manufactured. As a consequence, low demand for these products remains. Information and promotion activities are directed at consumers, in particular, to familiarize them with these products and highlight their specific features. The support takes the form of reimbursement of eligible costs of operations.

Support to perform information and promotion activities is provided under the Rural Development Programme 2014–2020.

#### **Beneficiaries**

The beneficiary of the measure is a producer group which means an organization, in any legal form, which brings together operators actively participating in food quality schemes for a specific product or production method.

Group members applying for support must carry out production on the territory of Poland within the framework of supported food quality schemes. As regards cooperatives, this applies to the members of the cooperative or the cooperative as a whole.

#### **Eligible costs**

These are costs incurred to carry out promotional activities. Aid may be granted to the promotional team, whose members are involved in the production of an agricultural product or foods intended for human consumption produced under quality schemes.

The amount and rate of support is 70 percent of eligible costs.

### **National promotion funds**

Geographical indication groups are also eligible for national promotion funds. Promotion funds were established in Poland in 2009 to support agricultural marketing, increase consumption and promote agrifood products. Contributions to the funds are paid by producers of agricultural products; ten funds have been created for various agricultural products. Each fund is managed by a management committee consisting of nine members. The management committees of the funds decide on the method and amount of financial support for promotion measures.

---

<sup>43</sup> Regulation 1144/2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and repealing Council Regulation (EC) No 3/2008.

Types of measures supported by promotion funds:

- informing about quality of products;
- promoting consumption of products;
- financing participation in exhibitions and fairs;
- market research and research and development concerning products;
- training of producers; and
- supporting activities of producer organizations acting in an international forum.

## A country baseline report for the United Kingdom

### Regulatory framework for geographical indications

#### National law and definitions

The United Kingdom of Great Britain and Northern Ireland (hereinafter United Kingdom) left the European Union at the end of December 2020, having been a member for almost 50 years. Prior to its departure, over 80 United Kingdom food and drink products were registered under the EU system of GI. However, these needed to be registered under a new domestic GI system in order to continue to be recognized by the European Union.

The new United Kingdom (UK) system is empowered under the agricultural products, food and drink (amendment, etc.) EU Exit Regulation 2020 and is administered by the Department for Environment, Food and Rural Affairs (DEFRA) as the competent authority, but with support from the Department of Agriculture, Environment and Rural Affairs (DAERA) for Northern Ireland, and the governments of Scotland and Wales.<sup>44</sup>

Confusingly, because Northern Ireland remains within the European Union Single Market under the Northern Ireland Protocol, products made in Northern Ireland continue to be registered under the EU system, whereas products made in England, Scotland and Wales have to first register with the UK system. In both cases, a product can then go on to be registered under the other system too. All UK products previously registered under the EU system were carried forward into the new UK system when the United Kingdom left the European Union.<sup>45</sup> These include a variety of local cheese and meat GI products, plus some national-scale fresh meat and fish GIs – for example, Stilton cheese and Melton Mowbray pork pies, Scottish salmon and Welsh lamb. Spirits, notably Scotch whisky, are the largest GI in terms of value.

Products from the United Kingdom are still registered under one of three types of protection, essentially mirroring the protected designation of origin (PDO), protected geographical indication (PGI) and traditional speciality guaranteed (TSG) classes under EU regulation 1151/2012. However, UK-specific logos are now used (Figure 8).

Figure 8. United Kingdom geographical indication system logos



Source: Defra, 2021.

“Designated origin” (DO) status requires a product to be produced, processed and prepared in a specific geographical area using local knowledge and (where relevant) traditional skills. Qualities and characteristics of the product arise exclusively as a result of the geographical area it comes from.

“Geographic origin” (GO) status requires at least one important stage of its production, processing or preparation to be undertaken in a specific geographical area. Again, this indicates qualities and characteristics attributed to the local area.

“Traditional speciality” (TS) status requires that a product name has been in use for at least 30 years and that traditional methods or recipes are followed. There is no requirement for production to be limited to a specific geographical area.

<sup>44</sup> The UK comprises England, Scotland and Wales (collectively known as Great Britain, GB) plus Northern Ireland. The UK government is based in England, with each of the other three countries having devolved administrations with some policy responsibilities. The UK government leads on protected food names.

<sup>45</sup> Not all pre-existing GIs for Northern Ireland have been included in the UK system (e.g. Iveagh Rapeseed Oil). In addition, some European Union GIs covering closely related products (e.g. Kentish Ale and Strong Kentish Ale) have been split into separate GIs under the UK system. These variations make it difficult to directly compare pre and post-Brexit totals under the two systems.

*Numbers and sectoral types of geographical indication*

The United Kingdom GI system actually encompasses four individual schemes: spirit drink; aromatized wine; wine; food, agricultural products, beer, cider and perry.

Table 4 shows that there are no products registered under the aromatized wine scheme, five under spirit drink and seven under wine; but 81 under the food, agricultural products, beer, cider and perry scheme. The latter scheme is also referred to as the protected food names (PFN) scheme. Most of the GIs are PGI-type, with some PDO, but only five TSG (which only apply under the PFN scheme).

Table 4. Number of GI by product type and GI type (as of October 2021)

Product type	Scheme	DO	GO	TS	Total
Spirits	Spirit drink		5		5
Wine	Wine	3	4		7
Beer/cider	PFN		11		11
Cheese	PFN	11	7		18
Fresh fish	PFN	4	10		14
Fresh meat	PFN	6	7	3	16
Fruit & veg	PFN	3	6	2	11
Meat products	PFN		5		5
Other	PFN	5	1		6
<b>Total</b>	<b>–</b>	<b>32</b>	<b>56</b>	<b>5</b>	<b>93</b>

Source: Defra, 2021.

Five new registrations have been added to those carried forward from before Brexit, although these had all been initiated prior to the United Kingdom's departure from the European Union. The remaining GIs have accumulated in stages over the past 30 years or so, but with some bunching of product types (Table 5).

For example, three spirit drinks were the first to be registered (in 1989), reflecting the fact that they already had long-standing brand recognition that translated easily into the GI system. A high proportion of GI cheeses were also registered relatively early on, again reflecting pre-existing geographical branding. Similarly, several fresh meat products with national (for example, Welsh) or island (for example, Orkney) identities were registered in the mid-1990s. Thereafter, more variety has been achieved with the registration of fish, meat products, fruit and vegetables, and wine.

Although the United Kingdom was still a member of the European Union in February 2020 when the European Union became party to the Geneva Act of the Lisbon Agreement on the Protection of Appellations of Origin and their International Registration, the United Kingdom lost this status when it left the European Union at the end of 2020, and there are currently no plans to become a party to the act in its own right. However, GI protection has featured in the various bilateral trade agreements subsequently negotiated between the United Kingdom and other countries, generally rolling forward the same arrangements as when it was a member of the European Union (personal communication, Defra).



Table 5. Number of GI by product type and registration decade (as of October 2021)

Product type	1980s	1990s	2000s	2010s	2020s
Spirits	3		1	1	
Wine				5	2
Beer/cider		9		2	
Cheese		13	1	4	
Fish		1	4	9	
Fresh meat		6	4	4	2
Fruit & veg		1		9	1
Meat products			1	4	
Other		1		5	
<b>Total</b>	<b>3</b>	<b>31</b>	<b>11</b>	<b>43</b>	<b>5</b>

Source: Defra, 2021; European Union Intellectual Property Office, 2021.

## Producer groups

To use a product name on the United Kingdom GI register, a producer must follow a published product specification, be verified to make and sell the registered product, and use the registered GI product name and relevant logo correctly.

In addition, a producer group or trade association needs to be formally registered to oversee the GI. This is because a GI does not belong to an individual business but can be used by any business if they meet the production eligibility criteria.

Most producer groups have relatively few members, but some are very large (Table 6). The latter are for relatively unprocessed, national-scale GIs (for example, Jersey Royal potatoes, Welsh lamb). Other producer groups are for more processed, local-scale products (various cheeses and beers) where a few firms have preserved a product's tradition or have revived a historical practice.

Table 6. UK producer group size by product type and GI type (as of October 2021)

Product type	1–10	11–25	26–499	501–999	1000+	Unknown
Spirits	1					5
Wine						7
Beer/cider	3	7	1			11
Cheese	11	3	1			18
Fresh fish	5	3	1			14
Fresh meat	1	1			7	16
Fruit & veg		2	2	1		11
Meat products	3	1				5
Other	3	1				6
<b>Total</b>	<b>27</b>	<b>18</b>	<b>5</b>	<b>1</b>	<b>7</b>	<b>35</b>

Source: Defra, 2021.

## Registration and protection of geographical indications

As with the European Union system, producer groups initiate the process for registering a new GI and follow guidance issued by DEFRA. Following this, there is a formal consultation period during which other businesses and third parties can comment on the proposal.

In some cases, registration has proceeded relatively smoothly, with the shortest time taking around two years, but four to seven years is more typical. However, disagreements over the basis for a GI or its specific details can take many years to resolve, and lead to rejection of the proposal. For example, Melton Mowbray pork pies and Yorkshire Wensleydale both had to overcome protracted objections from others wanting to use the product name (pers. comm., UK Protected Food Name Association).

Consequently, the costs of establishing a GI vary significantly from case to case. Moreover, they are difficult to quantify, since they mostly take the form of time spent in gathering and presenting information and engaging in negotiations.

Once in place, it is also possible for a group to voluntarily withdraw a GI. For example, this happened when the sole producer of Newcastle Brown Ale relocated production outside of the specified geographical area and the sole producer of Plymouth Gin decided that it was no longer appropriate for a single business to use the PGI. In both cases, the producers were large companies producing a range of alcoholic drinks.

## Control and enforcement

Eligibility for an individual producer to use a GI logo is checked by a control body when the producer first applies to join a scheme and then re-inspected at least once every three years. Control bodies include local authorities, government agencies, and accredited third-party quality assurance inspection services (Table 7). Inspection costs are typically a few hundred euros, but can be higher for bigger firms.

Table 7. Control body by UK GI product type

Product type	Local authority	Govt agency	Third-party	Unknown
Spirits		2		3
Wine		6		1
Beer/cider	8		1	2
Cheese	10		8	
Fresh fish	5	6	3	
Fresh meat	1		12	3
Fruit & veg	3	1	4	3
Meat products	2		2	1
Other	3		3	
<b>Total</b>	<b>32</b>	<b>15</b>	<b>33</b>	<b>13</b>

Source: Defra, 2021.

If an inspection reveals that a producer is using a GI logo without complying with the necessary eligibility criteria, this is notified to an enforcement body, which can impose a financial penalty of up to GBP 40 000. The Department for Environment, Food and Rural Affairs is the competent authority but *ex-officio* enforcement is mainly undertaken by local government authorities exercising their powers in relation to trading standards plus scrutiny of imports by the Food Standards Agency (for wine) and Her Majesty's Revenue and Customs (for spirits).

In addition, producer groups can themselves engage in enforcement by directly approaching companies infringing the GI. Producer groups resort to such direct action for two main reasons. First, because local authorities' trading standards capacity is under-resourced, and GI is just one of many standards that have to be enforced. Second, because local authorities only have domestic jurisdiction and hence have no powers in export markets. Infringement in export markets is an issue for some national-scale GI products such as Scotch whisky.

In many cases, the mere threat of legal action is sufficient to deter continued infringements, but the possibility of having to undertake legal action means that only better-resourced producer groups tend to enforce GI directly. The same applies to proactive monitoring of domestic and export (including e-commerce) markets for infringement activity. Hence, such actions are typically undertaken mostly by the producer groups for spirits (such as Scotch whisky), which comprise mostly multinational businesses, and groups for the national-scale fresh meat GI (such as Welsh lamb), which are funded through members' levies, rather than by the smaller-scale groups producing local speciality products (for example, Gloucestershire Perry, Orkney lamb, Arbroath Smokies).

## Sector potential and obstacles (including in relation to sustainability)

Geographical indication groups are aware of sustainability issues and the risk that, given increasing policy and consumer attention to issues such as carbon footprints and loss of biodiversity, geographical authenticity alone may be insufficient to ensure demand. Similarly, many small new agrifood businesses are not necessarily steeped in tradition or history and are therefore excluded from GI status, despite being committed to sustainable, local production.

In principle, GI specifications could be widened to include explicit sustainability criteria, or to combine GI standards with other quality assurance mechanisms. Indeed, in some cases, it may be that existing GI specifications already provide some desirable environmental practices. However, these are rarely emphasized and GI groups are not necessarily enthusiastic about further formal complexity.

Owen *et al.* (2019) and Wilkinson (2021) note that using GI to promote social and community sustainability requires coordination across different public bodies and stakeholder groups. This inevitably adds to the cost and complexity of establishing and implementing a GI and could act as a deterrent to groups contemplating whether to apply for GI status.

Geographical indication status does not in itself necessarily ensure market success. For example, at least three existing United Kingdom GIs (Traditional Cumberland Sausage, Orkney beef, Orkney lamb) currently have no active producers and several others have only one producer (for example, Arbroath Smokies, Staffordshire Cheese). In the case of Orkney beef and lamb, this reflects the closure of the only abattoir on the island, but the other cases reflect a lack of a meaningful market premium and the costs of maintaining GI accreditation.

The European Commission (2019) suggests that the premium for GI products can be up to 100 percent, but also acknowledges that it is lower in many cases and can even be zero. Indeed, Oledinma and Roper (2020) conclude that there is weak statistical evidence for a small premium on some United Kingdom GI products, and only if other product characteristics do not already provide a means of differentiation.

This is evident in the behaviour of some individual companies eligible for national-scale GI, who choose to market a proportion of their output under different quality assurance mechanisms. For example, emphasizing broader environmental and sustainability attributes (pers. comms., Quality Meat Scotland and Scottish Salmon Producers Organisation).

Currently, the United Kingdom system has five GI applications pending. In addition, although not a formal list of desired future applications, the UK Protected Food Name Association (an umbrella body for GI producer groups) has identified over 1300 potential new GI products and encourages new applications. This reflects confidence in the potential for the number of United Kingdom GI products to expand, gaining market share and attracting a market premium from discerning consumers.

The logic of GI protection stems from a model of agrifood production systems organized on a collective basis. Although common in some European Union countries, the United Kingdom lacks an abundance of such production systems, due in particular to agricultural policies pursued in the mid twentieth century. As a consequence, many GI applicants have to create a producer group to comply with the regulation rather than build upon an existing group. This, and a general lack of awareness of GI, is countered by guidance provided by the government and the UK Protected Food Name Association.

## Market situation

### Main countries and channels of distribution for geographical indications

The distinction between national-scale GI and more specialist local GI is also apparent in their respective shares of total GI value (Table 8 and Table 9). Total sales of United Kingdom GI products are estimated at EUR 7.7 billion for 2017, up from EUR 5.8 billion in 2010 (Chever *et al.*, 2012) and mainly due to PFN growth.

Table 8. Estimated sales (EUR thousands) of UK GI products in 2017, by scheme type and market geography

	UK	EU	Rest of world	Total 2017
Wine	6 802	248	35	7 085
Spirits	316 674	1 400 649	3 028 988	4 746 311
PFN*	2 022 082	749 626	172 769	2 944 477
<b>Total</b>	<b>2 345 557</b>	<b>2 150 523</b>	<b>3 201 793</b>	<b>7 697 873</b>

Source: European Commission, 2019.

\*PFN = food and drink, other than spirits and wines.

Within this, spirits – which are dominated by Scotch whisky – account for over EUR 4.7 billion. Almost all of the remaining approximately EUR 3 billion derives from PFN products, but within this approximately EUR 2.5 billion is estimated to derive from five national-scale GIs (Scottish farmed salmon, Scotch and Welsh beef and lamb), leaving roughly EUR 500 million across 83 local-scale GIs.<sup>46</sup> However, sales of GI represent less than 3 percent of total agrifood sales (derived from Table 8, plus Food and Drink Federation, 2021).

Table 9. Estimated share (%) of total UK GI value in 2017, by scheme type and market geography

	UK	EU	Rest of world	Total	Value (EUR millions)
Wine	0.1%	0.0%	0.0%	0.1%	7
Spirits	4.1%	18.2%	39.3%	61.7%	4 746
PFN*	26.3%	9.7%	2.2%	38.3%	2 944
<b>Total</b>	<b>30.5%</b>	<b>27.9%</b>	<b>41.6%</b>	<b>100.0%</b>	<b>7 698</b>

Source: derived from Table 8.

\*PFN = food and drink, other than spirits and wines.

A similar pattern is apparent for exports, with spirits accounting for a high proportion of sales to the European Union and, in particular, to the rest of the world. Protected food names sales are more focused on the UK market, with exports largely being of national-scale GI. For example, Scottish salmon exports were around EUR 700 million, with Scotch and Welsh beef and lamb exports around EUR 200 million, leaving perhaps EUR 20 million for other GI products (Hybu Cig Cymru, 2021; Quality Meat Scotland, 2019; Scottish Government, 2020; Scottish Salmon Producers Organisation, undated).

This is not to say that some individual local-scale GIs do not export, only that the volume of their trading is small relative to national-scale GIs. Many local-scale GIs focus deliberately on the domestic market, often tying products into local tourism or shorter supply chains.

### Challenges and opportunities for geographical indications during the pandemic

Although the COVID-19 pandemic has, anecdotally, increased consumer interest in local food supply chains, the potential positive effect of this has been masked by negative effects of travel restrictions and therefore less tourism demand for local products, through both retail and in particular catering outlets. In addition, the United Kingdom's departure from the European Union has severely disrupted access to the EU market and reduced export volumes of fresh meat GI in particular – as had been feared beforehand (Roussel and Doherty, 2016; Prescott *et al.*, 2020).

### Public awareness of geographical indications

Geographical indications and broader sustainability issues do feature in surveys of United Kingdom consumers' expressed preferences. However, actual consumer awareness of GI is low in general and even weaker on the specifics of the production process of any particular GI (Kantar, 2020). Indeed, Hartman *et al.* (2019) and Goudis and Skuras (2021) suggest that the importance attached to GI, and indeed just public awareness of GI in the United Kingdom, is low compared with the European Union.

<sup>46</sup> It is likely that the EUR 2.5 billion is an overestimate since not all national-scale products eligible to carry a GI logo necessarily do so. This is partly because competition between individual businesses and retailers' demands can lead to differentiation on other product characteristics, but also because carcass products such as beef give rise to a variety of actual cuts (e.g. steaks, burgers, mince) and not all of these necessarily attract a GI premium to justify marketing them as such. Consequently, headline figures for total output of national-scale products eligible for GI (e.g. Scotch beef, Scottish salmon) may overstate actual GI sales. However, detailed information on this is hidden by commercial sensitivities and a lack of differentiation between similar GI and non-GI products in official statistics.

### **Geographical indications promotion supporting schemes**

Public funding explicitly for GI promotion is not generally available. However, producer groups or individual businesses may be able to access more generic public funds and support for this purpose. For example, grant aid is available in relation to agrifood innovation and investment activities, as is grant aid, loans and overseas representation relating to export activities. Moreover, producer groups for some national-scale GI products (such as Scottish salmon and Welsh lamb) are part funded by levy payments from their members, and a proportion of this funding is used explicitly for GI promotion.

## Annex. United Kingdom geographical indications (as of October 2021)

*Spirit drinks:* Irish Cream; Irish Poteen/Irish Poitín; Irish Whiskey/Uisce Beatha Eireannach/Irish Whisky; Scotch Whisky; Somerset Cider Brandy.

*Wine:* Darnibole; English; English Regional; Quality (sparkling) wine; Regional (sparkling) wine; Welsh; Welsh Regional.

*Beer/cider:* Gloucestershire Cider; Gloucestershire Perry; Herefordshire Cider; Herefordshire Perry; Kentish Ale; Kentish Strong Ale; Rutland Bitter; Traditional Welsh Cider; Traditional Welsh Perry; Worcestershire Cider; Worcestershire Perry.

*Cheese:* Beacon Fell Traditional Lancashire Cheese; Bonchester Cheese; Buxton Blue; Dorset Blue Cheese; Dovedale Cheese; Exmoor Blue Cheese; Orkney Scottish Island Cheddar; Single Gloucester; Staffordshire Cheese; Stilton Blue Cheese; Stilton White Cheese; Swaledale Cheese; Swaledale Ewes' Cheese; Teviotdale Cheese; Traditional Ayrshire Dunlop; Traditional Welsh Caerphilly / Traditional Welsh Caerffili; West Country Farmhouse Cheddar Cheese; Yorkshire Wensleydale.

*Fish:* Arbroath Smokies; Conwy Mussels; Cornish Sardines; Fal Oyster; Isle of Man Queenies; London Cure Smoked Salmon; Lough Neagh Eel; Lough Neagh Pollan; Scottish Farmed Salmon; Scottish Wild Salmon; Traditional Grimsby Smoked Fish; West Wales Coracle Caught Salmon; West Wales Coracle Caught Sewin; Whitstable Oysters.

*Fresh meat:* Cambrian Mountains Lamb; Gower Salt Marsh Lamb; Isle of Man Manx Loaghtan Lamb; Lakeland Herdwick; Orkney Beef; Orkney Lamb; Scotch Beef; Scotch Lamb; Shetland Lamb; Traditional Farmfresh Turkey; Traditionally Farmed Gloucestershire Old Spots Pork; Traditionally Reared Pedigree Welsh Pork; Welsh Beef; Welsh Lamb; West Country Beef; West Country Lamb.

*Fruit and vegetables:* Armagh Bramley Apples; Ayrshire New Potatoes/Ayrshire Earlies; Fenland Celery; Jersey Royal Potatoes; New Season Comber Potatoes/Comber Earlies; Pembrokeshire Earlies/Pembrokeshire Early Potatoes; The Vale of Clwyd Denbigh Plum; Traditional Bramley Apple Pie Filling; Vale of Evesham Asparagus; Watercress; Yorkshire Forced Rhubarb.

*Meat products:* Carmarthen Ham; Melton Mowbray Pork Pie; Newmarket Sausage; Stornoway Black Pudding; Traditional Cumberland Sausage.

*Other:* Anglesey Sea Salt/Halen Môn; Cornish Clotted Cream; Cornish Pasty; East Kent Goldings; Native Shetland Wool; Welsh Laverbread.

