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# EVALUATING GEOGRAPHICAL INDICATIONS

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





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# Evaluating geographical indications

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

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## Abstract

Development initiatives based on geographical indications can foster an origin-linked quality virtuous circle (FAO-SINERGI, 2009). They help producer communities improve their livelihoods by allowing producers to capture higher shares of the added value of their products. At the same time, they help preserve natural and cultural resources such as landscapes and biodiversity, cultural heritage and local traditions, and promote food diversity and sociocultural development.

This guide specifically deals with the evaluation of initiatives carried out by local communities of producers and other stakeholders. The guide aims at enhancing initiatives based on origin-linked products by setting clear rules for the protection and use of geographical indications (GI), to foster the development of sustainable food systems. The guide adopts a practical, operational approach aimed at helping local stakeholders implement a participatory evaluation process. It provides a step-by-step roadmap, methodological tools and practical examples. The guide envisages two different types of evaluation, depending on whether the evaluation is carried out prior to or after the launch of an initiative. Prospective evaluation helps producers and other stakeholders decide whether or not to launch an initiative and how to design it to meet expectations, maximize benefits and avoid drawbacks. Once an initiative has been launched, retrospective evaluation helps assess an initiative's effectiveness with respect to the purposes stated at the beginning. Retrospective evaluation checks for undesired and unexpected effects, thus identifying areas for improvement.

By providing practical guidance for the evaluation of GI initiatives, this guide helps leverage the contribution of such initiatives to the building of sustainable food systems and sustainable development. The guide is aimed at:

- local stakeholders who want to initiate an evaluation to establish or adjust a GI system (such as producers associations, public bodies or NGOs), by explaining key concepts and steps forward for a participatory approach; and
- evaluation teams (composed of GI practitioners and experts from academia or the research community), by providing specific tools and examples to define and implement the evaluation framework.

Table 1 presents the various sections of this guide and their aims.

**Table 1** The various sections of this guide and their aims

SECTION	AIMS
1. Introduction	This section introduces the evaluation of GI initiatives as a way to improve the functioning of the origin-linked quality virtuous circle. It presents the structure of the guide and shows how to use it.
2. The complexity of evaluating the effects of GI initiatives	The aim of this section is twofold. First, the section aims at helping stakeholders understand what GI initiatives are, and how complex their effects can be. It also explains what evaluating GI initiatives means, why evaluating is important, and what the basic principles and methodological issues are.
3. Mapping the potential effects of GI initiatives	GI initiatives may have many different effects on producers' businesses, the local economy and society, and the environment. This section presents a systematic mapping of the potential categories of effects. The maps of effects will provide a reference for the implementation of the evaluation.
4. Planning the evaluation process	This section explains how to plan the evaluation process and identify aims, actors, responsibilities and resources. It describes the key steps in the preparation of the evaluation plan and the terms of reference (ToR) of the evaluation. These two documents serve as the main references throughout the evaluation process.
5. Prospective evaluation: whether and how to launch a GI initiative	This section is dedicated to prospective (or ex ante) evaluation, where stakeholders have to decide whether and how to launch a GI initiative. Stakeholders are in the process of designing the GI initiative and deciding which rules to include in the CoP.
6. Retrospective evaluation: what are the effects of the GI initiative?	This section deals with the ex post situation, when actors have to reflect on the results the GI initiative has produced on all the dimensions covered by the evaluation, and make according decisions to improve the performance of the GI initiative.
7. Conclusion	This section presents the main conclusions regarding the evaluation of GI initiatives.
Bibliography and further reading	This section lists interesting books, articles and websites on the theory and practice of evaluation.
Glossary	This section provides definitions for the main concepts used in the guide.

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Examples	these boxes clarify the content of the main text without referring to specific GI initiatives
GI initiatives in action	these boxes clarify concepts by using concrete past or ongoing GI initiatives from different countries and contexts
Hints for evaluation	these boxes provide practical suggestions as to how to carry out certain steps in the evaluation process
Tools	describe certain methods and tools that can be used for specific tasks of the evaluation process

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## Foreword

The major improvements in agricultural productivity that have been recorded over recent decades help satisfy the food demands of a growing global population. However, this evolution is having evergrowing negative social and environmental impacts, while the economic viability of food and agricultural systems is often unstable. Globally, 690 million people are still hungry today (FAO et al., 2020); at the same time, unhealthy diets are causing modern diseases such as diabetes, obesity and cardiovascular diseases, which are spreading at an alarming rate. This situation demonstrates that our food system is out of balance.

The Food and Agriculture Organization of the United Nations (FAO) acknowledges the need for a transformation of the agricultural and food system to achieve the 2030 Agenda for Sustainable Development. In 2014, the FAO/World Health Organization (WHO) Second International Conference on Nutrition (ICN2) acknowledged that:

*Current food systems are being increasingly challenged to provide adequate, safe, diversified and nutrient-rich food for all that contribute to healthy diets due to, inter alia, constraints posed by resource scarcity and environmental degradation, as well as by unsustainable production and consumption patterns (FAO and WHO, 2014, p. 2).*

To address these challenges, the UN Decade of Action on Nutrition 2016–2025 puts a specific focus on the transformation of food systems to promote healthy diets that are sustainably produced and improve nutrition, to achieve the global nutrition- and diet-related non-communicable diseases (NCD) targets in line with commitments of ICN2 and the Sustainable Development Goals (SDGs).

Among the many strategies to improve the sustainability of food systems, local initiatives that aim at promoting quality food products while preserving natural and cultural resources are particularly relevant. These initiatives may offer a comprehensive approach by building on local governance to integrate social and environmental aspects into their economic objectives, and reaching consumers through labelling and diet diversification. Territorial initiatives to valorize and market food products with geographical indications have demonstrated to have the potential to deliver important economic and social benefits while contributing to the preservation of the natural environment, including its biodiversity. To unlock this potential, it is crucial to adapt GI initiatives to local conditions, formulate clear and concrete objectives, and adjust the process over the course of time, if necessary.

The main objective of these guidelines is to provide practical step-by-step guidance and give concrete examples to facilitate the evaluation of GI initiatives; their overall aim is to boost the contribution that GI initiatives may provide to sustainable food systems.

This publication benefits from long-standing work by experts at the University of Florence, Italy, to develop tools for sustainable GIs. It is the fruit of the combination of specific academic knowledge on the evaluation of GI initiatives on the one hand, and practical experience as to the formulation of successful GI initiatives gained in field projects in various countries on the other. I am therefore confident that this guide will help local initiatives to better contribute to the development of sustainable food systems and to the attainment of the SDGs.

Anna Lartey  
Former Director  
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## Preface

The preservation and promotion of origin-linked products through geographical indications (GIs) can contribute to the building of more sustainable food systems through territorial approaches. Indeed, agro-territorial approaches are amongst the major approaches that contribute to the achievement of the 2030 Agenda through inclusive rural transformation.

To become the pivot of origin-linked quality virtuous circles, GI initiatives need to be discussed locally among producer communities. In addition, their impacts must be monitored regularly to ensure the preservation of local resources; if the actual effects no longer correspond to those that were expected, GI initiatives must be adjusted (FAO and SENER-GI, 2009). To maximize the economic, social and environmental benefits of GI initiatives, it is crucial to provide specific tools and methodologies to local stakeholders.

FAO and the University of Florence have jointly developed this guide, to support the definition and implementation of practical approaches to evaluate GI initiatives. The guide has been conceived in such a way as to improve the evaluation of the real impacts of GI initiatives, as well as their initial formulation by evaluating potential impacts before their launch.

This guide has been tested in different contexts and for different products (madd fruits in Senegal, coffee in Honduras and chayote in Costa Rica). It has demonstrated its effectiveness in supporting local valorization initiatives and enhance their positive economic, environmental and social impacts.

We hope that these guidelines will foster appropriate and sound evaluation at the local level by various stakeholders, including those outside of the academic world.

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## Acknowledgements

This guide was prepared by Giovanni Belletti and Andrea Marescotti, professors at the University of Florence, Italy, in close collaboration with Emilie Vandecandelaere of the Food and Nutrition Division of FAO. Important contributions were received from Catherine Teyssier, who reviewed the guidelines from the first stages and tested them on a GI initiative for madd fruits in Senegal. Leonardo Granados tested the guidelines on the case of chayote in Costa Rica, as did Luis Fernando Samper on coffee in Honduras. Francesca Galli and Junko Kimura contributed to the content of some of the text boxes.

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## Abbreviations and acronyms

<b>AO</b>	Appellation of origin
<b>AOC</b>	Controlled appellation of origin
<b>CoP</b>	Code of practices
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>GI</b>	Geographical indication
<b>M&amp;E</b>	Monitoring and evaluation
<b>NGO</b>	Non-governmental organization
<b>OP</b>	Origin-product or origin-linked product
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PIPA</b>	Participatory impact pathways analysis
<b>PDO</b>	Protected designation of origin
<b>PGI</b>	Protected geographical indication
<b>SAFA</b>	Sustainability Assessment of Food and Agriculture
<b>SDG</b>	Sustainable Development Goal
<b>SMAE</b>	Small and medium enterprises
<b>ToR</b>	Terms of reference
<b>TRIPS</b>	(Agreement on) Trade-Related Aspects of Intellectual Property Rights
<b>WHO</b>	World Health Organization
<b>WTO</b>	World Trade Organization



# INTRODUCTION

*This section introduces the evaluation of GI initiatives as a way to improve the functioning of the origin-linked quality virtuous circle. It presents the structure of the guide and shows how to use it.*

## 1.1. Why this guide?

Economic globalization and heightened competition on international markets have increased both producers' and consumers' interest in product differentiation. Indeed, competition between undifferentiated commodities (standardized goods of homogeneous quality) based solely on price may have serious negative impacts upon weaker market participants, especially farmers and small and medium enterprises (SMAEs) in developing countries. Producers are increasingly trying to step away from price competition in mass markets in order to reply to consumers' needs in terms of food quality and address concerns about the economic, social and environmental impacts of production processes. Thus, producers increasingly strive to reduce their substitutability by other suppliers and capture a larger share of the added value of their products.

*Origin products* or origin-linked products (OPs), the quality and identity of which are the expression of the specificities of the human and natural resources of a place (see Box 1), offer interesting opportunities for product differentiation. Indeed, as highlighted in the guide "Linking people, places and products" developed in the framework of FAO's Quality and Origin Program, an origin-linked product can become the pivotal point of a quality virtuous circle under a territorial approach (see [www.fao.org/food-quality-origin/home/en/](http://www.fao.org/food-quality-origin/home/en/)). Origin products are identified on the market by geographical indications (GIs), which offer a means to differentiate these products and communicate their specific quality. The use of a GI should be reserved to producers in a particular territory whose product is the result of local traditions and production methods requiring specific resources that define the product's specificities and reputation. Therefore, concrete rules as to the use of GIs safeguard the reputation of OPs to the benefit of producers, consumers and society as a whole.

This guide specifically addresses the evaluation (see Box 2) of initiatives carried out by local communities of producers and other stakeholders; its aim is to strengthen GI initiatives by laying down clear rules for the evaluation of geographical indications. This guide refers to these initiatives as geographical indications initiatives or GI initiatives (see Box 3). These initiatives are designed to help producer communities improve their positioning on both local and global markets. The use of GIs allows producers to capture a higher share of their products' added value while helping

### BOX 1 – DEFINITIONS

#### Origin Product

A product in which a specific quality is essentially attributable to its geographical origin, as a result of a combination of unique climatic conditions, soil characteristics, local plant varieties or breeds, local know-how, historical or cultural practices, and traditional knowledge concerning the production and processing of certain products. The interaction among these elements (which constitute what is known as a *terroir*) confers specific characteristics that allow the product to be differentiated from other products in the same category.

