

Geographical indications and quality brands: An effective tool to promote industrial SMEs' market access

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Agri-food production remains at the core of African industry, representing up to 18% and 30% of the industrial revenues in countries like Tunisia and Morocco. Demand for local products has presented opportunities for African agri-food producers. Competition is limited, and the rewards correspond. Yet consumers need to identify and differentiate products. Geographical Indications (GIs) and certified quality labels facilitate this. These are among the tools and methodologies used by UNIDO to assist in developing value chains in Africa and in promoting market access. Supporting these producers enables sustainable, inclusive industrial development. Working with country-sponsored programmes, UNIDO supports agri-food value chains in Morocco and Tunisia.

In most African countries, the agrifood industry is the largest industry. It therefore has the potential

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to drive the continent's future socio-economic development. Building an inclusive and sustainable agri-food industry remains a developmental challenge, but also constitutes an

opportunity for African -small and medium- sized enterprises (SMEs).

Consumers are increasingly interested in traditional products that are deeply rooted in their

territories of origin. This trend is a major opportunity for producers (particularly SMEs), as it removes the pressure of competing with generic and standardized products. It rewards them for what they have always done: producing traditional products whose quality, attributes and reputation are linked to ancestral know-how and the places where they are produced.

In the marketplace, these origin-linked products¹ can secure premium prices, provided they are clearly differentiated and identifiable to consumers. Geographical Indications (GIs) and certified quality brands are tools that can help producers to unlock the value added of origin-linked products.

SUPPORTING RECOGNITION OF TRADITION WITH A HOLISTIC APPROACH

The United Nations Industrial Development Organization (UNIDO) promotes industrial development to reduce poverty, and to promote sustainability and inclusive globalization. It has long implemented technical assistance in developing value chains in Africa and elsewhere: fostering business linkages, improving quality compliance, enhancing productivity, and promoting market access. UNIDO has drawn on the experiences of more than 20 countries to develop tools and methodologies for preserving and promoting origin-linked products, with the goal of sustainable and inclusive industrial development. Its integrated approach ensures that SMEs can maximize the potential of agri-food products, and that benefits are fairly distributed along the value chain.

Launched in 2013, the Programme for Market Access of Typical Products (PAMPAT), financed by the Swiss Secretariat of Economic Affairs (SECO), aims to improve the performance, market access and socio-economic conditions of SMEs in various agri-food value chains in Morocco and Tunisia. The project's activities focus on strengthening the organization of the selected value chains; on improving the productivity, quality compliance and product development of SMEs; and on enhancing their positions in domestic and export markets. It also helps to ensure that products comply with the requirements of Geographical Indications and Quality Marks, in order to position them in niche markets. This allows producers to obtain premium prices and higher revenues. PAMPAT also strengthens national and regional capacities for developing and promoting local products. Within these activities PAMPAT supported the setup and organization of the Moroccan and Tunisian Contests for Typical Food Products, and facilitated exchanges of experience and regional best practices.

In implementing programmes like PAMPAT, UNIDO applies a holistic approach, including broadly related areas of intervention. The key element is "Quality and Origin", which involves compliance with quality and safety specifications, and promoting labels across the value chain, buyers and consumers.

UNIDO's holistic approach ▼



GOVERNANCE

Strengthening the capacity of public and private actors. Establishing a working group of key actors in the value chain to develop a shared vision and joint action plan.



COMPETITIVENESS

Upgrading different links in the value chain (improving quality, optimizing resource use, increasing productivity and production capacity).



LINKAGES

Strengthening alliances (e.g. cooperatives, consortia) and formalizing linkages between the different actors in the value chain (e.g. supply contracts).



QUALITY & ORIGIN

Ensuring compliance with quality, safety and origin labels. Promoting labels among different actors in the value chain, and between buyers and consumers.



MARKETING

Improving market access and the Marketing Mix of companies and consortia (from branding and product development to negotiating new sales contracts).



DIVERSIFICATION

Diversification and innovation along the value chain (including creation of new entrepreneurial initiatives and new product development).