## References

**Chever, T., Renault, C., Renault, S. & Romieu, V.** 2012. Value of production of agricultural products and foodstuffs, wines, aromatised wines and spirits protected by a geographical indication (GI). Cited October 2021. <https://op.europa.eu/en/publication-detail/-/publication/131c84a8-3c1f-4835-9a83-fbdd0abc9b2e>

**DEFRA (Department for Environment, Food and Rural Affairs).** 2021. Protected geographical food and drink name. Cited October 2021. <https://www.gov.uk/protected-food-drink-names>

**European Commission.** 2021. Directorate-General for Agriculture and Rural Development, Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialities guaranteed (TSGs): final report, Publications Office. Cited October 2021. <https://op.europa.eu/en/publication-detail/-/publication/a7281794-7ebe-11ea-aea8-01aa75ed71a1>

**European Union Intellectual Property Office.** 2021. GIview. Cited October 2021. <https://www.tmdn.org/giview/gi/search>

**Food and Drink Federation.** 2021. Facts and stats. Cited October 2021. <https://www.fdf.org.uk/fdf/business-insights-and-economics/facts-and-stats/>



- Goudis, A. & Skuras, D.** 2021. Consumers' awareness of the EU's protected designations of origin logo, *British Food Journal*, 123(13): 1–18. <https://doi.org/10.1108/BFJ-02-2020-0156>
- Hartmann, M., Yeh, C.H., Amilien, V., Csillag, P., Filipovic, J., Giraud, G., Kuč, V. *et al.*** 2019. Report on quantitative research findings on European consumers' perception and valuation of EU food quality schemes as well as their confidence in such measures. Cited October 2021. <https://hal.inrae.fr/hal-02788127/document>
- Hybu Cig Cymru.** 2021 Industry Statistics Hybu Cig Cymru – Meat Promotion Wales. Cited October 2021. <https://meat-promotion.wales/en/industry-statistics#:~:text=Exports%20of%20red%20meat%20from,the%20Welsh%20economy%20in%202020>.
- Kantar.** 2020. Geographical Indications Qualitative Consumer Research. Report to Defra. Cited October 2021. [http://sciencesearch.defra.gov.uk/Document.aspx?Document=14939\\_DefraGIQualitativeConsumerResearchReport.pdf](http://sciencesearch.defra.gov.uk/Document.aspx?Document=14939_DefraGIQualitativeConsumerResearchReport.pdf)
- Oledinma, A. & Roper, S.** 2020. What's in a name? The impact of Geographical Indications of Origin on producer growth and food heritage. ERC Research Paper No 86, Enterprise Research Centre Warwick University. Cited October 2021. <https://www.enterpriseresearch.ac.uk/publications/whats-in-a-name-the-impact-of-geographical-indications-of-origin-on-producer-growth-and-food-heritage-research-paper-no-86/>
- Owen, L., Udall, D., Franklin, A. & Kneafsey, M.** 2019. Protected Food Names in Wales Outlining the key opportunities and challenges for developing sustainable food systems. Coventry University Research Centre for Agroecology, Water & Resilience. October 2021. <https://www.coventry.ac.uk/globalassets/media/global/08-new-research-section/cawr/cawr-projects/protected-food-names-in-wales.pdf>
- Prescott, C., Pilato, M. & Bellia, C.** 2020. Geographical indications in the UK after Brexit: An uncertain future? *Food Policy*, 90, p.101808. <https://doi.org/10.1016/j.foodpol.2019.101808>
- QMS (Quality Meat Standard).** 2019. The Scottish Red Meat Industry Profile. Quality Meat Scotland. Cited October 2021. [https://www.qmscotland.co.uk/sites/default/files/qm3156\\_rmip\\_2019\\_aw\\_lo\\_res.pdf](https://www.qmscotland.co.uk/sites/default/files/qm3156_rmip_2019_aw_lo_res.pdf)
- Roussel, K. & Doherty, M.** 2016. The impact of Brexit on protected food names. AHDB Horizons Report. Cited October 2021. [https://projectblue.blob.core.windows.net/media/Default/Imported%20Publication%20Docs/Horizon\\_Brexit\\_Analysis\\_Report\\_GI\\_Highres\\_06December2016.pdf](https://projectblue.blob.core.windows.net/media/Default/Imported%20Publication%20Docs/Horizon_Brexit_Analysis_Report_GI_Highres_06December2016.pdf)
- Scottish Government.** 2020. Scottish Fish Farm Production Survey 2019. Cited October 2021. <https://www.gov.scot/publications/scottish-fish-farm-production-survey-2019/pages/5/>
- Scottish Salmon Producers Organisation.** Undated. Cited October 2021. <https://www.scottishsalmon.co.uk/facts/business/how-much-scottish-salmon-is-exported>
- Wilkinson, A.** 2021. The Fal Oyster PDO: Lessons Learnt. Strenght2Food report. Cited October 2021. [https://www.strength2food.eu/wp-content/uploads/2021/07/Practice-note-9-7\\_FINAL.pdf](https://www.strength2food.eu/wp-content/uploads/2021/07/Practice-note-9-7_FINAL.pdf)

## A country baseline report for Georgia

### Introduction

Georgia attaches great importance to the development of a national GI protection system. It is recognized as an effective tool for the production of quality products and has a significant impact on the socioeconomic development of Georgia's regions and the country as a whole.

In recent years, Georgia has taken significant steps to modernize the GI system and bring it closer to international and European Union standards. International organizations actively support Georgian efforts in this direction. FAO, in a joint project with the European Bank for Reconstruction and Development (EBRD), has prepared proposals for improving the legislation (also a collaboration with WIPO) and institutional framework of Georgia's GI system. Among other urgent tasks, particular attention in FAO-EBRD recommendations was paid to the creation of an efficient GI control system. In addition, and importantly, on the basis of scrupulous studies organized by FAO, the specifications of two GI Georgian cheeses were compiled and changed.<sup>47</sup>

In 2019, the EU-Georgia twinning project, Establishing efficient protection and control system of geographical indications in Georgia, was launched. The project was completed a few months ago, providing Georgia with a number of important documents and recommendations.

Unfortunately, due to COVID-19, the implementation of most of the results of international cooperation has slowed down.

### Regulatory framework for geographical indications

The basis for the protection of GI in Georgia is national legislation and relevant international agreements. The Law of Georgia on Appellations of Origin of Goods and Geographical Indications (hereinafter the Law of Georgia) was adopted in 1999.<sup>48</sup> The Law of Georgia complies with international and EU laws and is based on the *sui generis* protection system.

The Law of Georgia recognizes two instruments for identifying the link between a product's characteristics and its geographical origin – appellations of origin (AO) and geographical indication (GI). According to the Law of Georgia (Article 3), AO and GI are defined as follows:

Appellations of origin is a modern or historical name of a geographical place, region or, in exceptional cases, a name of a country (hereinafter geographical area), used to designate the goods:

- originating within a given geographical area;
- the specific quality and features of which are essentially or exclusively due to a particular geographical environment and human factors; and
- production, processing and preparation of which take place within the geographical area.

Geographical indication is the name or any other sign which indicates a geographical area and is used to designate goods:

- originating within that geographical area;
- specific quality, reputation, or other characteristics of which are attributable to that geographical area; and
- production or processing or preparation of which takes place in the geographical area.

<sup>47</sup> [www.fao.org/geographical-indications/projects/georgia-project/en](http://www.fao.org/geographical-indications/projects/georgia-project/en)

<sup>48</sup> [https://www.sakpatenti.gov.ge/media/page\\_files/Geographical\\_Indications\\_Law\\_e\\_fnMf0z5.pdf](https://www.sakpatenti.gov.ge/media/page_files/Geographical_Indications_Law_e_fnMf0z5.pdf)

As a derogation from the above definition, AO may be considered the name of a geographical area, where the raw materials for goods may come from an area larger or different from the specified geographical area if:

- different boundaries of the geographical area and conditions for the production of raw materials have been defined; and
- there are verification measures to ensure that these conditions are met. For the purposes of this exception, only live animals, meat and milk may be considered as raw materials.

Foreign AO and GI shall be protected by direct registration at the National Center of Intellectual Property (Sakpatenti) or on the basis of international and bilateral agreements (Article 4).

### **Registration and protection of geographical indications**

National registration requires the filling of an application with Sakpatenti (Article 7). The application refers either to AO or GI, and is completed in the Georgian language. The application shall include:

- request for registration of an AO or GI;
- full name and legal address of the applicant;
- the name of the AO or GI;
- the goods for which the registration of AO or GI is requested;
- description of the goods and the raw material, with the indication of their chemical, physical, microbiological, organoleptic and other characteristics;
- description of the geographical area indicating its exact boundaries;
- document issued by the local administrative body confirming that the goods originate from that geographical area;
- the description of production technology and conditions and methods of production specific for the relevant geographical area; and
- documents confirming that the quality and other characteristics of the goods are associated with their place of origin.

The law (Article 5) establishes the grounds for refusing to register AO or GI if they:

- do not comply with relevant definitions;
- have become a generic name, although it refers to the geographical region of origin of the goods;
- are likely to mislead the public as to the true origin of the goods;
- are contrary to the national dignity, religion, traditions and morality; and
- are identical to the name of a plant variety or an animal breed, that is likely to mislead the public as to the true origin of the goods.

The decision on registration is made by Sakpatenti on the basis of consideration of the application (Article 8). In particular, Sakpatenti checks whether the application meets the established requirements, whether there are grounds for refusal provided by law, and searches the database of trademarks to determine if there are any conflicts with previous rights.

If Sakpatenti finds no obstacles to registering AO and GI, then it publishes the application material in the Official Bulletin of the Industrial Property of Georgia in one central and one local newspaper.

If no additional information is presented within three months of the publication of the application material, Sakpatenti shall take the decision on registration of the AO or GI, enter its data in the register, and publish the relevant data in the bulletin.

The duration of registration of an AO or GI is not limited.

According to Article 10, natural persons and legal entities of Georgia have the right to submit an AO or GI for registration in another state only after its registration in Georgia.

## Scope of protection

Unlike trademarks, which are protected only against identical or similar marks, the scope of the protection of AO and GI products is much broader.

Article 10 of the law establishes that registered AO and GIs shall be protected against the following:

- any direct or indirect commercial use of AO or GI in respect of the goods not covered by the registration, insofar as those goods are similar to the goods registered under the AO or GI or insofar as using the AO or GI exploits its reputation;
- any use of AO or GI which literally and correctly designates the place of production of goods, processing or preparing of the raw material, but is likely to mislead the public as to the true origin of the goods; or
- any use of such a name or any other sign, which is an imitation of AO or GI, even in translation, or accompanied with words such as “type”, “style”; “similar”, “as produced in”, “method”, etc.;
- any use of an indication, which is misleading as to the origin, essential quality or features of the goods on the packaging, on an advertising material, or on documents relating to the goods; and
- any packaging or presentation of goods which may convey a false impression as to its origin.

Apart from the above, a protected AO or GI cannot become generic.

## Trademarks versus geographical indication

The Law of Georgia regulates relations between the AO or GI, and trademarks (Article 14). In the case of registered AO or GI, the registration of trademarks containing these designations is prohibited. In the Sakpatenti practice, there are ten cases where a trademark was not registered due to a registered Georgian or foreign AO and GI (Sairme, Khashmis Saperavi, Cognac, Kakheti, Borjomi, Teliani, Porto, Kvareli, Slavyantsi, Nabeglavi). Decisions were made by Sakpatenti and by the Chamber of Appeals.<sup>49</sup>

## Enforcement issues

Under the Law of Georgia (Article 15), infringement of the rights resulting from registration of AO or GI shall cause civil, administrative or criminal responsibilities.

According to Article 16, a natural person or legal entity entitled to use AO or GI has the right to bring an action against the infringing party and demand:

- to stop the infringement;
- compensation for damages;
- seizure and destruction of illegally produced goods and the equipment used directly for production of said goods; and
- destruction of all those labels, drawings, imprints, packaging, packaging materials and the advertisements bearing AO or GI.

Unfortunately, infringement of GI rights regarding Georgian products takes place inside and outside of Georgia. Below are some examples of successful enforcement of Georgian GIs in European Union countries.<sup>50</sup>

On the basis of a Georgian request, Poland and Latvia stopped the illegal use of the Georgian GI cheese Sulguni, and the GI wine Kakheti. In the case of Sulguni, the label was changed, while for Kakheti a batch of wine was removed from the distribution network. The illegal use of the GI name Churchkhela (a Georgian delicacy) was also prevented in Latvia, with products seized from retail outlets.

An example of enforcement regarding a French GI wine can also be cited.<sup>51</sup> In 2017, the Investigative Service of the Ministry of Finance opened a criminal case in connection with the production of 3 006 French-made

<sup>49</sup> Information from Sakpatenti officials.

<sup>50</sup> Information received from Sakpatenti officials.

<sup>51</sup> Information received from Sakpatenti officials.

Bordeaux Supérieur bottles and 2 004 Bordeaux bottles by Chateau de Paris Ltd in Georgia. The labels were removed from the bottles and the company was given a stern warning.

### **Inventory of geographical indications**

In total, as of 1 October 2021, 55 AO and GIs are registered, of which 34 are AO and 21 are GIs.<sup>52</sup> Of the AO, 25 are wines, eight mineral waters and one cheese. As for GIs, among them there are various agricultural products – cheeses (12), vegetables (2), honey (2), tea, spirits (Chacha), a Georgian delicacy (Churchkhela), and the first non-agricultural GI product, a vessel for wine (Qvevri).

In recent years, a number of changes in the specification of 18 Georgian AO wines have been made. Clarifications were made in some aspects of wines specifications to more precisely define their control points, which shall enable the exercise of control in a uniform and targeted manner. In addition, in collaboration with FAO, significant changes were made to two cheeses, Sulguni and Tushuri Guda.

### **International protection of geographical indications**

In addition to protecting and enforcing GI rights within the country, the goal of Georgia's state policy is also to ensure the legal recognition of GI of Georgia in foreign countries and to take measures against their violation. This becomes especially important in the current conditions, when the export of Georgian goods is increasing from year to year, a significant part of which is GI products. This mainly concerns Georgian wines and mineral waters, which due to their high quality and reputation, have become a target of unscrupulous competitors in different countries.

To achieve these goals, Georgia uses various legal instruments. Among them are joining international treaties, the conclusion of bilateral agreements, and protection Georgian products through national GI registration systems of the relevant countries.

In 2004, Georgia joined the Lisbon Agreement, which allows for the protection of Georgian AO in 29 member countries of the agreement.<sup>53</sup>

In 2007, Georgia and Ukraine signed an agreement on the legal protection of GI wines, spirits and mineral waters.<sup>54</sup>

In 2012, Georgia entered into a bilateral agreement on the mutual recognition of GIs with the European Union.<sup>55</sup> It gives Georgian producers a very effective tool to protect and enforce their GI rights on the markets of 27 European Union countries. It is important that in accordance with this agreement (Article 175) the parties shall enforce GI protection through administrative action of their public authorities. They shall also enforce such protection at the request of an interested party.

In 2018, an agreement on the Mutual Recognition and Protection of Geographical Indications, Appellations of Origin and Indications of Source was concluded between the Swiss Confederation and Georgia.<sup>56</sup> The agreement provides that the parties shall ensure that the protection granted by this agreement is enforceable by interested parties in their domestic law.

In 2019, the Strategic Partnership and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and Georgia was adopted.<sup>57</sup> This agreement includes provisions on protection and enforcement of GI rights that are similar to the EU-Georgia agreement.

---

<sup>52</sup> [www.sakpatenti.gov.ge/en/state\\_registry/](http://www.sakpatenti.gov.ge/en/state_registry/)

<sup>53</sup> [https://wipo.lex.wipo.int/en/treaties/ShowResults?start\\_year=ANY&end\\_year=ANY&search\\_what=C&code=ALL&treaty\\_id=10](https://wipo.lex.wipo.int/en/treaties/ShowResults?start_year=ANY&end_year=ANY&search_what=C&code=ALL&treaty_id=10)

<sup>54</sup> [www.sakpatenti.gov.ge/ka/page/180/](http://www.sakpatenti.gov.ge/ka/page/180/)

<sup>55</sup> [www.sakpatenti.gov.ge/media/page\\_files/Intellectual\\_Property\\_Rights\\_-\\_Full\\_Text.pdf](http://www.sakpatenti.gov.ge/media/page_files/Intellectual_Property_Rights_-_Full_Text.pdf)

<sup>56</sup> [www.sakpatenti.gov.ge/media/page\\_files/Agreement\\_Swiss\\_Confederation\\_Georgia.pdf](http://www.sakpatenti.gov.ge/media/page_files/Agreement_Swiss_Confederation_Georgia.pdf)

<sup>57</sup> [www.sakpatenti.gov.ge/media/page\\_files/United\\_Kingdom\\_of\\_Great\\_Britain\\_and\\_Northern\\_Ireland.pdf](http://www.sakpatenti.gov.ge/media/page_files/United_Kingdom_of_Great_Britain_and_Northern_Ireland.pdf)

Georgian GIs are protected in more than 20 countries, including the United States of America, China, and Commonwealth of Independent States (CIS) countries.<sup>58</sup> It should be noted that in addition to fulfilling traditional functions, Sakpatenti is authorized by the Georgian government to participate in the registration procedures of Georgian AO and GI in strategic markets and to monitor their use after registration. In the event of a violation, Sakpatenti contacts the relevant European Union parties, or in the case of non-EU countries, hires a law firm to take necessary action against infringers.

Over the past decade, China has emerged as one of the most promising markets for Georgian wines and mineral waters, leading to an urgent need to register appropriate AO and GI in China. Unfortunately, Georgia has faced various obstacles along the way. To overcome these obstacles, Georgia (Sakpatenti) is actively cooperating with the China Trademark Office. Thanks to this cooperation, by the decision of the Chinese agency, Georgian wines Mukuzani, Tvishi and mineral water Borjomi have been registered. Georgia also regained the rights to the national spirit Chacha and mineral water Nabeglavi.<sup>59</sup> Unfortunately, the consideration of Georgia's claims to cancel the dishonest registration of the famous Georgian wines Tsinandali, Khvanchkara and Kindzmarauli and their registration in the name of Georgia, has not been completed yet.

### Producer groups

For many years, only government agencies, such as the Ministry of Agriculture and the Wine Agency, applied for AO and GI. In 2014, for the first time, within the framework of the ENPARD project, four producer associations were created and relevant GIs were registered in their names.<sup>60</sup>

Most importantly, in the years that followed the emergence of these first producer associations, there was an increase in producers' interest in branding their products based on the system of AO and GI protection, and two GI associations have been established under the FAO-EBRD project for Sulguni (National Dairy Association) and Tuhsuri Guda (New Born Association of Young Breeders).

For more targeted and practical support for the creation and operating of GI associations, Origin-Georgia was created in 2016. The mission of the organization is to assist farmers and producers in establishing GI associations, identifying potential AO and GI products, drafting their specifications, and promoting products on the market. One of the other main tasks of Origin-Georgia is raising stakeholder awareness of the GI system.

At the moment, there are 11 GI associations in Georgia. On the basis of applications from producer associations, there are already registered several very promising unique wines and other products. Some producer associations are currently in the process of being formed.

Despite the progress made in the establishment and operation of GI associations, the management of associations in Georgia is still far from the standards of leading European countries. The main reasons for this are: insufficient experience of associations functioning; lack of a tradition and culture of cooperation and joint decision-making by producers; limited financial resources for hiring professional managers. To improve the current situation, it is necessary to raise the awareness of producers and their commitment to achieving the goals of the associations. This, among other things, requires the provision of state subsidies for a certain period to assist with management and other needs.

It should be noted that in accordance with the developed draft law (in the framework of the EU-Georgia twinning project), producer associations are to take the lead in the development of specifications and the AO and GI registration process. They will also take part in the relevant product control procedures.

<sup>58</sup> [www.sakpatenti.gov.ge/en/page/113/](http://www.sakpatenti.gov.ge/en/page/113/)

<sup>59</sup> [www.sakpatenti.gov.ge/en/page/113/](http://www.sakpatenti.gov.ge/en/page/113/)

<sup>60</sup> ENPARD-Georgia: Geographical Indications (technical assistance) prepared by David Gabunia, October 2014.



## Control system of geographical indications

The control system is an essential element of the AO and GI protection system, which is responsible for determining the authenticity of these products and preventing the illegal use of their names. The control provides the consumer with a guarantee that the product is genuine and meets the established specifications.

Currently, the creation of a control system that meets modern EU standards is still under development. At present, the GI control system works more or less effectively for wines, but does not operate for other agricultural products. The Wine Agency is empowered to exercise official control over the compliance of the wines with AO and GI specifications, and to issue or refuse a corresponding certificate.<sup>61</sup>

As for the second significant component of the official control system – market control over AO and GI products in Georgia – it is practically absent.

With respect to the future, the draft law provides for the creation of two competent authorities – the Wine Agency for wines and spirits, and the Food Agency for other agricultural products. These agencies will be responsible for certifying AO and GI products and monitoring the market for related products.<sup>62</sup> The draft law also stipulates that, over time, the competent authorities shall delegate the control function for certification purposes to one or more of the accredited control bodies in accordance with the adopted legal acts.

### Sector potential and obstacles (including in relation to sustainability)

Georgia is distinguished by a variety of agroclimatic conditions (from subtropical to mountainous) favourable for the production of a diverse range of high-quality origin-linked products. Based on this, the creation and protection of AO and GI is recognized as one of the priorities for the development of the agricultural sector in the country. The implementation of a strategy to support that is based on close cooperation between the relevant government bodies (Ministry of Agriculture, Sakpatenti, Wine Agency), and with international organizations (FAO, WIPO, the European Union, the US Agency for International Development [USAID], and so on).

As mentioned above, the Georgian AO and GI system currently embraces 55 different products – such as wines, mineral waters, and cheeses – but the real potential is much bigger. In 2017 and 2018, Origin-Georgia conducted expeditions to all ten regions of Georgia, as a result of which more than 100 potential GI products (fruits, vegetables, cheeses, meat products, wines) were identified.<sup>63</sup> Ten new GIs were created and seven of them have already been registered. Moreover, the Atlas of Origin Linked Food Products in Georgia has been developed under the FAO-EBRD project, with support from Slow Food and Elkana. It provides a detailed description of 56 traditional foods with the potential for GI registration, according to the FAO methodology for GI identification.

To that extent, the government has launched special projects to support gardening farmers, through which hundreds of hectares of new orchards were set up. Along with this, the fruit-processing and storage infrastructure has been significantly developed. Through these projects, it is not only the volume of fruit production that has increased, the quality has also improved. As a result, we see that exports of Georgian fruit have increased. All this creates a sound basis for the development of fruit GIs. At the moment, under consideration are peaches grown in the Gurjaani region, apples from the Gori region, and tangerines from Kheta.

Apart from fruit, the AO protection of unique wines from western Georgia is also on the agenda. The prospect of protecting regional wines via GI in this part of Georgia is also being studied.

One of the challenges in capitalizing on the existing AO and GI potential is the lack of awareness of the importance of protection among the main stakeholders (farmers, producers, local authorities). To fill this gap, Origin-Georgia prepared and published in 2018 a book on GI that can be seen as a guide for farmers,

<sup>61</sup> <https://wine.gov.ge/Ge/Files/Download/5095>

<sup>62</sup> <http://twinning.sakpatenti.org.ge/en/page/2/>

<sup>63</sup> D. Gabunia, M. kvimsadze, E. Gabunia. Geographical indications – quality and development (in Georgian language), p. 244. [www.sakpatenti.gov.ge/media/publication\\_pdf/Geographical\\_Indications\\_-\\_Quality\\_and\\_Development.pdf](http://www.sakpatenti.gov.ge/media/publication_pdf/Geographical_Indications_-_Quality_and_Development.pdf)

producers, policymakers, and intellectual property professionals. The book covers topics such as GI legal protection systems, drafting GI specifications, and how GI control systems work. Given the critical importance of the proper functioning of producer associations, the book specifically describes the basic mechanisms for managing such associations. For the same reasons, the organization has lectured key GI stakeholders in different Georgian regions on a regular basis. This activity has decreased of late due to COVID-19, but it is foreseen to expand it once again in the near future.