### BOX 2 – DEFINITIONS

#### Evaluation

Evaluation is a systematic assessment, based on objective evidence, of an ongoing or completed initiative (or a project or wider policy), its design, implementation and results. The evaluation assesses the relevance and attainment of the expected objectives of the initiative and of its developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide credible and useful information that enables the incorporation of lessons learned into the decision-making process of the initiative.

Sources: OECD, s.d.; FAO, 2010.

to preserve local resources, thus fostering an origin-linked quality virtuous circle. This virtuous circle is a four-step process aimed at reproducing the human and physical local resources involved in the production of an OP through the identification of these local resources and the qualification of the product as a GI.

#### BOX 3 – DEFINITIONS

##### GI initiative

An initiative by local communities of producers aimed at regulating and valorizing an origin product (OP) through rules (and control and guarantee systems) for the use of the name and label of the geographical indication.

GI initiatives may contribute to the achievement of objectives for economic development, social progress and sustainability established by political agendas at international, national and local levels. In particular, the enhancement of the use of OPs may contribute towards the attainment of the UN's 2030 Agenda for Sustainable Development (see Box 4). The Agenda establishes 17 goals addressing global challenges including poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. Evaluation is important to improve the functioning of the origin-linked quality virtuous circle and maximize its positive economic, social and environmental impacts, while reducing potential negative ones. Many GI initiatives focus on the registration and legal protection of GIs as intellectual property rights, using the legal tools available under a country's normative framework.

#### BOX 4 – DEFINITIONS

##### 2030 Agenda for Sustainable Development

As the main connection between people and our planet, sustainable food and agriculture can fuel positive change, from ending poverty and hunger to responding to climate change and preserving natural resources. FAO has highlighted the importance of territorial approaches in achieving the 2030 Agenda for Sustainable Development and its interlinked and multiple Sustainable Development Goals (SDGs) through rural transformation. Amongst different approaches, GI valorization is recognized as a tool that may boost employment and value addition in food systems, protect and enhance natural resources, improve livelihoods and foster inclusive economic growth, and enhance the resilience of both communities and ecosystems.

The below figure highlights the SDGs to which GI valorization may contribute.

##### *Contribution of GI valorization to the Sustainable Development Goals (SDGs)*



Source: United Nations Department of Economic and Social Affairs. <https://sdgs.un.org/goals>

Collective geographical trademarks and protected denominations of origin are the most frequently used type of GIs. This guide primarily deals with agricultural and food products. However, its contents can be applied to non-food products, too, as long as their quality is linked to a specific territorial origin.

## **1.2. Why is the evaluation of geographical indication initiatives important?**

GI initiatives are projects of a community of actors who pursue certain goals through these projects. The goals reflect a certain vision as to the origin of the product, which is sometimes extended to an entire territory, and support the mission statement. This guide intends to help improve the strategic planning of GI initiatives to ensure they achieve their goals, in line with the actors' vision.

GI initiatives can contribute to the development of sustainable food systems and healthy diets in numerous ways. First, from an economic point of view, GI initiatives bolster local producers' livelihoods by helping them achieve success in the marketplace and earn higher incomes. They offer opportunities to reinforce local agrifood systems and support local development processes. Producers involved in a GI initiative may be less exposed to unfair competition due to abuses or misuses of the GI. They can differentiate their products on the market, thus selling more, at higher prices and/or through different marketing channels. Second, GI initiatives affect collective well-being at different geographical scales (local and global) through their contribution to landscape and biodiversity preservation, the protection of cultural heritage and local traditions, sociocultural development, the inclusion of small farmers in value chains and rural poverty reduction. In addition, origin products, which are often linked to traditional production methods and local biodiversity, may contribute to healthy and diversified diets and boost the supply of more nutritious food.

However, GI initiatives may also result in failures or exert unintended negative effects, as evidenced by numerous cases. Despite the growing enthusiasm about the potential of GI initiatives, their actual effects can be deceiving or different from what was expected. In addition, the setting in motion and functioning of the origin-linked quality virtuous circle may prove problematic.

Therefore, all possible effects of a GI initiative in various dimensions should be assessed before the initiative is launched (see Box 5). In addition, its actual effects should be evaluated over the course of its implementation. This guide aims at helping producers and other interested stakeholders to evaluate the effects of GI initiatives on the economy, the society and the environment, and make decisions about how to set up and manage a GI initiative. Evaluation may improve the effectiveness and sustainability of the origin-linked quality virtuous circle. This guide provides a reference framework for the evaluation of GI initiatives, from the identification of the GI product up to the reproduction of local specific resources.

## BOX 5 – EXAMPLES

**Evaluating a GI initiative: examples of general questions**

- What are the benefits of the GI initiative for producers?
- Who (which categories of actors) benefits more from the initiative?
- What are the effects of the GI initiative on the local economy, society and environment?
- What are the costs of the GI initiative?
- What negative effects can arise from the GI initiative?
- Does the GI initiative help preserve the identity of the origin product?

The evaluation of GI initiatives has many potential outcomes. Indeed, evaluation may:

- Boost the self-understanding and self-accountability of the stakeholders involved, thus motivating them;
- Boost the credibility and visibility of a GI initiative and its contribution to the sustainability of food systems and healthy diets;
- Generate information for providers of funding and other stakeholders;
- Help identify and leverage the strengths of a GI initiative;
- Help identify and correct ineffective GI rules;
- Shed light on trouble spots for the sustainability of the production system or territory;
- Help understand the connections and trade-offs between economic, social and environmental effects and improve the overall sustainability of the origin-linked quality virtuous circle;
- Provide a basis for strategic planning aimed at improving a GI initiative's future effectiveness;
- Generate knowledge that may be useful for other GI initiatives; and
- Provide evidence as to the effectiveness of a GI initiative, and thus substantiate requests for funding from the public sector or other organizations (such as NGOs).

**1.3. Prospective and retrospective evaluation**

This Guide envisages two different cases, depending when the evaluation is carried out. To these two situations, different ways and means of evaluation correspond, as well as two different phases of the origin-based virtuous circle (see Figure 1).

**Prospective evaluation**

Prospective (or ex ante) evaluation chiefly concerns the first and second phases of the virtuous circle (identification and qualification) (see Figure 1). Indeed, prospective evaluation mainly deals with whether and how to regulate the use of the GI. It has to be carried out to decide whether and how to launch a GI initiative. It concerns the phase where the GI initiative is being defined and rules, normative tools and control systems are still to be chosen. The general aim of prospective evaluation is to help define the rules by predicting the effects that the GI initiative will have on various dimensions (economic, social and environmental). The ultimate goal of prospective evaluation is to

**Figure 1** The two moments for evaluation in the origin-linked quality virtuous circle



Source: adapted from FAO and SINER-GI, 2009.

provide insights that help align the GI initiative with the objectives of its stakeholders, minimize negative effects and maximize positive ones. Prospective evaluation helps producers and other stakeholders:

- Understand what could happen when setting up a GI initiative;
- Identify the most important issues to be tackled (the definition of common rules, the analysis of alternative rules, which control system to use, etc.); and define the common rules in a
- Participatory way, discussing pros and cons.

### **Retrospective evaluation**

Retrospective evaluation primarily addresses the fourth phase of the origin-linked quality virtuous circle (reproduction of local resources) (see Figure 1). Its aim is to assess to what extent the GI initiative is worthwhile, and whether the natural and human resources used to produce the GI products are reproduced, improved and preserved to foster long-term economic, social and environmental sustainability.

The evaluation of a GI initiative over the course of its implementation is retrospective (or ex post) evaluation. This evaluation considers the actual effects of the GI initiative on different dimensions (what happened, or is happening, as a result of the GI initiative). The general aim is to assess the effects of the GI initiative and help producers and other stakeholders:

- Understand what the effects of the GI initiative have been;
- Understand to what extent the aims of the GI initiative have been met, and to what extent stakeholders' expectations have been achieved;
- Analyse the causes of failures and successes; and
- Determine how the GI initiative can be changed to better reach its aims.

### **Link between Prospective and Retrospective evaluation**

Both prospective and retrospective evaluation should be conceived as phases of the same process. Indeed, once a GI initiative has been evaluated ex ante, the collection of data for its ex post evaluation should start; these data will also be useful for future prospective evaluation. Moreover, the results of an ex post evaluation may suggest certain modifications to a GI initiative (e.g. enlarging the production area, changing certain production process rules or improving the control system for greater customer assurance). The effects of these changes should be evaluated before their implementation. In conclusion, there exists a circularity between prospective and retrospective evaluations.

#### **BOX 6 – DEFINITIONS**

##### **Governance**

Governance refers to the complex systems including mechanisms, processes, relationships and institutions through which individuals and groups articulate their interests, exercise their rights and obligations, and mediate their differences.

Both prospective and retrospective evaluation are part of the governance of a GI initiative (see Box 6). Therefore, all stakeholders involved should be encouraged to participate in evaluation processes; such processes should be inspired by democracy, inclusiveness and representativeness.



## 1.4. To whom is this guide addressed?

This guide provides a roadmap to set up sustainable and collectively managed GI initiatives and monitor the achievement of their objectives over time. The guide targets different categories and typologies of stakeholders interested in developing GI products as a lever for sustainable territorial development, and provides them with a sound framework for evaluation. The evaluation of a GI initiative is usually launched by an initiator and implemented by an evaluation team. These guidelines therefore address two categories of actors:

- The *initiator* can be a producers' association, a public body, an NGO or a donor. The initiator launches the evaluation process, identifies the general and specific aims of the evaluation, provides the required resources and sets up an evaluation team.
- The *evaluation team* is responsible for the management and the implementation of the evaluation process. The evaluation team may include GI practitioners and experts from academia or the research community.

The initiator and the evaluation team should encourage producers and other stakeholders to actively participate in the evaluation process.

Practically, this guide serves as terms of reference (ToR) for stakeholders wanting to initiate an evaluation, as well as for the evaluation team charged with the implementation of the evaluation.

