

Session 3.3: Organisation of GI producer groups

Overview

This provides focuses on how producer groups can organise to implement their collective business strategy for their OLP based on using GIs. It covers governance of the producer group and their role in developing and implementing a GI management system.

Session learning objectives

This session has as its key objectives:

- To provide an explanation on how producers can organise to develop a collective strategy to implement and monitor a GI system
- To increase understanding of value chain stakeholders on **the importance of the GI group and the pivotal role they play in developing and implementing the GI system**
- To discuss the **kind of management and activities which must be implemented**
- To enhance knowledge among stakeholders about the **human/financial and other resources which should be provided for sustainability of the producer group and the GI system**

Session learning outcomes

By the end of the session participants will be able to:

- Critically discuss the role of producer groups and other stakeholders in developing and implementing a GI system
- Identify the key day-to-day management activities which must be implemented by a producer group and be able understand how to integrate a budgetary component in a business plan
- Explain the financial resources, human capital and technical expertise required to implement a sustainable GI system

Part 1: Introductory elements

The GI producer group must come together to develop and implement a shared business strategy. Successful implementation of the GI system by producers and other value chain stakeholders will require capacity building on activities which will require them to work collectively and to reach consensus on several issues. The GI group should be seen as that critical link between producers, traders, consumers, civil society, media and relevant public bodies.

Part 2: Elements of the organisation

There are several actors in the value chain, therefore, producers will first have to identify who will participate in the GI scheme.

- There are direct members such as the producers, processors, traders etc. along the product value chain.
- Indirect members can also be part of the GI group. This group can comprise local public institutions or public bodies like agricultural ministries; consumer associations, that will provide information in relation market intelligence; universities or research institutes and NGOs.

It is the responsibility of the collective group to coordinate, support and implement activities required for the shared development of the GI management system. This will require leadership within the GI group of producers that can articulate the common vision for development of the product, and coordinate stakeholder.

Part 3: Legal framework

In terms of the GI producer group, there are several types of legal frameworks which can be adopted to establish the group. These can include:

- Producers organisations
- Associations
- Cooperatives
- Unions
- Consortium
- Inter-branch organisation
- Economic interest groups



Regardless of the legal structure, the important point is to have **value chain stakeholders unite around a common strategy.**

Choosing the most appropriate legal structure for the group of producers will depend on the national legal framework. The group must be cognisant that the legal structure chosen must fit the purpose of the group and allow for all producers in the geographical area who wish to, become members and to participate fully in the governance of the group.

The group will need to undertake several activities not only in relation to the day-to-day operations of the instituted producer group, but also related to implementing and managing the GI system established for the OLP.

The group will need to:

- Write and file statutes
- Elect a governing body - president and other members, the board etc.
- Consider implementing mediation among the producer members especially during the formalisation stage and when the specifications and control manual are being developed;

when setting up the administration system for the group, developing the communication, branding and marketing and promotion strategy

Access to the GI group

Normally, all producers who can meet and follow the defined specification can be a member of the GI group. There generally is no restriction to access, however, interested producers wanting to become part of the GI system, must be willing to share the common strategy of the group and respect the specifications. The group must guard against persons who may want to profit from, and exploit the GI.

Motivating factors to join the GI producer group:

- The potential to differentiate the product from other products produced in other geographical areas and sold on the same market
- Lack of existing production organisation and the need to strengthen the value chain
- The need to protect the name and to protect traditional denominations
- Consideration for protecting the environment
- The willingness to value traditional products

Sustainability of the GI producer Group

A key factor in the successful implementation of a GI management system is the ability of the group of producers to ensure the sustainability of the system. Producers must be aware of resources (financial, human, technical) required to implement and sustain the system. Equally important is determining the type of membership; payment of member fees, if any; recruitment of staff and their competencies; and working capital.