## Market situation

It is generally recognized that the GI system has had a positive impact on the production and marketing of products. It leads to economic, social and environmental sustainability in the relevant regions. This is especially true for the Georgian AO system and the wine industry. The system has become one of the main factors to have significantly improved the quality of Georgian wines, which have become more competitive as a result. Over the 2012–2020 period, exports of GI wines increased four-fold, and the number of countries importing Georgian wines surpassed 50. In Georgia itself, many “wine routes” have emerged, which are popular with tourists. Recently, we once again witnessed how the recognition of a wine as an AO product positively influenced its reputation – after the registration of Bolnisi wine, its price and sales increased several times over.

To date, AO wines and mineral waters are sold successfully both on the domestic market and abroad. As for GI cheeses, they are mainly sold on the domestic market, with a few minor exceptions. Producers use different commercial channels to sell their products. They mainly use the services of special distribution companies headquartered in Georgia or in importing countries. There are also some cases of cooperation with commercial networks or direct contacts of producers with end users – such as shops and restaurants. These days, internet tools have become widespread for advertising and selling Georgian wines and mineral waters.

In recent years, several special exhibitions and fairs of existing and potential GI products have been organized in Georgia. These events, aimed at raising awareness and promoting GI products, have attracted the attention of producers, the general public, and the media.

Promotion of GIs in Georgia has also been supported by National Geographic Georgia, through the production and dissemination of a video explaining what a GI is.<sup>64</sup>

<sup>64</sup> [www.fao.org/geographical-indications/projects/georgia-project/en](http://www.fao.org/geographical-indications/projects/georgia-project/en)

## A country baseline report for the Republic of Moldova

### Introduction

The Republic of Moldova is a small, landlocked country with a favourable climate, fertile soil and multicultural society.

The local market is relatively small, with economic development depending heavily on the country's export capacity. The share of agricultural production of gross domestic product (GDP) is about 12 percent, representing about 45 percent of total exports. Still, revenue from the agrifood sector is low, most of the exports being primarily unprocessed raw materials. The export-oriented products are wine and spirits, as well as fresh and processed fruit and vegetables.

The quality system of GI is seen as an effective tool for increasing export capacity and an incentive for regional development by involving smallholders from rural areas in the production of traditional products with added value.

### Regulatory framework for geographical indications

The GI system in Republic of Moldova is relatively new. In 1995, a system for registration of AO was introduced by the Law on Trademarks and Appellations of Origin No. 588/1995. In 2008, a new *sui generis* law, harmonized with EU legislation, was enacted. The Law No. 66-XVI of 27 March 2008 on the protection of GIs, AO and TSG provides the basis for the registration and protection of designations of origin.

Law 66/2008 defines "geographical indication" as "the name of a region or a locality, a specific place or, in exceptional cases, a country, used to describe a product originating in that region, locality, specific place or country, which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and at least one of the production stages of which is carried out in the defined geographical area".

"Appellation of origin" is defined by Moldovan law as a "geographical name of a region or locality, a specific place or, in exceptional cases, a country, used to designate a product originating in that region, locality, specific place or country, and the quality or characteristics of which are essentially or exclusively due to the particular geographical environment comprising inherent natural and human factors thereof, and the production stages of which are carried out all in the defined geographical area".

"Traditional speciality guaranteed" means a traditional agricultural product or food recognized for its specific character through its registration under the national law. To be registered as a TSG, the denomination shall have been traditionally used to refer to the specific product for at least 30 years; and identify the traditional character or specific character of the product that distinguishes the given agricultural product or foods from other similar products or foodstuffs of the same category. Despite the big potential of traditional products in Republic of Moldova, until now there has only been one TSG – "prunes stuffed with nuts" – registered in 2019.

The protection of a GI or AO is not limited in time, as long as the conditions laid down in the technical specification for the specific product are satisfied.

Registered GIs and AO are protected against unfair and deceptive trade practices, including usurpation, imitation or evocation of protected names and the use of misleading and false indications. In addition, as long as they are protected, GIs and AO cannot become generic.

The producers entitled to use a registered GI or AO can also label their products with national symbols associated with protected GI, AO or TSG, as reproduced below.



The scope of Law 66/2008 is not limited to agricultural products and foods; it also covers non-food products, and provides for the protection of foreign GIs in Republic of Moldova through international instruments and on the basis of bilateral agreements.<sup>65</sup>

Republic of Moldova has concluded two bilateral agreements providing, *inter alia*, protection of GI, namely the European Union-Moldova Association Agreement, and the UK-Moldova Strategic Partnership, Trade and Cooperation Agreement that was signed on 24 December 2020.

The Agreement between Georgia and the Republic of Moldova on the mutual recognition and protection of geographical indications was negotiated and is ready to be signed. Within the European Free Trade Association (EFTA)-Moldova Free Trade Agreement, there are ongoing negotiations on the mutual protection of GIs from Moldova, on one side, and Switzerland and Liechtenstein on the other. The EFTA-Moldova agreement was expected to be concluded by the end of 2021 but negotiations are still ongoing.

Being a signature country of the Geneva Act of the Lisbon Agreement, Republic of Moldova initiated the process for ratification of the Geneva Act. At present, a draft law providing for the transposal of Geneva Act provisions into national legislation is under development.

In addition to Law 66/2008, Moldovan legislation governing the protection of GI includes:

- Law No. 101 on Approval of National Symbols Associated with Protected Geographical Indications, Protected Appellations of Origin and Traditional Specialties Guaranteed;
- Law No. 57-XVI of 10 March 2006, on vineyards and wines, establishing the framework for production of wines, including wines with appellation of origin, with registered designation of origin and with geographical indication;
- Government Decision No. 610 of 5 July 2010, on submission, examination, and registration of GIs, AO and TSG that approves the Regulation on submission, examination and registration of GI, AO and TSG;
- Government Decision No. 644 of 19 July 2010, on appointing competent authorities empowered with attributions and responsibilities related to the products with appellations of origin, geographical indications and traditional specialties guaranteed, and competent authorities responsible for official controls on the conformity of the products;
- Government Decision No. 356 of 11 June 2015, on approval of the Technical Regulation "Organization of the wine market" that establishes requirements related to the raw materials, the used technological procedures, the conformity evaluation procedures, and the specific requirements for market surveillance, wine production traceability, etc. essential for the wines with GI and AO;
- Government Decision No. 915 of 26 July 2016, on approval of the Regulation on enforcement of intellectual property rights by customs authorities, that establishes procedures for the protection of IPR, including for products of GI, AO and TSG designation;
- Ministry of Agriculture and Food Industry (MAFI) Order No. 50 of 4 April 2012, on the approval of the demarcation of wine-growing areas for the production of wines with a protected designation of origin;
- MAFI Order No. 149 of 4 August 2015, on the procedure for approval of food products specification with AO, GI and TSG;

<sup>65</sup> The Republic of Moldova is party to the following international PDO and PGI legal instruments:

- Lisbon Agreement on the Protection of Designation of Origin and their International Registration from 31 October 1958;
- Paris Convention for the Protection of Industrial Property of 20 March 1883;
- Madrid Agreement on penalties for false or misleading indications of origin of products from 14 April 1981;
- WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of 15 April 1994.

- MAFI Order No. 12 of 12 January 2016, on the delimitation of wine-growing areas for the production of wines with a protected GI; and
- Government Decision No. 741 of 22 November 2017 for the approval of the Regulation on the definition, description, presentation and labelling of aromatized wine products.

### Registration and protection of geographical indications

As of 1 October 2021, a total of 4824 GIs were protected in Republic of Moldova, of which only 15 are Moldovan-origin GIs. Most foreign GIs (3739 of them) are protected in Republic of Moldova under the EU-Moldova Association Agreement, and 1060 under the Lisbon Agreement on the Protection of Designation of Origin and their International Registration. Ten GIs are protected through the national system.

There are 15 recognized Moldovan GIs in Republic of Moldova, the best-known of which are in the wine sector. Moldovan wines are recognized worldwide, Republic of Moldova being an important wine exporter. In recent years, considerable effort has gone into the promotion of the outstanding quality of local wines, through the GI system.

There are four regions for the production of PGI wine products – three of them for wines (Codru, Ștefan Vodă and Valul lui Traian), and one region, covering the entire territory of the country, for aged wine brandy (PGI Divin).

The GI “Divin” is a unique example of a voluntary waiver of a country – the Republic of Moldova – in the use of a foreign appellation of origin (Cognac), which in the USSR was considered a generic name for this product category (aged wine brandy). The Moldavian SSR (Soviet Socialist Republic), together with Armenia, was one of the leading manufacturers and exporters of “cognac”. One of the most famous “cognac” trademarks was Belii Aist (translation, white stork). The technological instruction for this product was developed and approved back in 1979. In line with this, several companies produced Belii Aist “cognac”, which enjoyed great popularity among consumers.

After its independence, Republic of Moldova made serious effort to replace USSR standards under which a number of well-known AO were used as generic names, including the designation “cognac” that was replaced with the designation “Divin”. The name “Divin” has a double meaning in the Romanian language, deriving from the words *din vin* (from wine), and also meaning sacred. Since 1996, Moldovan producers started to use the denomination “Divin” for aged wine brandy instead of “cognac”. To provide protection for the designation “Divin”, in 2012, the Association of Divine and Brandy Producers of Moldova elaborated a technical specification for GI Divin and applied for GI registration for the entire territory of Republic of Moldova.

Another brandy product with PGI was registered for the apricot brandy from Nimoreni, Rachiu de Niimoreni.

There are two registered designations of origin for wine – Ciumai and Românești – but considering the diversity of the local climate and soil, there is great potential for PDO wines in Republic of Moldova. All six registered wine-related denominations benefit from protection in Republic of Moldova, the European Union, and the United Kingdom. There is only one Moldovan denomination protected under the Lisbon Agreement – the PDO Românești wine.

Eight Moldovan agrifood products (another sector with high GI potential) were registered as GI. Five GIs are fresh and processed fruit and plants – special prunes from Lalova; Zabriceni tea; Marinici Gooseberry; Călărași rose petal jam; Pistil from Răut Valley. There are two PDO for cheese (Măgura cheese and Popeasca cheese). One GI is registered for honey – honey from Moldovan Codrii. The list of Moldova GIs is presented in Annex 1 of this chapter.

There are two applications filed with the State Agency on Intellectual Property (AGEPI), the authority responsible for GI registration, one for a wine designation of origin (Dealul Craveț) and another for a GI meat product (Kaurma de Bugeac).

After the approval of the technical specification, the GI association may file an application for GI registration. According to the law, AGEPI is the only authority responsible for the registration of GI, AO and TSG for all categories of products, including agrifood and non-food products. The procedure for filing, examination and



registration of GIs is provided by Law 66/2008 and its implementing regulation approved by Government Decision 610/2010.

### **Producer groups**

Registration of GIs and designation of origin is voluntary and based on a collective application approach. Only groups are entitled to register designation of origin, GI and TSG. However, a natural or legal person can be associated with a group under specific conditions, namely if only one company or producer is operating in the region at the moment of GI registration.

Establishing a group is the first step to registering a GI. National law does not provide for any specific requirements; however, it is recommended that the group, while approving its statute, agrees on certain elements of collective interest, including the scope of association and activities to be performed, the group structure and the rights and obligations of its members.

Of 15 GIs, 11 are registered by associations and as a rule they include producers/farmers, processors and retailers. Four GIs are registered by single producers assimilated to groups, who are the only producers of the respective product in the area in question.

The GIs in the wine sector have a well institutionalized promotion framework through the National Office for Vine and Wine, a public–private partnership aiming to ensure the implementation of national policy in the wine industry and support GI associations to promote GI wines in local and third markets.

Traditional origin-linked products are not subject to special privileged treatment from the point of view of taxation, controls or security requirements. Nevertheless, the fiscal code is favourable to individual farmers, small farm enterprises and farmers' cooperatives, with zero percent or reduced income tax payable, as well as options to use simplified accounting.

There is no public financial support expressly dedicated to support the establishment of GI producer associations. However, Moldovan legislation is favourable to the associative sector and provides a variety of possibilities for producers to associate, allowing them to lobby for their interests at regional and national levels, or to promote particular sectors or products. Public authorities, such as AGEPI and the Ministry of Agriculture and Food Industry, provide consultancy and support for facilitating the establishment of groups.

With the support of EU-funded programmes and projects, the establishment of groups of producers or associations were encouraged. In 2015, MAFI issued a decree on the approval procedures for the recognition of producer groups and provided support for its implementation. In addition, EU and US assistance is available for supporting local producers, including those willing to associate for the registration and promotion of quality products with GIs.

Once a producer group is established, the next step is the elaboration and approval of technical specifications. The specifications are of utmost importance for the group, as they establish the requirements and the technological process to be fulfilled by each of the members that wishes to use the GI. The specifications must meet the minimum requirements and must include the minimum information provided by law, namely the name of the region/area used to designate the specific product; a product description; a delimitation of the geographical area; evidence that the product originates in the defined geographical area; the production method, packaging and labelling rules, a link with the geographical area; the name and address of the control and certification bodies.

Government Decision 644/2010 designates the competent government bodies responsible for approval of specifications, supervision, and control by category of products. Once approved, the specifications become binding for all group members and constitute a reference for inspection.

Considering that agrifood products and wines and spirits are most likely candidates for GI or designation of origin applications, the role of MAFI is key in the GI quality system – it establishes the procedures for the approval of specifications to produce wines with GI and AO, and approves the specifications for agricultural products and foods.



After the approval of the technical specification, the GI association may file an application for GI registration. According to the law, AGEPI is the only authority responsible for the registration of GI, AO and TSG for all categories of products, including agrifood and non-food products. The procedure for filing, examination and registration of GIs is provided by Law 66/2008 and its implementing regulation approved by Government Decision 610/2010.

### **Control system of geographical indications**

Verification of compliance with the product specification before commercialization

Quality is the central point of the GI protection system. The products bearing GI or designation of origin signs have to comply with the approved specifications.

The legislation does not limit controls to public or private certification bodies. Theoretically, producers can select the entity to perform verification. The costs of verification of compliance with the specifications are borne by the producer.

According to Government Decision 356/2015, verification of compliance with the specifications for PDO or PGI wine products should be carried out annually, throughout all stages of production, by the conformity assessment bodies, accredited and recognized according to the legislation in force.

There is only one certification body accredited for the PDO/PGI conformity assessment of wines and spirits. This certification body is part of the public institution, Central Testing Laboratory of alcoholic/non-alcoholic beverages and canned products, established by Government Decision 1210/2018. This certification body was accredited in line with Law 235/2011 on accreditation and conformity assessment activities, and operates in accordance with the requirements of the standard SM SR EN ISO/IEC 17065:2013 conformity assessment – requirements for bodies certifying products, processes and services.

Apart from for wines and other alcoholic beverages, the GI certification system is non-existent, which makes commercialization of local GI products impossible.

Pursuant to the requirements set out in Law 66/2008, products with GI are subject to official control. The official control covers:

- verification of a product's conformity with the corresponding product specification; and
- surveillance of the use of registered names to describe products placed on the market.

Government Decision No. 644 of 19 July 2010 appoints the competent authorities with duties to control and certify products with designation of origin, GI and TSG. However, Government Decision 644/2010 is not very specific, and does not clearly specify the responsibilities and tasks of the various control bodies. After the reorganization of the control and certification system, the National Food Safety Agency (ANSA) became the public body responsible for the official control of agricultural products (including agrifood, wines and other alcoholic beverages).

According to Law 57/2006 on Vine and Wine, ANSA ensures the control of wines with PDO and PGI. It is responsible for the verification of a product's conformity with the corresponding product specification, and checks the labelling of products with PDO/PGI.

The National Food Safety Agency has the right to prohibit the marketing of batches of wine and wine products, including those with GI that do not fulfil production and legal requirements, including technical specifications, labelling, and so on.

The Agency for Consumer Protection and Market Surveillance (APCSP) is responsible for the surveillance of the use of PDO and PGI on the market, including for e-commerce. Thus, based on Article 97 of the Contravention Code (Law 218/2008), the illegal use of designation of origin or GI shall be sanctioned by a fine from 60 to 90 conventional units for individuals, and by a fine from 120 to 180 conventional units for persons empowered with a responsible position, or by doing community service of between 40 and 60 hours.

The same sanctions are applied in cases of illegal use of AO/GI protected under bilateral agreements to which Moldova is a party, if these actions do not constitute offences under the law.

According to the Contravention Code, “illegal use is considered any direct or indirect commercial use of a AI/GI registered for products not covered by the registration so far as those products are comparable to those registered under this name or insofar this usage allows to take advantage of the reputation of the protected name, and usurpation, imitation or evocation of the associations related to a registered appellation of origin/geographical indication, even if the true origin of the product is indicated or if the protected name is used in translation or accompanied by an expression such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or other similar expressions, false or misleading indication to the provenience, origin, nature or essential qualities of the product listed on the product or on its package, in advertising, as well packaging use of a recipient likely to create a wrong impression regarding the origin of product, unfolding of the practices likely to mislead the consumer relating to the true origin of the product and inciting third parties to perform these actions”.

The APCSP is empowered to ascertain contraventions, to draw up minutes on contraventions, and to apply sanctions according to the Contravention Code.

Penal measures are available for the direct or indirect commercial use of a designation of origin or GI. Depending on the severity of the offence, the liability for infringing the GI (AO) right ranges from a fine of 1150 conventional units to five years’ imprisonment.

The enforcement of GI and AO at the border is ensured by the Customs Service in accordance with the Customs Code and the regulations on enforcement of IPR by customs.<sup>66</sup>

Law-enforcement authorities can act at the request of the GI rights holder, an interested person, but also *ex-officio*.

### Sector potential and obstacles (including in relation to sustainability)

Currently, the wine sector is the most active user of the GI system in Republic of Moldova. To support strategic developments in the wine sector, a government programme for wine-sector restructuring has been developed and is currently being implemented. Investments in consolidating wine-sector capacities to deliver high-quality wines are already bringing benefits (such as extra profits, improved employment, diversification of products, improved quality, wine tourism). The experience gained within the GI wine programme could be multiplied and transposed to other sectors with GI potential.

By 2020, 6244 ha of vines had been registered for the production of grapes with PGI. Fifty-five PGI producers (18 of which were grape producers) registered in the Wine Register.

There is no express recognition at the political level of the role of the GI quality scheme in supporting the development of sustainable production. Still, there is a common recognition among stakeholders of the fact that production of agrifood products with GI is more sustainable, as they often involve not only ecologic production methods, but also have a strong cultural and social impact, and could contribute to regional development.

The National Strategy on Agriculture and Rural Development (NSARD) for 2014–2020 confirms the Government of the Republic of Moldova’s recognition of the importance of the agrifood sector and rural development as a precondition for long-term development. The NSARD is the basis for the sustainable development of the agricultural sector and ensuring an attractive standard of living in rural areas. One of the specific objectives of the NSARD provides for the need to develop and promote the organic farming system by implementing non-polluting technologies. The strategy places particular emphasis on increasing the competitiveness of the agrifood sector, which is also clearly reflected in the investments foreseen for implementing the NSARD – 50 percent of the budget being allocated to activities related to the restructuring and modernization of the agrifood sector, highlighting the importance of developing agriculture based on ecological and sustainable production processes. With the approval of the Environmental Strategy 2014–2023, national and sectoral priorities for a sustainable environment were established, including the promotion of organic farming.

<sup>66</sup> Government Decision No. 915 of 26 July 2016 approving the Regulation on intellectual property rights enforcement by customs.

Although politicians acknowledge that the GI quality system is part of sustainable agriculture, both at legislative and policy level, sustainable agriculture is mainly associated with ecologic production, while GI production has to do with regional devolvement.

When speaking about sustainable agriculture, policymakers refer primarily to organic agriculture, and resources are mainly devoted to supporting eco and bioproducts. The draft Roadmap for the Promotion of the Green Economy in the Republic of Moldova, which was recently developed, also includes measures on alternative agriculture.

The GI associations and producers do have a fair understanding of the fact that GI products are part of sustainable production and consumption, but their production costs are much higher compared with standard products. Considering the present situation, some GI producers are investing in certifying their products as ecological products as well, as the ecological certification system in Moldova is well-established and easier to join. For example, the producer of Zabriceni tea, Biocamara SRL, obtained its ecological certification for the tea in 2013, and in 2017 registered the GI Zabriceni. Unfortunately, due to the lack of a functional GI certification system, Zabriceni tea is sold as an ecological product, but it is not labelled as a PGI product.

The GI associations and producers would like to see more political engagement in this sector's development. They are expecting more involvement from the government and are looking for well-structured incentives and support that would encourage the production of GI products, making access to the system easier.

Another issue raised by the GI associations is the need for raising the consumption of sustainable products, such as PGI or PDO products, by educating society and encouraging consumers to choose goods labelled with quality signs, even if they have to pay more.

Moreover, the GI associations are ready to be involved in any initiatives to improve the sustainability of the GI system, including public-private debates and campaigns in the field that would raise the awareness of the role of a PGI or PDO in the development of sustainable agriculture.

Most producers are not sufficiently aware of the benefits of the GI system, and so there is no serious interest in obtaining GI registration.

Producers that are already GI registered or have made preparations for registering are frustrated by the inconsistency of the GI system. The lack of appropriate mechanisms and financial assistance from state authorities (other than for wine) discourages any attempt to register GI products.

On the other hand, because there are a few registered GI products, certification bodies are not interested in getting involved in accreditation in the GI system, as it involves human and financial resources. Without accreditation, the certification bodies cannot provide verification of product conformity, and producers cannot place their products as PGI or PDO on the market.

Since producers are not able to benefit from the registered GI, they are not interested in registering additional products with potential GI designation, and there are no good practices to be shared with other producers.

Considering the above, the main administrative barriers for an effective GI system are as follows:

- The lack of a system of administrative support for preparation for registration, registration and certification of GI products other than wine products.
- The absence of a homologation procedure for adopting the technical specifications for non-agricultural products.
- The impossibility to use a GI designation in the absence of a conformity certificate issued by an accredited conformity assessment body for all products except wine products.
- The lack of institutionalized incentives, or financial support for registering, providing certification and development of production of GI products.

As a result, the development of the GI system is somehow stagnating. A different situation pertains in relation to the wine sector. Because of strong cohesion among producers, the efforts of the National Office for Vine and

Wine, various support programmes financed by external partners, and the commitment of the state authorities to promote and develop the wine sector, the GI system for wine products is functional and PGI wines are available on the local market and even exported.

The GI system in Republic of Moldova is still undeveloped. It requires legal certainty, functional institutional capacities and allocation of adequate financial resources for its development and popularization among producers and consumers.

Another challenging situation relates to the reimbursement of costs associated with the registration of a GI introduced by Government Decision No. 455 of 21 June 2017 on Distribution of Funds of the National Fund for Agriculture and Rural Development.