## 1.5. How to use this guide?

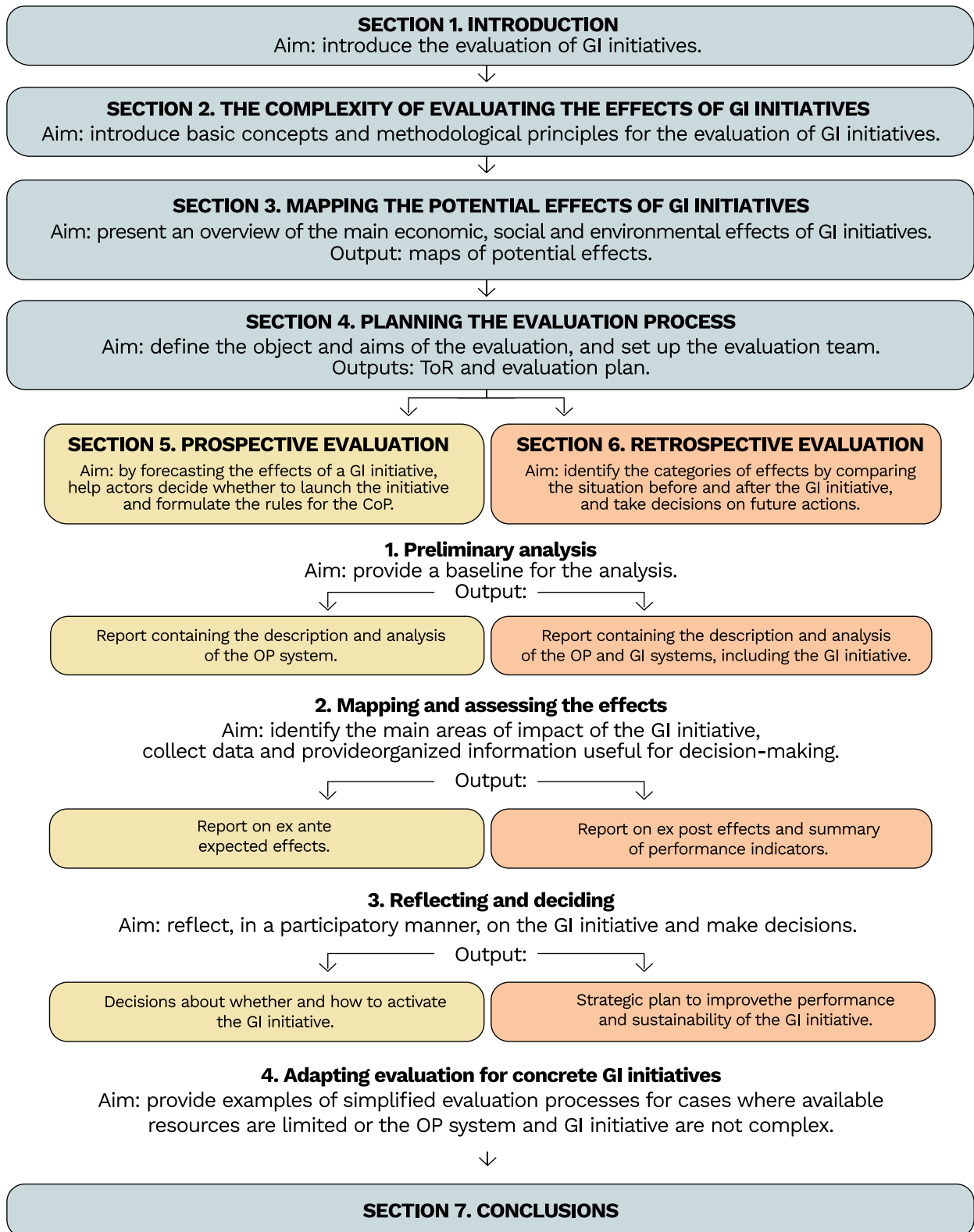
This guide adopts an operational approach, aimed at setting up a participatory evaluation process that answers all the relevant evaluation questions. The reading of this guide requires the preliminary knowledge of the guide entitled "Linking people, places and products", published by FAO.

This guide can be downloaded in different languages from [www.fao.org/in-action/quality-and-origin-program/resources/publications/linking-people-places-products/en/](http://www.fao.org/in-action/quality-and-origin-program/resources/publications/linking-people-places-products/en/). The following sections make reference to specific sections of this guide.

Figure 2 presents the sections of this guide. The guide starts with a review of some basic principles for evaluation (Section 2). This section discusses a number of problems that may arise when these principles are applied to GI initiatives. Section 3 discusses the wide range of potential effects that GI initiatives may have on the different dimensions of sustainability (economic, social and environmental). It maps the most relevant aspects that need to be considered when evaluating GI initiatives. The next sections present practical guidelines for the evaluation of GI initiatives. They start with the first steps towards the activation of an evaluation process. Then, the two scenarios of prospective evaluation and retrospective evaluation are discussed, to put the general principles presented in Sections 2 and 3 into practice. To this end, the main steps in the evaluation process are identified. These steps are interconnected: each step provides inputs for the following step. In a final step, the results of the evaluation are used to improve the performance and sustainability of the GI initiative.

Both prospective and retrospective evaluations have a starting phase where the purpose of the evaluation is identified and specific questions are formulated. During this phase, an evaluation team is appointed and an evaluation plan listing all the activities that must be undertaken, is drawn up.

**Figure 2** Structure of this guide:overview



Stakeholders who set up a GI initiative focus on prospective evaluation (Section 5), while stakeholders managing an ongoing GI initiative put emphasis on retrospective evaluation (Section 6). However, all stakeholders should consider both prospective and retrospective evaluation, given the circularity between ex ante and ex post. Indeed, stakeholders who are setting up a GI initiative must consider the design of a system to monitor ex post effects. Meanwhile, those involved in an already existing GI initiative should reflect on the choices that were made in the ex ante stage. This will not only help understand the causes of ex post effects but also identify possible corrective measures. Both Sections 5 and 6 end discuss how evaluation processes can be adapted to concrete GI initiatives. They demonstrate how to carry out a simplified yet rigorous evaluation exercise for cases where the resources available or the characteristics of the OP system and the GI initiative impose limits on the evaluation effort.

## THE COMPLEXITY OF EVALUATING THE EFFECTS OF GEOGRAPHICAL INDICATION INITIATIVES

*The aim of this section is twofold. First, the section aims at helping stakeholders understand what GI initiatives are, and how complex their effects can be. It also explains what evaluating GI initiatives means, why evaluating is important, and what the basic principles and methodological issues are.*

## 2.1. Geographical indication initiatives and origin product systems

Geographical indication (GI) initiatives are initiatives aimed at enhancing origin-linked products (OP) by setting clear rules for the use of a GI; they are carried out by local communities of producers and other stakeholders.

Although GI initiatives may differ considerably depending on the kind of product (e.g. fresh or processed), the type of actors launching the initiative (e.g. a group of farmers, a producers association or an NGO), the normative tools used to regulate the GI and the economic size of the system, this guide mainly focuses on initiatives characterized by the following elements:

- *Common and shared rules*: local producers and other stakeholders agree on the identity of their OP and on the according criteria for the use of the GI. This agreement must define rules about the geographical boundaries of the production area, the characteristics of the raw materials and production techniques that guarantee and preserve the specificity of the product, and the quality characteristics the product must have once it is marketed. These rules are normally written down in a document entitled “code of practices” (CoP) or “product specifications”.
- *Collective label*: the common GI label (which may be a simple geographical name) indicates the compliance of the product with the common rules, reducing the information gap between producers and consumers and enabling collective marketing initiatives.
- *Collective producers organization*: this association groups farmers, processors and other relevant stakeholders in the value chain. During the formulation phase of the GI initiative, it enables the process of discussion and elaboration of the rules. Later, the collective producers organization implements collective actions to protect the collective label from unfair uses, promotes the GI by means of collective marketing initiatives, enhances coordination among producers, sets up collective facilities, and provides technical assistance and information to producers. The birth of a collective organization per se can be considered as a positive result of a GI initiative.
- *Control and inspection system*: this guarantee system checks whether producers comply with the collective rules defined in the CoP and whether there are any misuses of the GI on the market. Thus, unfair competition among producers is avoided, and guarantees are given to customers and consumers as to the quality and authenticity of the GI product. As a result, confidence in the GI product is fostered and the reputation of the GI grows over time.

**BOX 7 - DEFINITIONS**

**OP systems and GI systems**

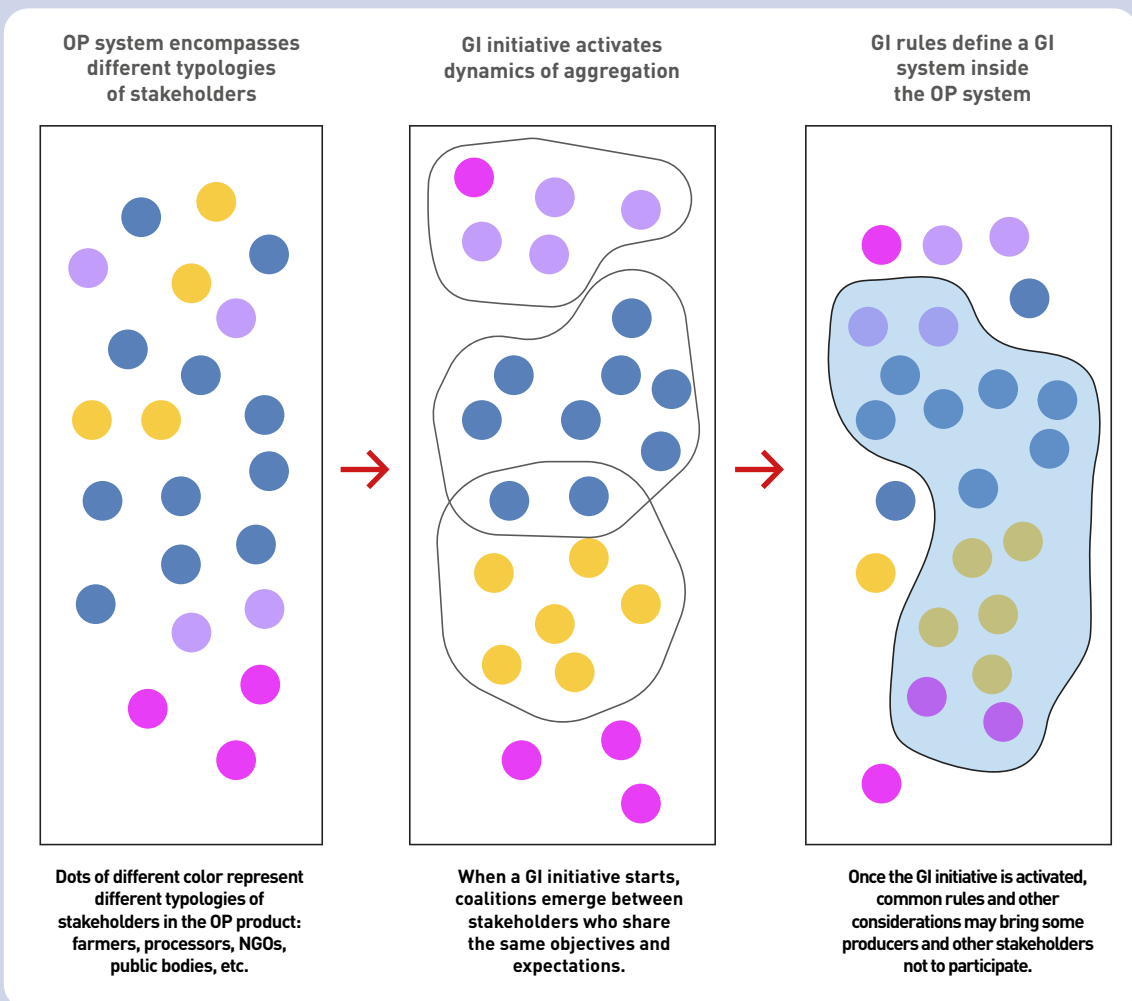
*The OP system*

An origin product(ion) system (OP system) is a network including all stakeholders who contribute to the production, distribution and promotion of an origin product (OP). These stakeholders include producers (farmers, processors and other enterprises operating in the value chain of the OP) and all other stakeholders who are directly or indirectly involved in the value chain, such as traders, public authorities, NGOs, research institutions and extension services. Although the ties among these actors can be more or less strong, all actors within an OP system are somehow linked, their activities being interrelated and interdependent i.e. influencing one another.

*The GI system*

The production system of a GI product (GI system) is the part of the OP system that is composed by the producers and other stakeholders who join a GI initiative. By forming an association with GI rules, these stakeholders form a more formal network with governance.

*The GI system within the OP system*



Source: elaborated by the authors

GI initiatives develop specific rules for GI producers in the production system of the origin product (OP system). As highlighted in Box 7, GI initiatives involve different types of stakeholders, each bringing their positions, visions, expectations and aims for the GI initiative into the aggregate. GI initiatives primarily intend to bring benefits to GI producers, but they may also benefit other stakeholders involved in the OP system.