Activities managed by the GI producer group

There are different types of activities that can be implemented by the group including:

- Defining and implementing the GI specifications and controls
- Providing production assistance to producers
- Applying for the legal protection of the GI (and/or other IP), and enforcement (monitoring the market and acting upon usurpation and infringement)
- Ensuring the recognition of the GI in the market place
- Participating in trade negotiations for the collective of members
- Developing and implement promotion and communication strategy
- Implementing legal protection and IPR enforcements
- Daily activities related to the management of the organisation and the GI system
- Developing specifications
 - a consultative and participatory approach to be sure that the specifications are shared among the stakeholders
 - set up working groups on technical aspects or on communication
 - good specifications must reflect the reality of the product and the value chain

Production support

The different types of activities that can be managed by the GI group can be the following:

- Strengthening product quality by providing technical assistance and information to producers. For example, providing technical support to producers to facilitate the development of specifications; adopting existing or new trade standards related to producing and exporting the product
- Collecting, analysing and disseminating information and data on the sector

Defining the terms of control

The controls as articulated in the control plan provides a means to assess compliance of producers to the conditions of the GI specifications. Additionally, the group of producers must develop and collectively approve a control plan and identify and select a control body.

Registration of the GI

The GI group will prepare the application of the GI based on the applicable national or international legal framework. In this endeavour they will have to interact with relevant institutions such as IP offices and other ministries.

Marketing the product with the protected Geographical Indication

It is important for the GI group to put in place a marketing strategy which can be developed at the same time when defining the GI specification. There is also need to implement a communication plan for the GI strategy and to choose the appropriate tools to implement the marketing strategy using the correct labelling.

Day-to-day Management

The producer group will also have to put administrative and other systems in place to address the daily management of the group. This will include, but not be limited to:

- Coordination meetings and meetings of the Board of Directors
- Monitoring the implementation of the specifications and compliance of the producers with the rules set out in the control manual for the specification
- Obtaining consensus of committed value chain actors on various issues
- Implementing post GI registration activities such as marketing and promotion and IPR enforcement
- Implement the communication strategy
- Managing the operating budget for the sustainability of the group

Budgetary aspects

In terms of financial sustainability, the GI producer group will need to consider:

- Its mandate and responsibilities. The more complex the GI system, the costlier it will be to maintain

- Consideration must also be given to seasonal activities as it relates to the OLP's production, processing, marketing and trading. Some activities may only occur for part of the year while others will occur throughout the year.
- Main budget items may include:
 - Salaries
 - Operating costs: offices, travel expenses, organisation of statutory meetings, etc.
 - Certification and control costs
 - Communication costs
 - Legal fees
 - Any subsidies that some groups can receive
 - Capacity building activities
- The budget will ultimately depend on the degree of simplicity or complexity of the structure of the GI producer group and the GI management system in place.

Conclusion

When setting up a GI producer group it is important to consider

- The governance structure suitable for the group
- The modes of management to be adopted by the group e.g. quality, social
- The resources required for sustainability – financial, human, technical
- The appropriate sustainability level for the group

Learning exercises

Question 1: I do not like some producers because they are competitors. Can I limit access to the GI group?

Answer: No. It is impossible to refuse a producer because he is a competitor. In a way, any GI group is composed of producers who are all competitors. But in the case of collective rights like GIs, even if competitors, producers of such products work together to preserve and add value to a specific type of product that has a clear link to the geographical area they are placed in, while still preserving the option to differentiate themselves with their individual names and trade marks.



Question 2: I do not want this producer to be part of the GI group as our families have been enemies for a long time. Can I limit access to the GI group?

Answer: No. It is impossible to refuse a producer because of personal issues. As long as a producer is able to comply with the GI requirements, they must be accepted inside the GI group.

Question 3: A producer is not able to provide evidence of his or her capacity to comply with the GI specification. Can I limit access to the GI group?

Answer: Yes, if a producer is not able to comply with the GI requirements, they should not be part of the GI group.

Question 4: A producer does not want to pay the membership fee. Can we limit access to the GI group?

Answer: The answer is yes. If a producer wants to benefit from the GI advantages and the GI group mission, he must participate in the collective strategy and pay any required membership fee.

Question 5: Is a GI group entitled to manage several GI products?

Answer: The answer is yes. It is possible for a GI group to manage several GI products. The key will be to develop a strategy for the harmonisation of activities and sharing of costs.

Question 6: Can we delegate some activities such as internal controls, promotion, etc. to another more well-structured association?

Answer: Yes. A GI group may not have all the required competencies to implement the all GI activities. In this case they can delegate these activities to be implemented by other entities on their behalf. These may include cooperatives for internal controls, lawyers for legal protection aspects, etc.