A National Fund for Agriculture and Rural Area Development was established by Law No. 276 of 16 December 2016. The objective of the fund is to subsidize the activities stemming from the NSARD. The fund is financed from annual budget allocations (not less than 2 percent of the total approved state budget) and other sources, including from funds secured through European Union programmes (Law No. 177 of 22 October 2015 on Ratification of the Financing Agreement between the European Union and the Government of the Republic of Moldova on implementation of ENPARD Moldova).

Based on the main priorities established by the NSARD, the law establishes submeasures to be supported based on budgetary allocations. Subsequently, Government Decision 455/2017 introduced new submeasures related to support for GI and export promotion. Compensation of up to 50 percent of the cost of registration of GI, AO or TSG is possible under submeasure 1.9 of the Regulation on Conditions, Order and Procedure for Distribution of Funds of the National Fund for Agriculture and Rural Development. Another incentive, increased compensation, is provided under submeasure 1.2 for the producers of technical grapes for the vineyards established for the production of GI wines. The implementation of the compensation mechanism is dealt with by the Agency for Intervention and Payments in Agriculture (AIPA), which was established in 2010 to promote the sustainable development of Republic of Moldova's agriculture and to ensure the well-being of its rural areas.

Agricultural producers, through the professional associations in the field of agriculture, can benefit from compensation of 50 percent of the cost of participation, but not by more than MDL 100 000 (EUR 5 180) per beneficiary, covering expenses related to participation in exhibitions, fairs and contests organized abroad.

Producers of GI wines and wine products are entitled to benefit from additional support provided through the National Office for Vine and Wine. This is the result of the creation of a special promotion fund, 50 percent of which comes from producers, with the remainder covered by the state budget. The accumulated funds allow for the implementation of promotional activities aimed at ensuring the quality of wines, including support for the development of GI.

### **Inventory of geographical indications**

Identification of local traditional products with the potential for GI registration, and their promotion on the market, is one of the main elements of a sustainable GI system.

A first countrywide Study for identification products, beverages, meals and handcrafts items eligible for registration as GI, was conducted in Republic of Moldova in 2017 with the support of an EU-funded project.<sup>67</sup> The study focused on the three economic and agricultural areas in Republic of Moldova (northern, central and southern), 32 districts, the Autonomous Territorial Unit of Gagauzia (UTAG), and the municipalities of Chisinau and Balti. As a result of the study, 67 products, drinks, dishes and handicrafts were identified, of which 30 products (or about 45 percent) were from the central area, 24 (36 percent) from the northern area, and 13 (19 percent) from the southern area. The study is available on the AGEPI website at [http://www.agepi.gov.md/sites/default/files/2019/08/Studiu\\_potentiale\\_IG.pdf](http://www.agepi.gov.md/sites/default/files/2019/08/Studiu_potentiale_IG.pdf).

<sup>67</sup> EU-funded project (EuropeAid/137467/DH/SER/MD) Support to Enforcement of the Intellectual Property Rights in the Republic of Moldova.

Based on the study's outputs, an interactive map of traditional products was elaborated and launched (<http://harta-ig.agepi.gov.md/>). The map is a portal for all those interested in exploring local cultural and gastronomic potential.

The portal has two subpages:

1. Map of Potential Geographical Indications, containing information on traditional products eligible to benefit from the GI quality system.
2. Map of Protected Geographical Indications, containing information on protected indigenous geographical indications and appellations of origin, with direct access to the Geographical Indications Database of the Republic of Moldova.

The portal interface is available in three languages: Romanian, Russian and English. The map is divided into administrative units and geographical areas, which makes it easier to view traditional products from a certain area. It is also possible to search and filter information by specific criteria – region, product name, category and even description.

The portal is maintained by AGEPI. Farmers, craftsmen, producer associations and other persons empowered by them can contribute to the portal with new products.

Another Study on the current situation of traditional products in the Republic of Moldova (designation, market potential) was carried out within the project, Local Development and Cross Border Cooperation in the area of Agricultural Products and Traditional Food (LOC-FOOD), financially supported by the Black Sea Basin ENI CBC Programme 2014–2020.

The purpose of this study is to assess the current situation regarding the traditional products sector in the project intervention area. The evaluation covers both agricultural raw products, and processed ones.

The first part of the document contains a comprehensive analysis of national legislation in the field of agrifood, and how to regulate procedures related to the conversion to organic farming. The analysis also includes the important topic regarding the designation of origin, GI and TSG registration procedure. At the same time, national strategic documents create the general framework for the functioning of organic agriculture and the production of organic agrifood products.

As a follow-up to the study, in 2021 an inventory of slow-food products was conducted, and a database containing the producers' data is under development. Around 300 producers were interviewed in order to identify the slow-food products eligible for the quality scheme. With the support of the project and other interested stakeholders (MAFI, AGEPI), up to seven products will be selected and provided support for GI registration – in particular for establishing the producer association, drafting of technical specifications, and preparation of application for GI registration.

Today, agrifood products continue to have a significant share of the Moldovan economy, and represent around 40 percent of total Moldovan exports – in particular in relation to wine and spirits, fruit and vegetables. Apart from this substantial share of exports, revenue from the sector is still low, most of the exports being primarily unprocessed raw materials, in particular cereals, sunflowers, apples, walnuts, or semi-finished products with a low economic value.

The most promising sector for the quality GI scheme remains the wine sector. The wine industry accounts for 3.2 percent of GDP and 7.5 percent of Republic of Moldova's total exports. It employs over 250 000 people at 140 wine companies. Republic of Moldova has the biggest density of vineyards in the world – comprising 3.8 percent of the country's territory and 7 percent of the arable land. Eighty percent of the wines made in Republic of Moldova are exported to over 60 countries. Wine exports in 2020 were 136.7 million litres that have a total value of USD 140 million (around MDL 2.72 billion); 40 percent of the wines exported by Republic of Moldova are bottled wines. Moreover, the diversity of climate, soil and vine varieties and technological traditions, are good elements for producing PDO wines. There are quite a number of geographical names used for recognition of origin-linked wines, such as Cricova, Mileştii Mici, and Purcari.



Unprocessed products (including seeds, nuts, fresh fruit, berries and vegetables) is another sector with potential to be exploited through the GI system. Republic of Moldova is one of the biggest exporters of walnuts – it was among the top five exporters in 2018, with 6 percent of total global walnut exports. At the same time, Republic of Moldova is an insignificant player in the shelled nuts market, which is much more lucrative. In 2018, the country exported 5275 tonnes of shelled nuts, and 1577 tonnes of walnut kernels. The situation with walnuts is mirrored in other sectors as well.

Processed foods are often associated with particular regions; for example, fruit juices from Orhei, canned fruit and vegetables from Cupcini, edible and essential oils from Bălți, Domulgeni sausages.

To encourage the registration of traditional products as PGI or PDO, there is a need for a collective effort from all interested stakeholders – public authorities, the private sector, and also the support of the general public. The multiplication of good practices and technical assistance for registration and promotion of GIs should also be considered.

Geographical indication-related legislation should be amended, especially Government Decision 644/2010 on Appointing Competent Authorities Empowered with Attributions and Responsibilities Related to the Products with AO, GI and TSG. A comprehensive legal and institutional framework for GI official control, and a functional cost-efficient certification system, should be established and put at the disposal of GI producers.

The institutional capacities of the authorities with GI responsibilities should be consolidated, in particular human resources, and contact points responsible for GI-related issues within the responsible institutions should be appointed. Specialists responsible for GI from public and local administration should be trained to provide consultancy and guidance to producers.

The complexity of the GI system should be demystified by increasing the transparency of the procedures and providing producers with easy-to-follow guidelines for the entire registration and protection process, including approval of specifications, registration, control, enforcement, promotion and international protection.

Incentives should be provided for certification bodies to apply for accreditation for certifying GI products and the accreditation process should be supported by ensuring the existence of certification bodies for the main GI products (agricultural products and foods). Support should be granted to the GI producers' associations that are willing to increase their production capacities and market share.

Producers of traditional products with GI potential should be provided with consultancy and support for GI registration. Best practices and experiences of using the GI system should be shared, along with its advantages and benefits and existing support instruments.

General public information campaigns to promote GI should be organized, which would raise awareness and increase the confidence of Moldovan consumers in GIs as quality signs.

Geographical indication products should be included on tourist routes, and promoted through traditional local fairs and exhibitions; they should also be used for country branding and promotion.

Financial support and consultancy should be provided to producers exporting quality products with GI, in particular on the European Union market, and other countries with which Republic of Moldova has or intends to conclude GI protection agreements.

Bilateral agreements for the reciprocal protection of GIs should be negotiated with countries representing export markets for Moldovan agricultural products.

## Market situation

### Main countries and channels of distribution for geographical indications

At present, only wines and wine products with GI can be commercialized both on the domestic and foreign markets as Moldovan PGI or PDO products.



The most exported GI product is the PGI Divin. Both the internal market, and exports, of Divin are quite developed, domestic sales representing approximately one-third of total sales. Divin exports in 2009–2018 amounted to 5.4 million litres of absolute alcohol. Today, the GI Divin is protected in Republic of Moldova, European Union countries, and the United Kingdom. Brandies bearing the denomination Divin are exported to over 40 countries.

Producers of wines with PGI – Codru, Ștefan Vodă and Valul lui Traian – are also gaining more popularity. Still, the wine market is highly competitive and there is a need for more support in promoting wines with PGIs on the market, in particular on foreign markets. Until now, 720 batches of wine with a total volume of 169 459 dal have been certified as PGI wine for commercialization. Forty names of PGI wines are available to the consumer.

Wines and wine products with GI are present mainly in retail supermarket chains and wine stores. They also are present on e-commerce platforms and in restaurants.

Due to the lack of an operational certification and control system for agrifood products, agrifood producers cannot benefit from the GI system as they are not authorized to commercialize their products as PGI or PDO products.

Most of the food producers entitled to use GI sell their products on the local or national market. Some producers manage to enter into local supermarkets and e-commerce platforms. As the use of a PGI/PDO is subject to conformity certification with technical specification, producers sell their products without labelling it as PGI or PDO.

Most producers of agrifood products with GI are small producers with limited capacity to promote their products. Exports are not yet considered by producers due to limited product volumes.

The producers of Pistil from Valea Rautului commercialize their products on local markets, food festivals, at specialized Moldovan traditional product stores, and on e-commerce platforms.

Zabriceni has become a well-known herbal tea on the domestic market. It is sold in supermarkets, company stores, online and via individual delivery. Brânza de Măgură is another local product that since registration as GI has gained popularity among domestic consumers as a local high-quality product manufactured according to traditional technology. Unfortunately, these and other products entitled to use GI denomination have no chance to be marketed as PGI or PDO products due to the lack of certification.

### **Challenges and opportunities for geographical indications during the pandemic**

Since the COVID-19 pandemic, due to the restrictions on movement and safety considerations, the commercialization of products – including those with GI – through e-commerce or by using delivery services, have grown exponentially. Local experts expect that the trend towards e-commerce will continue after the pandemic. The quality and diversity of e-commerce services, and online literacy of consumers, has increased as online shopping becomes more convenient and affordable.

### **Public awareness of geographical indications**

There has been no focused market research conducted at national level to assess consumer perception and habits around GI products. No surveys were conducted concerning possible shifts in consumer preferences with respect to GIs as a result of the COVID-19 pandemic.

Nevertheless, based on consumer-preference interviews conducted on a limited number of consumers at GI-related events (exhibitions, fairs, seminars), and considering recent GI studies and expert opinions, it can be concluded that an increase in consumer understanding of the role of GI in sustainable food system development could be achieved by implementing several measures:

- Educating the local population to increase interest and consumption in traditional local quality products and foods.
- Increasing the share of gastronomic tourism in domestic and foreign tourism, and introduction of GI products on touristic routes.
- Promotion of local traditional products at national and regional festivals and markets.
- Encouraging the hospitality industry and local retail chains to commercialize local quality products.

### **Geographical indications promotion supporting schemes**

Currently, there are no state-funded GI promotion programmes. The job of promotion, information and media coverage of the products, especially traditional ones, is assumed either by local entrepreneurs (especially small ones), or by associations that unite the efforts of producers for promotion through local fairs and social networks.

One of the major problems with the GI quality system being underused is the lack of information about the concept, principles and advantages of GI, both from the producer and consumer point of view. Although consumers seem to be ready to pay more for local quality products, there is an insufficient understanding of the added value brought by the GI label as a guarantee of quality. Producers, especially small-scale farmers, have poor or little understanding of the system. The multitude of requirements and bodies involved in the process and the lack of transparent and clear rules and procedures make understanding the system very difficult for farmers and small-scale producers.

Awareness campaigns should cover all stakeholders, but awareness activities should be designed for each target group individually – producers, local communities, public institutions and consumers.

Different communication and promotion tools should be used for different target groups. A regular dialogue with stakeholders, including all civil-society groups, should be ensured through an accessible platform. The European Union example of building up and promoting its agriculture quality policy should be followed.

In recent years, some GI promotion activities were organized with the support of different assistance projects, local communities, bloggers and media promoters.

Moreover, the opening of local product stores and local product shelves in supermarkets is contributing to the promotion of traditional products, bringing them closer to consumers.

Still, these actions are fragmented and have limited coverage. There is a need for a comprehensive and countrywide campaign for the promotion of local products and education of consumers.

With the support of development partners (such as the European Union, FAO, USAID), several information and promotional campaigns have been organized for local farmers and small producers, but more should be done in order to ensure the sustainability of the system and increase the awareness of local consumers.

The capacity of farmers to access such promotion funds is limited, and better information and consultancy needs to be provided by the relevant authorities, especially local administration and producers' support organizations (producers associations, chambers of commerce, and the Organization for the Development of Small and Medium Enterprises).

## Annex. List of protected geographical indication and protected designation of origin in the Republic of Moldova

As of 1 October 2021, there were 15 registered Moldovan GIs and PDO, namely:

1. Ciumai (PDO) – for wine, registered by Ciumai S.A., joint venture company. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=7>
2. Românești (PDO) – for wine, registered by Românești S.A., joint venture company. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=1>
3. Codru (PGI) – for wine, registered by Winegrowing Association of the Defined Geographical Area Codru. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3211>
4. Valul lui Traian (PGI) – for wine, registered by Association Winemaking Union of the Defined Geographical Area Valul lui Traian. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3212>
5. Ștefan Vodă (PGI) – for wine, registered by Association of Producers of Wines with Geographical Indication Ștefan Vodă. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3210>
6. Divin (PGI) – for spirits, registered by Association of Producers of Divin and Brandy of Moldova. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3214>
7. Rachiul de caise de Nimoreni (PGI) – apricot brandy (spirits), registered by Association of Producers and Promoters of the Spirits from Nimoreni. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3579>
8. Dulceață din petale de trandafir Călărași (PGI) – rose petal jam, registered by the Union of Producers and Processors of Fruits and Berries from Călărași. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3580>
9. Brânză de Popeasca (PDO) – for sheep cheese, registered by the Public Association of breeders of sheep and goats from Ștefan Vodă, Popeasca. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3581>
10. Zăbriceni (PGI) – for plants, dried fruits and mixtures thereof for infusions, registered by BIOCAMARA S.R.L. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3582>
11. Prune deosebite de Lalova (PGI) – for dry plums, registered by Union of Legal Entities Association of Producers, Fruit Processors of the Medial Dniester area. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3831>
12. Brânză de Măgura (PDO) – for cheese, registered by the PRISVIO S.R.L. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3832>
13. Pistil de Valea Răutului (PGI) – for dried fruit pulp (pastila), registered by the Union of Legal Entities Association of Small Producers and Processors of Fruits and Bacteria in the Center area. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3834>
14. Miere din Codrii Moldovei (PGI) – for honey, registered by the Association of Producers, Processors and Exporters of Bee Products from Codrilor area. <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3833>
15. Agriș de Marinici (PDO) – for gooseberry (confiture; jam; jelly; juice; dried, frozen and fresh gooseberry), registered by the Producers Group from Marinici (group within the AO BACIFERA Bunch Producers Association). <http://www.db.agepi.md/GeogrIndications/Details.aspx?id=3836>

## A country baseline report for Montenegro

### Introduction

Its geographical location, climatic conditions and natural resources make Montenegro in many ways a specific European country. Its territory is characterized by a large number of species, a particular ecosystem, and regional diversity. In fact, the ecosystem of Montenegro is one of the most diverse when compared to territories of a similar size in Europe.

Agriculture, together with tourism and energy, is a key strategic element of the economic development of Montenegro. The current Strategy for the Development of Agriculture and Rural Areas with the Action Plan for the period 2015–2020, defines the process of reforms in agriculture and in rural areas. The Law on Agriculture and Rural Development defines the main strategic goals in this field: the management of agricultural resources in a sustainable way over the long term, while preserving the environment; ensuring a stable supply of safe food, acceptable in terms of quality and price; improving the living standards of the rural population and overall rural development, while preserving traditional values, and strengthening the competitiveness of food producers. An additional set of legal documents supports the implementation of the new Montenegrin orientation in the field of agricultural policy. In March 2020, Montenegro became a member of the International Agreement on Plant Genetic Resources for Food and Agriculture, with the objectives of conservation and the sustainable use of plant genetic resources for food and agriculture. These objectives are achieved by closely linking the Treaty with the Food and Agriculture Organization of the United Nations and the Convention on Biological Diversity.

Unlike in the rest of Europe, agriculture in Montenegro as a whole is not intensive, which preserves the quality of resources and reduces pressure on the environment (although there is some limited occurrence of excessive pollution from agricultural activities). On the other hand, agriculture is economically inefficient and uncompetitive. Some of the main barriers and inefficiencies that characterize agriculture in its present stage of development are: fragmented farms and insufficient application of modern technologies in primary food production and processing; price uncompetitiveness; disorganization and lack of solid forms of horizontal and vertical connection of producers in production and processing; poor infrastructure in rural areas.

Like other Western Balkan countries, Montenegro's specific natural and agricultural biodiversity, coupled with traditionally mastered skills of product-making, contribute to the richness of indigenous products and dishes that have a unique quality. Geographical indications and traditional specialties are important since they provide added value to agricultural and food products and the sustainability of agriculture and socioeconomic development of rural areas.

The European Union accession process is the main driver of harmonization and adjustment of policies and instruments in the field of rural development in Montenegro. According to the latest European Commission report, Montenegro has demonstrated satisfactory readiness in the field of agriculture and rural development.<sup>68</sup> Regarding quality policy, after the adoption of the Law on Quality Schemes for Agricultural and Food Products in 2017,<sup>69</sup> secondary legislation was adopted, and so far, eight products have been registered.

Some products Montenegro shares with neighbouring countries, and while cross-border registration is allowed by Montenegro and European Union regulations, there is no procedure between neighbouring countries that would enable it.

<sup>68</sup> European Commission. 2020. Montenegro 2020 Report. Brussels.

<sup>69</sup> Law on quality labels for agricultural and food products (Official Gazette of Montenegro no. 01-347/2) - Zakon o šemama kvaliteta poljoprivrednih i prehrambenih proizvoda („Službeni list Crne Gore“ br. 01-347/2 od 31. marta 2017).

## Regulatory framework for geographical indications

Montenegro inherited a proactive approach from Yugoslav times in terms of protection of sources and names of origin – Yugoslavia was a signatory of the Lisbon Agreement (1958). At that time, the protection of GIs was considered exclusively a tool for the protection of intellectual property.

From the 1990s onwards, Montenegro started to follow the directions set by European Union countries, with GI considered a sector of rural development, and created a new system oriented to producers. The National Strategy for Sustainable Development of Montenegro,<sup>70</sup> the Strategy for Food Safety,<sup>71</sup> the Strategy for the Development of Agriculture and Rural Areas 2015–2020, and the National Strategy for Climate Change until 2030, are strategies related to the agricultural sector that seek to align their provisions with those of the *EU acquis*.<sup>72</sup>

As a candidate country for European Union membership, Montenegro aspires to be part of the European Union's Common Agricultural Policy (CAP). The CAP manages the market of agricultural products in such a way that there are clearly defined minimum quality standards, rules for import and export of products and market intervention, as defined by the regulation on the common organization of the market.<sup>73</sup> Montenegro, in this area, cannot be fully aligned with the *acquis* before accession. The Law on Regulation of the Market of Agricultural Products was adopted in 2017.<sup>74</sup> In this context, a new Law on Wine,<sup>75</sup> and a Law on Alcoholic Beverages,<sup>76</sup> were adopted, while the Law on the Paying Agency is in the process of being adopted.

In the context of EU integration, the Strategy for the Development of Agriculture and Rural Areas (2015–2020) was developed aiming to define adequately the process of future reforms in agriculture and rural areas. The main goal of the strategy is to recognize that products in the international market are highly competitive in terms of price and quantity. Therefore Montenegro, in addition to conventional production methods, should focus on the development of agricultural and food products based on traditional production methods, which will give it a niche in terms of quality.

The strategy clearly defines an important goal as: “Improving food safety and quality: increase food safety standards at affordable consumer prices; increase product quality (quality standards, organic products, PDO/PGI).” In the GI domain, Montenegro is fully harmonized with the European Union, and the legal framework is defined by the Law on Agricultural and Food Products Quality Schemes from 2017,<sup>77</sup> the Regulation on the manner of registration of designations of origin and geographical indications of agricultural and food products,<sup>78</sup> and the Regulation on labels of guaranteed traditional specialties of agricultural and food products.<sup>79</sup>

The Law on Agricultural and Food Products Quality Schemes defines the manner and procedure for determining the quality schemes for agricultural and food products, as well as the modality for assessing the conformity of agricultural and food products. It applies to agricultural products intended for human consumption. The established quality schemes or denominations of agricultural and food products are as follows:

- protected designation of origin (Zaštićena oznaka porijekla – ZOP);
- protected geographical indication (Zaštićena geografska oznaka – ZGO);
- indication of guaranteed traditional specialties (Garantovano Tradicionalni Specijalitet –GTS);
- “higher quality” label (Oznaka višeg kvaliteta);
- “mountain product” label (Oznaka planinski proizvod); and
- “from my farm” label (Oznaka sa moje farme).

<sup>70</sup> Government of Montenegro. 2016. National Strategy for Sustainable Development of Montenegro 2030.

<sup>71</sup> Government of Montenegro. 2006. National Strategy for Food Safety.

<sup>72</sup> Government of Montenegro. 2015. National Strategy for Climate Change by 2030.

<sup>73</sup> Council Regulation (EC) No. 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation).

<sup>74</sup> Law on organization of the market of agricultural products (Official Gazette of Montenegro, No. 01-759/2-2017).

<sup>75</sup> Law on wine (Official Gazette of Montenegro, No. 41/16).

<sup>76</sup>

<sup>77</sup> Law on quality labels for agricultural and food products (Official Gazette of Montenegro no. 01-347/2) – Zakon o šemama kvaliteta poljoprivrednih i prehrambenih proizvoda („Službeni list Crne Gore“ br. 01-347/2 od 31. marta 2017).

<sup>78</sup> Pravilnik o načinu registrovanja oznake porijekla i geografske oznake poljoprivrednih i prehrambenih proizvoda.

<sup>79</sup> Pravilnik o oznakama garantovano tradicionalnih specijaliteta poljoprivrednih i prehrambenih proizvoda.



The law also defines inspection matters (Chapter IV) and related penalties (Chapter V).