Usually, not all OP stakeholders participate in a GI initiative, as not everyone can join the initiative and use the GI label to market their products (see Box 8). Even producers who do comply with the rules established in the CoP will need to decide whether or not to participate in the GI initiative and use the GI label on their products; they will only join if doing so is profitable, taking into account the characteristics of their production and marketing strategies. Moreover, some stakeholders may join the initiative later, while others may abandon it over time. Producers and other stakeholders who join the GI initiative form the production system of the GI product (GI system), which is a subsystem of the wider OP system.

#### BOX 8 – GI INITIATIVES IN ACTION

##### **The GI system inside the OP system for Lardo Di Colonnata (Italy)**

Lardo di Colonnata is a GI meat product (pig fat) that is recognized by the European Union (EU) as a Protected Geographical Indication (PGI). The process of the definition of the GI initiative was complicated and time-consuming. Indeed, contrasting visions among stakeholders emerged during the launch of the GI initiative, when the CoP laying down the rules that define the GI system was formulated.

The definition of the geographical borders of the production area was one of the most controversial issues. According to the initiators of the GI initiative, the production area should have been limited to the small village of Colonnata, where a few small and artisanal producers operate. However, a wider area was claimed by other producers located in the nearby plain.

The definition of the production process was the second controversial issue. The initiators proposed that only traditional production techniques (whereby the fat matures in small marble boxes inside naturally refrigerated caves) be allowed; other producers argued that more modern techniques to mature the product (such as artificial refrigeration and the use of plastic boxes) should be allowed. In the end, after a long and intense debate, the rules were defined according to the initiators' wishes, thus preserving the historical identity of the product and local culture; this reinforces the product's image and reputation on the market.

The resulting GI system comprised only a part of the producers belonging to the OP system. Indeed, producers located outside the delimited area could not join the GI initiative and use the PGI, even though their products respected nearly all the PGI rules. Furthermore, not all producers within the delimited area decided to take part in the GI initiative and use the PGI.



©F. Tempesti

***Lardo di Colonnata IGP***

## 2.2. The complexity of geographical indication initiative effects

The effects produced by launching a GI initiative are intricate. The complexity primarily relies on the characteristics of:

- the origin product;
- the GI initiative;
- other actions implemented to enhance the GI product; and
- the external context where the OP system is operating.

### 2.2.1. The origin product

The amplitude and type of effects produced by a GI initiative are dependent on the characteristics of the OP. In general, OPs have the following main characteristics, which determine the effects of a GI initiative to a large extent:

- *OPs are linked to different types of specific local resources.* OPs are the product of complex production systems that are closely interrelated with many types of specific local resources, both natural and human. Therefore, OPs have a very close, multidimensional link with the territory of origin; this link is, all other things being equal, closer than for other kinds of products. GI initiatives affect not only the functioning of value chains, but may also have significant effects on specific local resources (i.e. native breeds or plant varieties, characteristics of the land management, quality of the soils, and local knowledge and skills in farming and processing), which are the cornerstone of the specific quality of the OP. The sustainability of the use of specific local resources must be carefully assessed, as it constitutes the basis of the reproducibility of the OP system and the GI product, and hence of the economic performance of the GI system in the medium and long term.
- *OPs form part of the local identity and patrimony.* OPs are the result of local historical processes and form part of the patrimony of local communities. Therefore, they are a component of the local identity and culture, and not merely a “product”. The extent to which a GI initiative is able to preserve and enhance the identity of a product is crucial to the reputation of the product and the success of the GI initiative, as well as to the social cohesion within the local community of producers and other stakeholders.
- *OPs are collective property and require collective action.* The reputation of an OP is not built on a single producer, but is the result of an entire OP system. This system has evolved throughout history and is based upon a specific production method that uses specific local resources and confers a unique quality to the product. GIs are therefore considered a special kind of intellectual property rights, owned by local producer communities. The interrelationships within an OP system are normally strong, as individual behaviour can affect the reputation of the OP and hence the activity of all producers. Collective action is therefore needed to safeguard the quality of the product and its image on markets, to avoid the loss of reputation.
- *OPs are linked to other local economic activities.* OPs are closely linked to their place of origin. Besides being used by producers, the value and image of the OP may also be used by other economic and social actors in the territory, such as those active in gastronomy, tourism or the production of non-food artisanal goods. It is therefore important to evaluate how the GI initiative may impact on these other activities, too.



For all the above enumerated reasons, the chains of causality that link the GI initiative and the use of the GI label on the one hand and its effects on the other are complex; GI initiatives may thus have very diverse types of effects. GI initiatives have different effects on different participants, depending on their characteristics (e.g. big or small, artisanal or industrial), strategies and position in the OP system and along the value chain (e.g. farmers, processors or retailers).

Due to the multidimensional nature of OPs, GI initiatives may alter the local environment and other territorial capitals. Thus, they may have a significant impact upon the sustainability of the OP system and of the whole territory (see Box 9):

- **Economic sustainability:** GI initiatives may affect both single producers (in terms of profitability, competitiveness, access to new markets and resilience) and the economic organization of the production system as a whole.
- **Social sustainability:** since OPs pertain to cultural heritage and local traditions, GI initiatives may affect social sustainability by benefiting specific categories of custodians of this heritage, such as smallholders or women. Moreover, GI initiatives can strengthen links amongst people in rural areas and promote the setting up of collective organizations such as associations and cooperatives.
- **Environmental sustainability:** since OPs may be linked to local breeds or varieties at risk of genetic erosion, traditional farming systems (and their related habitats) and landscape conservation, IG initiatives may affect environmental sustainability.

The evaluation of a GI initiative sheds light on factors that are critical to the sustainability of the initiative and of the OP system as a whole. This information may be used to improve the economic, social and environmental performance of the initiative.

#### BOX 9 – GI INITIATIVES IN ACTION

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

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



*Djebba figs*

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- Economic sustainability: local fig production is preserved, benefitting 800 small farmers in the area. A number of tourist activities are linked to fig production, including the Djebba fig festival.
- Environmental sustainability: the specific local fig variety, Bouhouli, is preserved and valorized. Since figs are one of the few crops that can be cultivated in the Djebba hills, the preservation of fig trees also helps maintain the traditional agricultural landscape of the area.
- Sociocultural sustainability: the promotion of Djebba fig production helps safeguard local knowledge, attracts young people to agriculture and encourages the involvement of women in artisanal processing operations.

### 2.2.2. The geographical indication initiative

GI initiatives are collective efforts; they affect many producers and other interested actors along the value chain. As such, they may have an impact upon the organization and functioning of the entire value chain, thus affecting the creation and distribution of value.

GI initiatives are based on the definition of common formal rules that entitle (or disentitle) producers to use a geographical name, and thereby benefit from its reputation. Producers should be aware that any choices made in relation to these rules (included the omission of certain rules!) may have consequences at different levels. Particularly relevant in this regard are:

- the extent to which the rules agreed upon in the CoP differentiate the product in the eyes of consumers;
- the extent to which the legal tools chosen to register the GI protect it from fraud;
- the effectiveness of concrete collective actions at managing the GI initiative. Promotion campaigns, for example, can act as multiplier of the effects of a GI initiative.

Any decision taken by producers may have numerous effects. These effects can be:

- expected or unexpected, unforeseen (“we didn’t think we could produce this effect!”);
- intended or unintended (“we didn’t want to cause such an important negative effect”);
- positive or negative; positive for some stakeholders, and negative for others; or positive according to some criteria (e.g. economic criteria) but negative according to others (e.g. environmental criteria);
- immediate, or show only later; there may be positive effects at the beginning and negative effects later on, or vice versa.

Not all producers may be equally able to actively participate in a GI initiative, and certain producers may be unable to take part in the initiative altogether. GI initiatives may therefore affect different categories of stakeholders in different ways.

GI initiatives may engender significant change in the behaviour of actors and groups of actors, modifying their knowledge, attitudes and skills. These changes are primarily caused by the *process* of the GI initiative (depending on the way in which this process is designed and managed). They may also result from the final *outcome* of the initiative (for example, the sales volume and value for products with a GI label).

### 2.2.3. Other actions aimed enhancing the effects of geographical indication initiatives

GI initiatives as defined in this guide – i.e. the formulation of a set of rules for the use of a GI name or label – are part of a wider strategy or bundle of actions aimed at improving the effectiveness of the production and marketing of GI products to the benefit of the local community and local producers.

The formulation of a set of rules for the use of the GI alone may not be sufficient for the OP system to reach its full potential in terms of economic, social and environmental sustainability. Depending on the specific situation, other complementary actions may be developed to reap the full effects of the GI initiative on sustainability. Examples include the technical coaching of producers or the provision of technical equipment to producers, to help them comply with the rules of the CoP. Likewise, a collective processing and packaging unit may need to be set up. Meanwhile, marketing campaigns addressed to intermediaries (e.g. wholesalers and retailers) or final consumers may boost the value of the GI label on the market.

It may be difficult to consider the effects of by GI initiative in isolation from those of the wider strategy. For example, do the positive effects on producers' incomes stem from their compliance with the CoP rules for the use of the GI label, or from the marketing campaigns addressed to supermarkets? This issue must be carefully considered in the evaluation process, keeping in mind that the GI initiative is generally the driver supporting and motivating the other actions, and that the two categories are usually interconnected. If so, the evaluation may consider not only the GI initiative itself, but also the interconnected actions within the wider GI process (see Box 10).

#### BOX 10 – GI INITIATIVES IN ACTION

##### **GI initiatives within wider strategies: saffron of Taliouine (Morocco)**

Saffron was introduced in Morocco several centuries ago by Arab traders. The “red gold of Morocco” (saffron is one of the most expensive spices in the world) is of crucial importance to Moroccan culture. Saffron is used especially in the country's traditional cuisine, but also in craft work for its colouring properties, and in medicine and cosmetics. Saffron from Taliouine enjoys a very good reputation on the Moroccan domestic market. The variety is cultivated in the Taliouine and Taznakht communes, located in a very specific mountain zone with a semi-arid to arid climate; it is grown with traditional know-how of the cultivation of the bulbs and preparation of the stigmas, particular to women. A protected designation of origin (PDO) for Taliouine saffron was registered in 2010, in the framework of the 2008 law on “distinctive signs of origin and quality” of the Moroccan Ministry of Agriculture and Fisheries. The process was supported by FAO, upon request from the Moroccan government, in the framework of its wider strategy to boost agricultural development by promoting products from small farmers (the “Green Morocco Plan”). This national policy has supported the organizational development of GI initiatives through cooperatives (between 2010 and 2014, the number of PDO cooperatives in the country increased sevenfold), and provides financial support to producers by paying their PDO certification fees for the first year (FAO and EBRD, 2018).



*Field visit with a chef to women harvesting saffron in Morocco*

©FAO/E. Vandecastelleere

#### 2.2.4. The external context in which origin-product or origin-linked product systems operate

The effects of a GI initiative may vary according to the characteristics of the socio-economic, natural and political context of the territory in which it is implemented. The following characteristics are particularly relevant:

- The general characteristics of the value chain and market of the product category (such as wine, olive oil or fresh vegetables), and their evolution.
- The general characteristics of the territory in which a GI initiative is implemented, which can enhance or diminish the effects of the initiative (e.g. the presence of natural or cultural resources to attract tourists, or the accessibility of the territory).
- Policies and accompanying measures at the national and regional level, which may facilitate the development of GI products or help producers access GI initiatives and use collective labels. Examples of such policies include the funding of a collective packaging plant or the provision of credit, both of which may be highly useful for small enterprises. In some cases, GI initiatives are part of a wider local development strategy implemented by public bodies or NGOs.
- The characteristics of the legal framework and of its enforcement system, which determine the extent to which OPs are protected from imitation, as well as the confidence of intermediary buyers and final consumers in the guarantee system.