Source: UNIDO, 2020.

In developing the value chains of typical products, an approach centered around GIs and quality labels advances the achievement of the Sustainable Development Goals.

HELPING TO MEET STANDARDS FOR MOROCCAN ARGAN OIL

In Morocco, UNIDO applied this approach to the argan oil value chain, with a view to promoting the Protected Geographical Indication (PGI). There it assisted the interprofessional body Fédération Interprofessionnelle de la Filière de l'Argane (FIFARGANE) to develop traceability software to ensure that producers respect the PGI code of practice. The software ensures that all of the steps along the value chain are PGI compliant: producers have been trained in PGI compliance, as well as in compliance with national food safety and hygiene laws. Assessments were conducted and in many cases upgrades to production facilities were required. Coordination and partnering with the Ministry of Agriculture enabled producers to undertake the upgrades, and the number of producers certified by PGI increased by 150% between 2013 and 2019.

The Programme also focused on strengthening and promoting collective branding focusing on the argan oil PGI, to increase market access potential for SMEs, cooperatives and consortia producing high quality and PGI certified products. An example of this intervention is the establishment of the Vitargan consortium, along with support for the development of their marketing strategy and materials together with brand promotion.

Additionally, the Programme has trained women in entrepreneurship and marketing, to support women's cooperatives, impacting the livelihoods of members

FINDING THE NICHE IN TUNISIA

In Tunisia, the approach was applied in the prickly pear (cactus) value chain, to position the products in niche markets, enabling the country to tap the potential of the sector. In 2014, Tunisia had only five prickly pear processors; by 2019, there were over 30 firms, operating mainly in the organic cosmetic and para-pharmaceutical sectors. To achieve this, PAMPAT assisted entrepreneurs to

develop business plans, gain access to finance and improve their production, marketing and sales skills. As a result, around 1,000 jobs were created.

The growing number of processing companies in the sector has also driven demand for certified organic prickly pears. The Programme has linked organic businesses with farmers, and supported producers in becoming organically certified. As a result, the size of certified organic cactus plantations and the prices paid to farmers have doubled.

An initiative was also set-up to promote the sector's flagship product, cactus seed oil, under the collective brand "Organic Cactus Seed Oil - Origin Tunisia". Progressive organization of the sector led to the creation of the National Cactus Development Association (ANADEC), representing most companies. Today, prickly pear products rank fifth among Tunisian certified organic exports.

MEETING SDGs

Improved demand and market access for territorial assets positively impacts income generation and job opportunities, contributing to inclusive and sustainable economic growth.

In developing the value chains of typical products, an approach centered around GIs and quality labels advances Sustainable Development Goals. Territorial products are often produced by marginalized populations, particularly women. Thus, supporting them will have a positive impact on reducing poverty (SDG 1) and enhancing gender equality (SDG 5). With an awareness of the importance of biodiversity and the sustainable utilization of resources for showcasing territorial assets, collaborative decision-making and governance structures foster regional development and preserve natural and cultural heritage. Improved demand and market access for territorial assets positively impacts income generation and job opportunities, contributing to inclusive and sustainable economic growth (SDG 8). Most importantly, this approach contributes to inclusive and sustainable industrial development (SDG 9).



The *Continental Strategy for Geographic Indications in Africa 2018-2023*, commissioned by the African Union, was developed in line with the vision of African leaders of a prosperous Africa, based on inclusive growth and sustainable development, underpinned by three main objectives: to (1) enhance GI stakeholder networking nationally; (2) preserve and promote traditional products in local markets and (3) position them in international markets. It defines the policy framework that will help the continent protect and capitalize on African commodities in the context of GIs and intellectual property. The strategy and its action plan presents a transition in approach towards articulating the following interdependent and mutually reinforcing key strategic focuses: production and productivity; agri-businesses, agro-industries and agricultural markets; and sustainable environmental management.

¹ Origin-linked products can be defined as local products based on a territorial identity and reputation and/or products based on specific modes of production whose quality, reputation or any other characteristics are attributable to their geographical origin.