Figure 9. Labels for protected designation of origin (ZOP); protected geographical indication (ZGO) and guaranteed traditional speciality (GTS) in Montenegro



In Montenegrin law, designation of origin and geographical indication are defined as follows:

Designation of origin is the name of a region, a specific place or, in exceptional cases a country, used to label an agricultural or food product:

- that originates from that region, that is, from that place or country;
- whose quality or characteristics are exclusively or essentially conditioned by natural and human factors of a certain geographical environment; and
- whose production, processing and preparation take place in a certain geographical area.

Geographical indication is the name of a region, a specific place, or in exceptional cases a country, used to label an agricultural or food product:

- that originates from that region, that is, from that place or country;
- which has a specific quality, reputation or other characteristics that can be attributed to its geographical origin; and
- whose production and/or processing and/or preparation takes place in a specific geographical area.

The law also contains provisions for the protection of TSG that are defined as follows:

- “Traditional speciality guaranteed means an agricultural or food product recognized for its specific characters through a process of registration, in accordance with this law.
- Traditional, in terms of this law, means proven usage of the product on the market for a period showing transmission from a generation to generation of at least 25 years.
- Specific characters, in terms of this law, means the characteristic or a set of characteristics clearly distinguishing one agricultural or food product from other similar agricultural or food products of the same category, which may relate to the specific characteristics of the product such as physical, chemical, microbiological or organoleptic characteristics of the product or a method of production that the producer applies or the specific conditions during the production process.”

Until now, eight products have been protected by GI:

1. Njeguška pršuta (Njeguska prosciutto), as a GI, registered on 9 December 2016;
2. Pljevljaljski sir (Pljevlja cheese), as a designation of origin, registered on 3 October 2017;
3. Crnogorska goveđa pršuta (Montenegrin beef prosciutto) as a designation of origin, registered on 16 July 2018;
4. Crnogorska stelja (Montenegrin Stelja) as a mark of origin, registered on 16 July 2018;
5. Crnogorska pršuta (Montenegrin prosciutto) as a GI, registered on 28 December 2018;
6. Durmitorski skorup, as a designation of origin registered on 25 March 2019;
7. Kolašinski lisnati sir (Kolašin puff cheese), as a mark of origin, registered on 6 May 2019; and
8. Wheat beer Pure Ten, as a “higher quality” label, registered on 10 April 2020.



A list of registered products, together with the product specification and logo, as well as several continuously updated information packages (relevant legislation, authorized persons, guidelines, and so on) regarding GI at national and regional levels, is available and easily accessed on the Ministry of Agriculture, Forestry and Water Management website, in the quality policy section.<sup>80</sup>

The Ministry of Agriculture, Forestry and Water Management is the institution authorized for the registration of quality labels, and for directing further registration at European Union level. The request for registration is submitted to the ministry by a producer association or physical or legal persons. Along with the request, the specification of the product, with accompanying documentation, is also submitted. If the documentation is positively evaluated by the ministry, and it is then registered in the register of PDO/PGI labels.

Protection against any misuse, imitation and deception in relation to products bearing a GI is supported by the work of relevant inspection services that supervise and take administrative measures such as: control the names of origin, GIs or names of TSG that are not entered in the register; prohibit the use of labels by producers of agricultural and food products that are not entered in the appropriate records of users of labels; prohibit the placing on the market of agricultural and food products with a registered mark or name that do not meet the requirements of the product specification; prohibit the placing on the market of agricultural and food products with a registered mark when it determines that they have not been declared in accordance with this regulation.

The support policy is laid down by the Law on Agriculture and Rural Development,<sup>81</sup> the Law on Budget of Montenegro (for the current year), and the Decree on conditions, manner and time schedule of implementation of the measures of agricultural policy for the current year – Agrobudget. Under national Agrobudget measures, support to on-farm processing increased between 2013 and 2019 under a measure to strengthen the competitiveness of producers (support to investments in on-farm processing). Beneficiaries of the support included agricultural holdings engaged in on-farm processing, cooperatives, and producer groups. Investments for the purchase of equipment for processing, storage and packaging of products and adaptation of facilities for processing, storage and packaging were supported. The facilities in which the investment was realized had to be registered in the central register of registered or approved facilities for food production, processing and distribution and meet the prescribed requirements in accordance with the Law on Food Safety. Fifteen measures were developed to strengthen competitiveness, which encouraged production in all agricultural sectors and thus indirectly contributed to the development of processing.

Geographical indication protection in Montenegro is initiated by the producer associations. The specificities of the associations (number of members, capacities of the production), their management and production process, as well as an outline of some of the registered products, are explained next.

The NGO Association for Meat Quality in the North of Montenegro initiated the procedure for registration of a designation of origin for Crnogorska goveda pršuta (Montenegrin beef prosciutto) and Crnogorska Stelja (Montenegrin Sheep Stelja), whose production area covers the entire or parts of the territories of 13 municipalities in northern Montenegro. The education of producers, formation of associations, product specifications and other documentation was done within the project, Improvement of quality standards of meat products in Montenegro and exchange of experiences of the Western Balkans, under the auspices of the EBRD and FAO, who partnered the Ministry of Agriculture, Forestry and Water Management.<sup>82</sup> In accordance with the defined specifications, the production of these two products is limited to the northern part of Montenegro. The production area is characterized by a mountainous climate, with the influence of a continental climate, and altitude ranging from 550 m to 2000 m. These products have a well-established reputation in both local and regional markets.

<sup>80</sup> <https://www.gov.me/clanak/zasticene-oznake-kvaliteta>

<sup>81</sup> Official Gazette of Montenegro No. 56/09, 18/11, 40/11, 34/14, 1/15, 30/17, 51/17.

<sup>82</sup> FAO/EBRD project: Upgrade of Meat Quality Standards in Montenegro and Exchange of Lessons Learned in the Western Balkans (2018). Inventory of Traditional Products from Montenegro with Geographical Indications or the Potential for Quality Labelling.

Figure 10. PDO label – Crnogorska goveđa pršuta  
(Montenegrin beef prosciutto)



Figure 11. PDO label – Crnogorska Stelja  
(Montenegrin Sheep Stelja)



Figure 12. PGI label – Njeguška pršuta  
(Njeguška prosciutto)



and one natural person) from Njeguši, initiated and registered the GI Njeguški pršut. In terms of standards, so far nine producers have met the required conditions, while others are still undergoing the registration procedure and working towards achieving the required standards. The average annual production of raw smoked ham by producers who are members of the association is 128 000 pieces (1 500 tonnes). The total production capacity of the Njeguši producers is 220 000 pieces of smoked ham per annum (2 800 tonnes).

Figure 13. PGI label – Crnogorski pršut  
(Montenegrin prosciutto)



the historical part of the country called Old Montenegro. The good reputation of Crnogorski pršut goes beyond the borders of the production region and indeed Montenegro. Its reputation is demonstrated by the fact that it accounts for 80 percent of the total ham production in the country. The production process for Crnogorski pršut lasts for at least one year. Each production phase – starting with salting, through to pressing, smoking, drying, and maturing, and the finished product – must take place in the production area.

Montenegrin beef prosciutto is produced by approximately 5000 farmers, with annual production estimated at 2000 tonnes. Nowadays, this product is widely consumed as a starter, often as part of a “meze” (traditional appetizer that is part of traditional Balkan meals).

Production takes place during winter, from November to February. The smoking is performed using beech and hornbeam wood and lasts three to four weeks. The period of maturation lasts approximately two months. Sheep Stelja is produced by approximately 500 producers with annual volumes estimated at 1000 tonnes. Montenegrin Sheep Stelja is produced with sheep meat, salted, and smoked on beech or hornbeam wood, and dried with fresh mountain air. In producing Stelja, an entire sheep carcass is used (except the internal part of the leg – hind shank), without heads and inners. The period of maturation lasts for about two months.

Njeguška prosciutto is traditionally produced in the central part of Montenegro, in Njeguši, a small district of the Cetinje municipality. This product was the first traditional food product in Montenegro awarded the GI label. The combination of the Mediterranean and continental climate influences the process of drying of the ham and its specific characteristics. Salted with sea salt, smoking and curing in the traditional way using beech wood, and maturation of products for up to 12 months, gives the product its unique features. The NGO Association of Njeguši Specialities Producers (with 12 members, 11 legal

and one natural person) from Njeguši, initiated and registered the GI Njeguški pršut. In terms of standards, so far nine producers have met the required conditions, while others are still undergoing the registration procedure and working towards achieving the required standards. The average annual production of raw smoked ham by producers who are members of the association is 128 000 pieces (1 500 tonnes). The total production capacity of the Njeguši producers is 220 000 pieces of smoked ham per annum (2 800 tonnes).

The NGO Association Montenegrin prosciutto Cetinje is in the process of registering the GI Crnogorski pršut (Montenegrin prosciutto). The association has six members, all legal entities. In terms of compliance with safety standards, equipment in establishments, quality and organization, these producers are at a very high level, as confirmed by a Report of European experts delivered in 2020. The average annual production of raw smoked ham by producers who are association members is 250 000 pieces (3 000 tonnes), with the average annual turnover around EUR 30 million. The total production capacity of Cetinje producers is 4 200 tonnes of smoked ham.

The production area corresponds with the former territory of

Figure 14. PDO label – Pljevaljski sir (Pljevaljski cheese)



simple and adapted to conditions found in households, as well as in the Katuns mountain settlements where households live with livestock during the summer. The aroma of the cheese is pleasant, with a clearly expressed milky sour flavour, and moderately salty.

Figure 15. PDO label – Kolašinski lisnati sir



and is served as a side dish in many homes and restaurants. The production of Kolašin leaf cheese takes place in the northern part of Montenegro, in municipalities of Kolašin and Mojkovac. Within this geographical area of production, the production of Kolašin leaf cheese is carried out on territory with a total of 17 local communities.

The NGO Pljevaljski Sir registered Pljevaljski sir (Pljevlja cheese) as a designation of origin. The association comprises 13 agricultural holdings. There are currently about 600 milk producers in the municipality of Pljevlja, who, apart from the sale of milk, also process milk on their holdings, mainly to produce Pljevaljski sir. It is assumed that, after the fresh milk buyout, about 45 tonnes of milk is processed as Pljevaljski sir – about four to five tonnes of cheese is produced for the market on a daily basis. Pljevlja cheese is made from sheep, cow and mixed (sheep and cow) raw milk. The production of Pljevlja cheese from cow's milk occurs throughout the year and is most intense during the grazing season. The technology is

The NGO Association of Producers of Kolašinski Lisnati Sir manages the PDO label Kolašinski lisnati sir (Kolašin leafy cheese). The association has about 50 members (cheese producers). Today, the cheese is produced in about 100 households and craft facilities within the region of production. The cheese has a reputation as one of the most charismatic cheeses in Montenegro, and it is also known abroad. Kolašinski cheese belongs to the group of "pate fillee" or "pasta filata" cheeses. It is a semi-hard, medium-fat cheese, whose most recognizable feature is slices that are extremely thin (up to 5 mm). In addition, this cheese is widely used in the preparation of various traditional dishes

Associations of olive oil and honey producers are currently in the process of preparation of documentation and education of the producers for PDO or PGI registration.

All eight registered labels are registered by the producer associations authorized for internal control of the member producers, management of the placing on the market and communication with the interested parties. Assessment of the conformity of agricultural or food products with the product specification is done after the decision on entry to the register and is carried out by the control body Monteorganica, authorized by the Ministry of Agriculture, Forestry and Water Management, and accredited in accordance with the MEST EN ISO/IEC 17065:2013 standard by the Accreditation Body of Montenegro. In the event Monteorganica, during the control process, discovers significant non-compliance, it informs the ministry. The assessment of compliance of agricultural or food products with the specification is performed based on the adjusted control plan developed by the control body. The costs of accreditation are covered by the producers. Every producer association that decides to undertake the process of registration of the quality schemes is entitled to support from the ministry of EUR 5000 (as defined by annual Agrobudget). The Monteorganica website explains the complete procedure, including the documentation required.<sup>83</sup>

Protection systems (quality schemes) are designed to protect both producers and consumers. The system encourages manufacturers to associate and agree joint, and thus facilitated, market entry. The production of such products affects the increase in income of agricultural producers and the retention of the population in rural areas. The registration protects names from unauthorized use on the market. The agricultural inspection controls the marketing and sale of the protected products.

<sup>83</sup> <https://orgcg.org/sertifikacija-zasticenih-poljoprivrednih-i-prehrambenih-proizvoda/>

Even though it is evident that significant progress has been made, and a significant number of products have been registered since the law was enacted in 2017, there are still no certified manufacturers. Monteorganica, as the only certification body in Montenegro, has a clear procedure regarding the certification process and is acting proactively to inform and support the producers with the procedure of certification. However, producer associations are still not uniform in relation to the size and the capacities of the individual producers within the association, making the process of internal controls rather challenging. It is therefore necessary to work with manufacturers to motivate them to enter the certification process, because that is the only way to realize all the advantages of quality schemes.

### Sector potential and obstacles (including with respect to sustainability)

Agricultural producers in Montenegro face different barriers, of both a financial and non-financial nature. The percentage of farms with an irrigation system, disaster protection and other modern technologies is low. In addition, the problem of land fragmentation is commonplace. Due to this situation, producers cannot have continuous production that would provide them with safe and stable yields of uniform quality, which is a barrier to entering the market. This is especially true for exports, because such production can neither by quantity nor quality meet the requirements that apply to the international market.

Although there are no official statistics on the informal economy, the informal market is well anchored through many unregistered producers and processors, and also through the promotion of green markets and sales on the road. Producers (agricultural holdings, entrepreneurs) have little incentive to formalize and realize their entrepreneurial capacities. Manufacturers believe that compliance with the law burdens them and imposes excessive costs, and that the additional benefits that compliance can provide are not necessary. The ministry is satisfied with the adoption of the law and the shifting of responsibilities to producers, not realizing that there is still plenty of room for action.

In Montenegro, the farm structure is defined by numerous small family holdings, and therefore the amounts of produced products cannot be a competitive advantage. It is rather the quality of the products. In this context, GI represents a specific niche that should be preserved and further supported. The status of small-scale producers is part of the generic and often complex legal rules and linkages that relate to companies, the agro-industrial sector, and taxing rules. It is of crucial importance to look into the most important and analyse the context to establish an enabling environment that would encourage rather than provide barriers for small agricultural holders and their economic activities.

Producers are still not familiar with the numerous benefits of clustering and activities at the level of producer associations. Consumers also still need additional information and efforts on the benefits of purchasing added value products. Regionally, there are a lot of consumers that value and buy traditional products. Education is one of the most important activities that can help producers understand the concepts of sustainability, market positioning, and eventually export their products to the region and European Union countries.

The Law on Agriculture and Rural Development, and the Decree on the conditions, manner, and dynamics of implementation of agricultural measures policy, define the measures of support to agriculture. The amount and conditions of the measures are specified in the annual Agrobudget:

- Support for education of the producer groups, preparation, and definition of the necessary documentation for the registration of products with geographical origin. Support is given to groups of producers or processors who have acquired knowledge through educational activities regarding the introduction and monitoring of the quality scheme and who have applied for registration at the ministry.
- Support for organically certified products placed on the market and for products certified as a PDO, GI, TSG, or higher quality.
- The promotion of authentic, specific and traditional agricultural and food products is supported (packaging design, promotional short films, promotional brochures, participation in regional and international fairs, exhibitions, and so on). The Agrobudget, in addition, supports study trips of producers who are in preparation, covering countries or territories of the region, as well as certain European Union countries.



The Ministry of Agriculture, Forestry and Water Management has adopted a flexible approach over rules for food safety regulations that include exclusion from the scope of the application, adaptations to the rules, as well as derogations for food-business operators. Such rules are developed in two by-laws that refer to the production and trade of primary products, producers of small quantities of food, as well as producers of traditional products and production that uses traditional methods.

A significant contribution to the sector was made under the project, Promoting sustainable agrifood value chains through linkages with tourism, implemented in Montenegro from 10 August 2018 to 29 February 2020 by FAO-EBRD in cooperation with the Ministry of Agriculture, Forestry and Water Management, and the Ministry of Economic Development.<sup>84</sup> The project also addressed gastro routes, improvements in packaging, registration of small processors, and linkage with the hospitality sector. Furthermore, the project made a significant contribution to the awareness and training of producers to implement the procedures for the registration of products at the Administration for Food Safety. The project supported laboratory analysis of 75 agricultural products that showed that all products analysed were safe for human consumption. A fair of traditional products was organized in the Delta City shopping mall, where producers who participated in the project presented their packaged products.

The project promoted and brought traditional Montenegrin dishes to a broader audience with the promotion of local gastronomy and the initiative to establish a gastro route. The *Atlas of typical food from Montenegro* was also designed. A cookbook of traditional dishes in Montenegro's mountain area was produced, and chefs in local restaurants were trained to prepare traditional dishes. Labels and menus were prepared for restaurants that included traditional dishes. Rural tourism was supported by initiating cooperation and learning from good examples from the region and promotion through promotional movies. Two new projects supported by FAO-EBRD were launched in January 2021.

There are a considerable number of products shared with neighbouring countries and territories. The 2017 FAO-EBRD project identified several cross-border traditional food products that are appropriate candidates for GI protection. The only problem is that their area of production spread out over two or more countries. This is the case for Stelja and Goveda pršuta, certain dairy products, and buckwheat. The current approach adopted in individual countries is to protect these products at national level, adding a geographical locator. Among the other products that are traditional but cannot be claimed by only one country, are:

- Kastradina: prepared in Montenegro and Croatia;
- Sudžuk: Serbia, Montenegro, and Bosnia; and
- A number of fresh lamb and sheep meat products.

The 2017 FAO-EBRD project identified and produced an inventory of traditional agricultural and food products in Montenegro that can be used as a useful tool for further analysis of the value chains and identification of potential priorities in GI registration and valorization from the strategic point of view. A total of 28 traditional food products/dishes were identified as "national treasures" in the Inventory of Traditional Montenegrin Products with the Potential of Protection of Designations of Origin, implemented by FAO. Support for local gastronomy will enable traditional producers to prepare traditional recipes with local products while respecting food safety standards.<sup>85</sup>

## Market situation

In Montenegro, there is a strong need to raise awareness of market benefits, as well as measures needed to protect the environment, especially measures of mitigation and adaptation to climate change. It is necessary to connect and coordinate between the actors of the agrifood market. This activity is key to initiating the creation of value chains for GI products in Montenegro.

<sup>84</sup> FAO-EBRD project: Montenegro: Promoting Sustainable Agrifood Value Chains through Linkages with Tourism. 2018.

<sup>85</sup> FAO-EBRD project: Upgrade of Meat Quality Standards in Montenegro and Exchange of Lessons Learned in the Western Balkans. 2018. Inventory of Traditional Products from Montenegro with Geographical Indications or the Potential for Quality Labelling.

The competitiveness of the Montenegrin food production sector is not at a high level considering the limited resources and quantities produced. Therefore, it is crucial to use existing competitive advantages – increase the price of the products to motivate customers still willing to pay for this price increase. A study completed in 2016, under the FAO-EBRD project, indicated that there are local buyers who are prepared to pay a higher price for the quality and other values of interest – 35 percent of respondents are willing to pay a higher price, of which 23 percent would pay up to 5 percent more, and 12 percent more than 5 percent more, including 1.5 percent who are willing to pay over 20 percent more. The survey also suggests that buyers are willing to buy these products more frequently.<sup>86</sup> Orientation towards specific quality categories (traditional way of production, genetically modified free products, richer taste, nutritional values, and so on) is the main way in which Montenegrin producers should be adding value to their products. Therefore, it is necessary to develop further the tools to influence the awareness and recognition of protected traditional products.

The COVID-19 pandemic caused a crisis that will inevitably result in a recession in Montenegro. Since the tourism sector is Montenegro's leading industry, the restrictive health and sanitary measures, coupled with the fiscal situation, will spill over into the food production sector. It is also realistic to expect a rise in budget deficits, consequential rise in public debt, a deterioration in the financial position of the population and economy, and thus a rise in toxic debts in bank portfolios.<sup>87</sup> On the other hand, traditional food production, together with the rising interest in nature-oriented and rural tourism that was accelerated by COVID-19, has induced a trend towards remote work, and this can be an asset for the future development of traditional food production.

The distribution and placing on the market of traditional products is done by producers through short food supply chain initiatives such as Gorska Trpeza, as well as existing web portals such as [www.seljak.me](http://www.seljak.me). The producers are not fully motivated to be more dedicated to the work of associations, organizing internal and external controls, and improving internal organization. There are also initiatives of local supermarket chains that sell and promote national traditional food products, including those with protected origin.

Associations of traditional food producers have the potential to increase the awareness of quality labels and to stimulate the sales of such products. As mentioned, the NGO Association of Njeguši Specialities Producers annually produces 1 500 tonnes of prosciutto, while the NGO Association Montenegrin Prosciutto Producers produces 3 000 tonnes of smoked ham. The average annual turnover of producers within this association is around EUR 30 million. The total production capacity of Cetinje producers is 220 000 pieces of smoked ham (4 200 tonnes). Most of the products are sold on the local market (especially during the tourism season), but the products are also exported to CEFTA (Central European Free Trade Agreement) countries.

Currently, most GI products are sold on the local market, except for Njeguši and Montenegrin prosciutto, which are exported also to regional markets. It is crucial to establish effective cooperation between private and public actors to optimize the legislative strategic framework, achieve a better understanding of the obligations of the private sector, and establish a link between financial mechanisms and the private sector. Such coordination is also necessary for vertical integration; for example, connecting the actors of the value chain to make it more efficient.

The tourism sector participates to the GDP of Montenegro to the tune of 23 percent, and has a significant role in terms of employment and living standards. Food production accounts for more than 30 percent of tourism consumption, very often through the development of local businesses. Tourists are in a constant search for authentic, new experiences that are directly related to the sites they want to visit. From a regional and national perspective, food can become a unique element of a specific brand that makes a given area unique.<sup>88</sup>

The biggest problems in connecting agriculture and tourism relate to the lack of general knowledge about the existing gastronomic heritage in the hospitality sector and lack of understanding of significant potential benefits of connecting with local traditional producers and developing local gastronomic potential. That is why it is important to identify traditional foods and recipes, raise awareness of their potential, and train the food preparation sector to prepare traditional dishes.

<sup>86</sup> Survey on habits of consumers of fresh meat and meat products, FAO/EBRD – Upgrade of Meat Quality Standards & Exchange of Lessons in Western Balkans Project, 2016.

<sup>87</sup> Report on financial system stability (2019), Podgorica, 2020.

<sup>88</sup> FAO-EBRD project: Montenegro: Promoting Sustainable Agrifood Value Chains through Linkages with Tourism. 2018. Linking agriculture and tourism in Montenegro: Gap Analysis, 2018.