### 2.3. Methodological issues

Evaluation is a very complex matter, particularly if it tackles social dimensions and their evolution over time. Evaluation becomes even more complex when it is seen – as in our approach – not as an academic exercise, but as an exercise to generate useful and reliable information for use in decision-making processes. There exists ample literature on evaluation methodologies and techniques (see also the “Suggested reading” section in this guide); this section therefore reviews only a number of important issues that require special attention in view of the specificities of OP systems and GI initiatives.

#### *The need for comparison*

GI initiatives can be considered as “events” affecting OP systems, the producers and other stakeholders belonging to it (whether or not they participate in the GI initiative), and the wider local context. Measuring the effects of any intervention or policy requires a comparator – a similar situation in which the event (the GI initiative) is absent. There are two basic approaches for comparison:

- The *diachronic* approach is based on the comparison of the state of a single OP system, before and after an intervention (the GI initiative). This approach normally requires a baseline study describing the starting conditions of the OP system before the implementation of the GI initiative, and a final study comparing the situation after the implementation of the initiative with the baseline, highlighting changes.
- The *synchronic* approach is based on a comparison of an OP system with intervention (the GI initiative) to another, similar OP system without intervention (the “counterfactual”). Counterfactual analysis applies the logic of experimental control commonly used in many fields, such as for the evaluation of the effects of medical treatments. However, it presents significant limitations when applied to OPs due to the difficulty to find OPs that are similar to the one where the GI initiative is implemented.

Due to the specificity of OP systems, the diachronic approach is the approach that is most frequently used to evaluate GI initiatives. Where feasible, the diachronic approach may be complemented by a synchronic approach to the evaluation of certain aspects.

#### *Interpretation and disturbance factors*

The effects of a GI initiative are context-dependent and may be affected by many events and exogenous variables. Hence, it is not an easy task to isolate the effects of the GI initiative from that of other variables affecting the GI system. The data about changes in the OP and GI systems that are collected for the evaluation must therefore be clearly related to the GI initiative. The performance of the initiative must be carefully analysed to check whether there is a chain of causality linking the GI initiative to the observed effects, or whether other factors or events may have determined that effect. For that reason, benchmarking is very important.

#### *In search of ambivalent effects*

Often, only beneficial effects are analysed in the evaluation of the impact of GI initiatives. However, costs and negative effects must be identified and analysed, too. Costs include the costs incurred to set up and manage the GI initiative itself, both at the level of the GI system and at enterprise level (e.g. the time spent by different stakeholders to reach an agreement on the GI rules and by producers to set up a control system for the GI label). The evaluation should consider opportunity costs, too. These are the returns from the best alternative use of an asset used in the GI initiative (“what would I have gained if the asset used in the GI initiative would have been invested in an alternative economic activity”).

#### *Integrating quantitative and qualitative methods and data*

Any evaluation should be supported by both quantitative and qualitative methods and data. Quantitative methods tend to use structured approaches (such as surveys with coded answers) that provide precise data for analysis by means of statistical methods and comparisons. Qualitative techniques aim at explaining what is happening with words and ordinal scales. Qualitative methods use semi-structured techniques (e.g. observations, interviews, focus group discussions, representative case studies analysis, etc.) to provide in-depth understanding of attitude and behaviours.

Not everything that happens as a result of a GI initiative can be measured and quantified by means of cardinal scales and numbers (e.g. counts, ratios, percentages, etc.). Mixed approaches are recommended as they may realize the advantages of both qualitative and quantitative methods, measuring what happened with quantitative data and examining how and why it happened with qualitative tools.

#### *Combining objective and subjective methods of evaluation*

The distinction between objective and subjective methods of evaluation is closely related to that between quantitative and qualitative ones. Objective methods normally ask for quantitative data, which must be compared against reference levels or comparators to formulate an evaluation. These reference levels or comparators are not always available, or meaningful, for the observed GI system (as pointed out earlier in Section 2.4., on the synchronic approach and counterfactual analysis). However, this problem can be partly solved by using subjective methods. Subjective methods are based on the idea that the interested parties in the GI initiative are able to express their point of view about the effects generated, according to a scale based on their expectations or on the situation before the GI intervention. Subjective evaluations may be influenced by personal factors; a very poor person, for example, may be overly satisfied with a very modest increase in price. It is therefore recommended to use a combination of objective and subjective methods.

### *External and internal evaluation*

Evaluations consider two broad categories of actors: those who take an active part in a GI initiative, and those who are external to it. Who is better placed to appreciate the effects of a GI initiative? Moreover, who has the right to express a judgement over these effects? On the one hand, external actors may be more objective in observing and evaluating effects, as they are not directly involved in the initiative. On the other hand, internal actors are normally more aware of and informed about the initiative, and better able to express their perceptions and points of view about the effects. Moreover, they can provide data and information about the initiative at a lower cost. The right combination of external and internal evaluations brings objectivity and participation to the evaluation process.

### *Evaluation as a never-ending process*

Evaluation is needed before the implementation of a GI initiative, to forecast the effects the initiative may have when implemented; it is also necessary during implementation, to ensure the reproduction of local resources. As highlighted in the guide “*Linking people, places and products*” (FAO and SINER-GI, 2009), reproduction should be considered as a continuous process along the origin-linked quality virtuous circle, and evaluation as a regular practice. In addition, and as pointed out in the Introduction, prospective and retrospective evaluation should be considered as phases of the same process, and be tightly integrated.

### *Separating evaluation design, facts analysis and judgement*

Evaluation is a process involving many interconnected actions. Apart from technical issues, it is important from a methodological point of view to separate three main phases:

- Design: the design of an evaluation concerns the definition of its aims and scope. It is a strategic activity, performed by the initiator of the evaluation, that guides all the following steps.
- Facts analysis: facts analysis is the collection and organization of data. It is a technical phase that requires specific competences.
- Judgment: once the data are collected, they must be carefully interpreted in order to understand how the GI initiative may be improved.

## **2.4. Principles of evaluation: inclusiveness, fairness and sustainability**

Evaluation is not an exact science. It is influenced by the person launching the evaluation (the initiator), the person who implements it (the responsible), and often the actor providing the required financial and human resources, too. Evaluation is not a neutral activity; on the contrary, it is oriented, implicitly or explicitly, by values and principles that must be clearly defined before the start of the evaluation. These principles determine the evaluation approach and the fields that will be analysed, the methodological tools that will be used, the concrete process of evaluation, and the type of data and indicators to be used. For this reason, and to avoid excessive self-reference, evaluations should be inspired and oriented by general values defined outside the OP system, such as, for example, those of the United Nations Sustainable Development Goals (SDGs).

An evaluation may become an instrument of power that some actors may use to pursue their own personal interests and objectives, by focusing on certain effects of the GI initiative and neglecting others.

Since OPs are collective local goods, and GI initiatives are conceived as tools for the promotion of local and sustainable development, GI initiatives should be evaluated against the three main general principles of inclusiveness and representativeness, fairness, and sustainability.

#### *Inclusiveness and representativeness*

GI initiatives are normally launched by a group of actors representing only part of the stakeholders operating in the OP system. In certain cases, GI initiatives are part of more general strategies carried out by private enterprises, associations, local governments or NGOs. GI initiatives are therefore not neutral tools. They are oriented towards specific aims, which are not always shared by all stakeholders. Each stakeholder has their own views about the OP, their own expectations from the GI initiative and their own ability and interest to take part in it. How to deal with different stakeholders' expectations, aims and perceptions, and how to analyse the effects of GI initiatives on various categories of stakeholders is critical to the evaluation of such initiatives. All concerned stakeholder categories should be included in the evaluation (including those unable to access the GI initiative and use the GI label) by means of a participatory approach to the different steps of the evaluation process. The degree of participation in an evaluation is measured on a continuum: at one end of the continuum, local stakeholders actively participate in decision-making, starting from the definition of the scope and objectives of the evaluation, while at the other end of the continuum decisions are made top-down, and local stakeholders are mere objects of observation. Real inclusion cannot be attained without the empowerment of all categories of actors. In fact, the more marginal actors are often not aware of what is happening in the GI initiative, of its real meaning and implications, etc.

#### *Fairness*

GI initiatives may modify the distribution of power between stakeholders at different stages of the value chain (e.g. farmers and processors), as well as between stakeholders located at the same stage (e.g. small farmers and large landholdings). Less empowered actors (i.e. less endowed with financial and human resources and capabilities) may face greater difficulties to participate in a GI initiative and comply with its common rules.

Evaluations should take due account of the distribution of the benefits and costs of initiatives, between actors operating at both different steps of the value chain and within the same stage of the value chain. Any exclusion phenomena should be taken into account when evaluating GI initiatives.

#### *Sustainability*

For producers, most GI initiatives aim primary at improving the economic performance of a value chain or its parts. Nevertheless, GI initiatives are strongly linked to the social and environmental dimensions of a territory, such as the preservation of traditional farming systems and biodiversity, the survival of local traditions or the use of natural resources such as water and the soil. It is the responsibility of the initiator to ensure that the scope of the evaluation includes, in addition to economic effects, effects on the environment and social and ethical impacts (e.g. on gender issues or access to quality food). In view of the 2030 Agenda for Sustainable Development and the growing demand for sustainable practices from the market, it is highly recommended to include all three pillars of sustainability (economic, social and environmental) in the scope of the evaluation. A GI initiative and its interconnected actions may also have unexpected effects. The initiator must take all these potential effects into account in order to evaluate an initiative according to a full sustainability perspective. The maps of effects presented in Section 3 may be used as a reference to guarantee that the evaluation assesses a wide scope of effects.

## **2.5. Adapting the evaluation methodology to the resources available and to the typology of the geographical indication system**

Cost-effectiveness should guide the process of evaluation. Evaluations can be extremely challenging processes requiring great amounts of resources, and can therefore not be an impromptu activity. Evaluations require the planning of interconnected activities, the allocation of responsibilities and the formulation of an evaluation plan, including the timing of the planned activities. The resources to be dedicated to evaluations vary considerably, depending on the specific situation. Evaluations can be more or less complex, depending on a number of factors: the characteristics of the OP system (the size of the territory, the number and heterogeneity of producers, the number of stages in the value chain, the diversification of marketing channels, etc.), the number and detail of the common rules (the higher the number of rules, the more complicated the evaluation), the presence of other product-related activities (if other activities are undertaken, it is more difficult to identify direct cause-and-effect relationships for the GI initiative), and the characteristics of the wider local economic and social context.

The more complex the evaluation, the more time and resources (human and financial) are needed to perform it. The availability of resources must reflect the scope of the evaluation, and vice versa. In certain situations, the financial and human resources available limit the scope of the evaluation, imposing the simplification of the evaluation exercise. This may imply:

- focusing on the main specific objectives of a GI initiative, without losing sight of the multidimensionality of its effects (economic, social and environmental; expected and unexpected);
- using simplified methodologies, while guaranteeing a minimum quality and reliability of results. Many biases may creep into the evaluation process. The selection bias, for example, results from the inadequate selection of the sample population (i.e. the sample measured is not representative of all the typologies of interested actors), while the time bias results from the analysis of the effects over a too short period of time.

In sum, the evaluation of a GI initiative is a highly complex activity consisting of a variety of tasks; it requires considerable expertise and resources. The general approach and the phases and activities presented in this guide should be applied to all evaluation exercises. This will ensure a rigorous approach and provide essential and reliable information for decision-making aimed at improving the performance of the GI initiative. At the same time, each evaluation exercise should be adapted to the resources available, as well as to the specific aims of the initiative. The methodology presented in the next sections should therefore be seen as flexible, to be adapted to a diversified set of situations.