Rural development programmes can play a key role by supporting low carbon and socially equitable investments, as well as fostering sustainable natural resources management across a wide range of economic sectors, not just agriculture and forestry. Although often small and not branded as contributing to the growth of the green economy, there are already many examples of rural development programme investments and initiatives that can contribute to job creation and economic growth in a low-carbon and resource-efficient way. Combining the measures provided via the European Agricultural Fund for Rural Development (EAFRD) with the support of other EU funds and working between sectors and institutional divisions could increase support for rural development programmes. However, achieving the full extent of the potential transition will mean adopting current good practices to a much greater extent than is currently the case within the European Union, as well as investing in new ideas, technologies, and actions. Planning how to combine these measures in packages to support integrated schemes to achieve certain outcomes will be as important as using financial instruments, especially if the goal is to support small investments at the local level.

Gastrotourism, identified as a strong element in the promotion and empowerment of the national culinary tradition, is inextricably linked to the consumer experience in a tourist destination. One of the models for strengthening gastrotourism are various thematic routes, which have come to life in Montenegro, and which are associated with the tasting of honey, wine, cheese, olive oil and prosciutto. Another chance for Montenegrin producers is the promotion of products protected by quality schemes that create added value for products within the gastronomic offer.

In Montenegro, the strengthened link between tourism and agriculture strategically contributes to income diversification and promotes sustainable management of natural resources and sustainable economic development. The link can improve the economy of the rural population, reduce unemployment, revitalize villages and rural life, and influence a more balanced regional development to finally meet the demand of an increasing number of tourists.

In accordance with the Law on Quality Schemes of Agricultural and Food Products, there is a wide range of official modalities for the protection of product quality and their promotion. The quality of traditional food products has been identified as a key link in improving competitiveness. Quality labels are an effective way to point out the quality of products to consumers and tourists. There is somewhat more understanding for the support of the GI concept, which is gaining ground, but not reaching support levels comparable to the European Union. More decisive steps are needed. One of the opportunities for the development of Montenegrin agriculture, both on the domestic and international market, is to direct as many products as possible to quality schemes that ensure the realization of added value. In this way, the agricultural sector will benefit from increased sales opportunities, and at the same time contribute to the development of tourism in Montenegro. In addition, it is important for Montenegro to be able to meet the demand for agrifood products that can be produced locally throughout the year. Meat, cheeses, olives, wine, and nuts are suitable to be explored as having potential for quality and organic labels. The launching of the initiative for the establishment of environmental quality labels (such as Natura 2000 labelling) for agricultural products having a price premium on the market could be another initiative.

Farmers should be stimulated to continue managing their land in a way that preserves environmental and social benefits, such as farmland biodiversity, cultural landscapes and rural vitality. Linked to sustainable resource management through a dynamic conservancy approach and process, there is also potential for recognition of the Katuns, the transhumance tradition on mountain pastures, as a Globally Important Agricultural Heritage System (GIAHS).

Recognizing Katuns as particular, ancient farming systems would add value to their agricultural products and the five GIs produced in the Katuns or the Katuns buffer zone, promote biodiversity and cultural conservation and prepare them for provision for sustainable tourism services, ensuring unique experience for visitors and enhance the economic, social and environmental benefits of a traditional farming system.

The GIAHS recognition would support collective action in strengthening short food supply chains and add value to local food market opportunities. Local farmers and food producers could continue to sell their differentiated Katuns produce directly to consumers and tourists, or through a very limited number of intermediaries as an alternative to conventional longer food chains where small farmers or cooperatives often have little bargaining power and the people cannot trace the food to a known producer or local area. Furthermore, the dissemination

of sustainable agriculture and consumption practices can have other positive impacts on the sector. Authentic agrotourism, local restaurants and rural households in the surrounding areas would also benefit from the spillover effects of such an important recognition. In parallel, GIAHS recognition and existing GI recognitions would also be mutually beneficial to strengthen the territorial agrifood product offer and market opportunities for producers.

Montenegro has clearly expressed its commitment to sustainability in the strategy papers, and underlined the economic, environmental, and social objectives of its agricultural policy. This is part of the general commitments by European Union candidate countries. By contrast, an analysis of measures reveals an almost exclusively production-oriented agricultural policy. Production support in the form of direct payments and investment support prevails, mostly for investments on agricultural holdings.

---

## A country baseline report for the Russian Federation

### Introduction

The objective of this study is to analyse the GI regulatory framework (definitions, protection, groups, and controls), sector potential (including sustainability) and, if relevant, obstacles to its development as well as the market situation (consumer perception, promotional activities, commercialization, distribution) in the Russian Federation.

This report is part of an FAO regional project aimed at enforcing the capacities of ministries of agriculture and other government bodies to ensure support for more efficient agricultural and food systems through the development of sustainable GIs.

The report is based on the federal legislation of the Russian Federation, the official documents of the Ministry of Economic Development and Trade, other official organizations (Rospatent, and the Federal Antimonopoly Service), private law firms, as well as articles and other official publications in the Russian media.

The authors of the report consulted Russian companies with GI certificates for products, such as Shuisky soap, Yeiskaya – healing mud, Voronezh ice-cream, Matsesta tea, Troitsky shawl, Kazy of mountain Altai – traditional Altai sausages made of horse meat, Maikop lemonade, Semigorje – sparkling wine, Aginsky national costumes, Toyrobsho of Aginsky Buryats – Buryat national headdress, Cod Liver in Murmansk – canned fish, Kuban – wines of Krasnodar region.

The authors consulted with representatives of the following organizations: Rosstandart, National Guild of Producers and Importers, Law Office K.N. Semenko. Official FAO documents devoted to GI were also of great importance.

### Regulatory framework for geographical indications

The concept of “geographical indication” first appeared in Russian legislation on 27 July 2020, when the Federal Law dated 26 July 2019 No. 230-FZ On Amendments to Part Four of the Civil Code of the Russian Federation and articles 1 and 23 of the Federal Law On State Regulation of Production and Turnover of Ethyl Alcohol and Alcohol-Containing Products and Restrictions on Consumption (Drinking) of Alcohol Products (hereinafter, the CG Law) came into force.

Corresponding amendments were made to the Civil Code of the Russian Federation, specifically part four. Thus, a new tool for the promotion of regional products, GI, was introduced into the Civil Code of the Russian Federation.

Earlier GIs were not used for the protection of products in the country. Russian legislation from 1992 provided only AO for the protection of food products linked to specific territories.

Using GIs could increase legal protection for food products with special features that are linked to their place of origin.

The list of AO that have been issued includes mineral water, alcoholic beverages, butter, honey and vegetables. The products linked to places of origin are well-known to Russian consumers.

Most AO products sell well across the Russian Federation. Moreover, products such as Russian vodka are well known in foreign countries as well. Currently, there is a State Register of GIs and AO of the Russian Federation.

Federal Law No. 230-FZ provides the following definition of a GI:

“A geographical indication which is granted legal protection is a designation which identifies a product originating from the territory of a geographical object, a certain quality, reputation or other characteristics of

which are to a large extent related to its geographical origin (product characteristics). At least one of the stages of the production of goods, which has a significant influence on the formation of the characteristics of the goods, must be carried out in the territory of the geographical object.”

The law describes when the state registration of GI or AO is not allowed. In particular, it is not allowed to register as a GI or AO a designation that has become a common designation of a certain kind of goods, not related to the place of its production.

Registration of a GI or an AO is not allowed for the same category of product covered by a registered name if it is likely to mislead consumers about the product or its manufacturer.

The law also clarifies what is considered to be the use of GI and what is recognized as illegal use of GI. It is noted that GI is recognized and protected by virtue of its state registration.

A GI may be registered by one or more citizens, one or more legal entities, as well as by an association (union) or other association of persons, the establishment and activities of which do not contradict the legislation of the country of origin.

Persons who have registered the GI are granted exclusive rights to this GI, provided that the goods in respect of which the GI is registered, meet the requirements of paragraph 1 of Article 1516 of the Civil Code.

At the same time, the exclusive right to the GI in respect of the same GI may be granted to any person who, within the same geographical area, produces goods with the characteristics specified in the register of GIs and AO.

Since 27 July 2020, the right holders now have the opportunity to put special emblems on GI or AO, confirming that a GI or AO has been registered in respect of this product, and the manufacturer has the exclusive right to this GI or AO.

The emblems for GI and AO were developed by the Federal Service for Supervision of Consumer Rights Protection and Human Welfare (Rospatent) and selected by a vote with the participation of the public, business, and specialists in the field of intellectual property.

Figure 16. Emblem for GI



Figure 17. Emblem for AO



The Law on Geographical Indications sets out in detail the requirements for the application for the state registration of a GI which is submitted to Rospatent and describes the examination procedure for the application, which includes a formal examination and an examination of the claimed designation.

In the course of the formal examination of the application for a GI, the necessary application documents are checked, as well as their compliance with the established requirements.

During the examination of the claimed designation as a GI, the compliance of the claimed designation with the requirements of the Civil Code of the Russian Federation related to the GI is checked.

Rospatent shall register GIs in the register of GIs and AO based on the results of the examination of the applied designation and the results of the consideration of the opposition against granting legal protection to a GI, or against giving an exclusive right to a GI under Article 1524.3 of the Civil Code.

The GI, details of the person or persons who have the exclusive right to the GI or the right to use the GI, the indication and description of the characteristics of the goods for the individualization of which the GI is registered, other details relating to the state registration or granting of the exclusive right to the GI, the extension of the validity of such exclusive right, and subsequent changes in those details, are entered into the register of GIs and AO.

Rospatent issues a Certificate of Exclusive Right to GI to the applicant, subject to the payment of the fee for issuance of the certificate.

Russian legal entities and citizens also have the right to register a GI in foreign countries. Protection abroad can be requested after the GI recognition at the national level.

In order to implement the provisions of the Law on GI, more than 20 by-laws (resolutions of the Government of the Russian Federation, orders of the Ministry of Economic Development and Trade, and Rospatent) were adopted.

One such example is the Order of the Ministry of Economic Development and Trade of the Russian Federation of 3 July 2020 No. 398 On Approval of the Rules of Preparation, Submission and Consideration of the Documents Which Are the Basis for Legal Actions on the State Registration of Geographical Indications.

To date, no Russian GIs have been imitated in foreign markets, which can be explained by the fact that GIs protection is very recent in the Russian Federation.

At the same time, there have been several violations concerning national AO, which have been considered in court or by the executive branch.

### **Examples from the practice of protection of exclusive rights to appellations of origin**

The court found counterfeit goods and gave an order to stop using the AO Essentuki N 4, and the AO Essentuki N 17, in the production of mineral water from wells not specified in the AO Essentuki N 4 and the AO Essentuki N 17 (Decision of the Court of Intellectual Rights of 15 July 2019 No. C01-486/2019 in case No. A63-14910/2018).

Another example relates to the refusal to grant protection to the designation Ossetian pies as an AO. The Ministry of Agriculture of the Russian Federation justified its refusal of 11 September 2017 No. 21/1174 by the fact that the designation “Ossetian pies” has come into general use in the Russian Federation as a designation of goods of a certain kind, not related to the place of its production.

A peculiar situation developed with the use of the designation Orenburg shawl. The courts found that the company House of Shawls, not being the holder of a certificate for the right to use the AO Orenburg shawl, did not have the right to use the protected name or a name similar to the AO on its products.

It was noted in the judicial acts that first, the fact of purchasing products from manufacturers in places of traditional use of handmade artistic down-knitting is not the basis for classifying these products as a folk art trade, since there is a certain procedure for registration of sold products as such, and second, this does not give the right to use a designation similar to the protected AO.

Some manufacturers also point out that official bodies are dragging their feet in examining questions about the illegal use of GI. In particular, the issue of the legality of products labelled Shuisky soap in Moscow region (the town of Shuya is located in Ivanovo region) has not yet been resolved, and the so-called “Shuisky soap” from Moscow region is still available for purchase in the international online store Wildberries, and in retail stores.

### **Registration and protection of geographical indications**

As of 22 October 2021, 271 designations were registered in the register of GIs and AO, of which only 14 are GIs; the remainder are AO.

In total, the following GIs were registered: Shuisky soap, Yeiskaya (therapeutic mud), Voronezh ice-cream, Macesta tea, Troitsky shawl, Kazy of mountain Altai (traditional Altai sausages made of horse meat), Maikop lemonade, Aginsky national costumes, Toyrobsho of Aginsky Buryats (Buryat national headdress), Cod Liver in Murmansk (canned fish), Kuban, Taman Peninsula, and Semigorje wines and sparkling wines (champagne) of Krasnodar region.

One foreign GI was also registered – 고려홍삼 Korean Red Ginseng.

Regarding the registration of foreign GIs, Law 230-FZ states the following:

State registration as a geographical indication of a designation that allows identifying goods originating from a geographical object that is located in a foreign country is allowed if the designation is protected as a geographical indication or other means of individualization of goods in the country of origin of goods, provided it meets the requirements of Article 1516 of the Civil Code of the Russian Federation. The owner of the exclusive right to a geographical indication may only be a person whose right to such a geographical indication or other means of individualization of goods is protected in the country of origin.

As can be seen from the above, three out of 14 GIs are for wine, two for tea and lemonade, two more for food products, and the remainder non-food items.

Currently, GIs are registered only in seven regions of the Russian Federation. Five of the 14 registered GIs are in Krasnodar region (southern region), while other regions (Adygea, Altai, Zabaikalsky, Voronezh, Ivanovo, and Murmansk regions) have one to two GIs each so far.

The Russian Federation is a member or signatory of the following international instruments related to the protection of GIs and AO:

- the Paris Convention (1883)
- the TRIPS Agreement (1994).

At the same time, the country has not yet joined the Lisbon system of international registration of AO and GIs. At the end of September 2021, Rospatent sent to the Government of the Russian Federation a bill on joining the Lisbon system, and currently, a draft law is under consideration.

### **Producer groups**

An important and convenient peculiarity of Russian legislation with regard to GIs is that applications can be submitted by associations. At the same time, not all participants in the association must be directly involved in the production process; traders or promoters can also offer the products to the consumer on the market (but only if they are members of this association).

Currently, three GIs in the Russian Federation are registered by associations, two of them Russian, the other foreign. Of the 11 remaining products, certificates for seven products were obtained by Russian legal entities, and for two, registered GI certificates were not issued as of 25 October 2021, but applications were submitted by legal entities (see Annex).



In spring 2021, Rospatent registered the first GI for alcoholic beverages in the Russian Federation – Kuban for wines made from the wine-growing and winemaking zone Kuban (Krasnodar region). Three associations, including 36 producers of wines in Krasnodar region, were the applicants at once.

The above-mentioned producers have the right to use the GI Kuban because they are members of the associations Self-regulated Organization Winegrowers and Winemakers, Self-regulated Organization Wine Union, or the Association of Wine Producers Chestno. Terms of membership in these associations are established by their internal documents.

At the same time, as noted above, the first foreign GI, 고려홍삼 Korean Red Ginseng, received legal protection in the Russian Federation. The owners of the rights to the GI were 120 producers who are members of the Korean Red Ginseng Association. Korean Red Ginseng root is only grown in the Republic of Korea due to the geographical and natural characteristics of the area. It is their regional brand.

Currently, associations of producers registering GIs do not have public financial support, but they do not encounter obstacles in their activities to promote GIs.

### **Control system of geographical indications**

There is no control system before the commercialization of GIs in the Russian Federation. The product is first certified; for food products it is necessary to obtain a declaration of conformity. The declaration of conformity for food products is issued by certification bodies accredited by the Federal Agency for Technical Regulation and Metrology (Rosstandart) on the basis of the protocol of laboratory tests of products and a set of documents on the products and the organization or manufacturer.

At the same time, self-regulatory organizations of wine growers and winemakers have the right to establish additional standards of quality of wine products, produced by members of such self-regulatory organizations, not contradicting the requirements of legislation on wine growing and winemaking, and to monitor compliance with these standards.

In addition, a number of large retail chains also exercise control in the sphere of sale of GIs and AO. For example, the retail chain Lenta refuses to cooperate if the supplier illegally uses intellectual property objects (IPOs) or cannot confirm the legality of their use.

The Federal Service for Supervision of Consumer Rights Protection and Human Welfare (Rospotrebnadzor) conducts scheduled and unscheduled inspections of those authorized to use GIs for compliance with standards and rules of production.

Scheduled inspections are conducted in accordance with the current legislation of the Russian Federation not more often than once every three years. The reason for an unscheduled inspection may be a complaint about the violation of the requirements of standards and rules of goods production.

Customs services also have certain rights. Russian customs services have the right to suspend the release of IPOs that are not entered in the Customs Register of Intellectual Property Objects (TROIS), if they find signs of violation of IPR.

The electronic register of IPOs by the Federal Customs Service (FCS) is designed to protect rights holders from the illegal importation of counterfeit and “grey” imports. Information is entered in the TROIS at the request of the rights holder of the IPO.

### **Sector potential and obstacles (including in relation to sustainability)**

Experts note that the use of *ex-officio* powers by the FCS is a kind of hint to the rights holder. If the rights holder in the process of such a suspension has applied for the inclusion of the IPO in the customs register of the IPOs, then in future such suspension is not carried out.

Some manufacturers point out the lack of effectiveness of the state structures to combat counterfeit. In particular, counterfeit products with the name “Krasnodar tea” are sold on the Black Sea coast. Supervisory authorities and local police impose minor fines on retail outlets, but they do not fine the counterfeit producer.

Producers of GIs consider the use of GI as a tool to achieve sustainability. They cooperate with local producers, including agricultural producers, and provide local employment. Business leaders believe they will need to create jobs in the future to increase production.

The production of GIs is also associated with the preservation of cultural traditions. In particular, the process of registration of Shuya soap as an object of intangible cultural heritage of the Ivanovo region is currently underway.

In some cases, enterprises provide an influx of tourists to the places of production of goods with GI, which also contributes to the solution of social issues.

Geographical indications are mostly produced by small enterprises with small turnovers. They often have insufficient funds, including for the purchase of land and the construction of premises for production needs.

Some territories are not on the gas network, and unpaved roads lead to them. Producers are forced to restore the pavement at their own expense after heavy rain. Some producers point to excessive attention from inspectors and administrative bodies.

Geographic indication actors in the value chain have no obvious or acute problems or obstacles related to the fact that they produce specifically GIs. On the other hand, producers of GI have not yet received any special rewards from the national government and regional authorities.

Russian tea breeders note that the law on subsidizing tea growing in Krasnodar territory provides for subsidizing part of the costs for the restoration of tea plantations. However, due to bureaucratic complications, producers do not apply for such support and continue the reconstruction of plantations at their own expense.

Geographical indication is also restrained by the fact that it is difficult for producers to ensure a stable presence in retail chains.

Krasnodar tea producers also note that so far, local authorities have not allocated a single place in Sochi or other cities in the region for the founding of at least one branded outlet.

### **Inventory of geographical indications**

Geographical indication groups are aware that legal protection of GIs is necessary to ensure the development of rural areas, community autonomy and preservation of cultural traditions.

They note that these objects of intellectual rights are the best tool for individualization of goods produced on the basis of collective cultural traditions.

It is also pointed out that GIs serve as the centre of attraction, the core of “physical and conceptual structure to confirm and evaluate the unique sociocultural and agroecological characteristics of specific locations” (from consultations with experts from the Federal Antimonopoly Service of the Russian Federation and the website of the Federal Antimonopoly Service of the Russian Federation, <https://fas.gov.ru/news/24492>). According to experts, the reputational effects, the consolidation of which is facilitated by GIs, can positively affect the circulation of other products produced in the region, thus increasing the attractiveness of the region.

At present, Rospatent is actively working on informing the national producers and their associations about the issues related to the registration of GIs.

A brief guide on the registration and granting of the exclusive right for GI and AO has been developed. It contains practical recommendations on the registration and filing of applications for GI and AO (<https://rospatent.gov.ru/ru/documents/ruc-gu-nmpt/download>).

The section “Regional Brands of Russia” on the official website of Rospatent (<https://rospatent.gov.ru/ru/sources/regional-brands>) has been finalized.

The section contains up-to-date information including:

- statistical data on all registered GIs and AO on the territory of the Russian Federation has been added;
- the list of associations of producers, which will be notified about the receipt of applications for GI and AO, taking into account the direction of their activities;
- the up-to-date list of representatives of the federal executive authorities responsible for the issuance of the conclusions necessary to perform legally significant actions in respect of AO was posted; and
- the electronic mailbox [nmpt\\_gu@rupto.ru](mailto:nmpt_gu@rupto.ru) was created on the website of Rospatent for questions related to the registration of GI and AO.

There are no obstacles for the recognition of additional GIs.

All nationally registered GIs and AO can be viewed on Rospatent’s website in the section “regional brands” on the interactive map.

At the same time, experts also warn about the possibility of unfair competition through the creation of confusion (sale of one’s goods under the guise of a competitor’s goods). As an example of such unfair competition (Clause 9 of Article 3 of the Law About competition protection), representatives of the Federal Antimonopoly Service of the Russian Federation (FAS) cite the placement of the word “Kizlyar” (brandy from the Kizlyar city of Dagestan with the trademark) on bottles of brandy produced in Essentuki, Krasnodar region.

Some FAS experts also note the following – the producer who has registered the GI or AO in general does not expect that other producers from the region will then begin to register such a name. As a result, the uniqueness of the registered GI or AO is lost. The problem is that producers lose interest in renewing the registration of GIs and AO when they see that the uniqueness of the registered GI or AO is lost.

## Market situation

### Main countries and channels of distribution for geographical indications

Russian GIs are sold mainly on the domestic market. Certain products (such as national Buryat clothing and headdresses) are sold in places of traditional use by pre-order.

There is also interest in GIs in other countries, but producers note a number of difficulties associated with exporting small parties of GIs, from certification of goods in accordance with the requirements of other countries to finding partners to promote, store and transport the products in the host country.

The main distribution channels of Russian GIs are large retail, e-commerce, as well as direct deliveries by advance individual orders from the population.

### Challenges and opportunities for geographical indications during the pandemic

The bulk of GI sales are wholesale deliveries in the places of production and nearby regions. Some GIs are perceived by tourists as a souvenir. In this regard, a decrease in the flow of tourists affects the volume of sales.

As a result of quarantine measures, the resort city of Sochi was closed to tourists from May to mid-July 2020. The absence of tourists for more than two months had a negative impact on the sales of Macesta tea. At the same time, there has been an increase in customer activity on the Aliexpress marketplace (a global online marketplace), where some GIs are represented.

## **Public awareness of geographical indications**

Geographical indication is a fairly new concept in the Russian Federation and, according to producers, not all consumers understand that GI is a kind of quality mark. At the same time, some products, such as Macesta tea, are well known to regional consumers due to the high quality associated with the place of production.

No studies on this issue have been conducted so far. The concept of GI was introduced in the Russian Federation at the time of the COVID-19 pandemic (in July 2020), so there is no need to talk about changes in consumer preferences for GIs during the pandemic.

As noted above, a lot of work is being done with the regions to disseminate knowledge about GIs.

At the same time, national consumers are not yet sufficiently familiar with the general description of GIs (quality associated with a specific geographic area, tradition, reputation), although producers are striving to communicate this link to the consumer.

No special research on national consumer awareness of GIs has been conducted. But according to some surveys, there is a strong link between the concept of GI and the sale of wine products.

## **Geographical indications promotion supporting schemes**

There are currently no national or regional programmes/funds to support GI promotion in the Russian Federation. Accordingly, GI groups do not receive any financial support from the state.

Producers of GI products from Russian regions, as well as producers of other products, receive support for the production and export of their products. This support is provided by regional authorities, as well as by regional export support centres, which are subdivisions of the Russian Export Center.

However, producers do not receive direct support as GIs producers.

The provision on patent fees provides discounts if applicants who are small businesses, educational organizations with state accreditation, scientific organizations, or individual entrepreneurs, apply for GI or AO:

- for fulfilment of the application for registration of the GI/AO and taking a decision based on the results of the formal examination – from 2 700 to 945 roubles;
- for the examination of the designation, claimed as a GI/AO and taking a decision on its results – from 10 800 to 3 780 roubles; and
- for registration of GI/AO and granting of the exclusive right for such designation or granting of the exclusive right for the previously registered GI/AO – from 16 000 to 5 600 roubles.

## Annex. Russian GI producers

GI	Producer/association
Shuiskoye Soap	LLC Shuiskoye Soap
Yeiskaya	LLC Krasnodar hydrogeological operational station
Voronezh Ice Cream	Joint Stock Company Yantar
Macesta Tea	LLC Macesta Tea Factory
Troitsky Shawl	Firm Olesya Ltd.
Kazy of Mountain Altai	Agricultural consumer processing cooperative AK BOCHY
Maikop Limonade	LLC Maikop brewery
Semigorje <i>The certificate of title is not executed as of 25 October 2021</i>	Applicant: LLC Estate Sikory
Aginsky national costumes	State Institution of Culture Center of Buryat Culture Development of the Zabaykalski Krai
Toyrosho of Aginsky Buryats	State Institution of Culture Center of Buryat Culture Development of the Zabaykalski Krai
Murmansk-style cod liver	JSC Taurus JSC Strelets
Kuban	Association Self-regulated organization Winegrowers and Winemakers Self-regulated organization Association Winemakers Union Association of Winegrowers Chestno
고려홍삼 Korean Red Ginseng	Korea Ginseng Association (120 producers of Korean Red Ginseng) The KGA is a legal entity organized by the government of the Republic of Korea to promote the development of the ginseng industry by improving the reputation, quality of Korean ginseng, and its promotion in foreign countries
Kuban. Taman peninsula <i>The certificate of title is not executed as of 25 October 2021</i>	Applicants: Association Self-regulated organization Winegrowers and Winemakers Self-regulatory organization Association Winemakers Union

## A discussion on the role of FAO and other development partners (opinion of the country assessment experts)

The country studies identified possible areas of action for FAO to support the consolidation of sustainable GIs in the countries and internationally.

**Expert from Croatia** (Jelena Đugum, PhD, Ministry of Agriculture):

“FAO can contribute to spreading knowledge through workshops and drafting guidelines on more sustainable practices in producing GIs and communicating on more sustainable GIs.”

**Expert from Hungary** (Áron Török, Corvinus University of Budapest): “The main obstacle of the Hungarian GI sector in Hungary is the low level of recognition, both on the producer and consumer side. Unless more incentives for the producers and/or marketing campaigns targeting consumer awareness are achieved, the importance of GIs will remain very low. As Hungary is a member of the European Union and the EU GI system is managed at the Union level, there is not much place where FAO can directly contribute.”

**Expert from Poland** (Dariusz Goszczyński and Jakub Jasiński, Foundation Original):

“It seems that cooperation with FAO in the field of GIs in Poland should focus on the aspect of sustainable agrifood production based on GI – FAO is an organization that has been implementing the global Sustainable Development Goals and has extensive experience in the field. This is an interesting approach that will surely be developed across the EU and beyond, and due to its complexity, it will not be easy to implement. Producers, their GI groups and associations, and public administrations may need support.”

**Expert from the United Kingdom** (Andrew Moxey and Angela Tregear, Pareto Consulting):

“Although countries such as the UK already have reasonably well-developed public and private institutional structures relating to GI and sustainable production, FAO still has a potential role to play in facilitating the sharing of information and best practice and in promoting wider consumer awareness of GI.”

**Expert from Georgia** (Eka Gabunia, Sakpatenti):

“Georgia has been successfully cooperating with FAO and EBRD on the protection of geographical indications for a long time and, as mentioned above, has given the country various beneficial results at institutional levels and in two dairy pilots. Follow-up is also provided to improve relevant market access for GI products through tourism. By now, what is most desirable in FAO’s involvement in such issues is to assist producer groups in the management of associations.”

**Expert from Moldova** (Liliana Vieru, State Agency on Intellectual Property of the Republic of Moldova, AGEPI):

“FAO as an important player in regional sustainable development could encourage and support the government in developing a comprehensive inclusive national quality policy focused on the development and promotion of local products with GIs. This would create synergies with other development policies and make the GI system an important element of the sustainable regional development in Moldova.

In 2019, FAO started to implement a new two-year project aimed to boost agrifood promotion. One of the outputs of the FAO project is ‘strengthening MAFI institutional capacities in developing quality systems of the quality of Moldovan agricultural products and foodstuffs’. It is designed to cover two important components: food quality policy and marketing standards. These aspects have an impact on increasing sales, opening new markets and building the image of Moldovan agrifood products as high-quality products and thus the implementation of promotional policy. The first component is dedicated to strengthening the administrative capacity of policy of quality systems of food products and their components such as geographical indications, traditional products, and voluntary quality schemes. The second one deals with marketing standards, that is, a set of requirements that agrifood products placed on the market must meet and control procedures carried out by the competent authorities to ensure that these requirements are met.



This project is part of the four-year cooperation framework between FAO and the Republic of Moldova, signed in late 2016, that aims to support the country in three priority areas: increasing the competitiveness of the agrifood sector, fostering sustainable agriculture and rural development, and improving capacity for sustainable management of natural resources and disaster risk management.

It is of outmost important that FAO continue to support Moldova in building a sustainable quality policy scheme that could help local producers to promote their products on local and third markets, contribute to sustainable regional development and promotion of the country's image for investments in the agrifood sector and domestic tourism.

Pilot projects, that would help local producers to increase their production capacities and to extend their market coverage, are from the point of view of local GI associations the most efficient and sustainable tools for boosting the use of the GI system in Moldova."

**Expert from Montenegro** (Aleksandra Martinovic, University of Donja Gorica):

"FAO, together with EBRD, has been immensely active in Montenegro during the last decade. It was the FAO initiative that set up the sound ground for the operational quality schemes system in Montenegro, through valuable administrative support, and raising knowledge and capacities of the producers.

Robust and targeted human capacity building programmes are needed within the actors of the Montenegrin agrifood market. A high level of technical assistance is needed for technology transfer as well as facilitating access to financial mechanisms. For example, in planning and preparing projects for access to development funds, both domestic and relevant EU pre-accession funds such as IPARD. It is necessary to connect and coordinate between the actors of the agrifood market. This activity is key to initiating the creation of value chains for selected products in Montenegro. It is crucial to establish effective cooperation between private and public actors to optimize the legislative strategic framework, achieve a better understanding of the obligations of the private sector, and establish a link between financial mechanisms/actors with the private sector. Also, such coordination is necessary for vertical integration, connecting the actors of the value chain in order to create it. There is a need to raise awareness of market benefits, as well as measures needed to protect the environment, especially measures of mitigation and adaptation to climate change.

The future possible FAO initiatives in the country should also consider the following elements that need attention and further upgrading, especially in the context of Montenegro as an ecological state:

*Support to the current system for the GIs, protection, registration, and sustainability in:*

1. institutional and administrative framework;
2. area of flexibility and food safety requirements;
3. certification and control mechanisms;
4. education and support to the producer associations;
5. consumer awareness on GIs in general and their impact on sustainability;
6. marketing and increasing of visibility of registered GI products; and
7. modalities for strengthening the synergy between different sectors in the value chain.

*Adding value for the greener GI products in Montenegro*

1. Good practice examples for stimulation of the increase of the degree of product finalization and production of traditional domestic products that could enter the system of protection of quality labels and organic production.
2. Launching an initiative to establish an environmental label for agricultural products that would enable producers to attract a premium price for traditional "green" products and services.
3. Eco-branding of agricultural products and support for their promotion (introduction of new quality labels in the existing legal framework).
4. But the focus on addressing sustainability in the specifications should not dilute the concept of origin in GIs, that is, of quality achieved through the correlation between human factors and natural factors in a given geographical area.

*Strengthen the link to the tourism sector and short food supply chains*

1. Tools for encouraging the development of environmentally friendly forms of tourism, domestic GI product tasting.
2. Good practice examples for establishing small craft shops for marketing of high-quality domestic food products.

*Formation on agro-green GI clusters*

1. Establish framework for agro-green clusters to help rural communities to become more sustainable.
2. Policy support of producer clusters and networking aiming to better promotion and marketing.
3. Training and practical examples on ecology-friendly additional uses of raw materials and reprocessing of waste materials.
4. Develop new training curricula targeted to the specific groups of farmers and their needs.

*Support to the GIAHS recognition for the Katuns*

1. Support the development of a Katuns roadmap with ministries of agriculture and tourism and culture, in consultation with other institutions and stakeholders, and in line with existing strategies.
2. Strengthen regional specialization in traditional agricultural products with existing Gorska Trpeza network of family farm producers in the northern mountainous region.
3. Develop national capacity in nature-positive production methods and regenerative agriculture, and promote organic and closed loop production, together with existing initiatives.
4. Further adaptation of informal land tenure system in policy.
5. Study on genetic resources in the Katuns.
6. GIS mapping of all Katuns."

**Expert from France** (Nathalie Vucher, Chairman, Board of Controls, INAO) :

"FAO could be a valuable facilitator into showing producer groups how sustainability does not necessarily involve more costs. But for a few producer groups the information on what sustainability actually means, and involves, is inadequate. To demonstrate that sustainability can be an asset for a GI could be very profitable, as well as showing with examples what sustainability means for specific sectors.

FAO can play a role in better transmission of the French experience to the countries by using actual experience of stakeholders, and exposing notably economic aspects. By sharing what works and maybe what can be improved in France in a difficult economic context, could help stakeholders and national authorities, for instance in Western Balkans, to identify the pragmatic issues and better focus on the critical points for a GI to become an actual success."

**Expert from the Russian Federation** (Dmitry Bulatov, National Union of Food Exporters):

"The main problems of the Russian Federation in terms of GI promotion are the following:

- Currently national producers and their associations registering GIs do not receive direct financial support from the government. At the same time, it should be noted that for some types of applicants the rates for filing GI/AO applications have been reduced.
- There are currently no national (as well as regional) funds/programmes to support the promotion of GIs in the Russian Federation.
- There is currently no system of *ex-officio* control of GIs on the Russian market.
- Russian GIs still have no legal protection abroad. This creates the possibility of unfair competition on the part of foreign suppliers.
- National consumers are not yet sufficiently familiar with the general description of GIs (quality associated with a particular geographical area, traditions, reputation).

In this regard, Rospatent is working extensively in this direction. Rospatent has organized a number of trips to the regions, and had video conferences with the regions. A lot of interviews of Rospatent managers were

published in various periodicals. A special thematic train in the Moscow subway was running for half a year.

FAO can take the following actions:

1. Formulate recommendations for the effective promotion and official control of GIs on the Russian market (*ex-officio*) and communicate them to the government and interested ministries.
2. Disseminate information on GIs (international experience, links to sustainable development, etc.) among national producers and consumers of GIs.
3. Organize educational events in the Russian Federation to promote GIs.”

## Appendix: European Union approach for inspection on geographical indications, Adrien Trucas, Certipaq<sup>89</sup>

In this document, we will talk about inspection as “control”.

Geographical indication control is based on [regulation \(EU\) 2017/625 Official Controls Regulations \(OCR\)](#) adopted by the European Parliament on 15 March 2017, replacing [Regulation \(EC\) No 882/2004](#).

The new rules gradually became applicable with the main application date being 14 December 2019, as the regulation entered into force on 29 April 2017. An [overview has also been established regarding delegated and implementing acts](#) adopted under Regulation (EU) 2017/625.

Official controls are defined as “activities performed by the competent authorities, or by the delegated bodies or the natural persons to which certain official control tasks have been delegated, in order to verify”:

- compliance by the operators with the OCR, and with the rules referred to in Article 1 (2) (j); and
- use and labelling of protected designations of origin, protected geographical indications and traditional specialities guaranteed.

OCR regulation makes amendments on [regulation \(EU\) No 1151/2012 on quality schemes for agricultural products and foodstuffs](#), more specifically to several articles relating to the control of geographical indications:

### Article 36 – Content of official controls

Official controls performed in accordance with Regulation (EU) 2017/625 of the European Parliament and of the Council shall cover:

- a) verification that a product complies with the corresponding product specification;
- b) monitoring of the use of registered names to describe product placed on the market, [...] for names registered [...].

### Article 37 – Carrying out controls

1. In respect of [...] protected geographical indications [...] that designate products originating within the Union, verification of compliance with the product specification, before placing the product on the market, shall be carried out by:
  - a) the competent authorities designated in accordance with Article 4 of Regulation (EU) 2017/625; or
  - b) delegated bodies as defined in Article 3 (5) of Regulation (EU) 2017/625.

The costs of such verification of compliance with the specifications may be borne by the operators that are subject to those controls. The Member States may also contribute to these costs.

2. In respect of [...], geographical indications [...] that designate products originating in a third country, the verification of compliance with the specifications before placing the product on the market shall be carried out by:
  - a) one or more of the *public authorities designated* by the third country; and/or
  - b) one or more of the product *certification bodies*.
3. The Commission shall make public the name and address of the authorities and bodies [...] and update that information periodically.

<sup>89</sup> This is an additional document prepared for participants in the consultation to provide information on the EU geographical indications controls system.

## Article 39 – Delegated bodies performing controls in third countries

The delegated bodies performing controls in the third countries referred to in paragraph 2(b) of Article 37 shall be accredited to the relevant harmonized standard for “Conformity assessment – requirements for bodies certifying products, processes and services”. These delegated bodies may be accredited either by a national accreditation body outside the Union, in accordance with Regulation (EC) No 765/2008, or by an accreditation body outside the Union that is a signatory of a multilateral recognition arrangement under the auspices of the International Accreditation Forum.

### Key points of OCR applying to geographical indications control:

- Single authority to manage/supervise official controls (including if they are delegated to external bodies).
- Official controls must be performed without prior notice (except where such notice is necessary “and duly justified”) and in such a manner that the administrative burden and operational disruption for operators are kept to the minimum necessary.
- Relevant information on official controls shall be available and accessible to the public (at least once a year).
- List of certified operators must be kept up to date (especially for the proper performance of controls).
- Delegated bodies shall be accredited in accordance with ISO/CEI 17065 (certification) standard.
- Enforcement actions and measures to ensure that the operator remedies, and prevents further, non-compliance may not be delegated by the competent authority to delegated bodies.
- Controls cost elements calculation shall be made public, including the data used to establish fees or charges.
- Member State annual reports: submitted by 31 August each year (content for instance: type and number of cases of non-compliance and a link to a public webpage containing possible fees information).

### Synthesis of EU geographical indication control system

The definition of geographical indication as defined by the European Union – *protected geographical indication (PGI) identifies products whose quality or reputation is strictly related to the geographical area where they are produced, processed or prepared, although the ingredients used need not necessarily come from that geographical area. All PGI products must also adhere to a precise set of specifications and may bear the PGI logo* (source Regulation (EU) No 1151/2012).

What needs to be controlled

- compliance with a registered “GI Book of Specifications”;<sup>90</sup>
- guaranteed promise to consumers; and
- link between a label and specifications.

Each GI product specification is a unique standard

- control is different from that of other voluntary standards which are identical to a product category; and
- in addition to mandatory food safety regulations controls.

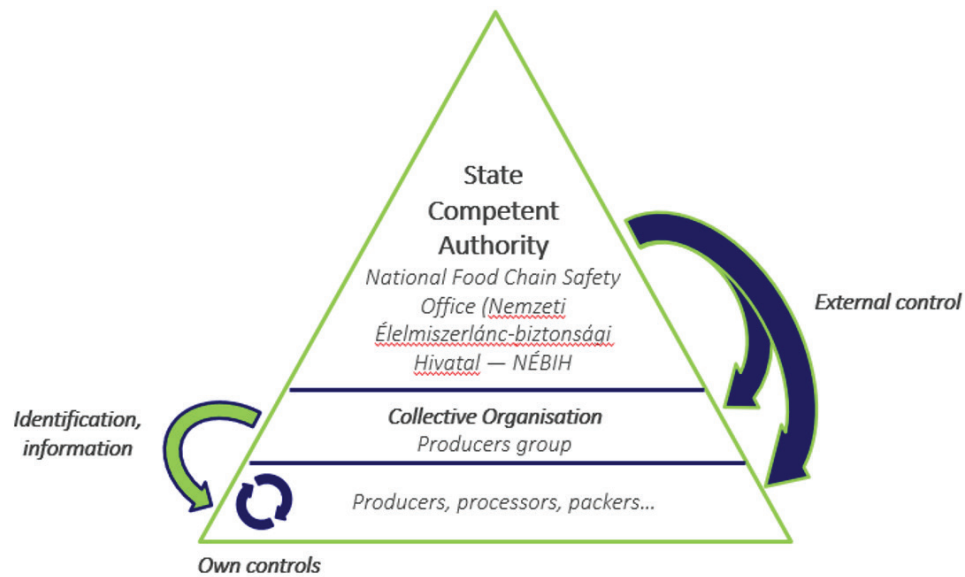
Compliance with the GI Book of Specifications is controlled through:

- production process;
- final product itself (analytical, organoleptic exam, etc.); and
- labelling conditions.

<sup>90</sup> The “book of specifications” is called *Cahier des Charges* in France, which is also sometimes named “specifications” or “specification standard” in some countries: <https://www.inalco.gov.fr/Espace-professionnel-et-outils/Les-procedures-d-instruction-pas-a-pas/AOP-AOC-IGP-IG/AOP-AOC-IGP-IG-schema-de-reconnaissance/Cahier-des-charges>, French books of specifications frame: [https://www.inalco.gov.fr/content/download/1350/13868/version/1/file/CDCMod%C3%A8le\\_BO\\_Nov2014.doc](https://www.inalco.gov.fr/content/download/1350/13868/version/1/file/CDCMod%C3%A8le_BO_Nov2014.doc)

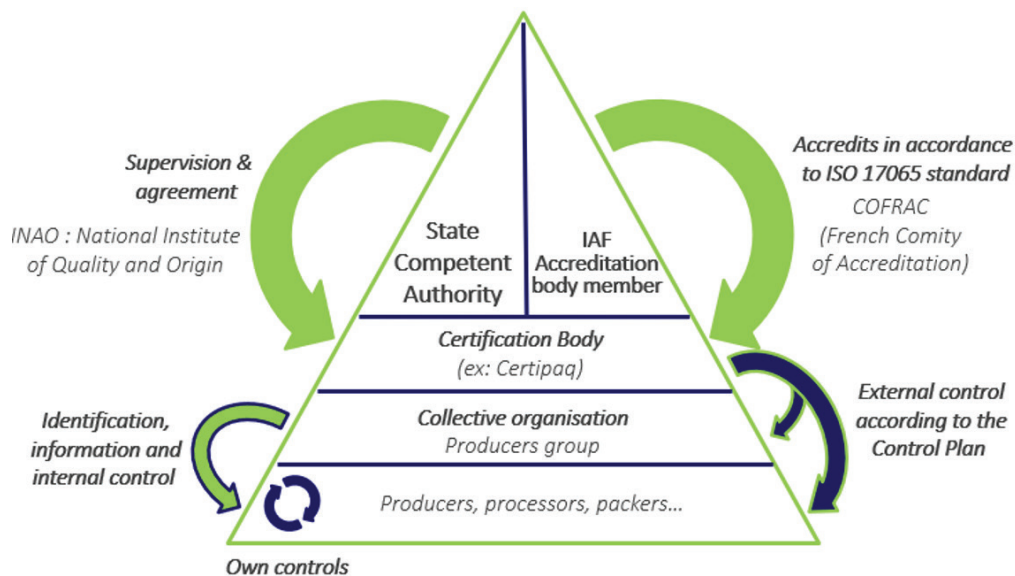
Geographical indication control is implemented and ensured either by:

- state competent authority (Hungary example);



Source: adapted by the author from materials available with "Certipaq", a non-lucrative certification body (official webpage of the organization – [www.certipaq.com](http://www.certipaq.com)).

- delegated control body (French example);



Source: adapted by the author from materials available with "Certipaq", a non-lucrative certification body (official webpage of the organization – [www.certipaq.com](http://www.certipaq.com)).

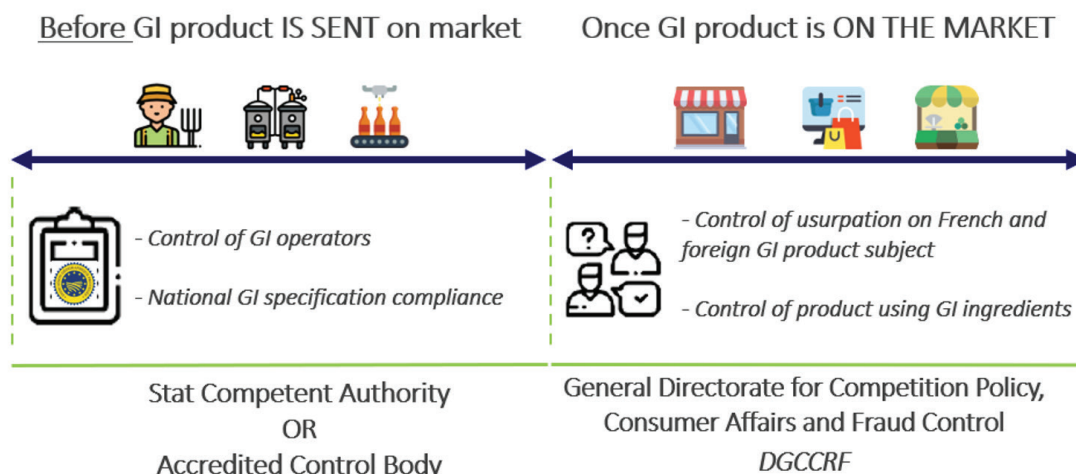
- if GI control is delegated, the competent authority references external certification bodies which identifies and treats the potential deviation;<sup>91</sup>

<sup>91</sup> In France, the competent authority (INAO) delegates GI control to different types of bodies.

The Inspection Body controls and sends report to the INAO which takes decisions on sanctions (ex: Quali-Bordeaux, ASSVAS...). The Certification Body controls and takes decisions on the return to conformity (ex: Certipaq, Ocacia...)



- GI control perimeter (French example).



Control bodies must be accredited by an IAF accreditation body member accredited against ISO 17065 standard and be referenced by the competent authority.<sup>92</sup> They shall act contractually with the collective organization who ensures their ability to accompany producers in accordance with GI specifications (skills, listening, pedagogy).

Control of the respect of GI Book of Specifications is entrusted by a GI collective organization to a certification body that drafts an appropriate control plan.