The next sections (see Sections 5.5, 6.5, and Annexes 2 and 3) provide guidance as to how to simplify and adapt the evaluation methodology and management for cases where resources are limited. The sections on prospective (Section 5) and retrospective (Section 6) evaluation present examples of how evaluation can be simplified and tailored to small GI initiatives.



## MAPPING THE POTENTIAL EFFECTS OF GEOGRAPHICAL INDICATION INITIATIVES

*GI initiatives may have many different effects on producers' businesses, the local economy and society, and the environment. This section presents a systematic mapping of the potential categories of effects. The maps of effects will provide a reference for the implementation of the evaluation.*

### 3.1. Typology of effects

The many effects of GI initiatives may be analysed and classified according to different criteria, the main ones of which are:

- the general area of impact: economic, social or environmental;
- the level of impact: a single producer, the GI system, the OP system or the wider local territory;
- the length and complexity of the causal link between the GI initiative and the observed effect.

The length and complexity of the causal link is a particularly relevant criterion for the evaluation, as it underlines the chain of causality (see Box 11) between actions and effects, isolating as much as possible the direct relationship between the GI initiative (action) and its effects.

#### BOX 11 – DEFINITIONS

##### **Chain of causality**

An ordered sequence of interlinked events in which every event in the chain causes the next one(s).

Three levels of effects are normally analysed under this criterion (see Box 12):

- *Outputs (first-order effects)* are the first and immediate results; they depend on the level of participation of producers to the initiative, and the extent to which the GI initiative will be (prospective evaluation) or has been (retrospective evaluation) taken up by producers.
- *Outcomes (second-order effects)* are direct effects stemming from the outputs. They can be conceived as the direct consequences (advantages and disadvantages) that the participants will experience, or have experienced, because of the GI initiative;
- *Impacts (third-order effects)* are the indirect intended and unintended consequences of the GI initiative, beyond its direct and immediate effects on the participants in the GI initiative. They concern the changes induced by outcomes in economic, social and environmental dimensions at a wider, especially local, level. Social and environmental dimensions are of paramount relevance to the sustainability of a GI initiative, as these dimensions affect many types of territorial capitals on which the success of an initiative depends. The occurrence of third-order effects, even when they are part of the objectives of the GI initiative, depends on the actual use of the GI by the firms of the OP system.

Outputs, outcomes and impacts correspond to different lengths of the chain of causality between a GI initiative and its effects. The distinction is highly relevant, as the complexity and uncertainty regarding the extent to which the GI initiative determines the effects increases as the analysis moves from first- to third-order effects.

## BOX 12 – GI INITIATIVES IN ACTION

**Outputs, outcomes and impacts of GI initiatives****Outputs: the number of producers using the PDO Pecorino Toscano (Italy)**

The PDO Pecorino Toscano (sheep milk cheese, Tuscany) was officially registered in 1996; since then, the number of cheesemakers using the PDO for all or part of their cheese production has grown significantly. Twenty-two enterprises, or 17 percent of the cheesemakers in the geographical area covered by the CoP, used the PDO in 2014 (Belletti, Brazzini and Marescotti, 2014).



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Pecorino Toscano PDO

**Outcomes: the welfare effects of the use of the GI Basmati rice**

To assess the welfare effects of the use of the GI Basmati rice, a survey of 300 rice farming households was undertaken in the province of Uttarakhand, in northern India. The findings of the survey show that the cultivation of Basmati rice is more profitable than that of non-GI varieties; households that adopted the GI saw their net income increase. Besides higher profitability, the motives for GI adoption included access to extension training facilities, risk hedging and the availability of household labour (Jena and Grote, 2012).

**Impacts: the effects of the use of the PGI Roquefort cheese on land use**

Changes in the rules regarding the breeding and feeding of sheep in the CoP of the PGI Roquefort cheese (France) led farmers to develop an alternative land use strategy. Under this alternative strategy, farmers consider rangelands as a valuable resource. By increasing the use of rangelands for sheep grazing, the new strategy provides a more effective method to control shrub and tree encroachment, thus exerting a positive effect on the local environment (Quétier, Marty and Lepart, 2005).

Sections 3.2, 3.3 and 3.4 analyse the three levels of effects and their main categories and subcategories. All effects must be taken into consideration in the evaluation of a GI initiative, including interlinked effects (see Box 13). Indeed, only a careful consideration of all the effects (including the environmental and social effects) can ensure the sustainability and gainfulness of the initiative.

## BOX 13 – HINTS FOR EVALUATION

**Interlinked effects**

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

The following sections present maps for each category of effects; these maps should be used as a reference tool in the implementation of the evaluation process (see Sections 5 and 6).

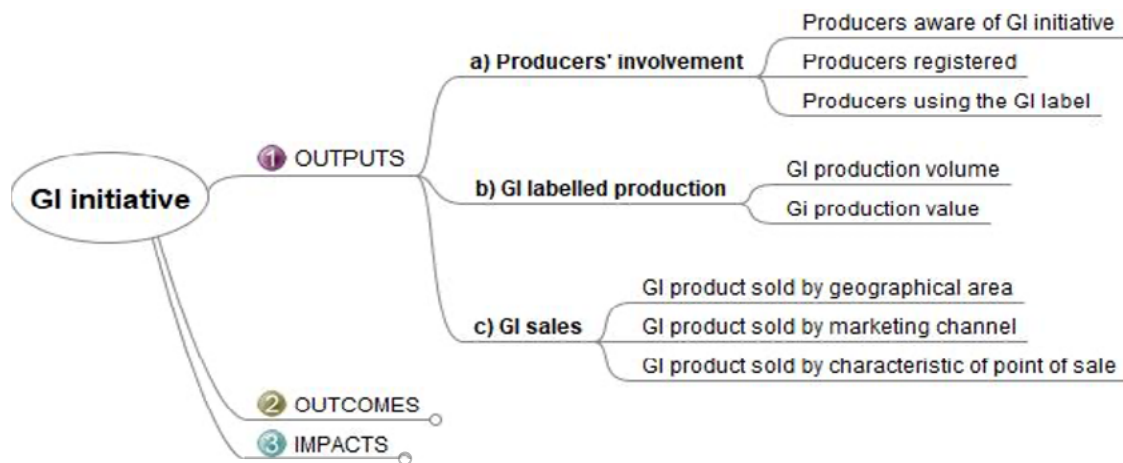
It is important to evaluate the different categories of effects not only for the different categories of actors within a GI system, but also for those in the OP system as a whole (see also Section 3.4).

## 3.2. Outputs (first-order effects)

### 3.2.1. Map of outputs

Outputs are first-order effects; they are determined by the extent and type of use of the GI by producers. Outputs are often viewed as rough indicators of the success of a GI initiative. They can be divided into various categories, as shown in Figure 3.

**Figure 3** Map of the main outputs to be considered when evaluating GI initiatives



Source: elaborated by the authors

### 3.2.2. Producers' involvement in the geographical indication initiative

Producers' involvement is a first rough indicator of the effectiveness of a GI initiative. Indeed, producers who decide to adhere to a GI initiative and comply with its CoP believe that the GI will enable them to reap certain benefits. Producers' involvement in a GI initiative is a prerequisite for the production of second- and third-order effects.

Producers' involvement can be evaluated according to different criteria:

- The number of producers that are aware of the GI initiative and of the content of the CoP. This output depends *inter alia* on how the GI initiative was set up (participatory processes strengthen producers' awareness), and may be reinforced by specific information campaigns on the GI rules and label.
- The number of registered GI producers, authorized to take part in the GI initiative and use the GI label. These producers must comply with the requirements set out in the CoP, such as being located within the geographic boundaries of the GI, growing varieties admitted by the CoP, etc.
- The number of producers who use the GI label. Often, not all registered GI producers actually use the GI label to market their products. This may be due to reasons such as the failure of products to meet the minimum quality requirements of the CoP, unfavourable market conditions, distrust regarding the GI initiative, wait-and-see behaviour, etc.

Outputs may be assessed based on the absolute number of producers and its evolution over time. An alternative criterion is the share of producers (or the evolution thereof), for example the share of producers who actually use the GI in the total number of registered producers, or the share of registered producers in the total number of producers in the area who could comply with the CoP (i.e. the number of potential users, which may be much higher than the number of registered producers). These indicators should be measured for different categories of producers, organized firstly according to their position along the value chain (farmers, processors, etc.) and then according to other characteristics such as location (in plains or mountainous areas), economic dimension (small or big farms) or available technology (artisanal or industrial producers). As such, exclusion effects from the GI initiative can be taken into account in more detail.

### 3.2.3. Geographical indication-labelled production

GI initiatives aim at helping producers to better market their products by means of a GI label. Therefore, the quantity of products that is GI-labelled is a relevant output. This quantity is not directly related to the number of GI users due to their differing production scales and levels of use of the label.

Producers may decide to use the GI label for their entire production, part of it, or not at all. This decision depends on a complex set of factors, including market conditions, economic considerations (cost-benefit ratio), individual marketing strategies and producers' individual characteristics (production volumes, access to markets, availability of technology, know-how, access to information, etc.). Small producers may be less informed and/or less equipped than bigger ones to capture the potentialities of the GI initiative.

GI-labelled production can be measured in terms of both volume and value of products sold. Both measures are relevant. Volumes (quantities of products sold) allow for the isolation of price or inflation effects. Values allow for the aggregation of data and the calculation of the share of GI-labelled product turnover in other monetary aggregates. Values may be calculated at farm, processor gate or retail level.

The number of producers may be analysed using indicators that reflect:

- absolute values and pertinent shares (such as the share of GI-labelled quantities in total production and sales volumes) and their evolution over time; and
- different categories of producers, considering their location along the value chain (farmers, processors, etc.) or other characteristics (geographic location, economic dimension or the technology available to the enterprise).

### 3.2.4. Geographical indication product sales

GI initiatives have different effects on different markets. GI initiatives provide assurance to consumers as to a specific origin-linked quality, and therefore normally have stronger effects on buyers and consumers far from the area of production. Thus, the effects of a GI initiative may be measured in terms of both volumes and values sold (amounts and shares of totals, and their evolution over time) on different markets, categorized according to:

- the geographical scope of the market: local, regional, national and international;
- the kind of marketing channel: direct, short and long channels; and
- the characteristics of the points of sale: on-farm outlets, wholesale operations, small retailing outlets, supermarkets, etc.

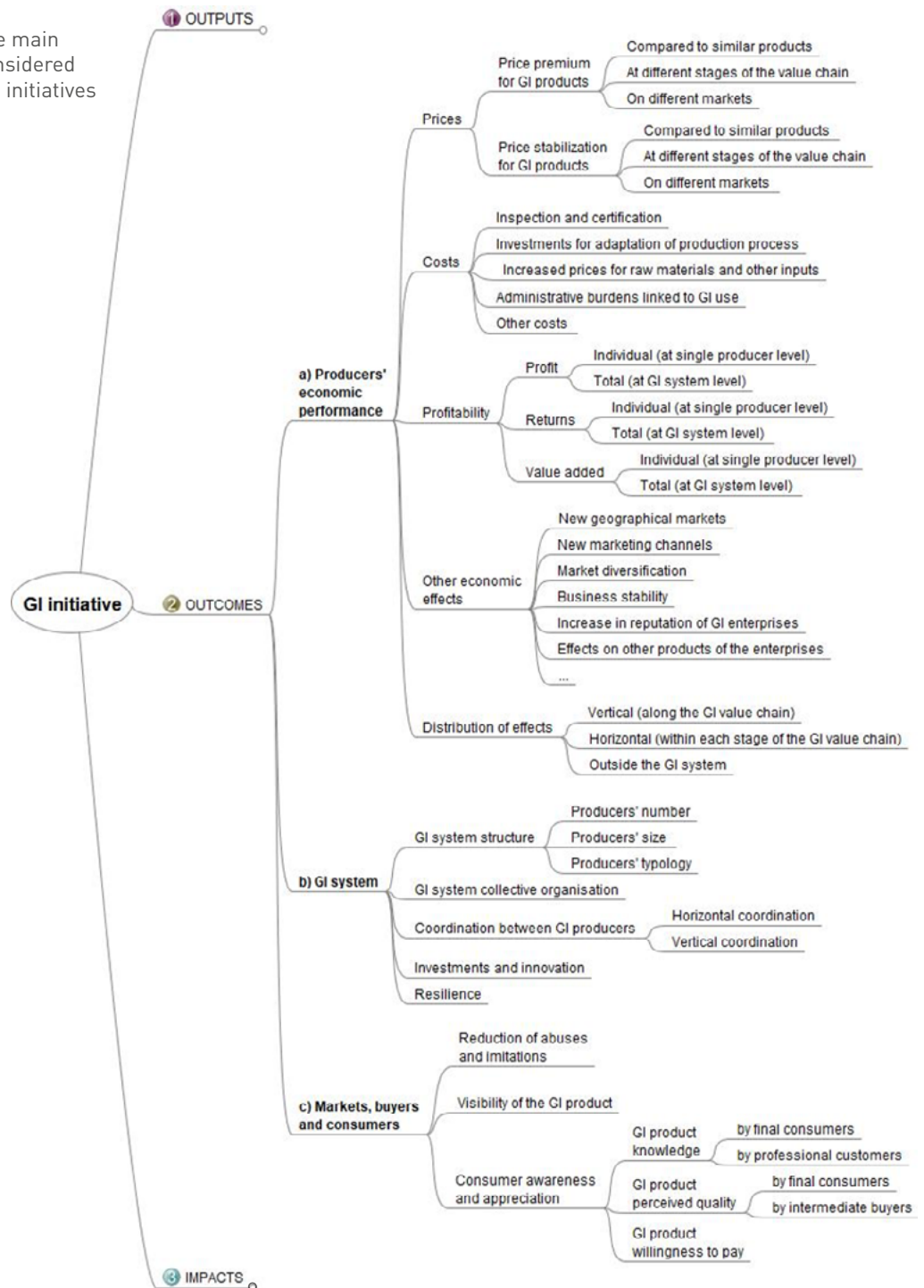
### 3.3. Outcomes (second-order effects)

#### 3.3.1. Map of outcomes

Outcomes concern the direct effects on local producers (individually and collectively) and the entire GI system of the setting up of the GI initiative and the use of the GI label. These effects bear on:

- a) producers' economic performance;
- b) the structure and functioning of the GI system; and
- c) markets, buyers and consumers

**Figure 4** Map of the main outcomes to be considered when evaluating GI initiatives



Source: elaborated by the authors

### 3.3.2. Outcomes affecting producers' economic performance

The main aim of producers setting up and participating in a GI initiative is to improve their economic performance; public authorities are also interested in strengthening the economic sustainability of the GI system. The assessment of producers' economic performance must be decomposed into analyses of the effects of the GI initiative on prices, costs and profitability. GI initiatives may have other economic effects on producers, such as the opening up of new marketing channels and the stabilization of incomes. These effects are not distributed equally, so their distribution across different typologies of producers should be analysed, too.

#### *Prices*

GI initiatives normally result in an increase in products' prices (the price premium) due to the greater market differentiation obtained by means of the GI label and to the clearing of fake GI products from the market. Another expected effect is the stabilization of the price level that can be obtained, because GI-labelled products may fit into niche markets, thereby escaping the price competition and price fluctuations of standard products of the same category. These effects, however, are not automatic; they require collective marketing initiatives implemented by the GI producers organization (see Box 14). It is not easy to assess price premiums and price stabilization. In general, the evaluation should:

- trace the evolution of GI product prices over time, and compare it to the (evolution of) prices of other products within the same category (e.g. other GI products, or the same product without a GI label), to the price the product had before the GI initiative, and possibly to the price of other products in the same area;
- assess price premiums not only at consumption level, but also at previous stages of the value chain (farm gate, processors gate, etc.). Indeed, significant shares of the price premium are often retained by intermediaries and retailers operating outside the GI production system;
- assess price premiums in different markets and marketing channels, because the use of the GI label may have different effects in different markets and marketing channels (local, regional or national markets; short or long value chains; e-commerce, etc.).
- assess price premiums for different typologies of producers (small or big, artisanal or industrial, etc.), who may have different skills and price strategies.

Sometimes, price data are already available; usually, however, dedicated surveys are required to obtain the necessary detailed data.

#### BOX 14 – GI INITIATIVES IN ACTION

##### **Effects of GI initiatives on economic performance: Colombian coffee**

Colombian coffee (registered in Colombia as a denomination of origin in 2004 and as a PGI in the EU in 2007) is an Arabica coffee, wet processed, green or roasted, produced in Colombia's highlands at an altitude of 400 to 2 500 metres. Colombian coffee growers started differentiating their product based on its territorial origin in the 1950s. The econometric assessment of the economic effects of the use of the GI demonstrated that:

- the use of the GI resulted in an increase in the prices paid to farmers (the price premium captured by PGI coffee averaging USD 0.38 per pound);
- the use of the GI enabled growers to capture 85 percent of the price paid by roasters on the international market, compared to 68 percent prior to the registration of the GI.



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*Traditional Colombian coffee landscape*

Source: FAO & EBRD, 2018.

#### *Costs*

Production costs may change due to the use of a GI. Indeed, complying with CoP rules may generate additional costs for GI users. First, inspection and certification bring financial costs and administrative burdens (for example, the time required to fill out documents for traceability). Additionally, producers may have to shoulder costs to adapt their production processes to meet the CoP's quality requirements (e.g. to buy new equipment, acquire new competencies and skills or buy higher quality raw material and other special inputs), modify administrative routines, pay fees to participate in the GI collective organizations, etc.

How producers' costs change due to participation in the IG initiative depends on the individual characteristics of those producers, such as their starting point for compliance with the CoP rules. Producers' dimensions and their position along the value chain are two of the main factors to be considered when assessing changes in costs.

The analysis of incremental costs due to compliance with the CoP can be a very difficult task, because costs are often inextricably interconnected. Moreover, certain categories of costs of using a GI label are fixed (i.e. independent from the quantity of products labelled); these costs may result from material (e.g. machines) or immaterial (e.g. the acquisition of technical skills) investments. For these reasons, costs must be assessed not only as an aggregate, but also as per-unit costs, i.e. broken down according to the units of GI product produced.

The gathering of data and other information on cost-related aspects requires specific enquiries and in-depth case studies.



### *Profitability*

Profitability reflects the economic effects of a GI initiative at producer level in a synoptic way. Different measures of profitability may be considered; the relevance of these measures depends on the specificities of the producers and their entrepreneurial models (e.g. smallholders or large firms):

- *Profit* is the remuneration of the risks taken by an entrepreneur. It is measured as total revenues minus total costs.
- *Returns* are all the rewards for doing business. Therefore, returns include both profits and other remunerations to a producer for the factors they bring to their enterprise, such as their own or family members' labour, land, etc. Producers, in particular small and artisanal ones, are more interested in returns than in profit, because they often play multiple roles in their enterprises.
- *Value added* measures the remuneration of all capital and labour used in the enterprise, including those not brought by the entrepreneur (see Box 15). Therefore, value added is wider than returns as previously defined. Value added is especially important for GI production systems and the territory in which they operate, as it also measures territorial impacts in terms of wages and fixed capital assets. For example, GI initiatives may induce the relocation of activities into the GI territory, keeping more value added inside that territory. A CoP, for example, may require that animals are fed with feed produced inside the area delimited by the IG initiative, or that a product is packaged within this area.

#### BOX 15 – DEFINITIONS

##### **Value added**

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

Profit, returns and value added concern the enterprise as a whole. However, GI products usually constitute only part of the business of GI enterprises. Determining the profitability of a GI product in isolation from the rest of the business can therefore be difficult, and requires careful analysis (with important margins of error).

The basis for profitability is the difference between the value of products sold and the costs of producing them. The value of products sold (turnover) is affected by both the price of the GI product and the quantities sold. The price of the GI product is only one of the variables to be monitored. Higher prices do not necessarily lead to income increases, due to the possible inverse relation between prices and volumes sold (normally, when prices increase, sales volumes decrease). In addition, profitability must be assessed:

- over time, to cancel out fluctuations in prices (very frequent on agricultural markets), production volumes and costs; and
- in comparison with other similar situations.

Data availability is a critical issue as information may be sensitive and/or difficult to collect. Usually, specific surveys aimed at obtaining both qualitative and quantitative information are needed.

### *Other economic effects*

GI initiatives may generate other effects on producers' economic performance. A GI label, in particular when supported by clear rules and a reliable guarantee system, may open up new markets, including export markets. Indeed, GI labels provide assurance to buyers and consumers as to the quality of a product and highlight its origin and specific characteristics, if the control and inspection system offers

sufficient guarantees. Access to new markets and marketing channels allows producers to diversify and reduce risk, with positive impacts on their economic resilience (i.e. their ability to recover from, or adjust to, the effects of adverse shocks to which they may be inherently exposed).

The marketing of a GI product with a solid and growing reputation may boost the overall reputation of a business. Indeed, the very presence of a GI product in a business portfolio may help market products other than that GI product (goods, but also services, such as tourist services). Therefore, the analysis of the profitability effect should not be restricted to the GI-labelled product, but encompass an operator's entire business activity. Furthermore, GI initiatives may improve producers' business stability by facilitating the negotiation of business agreements between actors along the value chain.

GI initiatives may engender the relocation of certain economic activities, thus generating other economic effects. If successful, a GI initiative may incite external producers to set up new businesses in the area and join the GI initiative, thus stimulating economic development in the area. Thus, GI initiatives may boost not only profits but also employment opportunities, and improve the self-reliance and autonomy of local stakeholders. These are the effects that often bring public administrations to support GI initiatives and encourage businesses to use GI labels.

In certain cases, GI initiatives may have other specific economic effects, depending on the characteristics of the local production system and its producers. Therefore, a preliminary, careful observation of the GI system is required to ensure that all relevant aspects are included in the assessment.

The assessment of the other economic effects calls for data that must usually be collected by means of specific enquiries and/or case studies. The effects must be assessed at the level of both individual enterprises and the GI system as a whole.

#### *Distribution of economic effects*

The economic effects of GI initiatives are not distributed uniformly between the different steps of the value chain (vertical distribution) or between the different actors operating at the same step of the value chain (horizontal distribution); this distribution is determined by the actors' characteristics. This is a very relevant issue that must be carefully assessed for all the categories of effects listed above, be it price effects or other economic effects.

The factors that affect the horizontal and vertical distribution of GI effects are numerous, and often work in opposite directions. Distribution is determined by the specific features of a production system and of a CoP, as well as by the legal and institutional framework. The vertical distribution of profits can be strongly affected by GI initiatives; which stages of the value chain (primary production, processing or stages further downstream) benefit from the new distribution depends on the rules set out in the CoP and on the collective management of the GI initiative. It should also be noted that the downstream levels of the value chain (wholesaling and retailing) are usually characterized by a higher degree of concentration than the upstream levels (farmers or first processors). Therefore, the risk exists that large firms operating outside the GI system capture much of the benefits generated by the initiative. Moreover, if the control system for compliance with the CoP is absent or functions badly, the reputational effect of the GI may be usurped by external and even internal operators.