A control plan is established by the control body to “technically translate” the specification standard and shall contain:<sup>93</sup>

- All the references to the specification;
  - checkpoints: assertions that must be verified.
- Scope of the plan and organization of controls;
  - operators concerned: who shall be controlled regarding the production process;
  - staff involved in the control: who is able to carry out controls?
  - empowerment of operators (that you could call the first control).
- Control type
  - own controls (operators themselves);
  - internal controls (controls by the collective organization);
  - external controls (by the certification body).
- Treatment of breaches
  - When requirements are not respected or monitored; how the operator could obey conformity (what answer to the violation can be considered and how).

<sup>92</sup> In Türkiye, the accreditation body is the Turkish Accreditation Agency (TURKAK). In France, it is the COFRAC (French Comity of Accreditation).

<sup>93</sup> In France, the control plan is drafted by the certification body and submitted for approval to the INAO. Control plan examples:

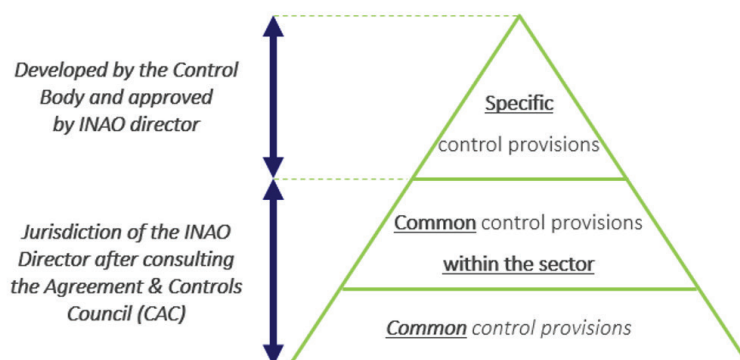
– PDO Luberon wine: [http://www.vins-luberon.fr/uploads/co\\_document/pcc\\_ctp\\_aoc\\_luberon-30-11-20.pdf](http://www.vins-luberon.fr/uploads/co_document/pcc_ctp_aoc_luberon-30-11-20.pdf)

– PDO Maine Anjou meat: <http://www.maine-anjou.fr/uploads/rte/File/Actualit%C3%A9s/2017/Plan%20de%20contr%C3%B4le.pdf>

In France, the new general rule is based on the implementation of common control provisions for all signs of identification of quality and origin (except for organic farming and sectors for which there are also established common control provisions). The control plan related to the Book of Specifications is based on this system, completed by specific control provisions drafted by the certification body.<sup>94</sup>

- These provisions define **common control procedures** for products under PDO, PGI, TSG and Label Rouge (national scheme).

- The control plan of a product under official sign is composed :



## (Russian version): Подход Европейского Союза к инспектированию географических указаний, Адриен Трукас, Certipaq

В этом документе мы будем говорить об инспекции как о «контроле».

Контроль географических указаний основан на **Регламенте (ЕС) 2017/625 «Правила официального контроля» (OCR)**, принятом Европейским парламентом 15 марта 2017 года и заменяющем **Регламент (ЕС) № 882/2004**.

Новые правила постепенно стали применяться с основной датой применения 14 декабря 2019 года, поскольку постановление вступило в силу 29 апреля 2017 года. Также был составлен обзор делегированных и исполнительных актов, принятых в соответствии с Регламентом (ЕС) 2017/625.

**Официальный контроль определяется как «деятельность, выполняемая компетентными органами, уполномоченными органами или физическими лицами, которым делегированы определенные задачи официального контроля, с целью проверки»:**

- соблюдение операторами требований OCR и правил, указанных в статье 1 (2) (j)
  - гарантировано использование и маркировка защищенных обозначений места происхождения, охраняемых географических указаний и традиционных блюд.

**Регламент OCR вносит поправки в Регламент (ЕС) № 1151/2012 о схемах качества для сельскохозяйственных продуктов и продуктов питания**, в частности, в ряд статей, касающихся контроля географических указаний:

<sup>94</sup> Common control provisions for all signs of identification of quality and origin: <https://www.inao.gouv.fr/eng/Our-News/Mise-en-oeuvre-des-dispositions-de-contrôle-communes>

### **Статья 36 - Содержание официальных проверок**

- (3) Официальный контроль, проводимый в соответствии с **Регламентом (ЕС) 2017/625 Европейского парламента и Совета**, должен охватывать:

- a) проверку того, что продукт отвечает соответствующей спецификации продукта;**
- b) мониторинг использования зарегистрированных имен для описания продукта, размещенного на рынке, [...] для зарегистрированных имен [...].**

### **Статья 37 - Осуществление контроля**

1. В отношении [...] охраняемых географических указаний [...], обозначающих продукты, происходящие из Союза, проверка соответствия спецификации продукта перед размещением продукта на рынке должна выполняться:

- a) компетентными органами**, назначенные в соответствии со Статьей 4 Регламента (ЕС) 2017/625; или

- a) делегированными органами**, как определено в Статье 3 (5) Регламента (ЕС) 2017/625.

**Затраты на такую проверку** соответствия спецификациям **могут нести операторы**, подпадающие под такой контроль. **Государства-члены также могут вносить свой вклад** в эти расходы.

2. В отношении [...], географические указания [...], обозначающие продукты, происходящие из третьей страны, проверка соответствия спецификациям перед размещением продукта на рынке должна осуществляться:

- a) один или несколько органов государственной власти, назначенных третьей страной; и/или**
- b) один или несколько органов по сертификации продукции.**

3. Комиссия должна **обнародовать название и адреса уполномоченных лиц и органов [...]** и **периодически обновлять эту информацию.**

### **Статья 39 - Уполномоченные органы, осуществляющие контроль в третьих странах**

**Уполномоченные органы, осуществляющие контроль в третьих странах**, упомянутых в параграфе 2 (b) статьи 37, **должны быть аккредитованы в соответствии с соответствующим согласованным стандартом «Оценка соответствия – Требования к органам, сертифицирующим продукцию, процессы и услуги».** Эти уполномоченные органы могут быть аккредитованы либо национальным органом по аккредитации за пределами Союза, в соответствии с Регламентом (ЕС) № 765/2008, либо органом по аккредитации за пределами Союза, подписавшим соглашение о многостороннем признании под эгидой Международного форума по аккредитации.

### **Ключевые моменты OCR применительно к контролю над географическими указаниями:**

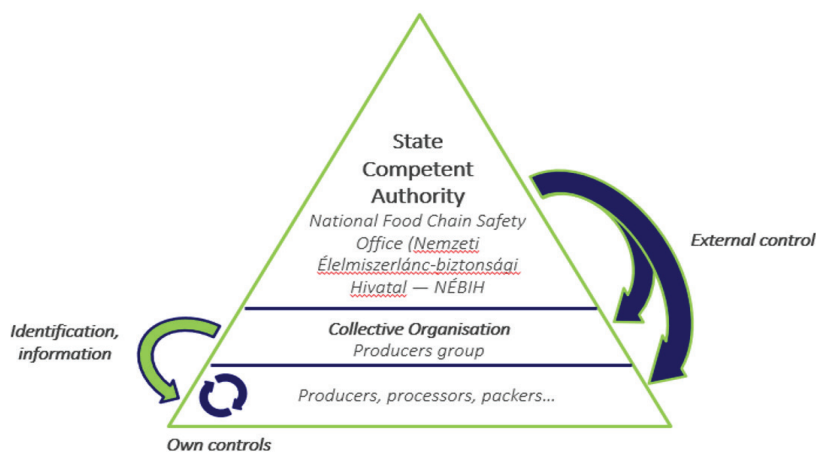
- Единые полномочия по управлению / надзору за официальными средствами контроля (в том числе, если они делегированы внешним органам).
- Официальный контроль должен проводиться без предварительного уведомления (за исключением случаев, когда такое уведомление необходимо «и должным образом обосновано») и таким образом, чтобы административная нагрузка и сбои в работе операторов были сведены к необходимому минимуму.
- Соответствующая информация об официальном контроле должна быть открытой и доступной для общественности (не реже одного раза в год).
- Список сертифицированных операторов должен обновляться (особенно для надлежащего выполнения контроля).

- Уполномоченные органы должны быть аккредитованы в соответствии со стандартом ISO / CEI 17065 (Сертификация).
- Правоприменительные меры и меры, гарантирующие, что оператор исправит и предотвратит дальнейшее несоблюдение, не могут быть делегированы компетентным органом уполномоченным органам.
- Расчет элементов затрат средств контроля должен быть обнародован, включая данные, используемые для установления комиссий или сборов.
- Годовые отчеты государств-членов: предоставляются ежегодно до 31 августа (например, содержание: тип и количество случаев несоблюдения, и ссылка на общедоступную веб-страницу, содержащую информацию о возможных сборах).

#### Синтез системы контроля географических указаний ЕС

> **Напоминание об определении географического обозначения, определенном Европейским союзом:** Защищенное географическое обозначение (PGI): идентифицирует продукты, качество или репутация которых строго связаны с географической областью, где они производятся, обрабатываются или готовятся, хотя используемые ингредиенты не обязательно должны происходить из этой географической области. Все продукты PGI также должны соответствовать точному набору спецификаций и могут иметь логотип PGI. (Источник Регламент (ЕС) № 1151/2012)

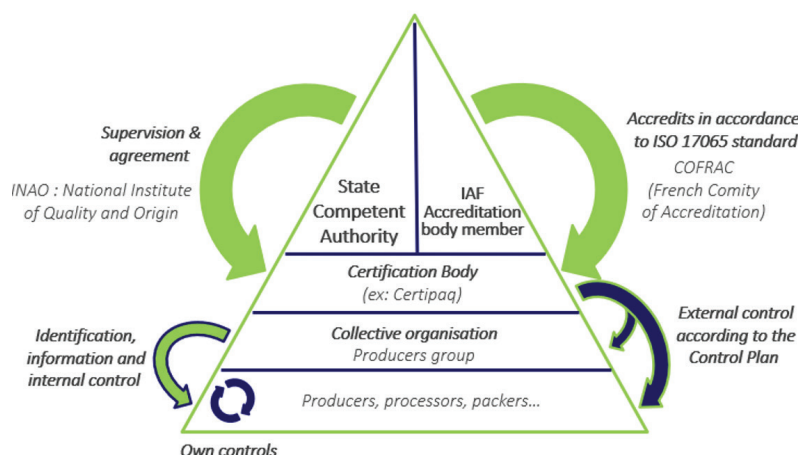
- **Что необходимо контролировать:**
  - Соответствие зарегистрированной «Книге спецификаций GI<sup>95</sup>»
  - Гарантированное обещание потребителям
  - Связь между этикеткой и спецификациями
- Каждая спецификация продукции GI представляет собой уникальный стандарт
  - контроль отличается от других добровольных стандартов, которые идентичны категории продукции
  - в дополнение к обязательному контролю за соблюдением правил безопасности пищевых продуктов
- Соответствие требованиям Книга спецификаций GI (GI Book of Specification) контролируется через:
  - производственный процесс
  - сам конечный продукт (аналитический, органолептический ...)
  - условия маркировки
- Контроль GI осуществляется и обеспечивается со стороны:
  - Государственного компетентного органа (как в Венгрии)



Источник: адаптировано автором из материалов некоммерческого органа по сертификации Certipaq (официальный сайт организации [www.certipaq.com](http://www.certipaq.com)).

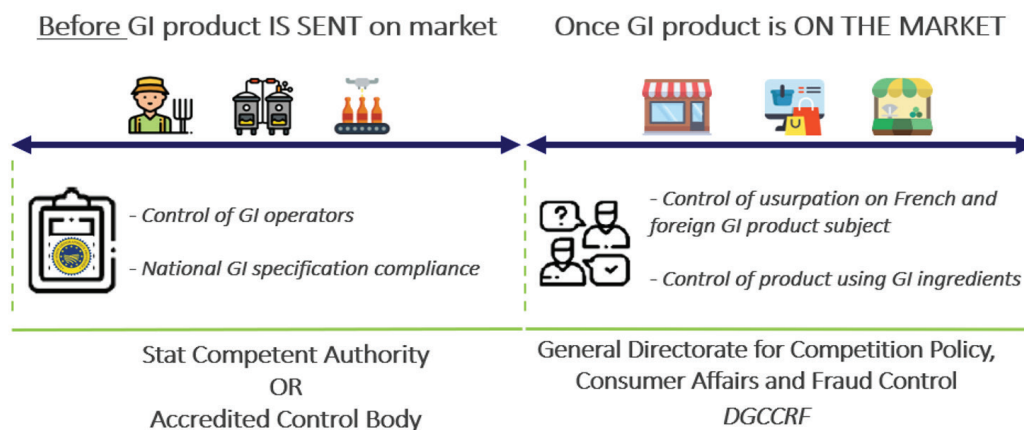
<sup>95</sup> «Сборник спецификаций» во Франции называется «Cahier des Charges», который в некоторых странах также иногда называют «Спецификации» или «Стандарт спецификаций»: <https://www.inao.gouv.fr/Espace-professionnel-et-outils/Les-procedures-d-instruction-pas-a-pas/AOP-AOC-IGP-IG/AOP-AOC-IGP-IG-schema-de-reconnaissance/Cahier-des-charges> «Французские книги по спецификациям»: [https://www.inao.gouv.fr/content/download/1350/13868/version/1/file/CDCMod%C3%A8le\\_BO\\_Nov2014.doc](https://www.inao.gouv.fr/content/download/1350/13868/version/1/file/CDCMod%C3%A8le_BO_Nov2014.doc)

- Делегированный надзорный орган (как во Франции)



Источник: адаптировано автором из материалов некоммерческого органа по сертификации Certipaq (официальный сайт организации [www.certipaq.com](http://www.certipaq.com)).

- Если управление GI делегировано, компетентный орган ссылается на внешние органы сертификации<sup>96</sup>, которые выявляют и устраняют потенциальные отклонения.
- Периметр контроля GI (например, во Франции)



- Контролирующие органы должны быть аккредитованы членом органа по аккредитации IAF<sup>97</sup>, аккредитованным по стандарту ISO 17065, и могут ссылаться на компетентный орган.
- Они должны действовать по контракту с коллективной организацией, которая обеспечивает их способность сопровождать производителей в соответствии со спецификациями GI (навыки, слушание, педагогика ...)
- Контроль соблюдения Книги спецификаций GI поручен коллективной организацией GI органу по сертификации, который составляет проект соответствующего плана контроля.

<sup>96</sup> Во Франции компетентный орган (INAO: Institut National de la Qualité et de l'Origine) делегирует контроль над GI различным органам.

– Инспекционный орган: контролирует и отправляет отчет в INAO, который принимает решения о санкциях. (например: Quali-Bordeaux, ASSVAS...)

– Орган по сертификации: контролирует и принимает решения о возвращении к соответствию (например: Certipaq, Osacia...)

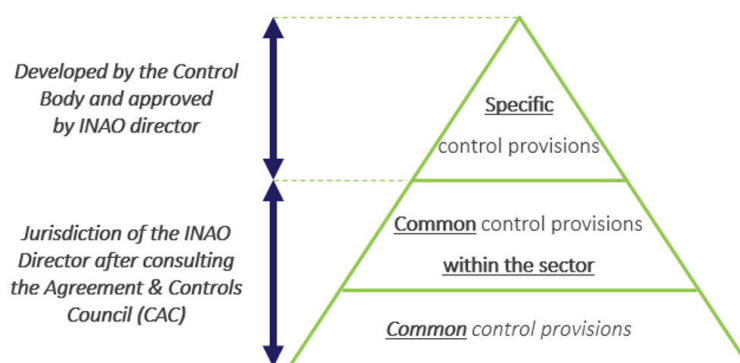
<sup>97</sup> В Турции органом по аккредитации является «Турецкое агентство по аккредитации» (TURKAK). Во Франции – COFRAC.



План управления<sup>98</sup> определяется контролирующим органом для «технического перевода» стандарта спецификации и должен содержать:

- Все ссылки на Спецификацию
  - контрольные точки: утверждения, которые необходимо проверить
- Охват плана и организация контроля
  - заинтересованные операторы: кого нужно контролировать в отношении производственного процесса
  - Персонал, участвующий в контроле: кто может проводить контроль?
  - Расширение возможностей операторов (которые вы могли бы назвать первым элементом управления)
- Тип контроля
  - Самоконтроль (сами операторы)
  - внутренний контроль (контроль коллективной организации)
  - внешний контроль (со стороны органа по сертификации)
- Устранение недостатков
  - Когда требование не соблюдается или не контролируется; как оператор может привести в соответствие (какие и каким образом могут быть приняты меры по отношению к нарушениям)
- Во Франции новое общее правило основано на применении общих положений контроля для всех признаков идентификации качества и происхождения (за исключением органического земледелия и секторов, для которых также установлены общие положения контроля «сектор»). План контроля, связанный с Книгой спецификаций, основан на этой системе, дополненной специальными положениями о контроле, разработанными органом по сертификации<sup>99</sup>.
- These provisions define common control procedures for products under PDO, PGI, TSG and Label Rouge (national scheme).

- The control plan of a product under official sign is composed :



<sup>98</sup> Во Франции план контроля составляется органом по сертификации и представляется на утверждение в INAO. Примеры планов контроля:  
 – PDO “Luberon” wine : [http://www.vins-luberon.fr/uploads/co\\_document/pcc\\_ctp\\_aoc\\_luberon-30-11-20.pdf](http://www.vins-luberon.fr/uploads/co_document/pcc_ctp_aoc_luberon-30-11-20.pdf)

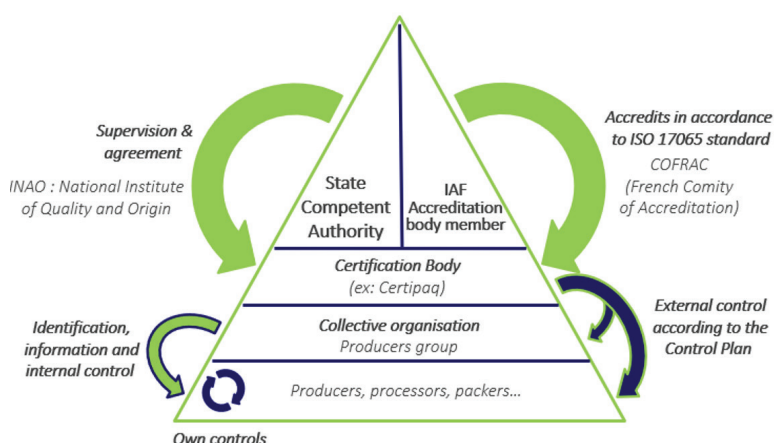
– PDO “Maine Anjou” meat: <http://www.maine-anjou.fr/uploads/rte/File/Actualit%C3%A9s/2017/Plan%20de%20contr%C3%B4le.pdf>

<sup>99</sup> Общие положения по контролю для всех знаков идентификации качества и происхождения: <https://www.inao.gouv.fr/eng/Our-News/Mise-en-oeuvre-des-dispositions-de-contrôle-communes>

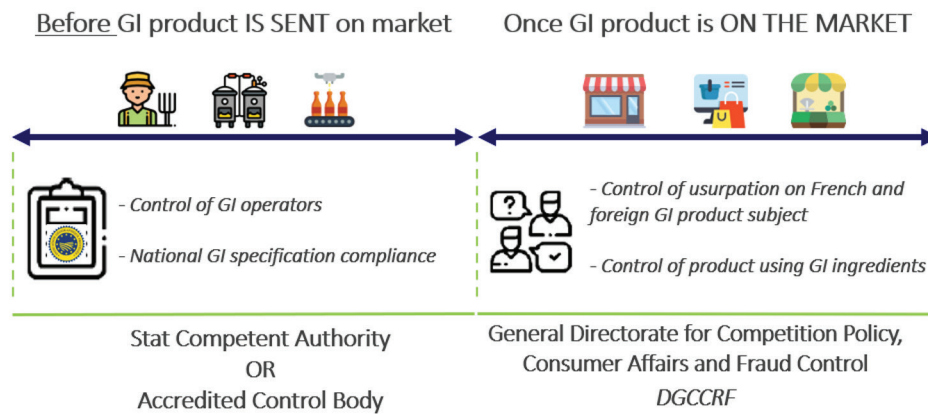




Identification information	Идентификационная информация
State competent authority	Государственный компетентный орган
National food safety office	Национальное управление безопасности пищевых продуктов
Collective organization	Коллективная организация
Producers group	Группа производителей
Producers, processors, packers...	Производители, переработчики, упаковщики...
Own controls	Производители, переработчики, упаковщики...
External control	Собственный контроль



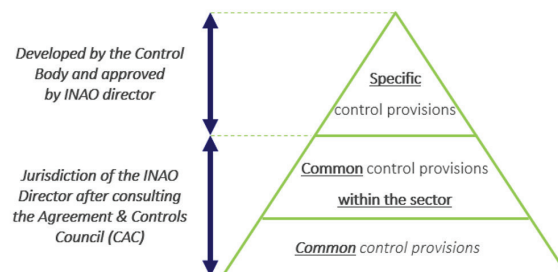
Supervision and agreement	Надзор и согласование
INAO: National institute of quality and origin	INAO: Национальный институт качества и происхождения
Identification, information and internal control	Идентификация, информация и внутренний контроль
Own controls	Собственный контроль
Accredits in accordance to ISO 17065 standart COFRAC (French Comity of Accreditation)	COFRAC (Комитет Франции по аккредитации)
External control according to the Control Plan	Внешний контроль согласно Плану контроля
State competent authority	Государственный компетентный орган
IAF Accreditation body member	Член национального органа по аккредитации IAF
Certification body (ex. Certipaq)	Орган по сертификации (например, Certipaq)
Collective organization	Коллективная организация
Producers group	Группа производителей
Producers, processors, packers...	Группа производителей



Before GI product is sent on market	Перед отправкой продукта GI на рынок	Once GI product is on the market	Как только продукт GI появится на рынке
Control of GI operators	Управление операторами GI	Control of usurpation on French and foreign GI product subject	Контроль за узурпацией французских и иностранных товаров GI
National GI specification compliance	Соответствие национальным спецификациям GI	Control of product using GI ingredients	Контроль продукта с использованием ингредиентов GI
State competent authority or accredited control body	Государственный компетентный орган или аккредитованный контрольный орган	General directorate for competition policy, consumer affairs and fraud control DGCCRF	Главное управление по конкурентной политике, делам потребителей и борьбе с мошенничеством DGCCRF

- These provisions define **common** control procedures for products under PDO, PGI, TSG and Label Rouge (national scheme).

- The control plan of a product under official sign is composed :



These provisions define common control producers for products under PDO, PGI, TSG and Label Rouge (national scheme)	Эти положения определяют производителей общего контроля для продуктов в рамках PDO, PGI, TSG и Label Rouge (национальная схема).
The control plan of a product under official sign is composed:	План контроля продукции под официальной вывеской составляется:
Developed by the Control Body and approved by INAO director	Разработано Контрольным органом и одобрено директором INAO.
Jurisdiction of the INAO Director after consulting the Agreement and controls Council (CAC)	Юрисдикция директора INAO после консультации с Советом по соглашению и контролю (CAC)
Specific – control provisions	Особые меры контроля
Common control provisions within the sector	Общие положения по контролю в секторе
Common control provisions	Общие положения по контролю

ISBN 978-92-5-137932-5



9 789251 379325

CC6415EN/1/08.23