Usually, most of the opportunities generated by GI initiatives (and more generally, by quality labelling initiatives) are captured by those enterprises that are better equipped in terms of

know-how, financial resources, etc. – these are generally the bigger enterprises in GI production systems. The rules written in the CoP are therefore of great importance to ensure not only a high degree of participation but also an equitable distribution of benefits.

### 3.3.3. Outcomes affecting the geographical indication system

GI initiatives affect the structure and functioning of production systems. This is due not only to the aggregation of the effects on single enterprises, but also to the fact that GI initiatives may attract new enterprises, induce investments and innovation, cause changes in the modalities of collective organization or result in new types of relationships between producers inside and outside the GI system.

#### *Structure of the GI system*

The effects of GI initiatives on the structure of the production system are uncertain. On the one hand, GI initiatives may attract new producers interested in using the GI label, from both inside and outside the geographical area. This holds particularly true where positive economic effects are expected and/or the rules of the CoP stipulate that processors must be located inside the area delimited by the CoP (relocation) to use the GI label. On the other hand, the rules of the CoP may also exclude certain actors from a GI initiative: those located outside the geographical boundaries defined in the CoP and those who, while located within that area, are unable to comply with the technical or quality requirements imposed by the CoP. In addition, where a geographical name is registered as a GI label and hence reserved to the operators participating in a GI system, operators outside that system lose the possibility to use the geographical name to market their products.

Attraction and exclusion may work differently according to the size and other structural characteristics of enterprises (see Box 16); the effect depends on the type of rules defined in the CoP. In general, small producers encounter greater difficulties to comply with formal rules and control systems. However, CoPs may also prohibit the use of production techniques that are more appropriate for bigger producers (notably the automation of certain production operations, for example with milking or harvesting machines), to preserve product quality. Therefore, the assessment of the effects of a GI initiative on the structure of a GI production system requires preliminary data collection on various aspects:

- the number of enterprises participating in the GI initiative and/or using the GI label;
- the distribution of enterprises according to size, both in terms of the sales quantity and value of the GI-labelled product and in terms of overall enterprise size (total turnover, number of employees, etc.); and
- the typology of enterprises according to structural or functional characteristics, such as whether or not they are family-owned, where they are located (in plains or in mountainous areas), etc.

The effects may be assessed for the different stages of the value chain (farmers, processors, etc.).

## BOX 16 – GI INITIATIVES IN ACTION

**Effects of GI initiatives on the structure of OP production systems: Sulguni cheese (Georgia)**

Sulguni is one of the most famous Georgian cheeses. It is a soft, moderately salty fresh pasta filata cheese (or stretched curd), made from cow and buffalo milk. Sulguni can be either fresh, dry, aged or smoked; it may be mixed with other traditional ingredients (spices, grapes, must, etc.). It is similar to mozzarella, both in its aspect and texture. After stirring and kneading, sulguni gets its distinctive layered structure.

Because of its reputation, the name sulguni is misused on both the domestic and export markets. To protect the GI of sulguni (and other cheeses), the Georgian intellectual property office prepared, in collaboration with the Ministry of Agriculture, a CoP for producers wishing to use the GI. However, most producers, and especially smallholders using more traditional production techniques, were unable to comply with the production rules of this CoP. Only a few large producers using modern production techniques were able to participate in the GI system, and the image of authenticity provided by smallholders was lost. As a result, the GI system was not operational. To make the CoP more inclusive (i.e. better adapted to the production of traditional sulguni) and ensure its operability, a FAO-European Bank for Reconstruction and Development (EBRD) project set up a participative process involving both small-scale and larger producers from different regions of Georgia, to reflect the real production context of sulguni. The process was supported by the Sakrdze, the national dairy association, which became the GI association for sulguni. Production techniques differed between producers, and especially between small-scale producers on the one hand and larger producers on the other. Differences concerned, for example, the time the cheese is soaked in brine (a couple of hours or overnight or longer), the use of vacuum packaging, or the use of manual vs mechanical techniques. To make the GI system more inclusive and allow all types of producers to reap its benefits, the revised CoP allows for two types of cheese, sulguni and classic sulguni. The latter uses raw milk from cows that are milked twice a day, is kneaded by hand and does not contain a lactic bacterial starter culture. These principles reflect the production techniques usually applied by smaller producers. What makes sulguni unique are its layers; all sulguni cheeses have to comply with this final product characteristic. This requirement obliged the more industrialized producers to adapt their production processes. The result of the revision of the CoP was a change in the structure of the GI system, to include small and/or artisanal producers.



*Woman preparing sulguni cheese in the Samagrello region, Georgia*

©FAO/National Geographic Georgia/F. J. Urquijo

Source: FAO & EBRD. 2017–2019.

*Collective organization of the GI system*

GI initiatives require interaction and agreement between local actors. This may stimulate the creation of networks and the setting up or reinforcement of formal collective organizations (for example, GI producers associations, consortia or interprofessional bodies) (see Box 17). GI producers associations play an important role in the management of many aspects of GI production systems, from technical and administrative issues to collective marketing and promotion. In certain cases, GI initiatives help strengthen social cohesion, not only within the production system but also in the wider local society. Conversely, the formulation process of a GI initiative may highlight contrasts between different categories of local actors, with negative effects on social cohesion. The effects of GI initiatives on collective organization may be assessed using data about the existence of a formal organization, the number of producers belonging to it, and their typology. However, it is very important to monitor and analyse ongoing processes of social interaction at territorial level by means of qualitative techniques, too.

**BOX 17 – DEFINITIONS****GI producers associations**

In some countries, the law requires the application for the registration of a GI label to be filed by an organization that represents the producers in the area delimited by the CoP.

*Coordination between GI producers*

Another area of effects concerns the degree of horizontal and vertical coordination between actors along the value chain. CoPs formulate a shared vision about the quality characteristics of a product and the main stages of its production process; this often reinforces coordination between firms (in different forms, such as contracts, joint ventures or interprofessional agreements). Consequently, contrasts are reduced, and actors can develop strategies for horizontal (between actors operating at the same stage of the value chain) or vertical (between actors operating at different stages) coordination:

- vertical coordination may result in a reduction of the costs associated with transactions along the value chain, including inter alia bargaining costs and dispute settlement costs. Consortia or interprofessional organizations may foster vertical coordination.
- horizontal coordination may reduce competition between actors operating at the same stage of the value chain; they may, for example, develop shared initiatives for production or marketing or coordinate individual production plans. Horizontal coordination may be encouraged by cooperatives, farmers associations, etc.

The effects of GI initiatives on coordination are not easy to assess, as this requires data on producers' behaviour. The direct observation of practices by means of qualitative techniques (for example, case studies or in-depth interviews with producers) is often needed.

*Investments and innovation*

GI initiatives may prompt investments and technological and organizational innovations. The CoP, for example, may require certain adaptations of production processes and product quality requirements. Investments made by operators in the value chain and investments in infrastructure and structural facilities at the local level determine – and are determined by – the success of the GI initiative on the market.

The definition of common rules and the setting up of a control system reduces opportunities for opportunistic and unfair behaviour. This may provide incentives, both to individual operators and to the collective production system, to invest in communication and promotion to enhance the reputation of the GI label on the market, as well as in production-related equipment and technology.

The monitoring of investments and innovations by GI enterprises requires the detailed analysis of balance sheets and qualitative questionnaires. The causal relationship between the GI initiative and investments and innovations must be carefully assessed.

### **3.3.4. Outcomes affecting buyers and consumers in the market**

GI initiatives may boost the positioning of GI products on markets, not only by reducing GI abuses and imitations, but also by improving the visibility of the GI product and its reputation amongst intermediate buyers and final consumers.

#### *Reduction of abuses and imitations*

One of the main aims of many GI initiatives is to restrict the use of a geographical name to producers complying with the CoP – those producing and selling the “true” GI product. The use of a GI on the market is restricted to products complying with the CoP and guaranteed by a certification system through legal registration (see Section 5.2.b., in particular for sui generis legal systems). This protection entails that the market is cleared from false and misleading products, with likely positive effects for the authentic ones. This clearing effect can be measured by checking for the presence of fake products on the market by means of specific enquiries. The performance of a GI initiative on the (intermediate and final) market is determined to a great extent by the efficiency of controls on abuses and imitations, especially when the GI product has a strong reputation and therefore appeals to imitators.

#### *GI product visibility on markets*

The registration of a GI, particularly when done according to an official quality scheme, may increase the visibility of a product in the media (such as newspapers, food magazines or television shows on food, agriculture or cooking). Increased visibility is an important effect, considering the growing role that the media play in consumers’ food choices. Visibility may be increased by collective actions by producers (e.g. communication campaigns, marketing initiatives, etc.). In some cases, these activities may be supported, or directly managed, by local public administrations that wish to help GI initiatives to boost their economic and other benefits to the local production system.

Visibility can be assessed by monitoring the number of appearances of the GI product in different selected media in the national and international market. Specific inquiries are required to evaluate the number of persons who actually see these appearances (the contacts).

#### *GI reputation: buyers’ and consumers’ awareness and appreciation*

Another main category of effects concerns the attitudes of buyers and final consumers towards the GI product (see Box 18). The effects of GI initiatives are to a large extent determined by consumers’ and intermediate buyers’ knowledge and quality perception of the GI product, and their willingness to pay for it. Intermediate buyers such as buyers for supermarkets and international traders increasingly determine the market success of products. Uncertainty is high in the food domain because food products typically cannot be experienced before purchase. Labels signalling the territorial origin of products can play a key role in driving consumers’ choices. Indeed, thanks to the CoP’s rules about the product and its production process, GI labels can provide reassurance and offer quality guarantees, especially if official control systems for traceability and compliance of the product with those rules are in place. GI initiatives are often supported by information and marketing campaigns to raise intermediate buyers’ and consumers’ awareness of the GI product and its quality characteristics.

Changes in product knowledge (awareness of the existence of a product and its characteristics), in the perceived quality of a product and in buyers' willingness to pay that result from a GI initiative and the use of a label can be assessed by means of various qualitative and quantitative techniques, for both intermediate buyers and final consumers.

#### BOX 18 – GI INITIATIVES IN ACTION

##### Effects on consumers in terms of reputation: Bursa black fig (Turkey)

In November 2018, fig producers and their cooperatives in the Bursa area, Turkey, registered the PGI Bursa black fig with support from a FAO-EBRD technical assistance project. Among the aims of the project was the development of marketing channels to directly sell GI-labelled Bursa black figs to local and national supermarkets. To this end, a marketing simulation exercise was organized by the GI association and its cooperatives; some 40 fig producers, members of the cooperatives (out of a total of 3 644 producers), participated in the simulation. The simulation showed that consumers were willing to pay a higher price for the GI-labelled figs, and that the price received by producers increased from TRY 1 to TRY 3 per kg. Consumer perception was an important element in the test; consumers were found to appreciate and understand the GI concept, perceiving the figs as natural fruits, with a lot of taste, sourced from identified producers. Interestingly, the exercise deeply changed the stakeholders' attitudes: local retailers, who initially strongly mistrusted the initiative, came to share the producers' great enthusiasm.



©Sait Çali

*Bursa black figs*

Source: FAO & EBRD. 2018.

### 3.4. Impacts (third-order effects)

#### 3.4.1. Map of impacts

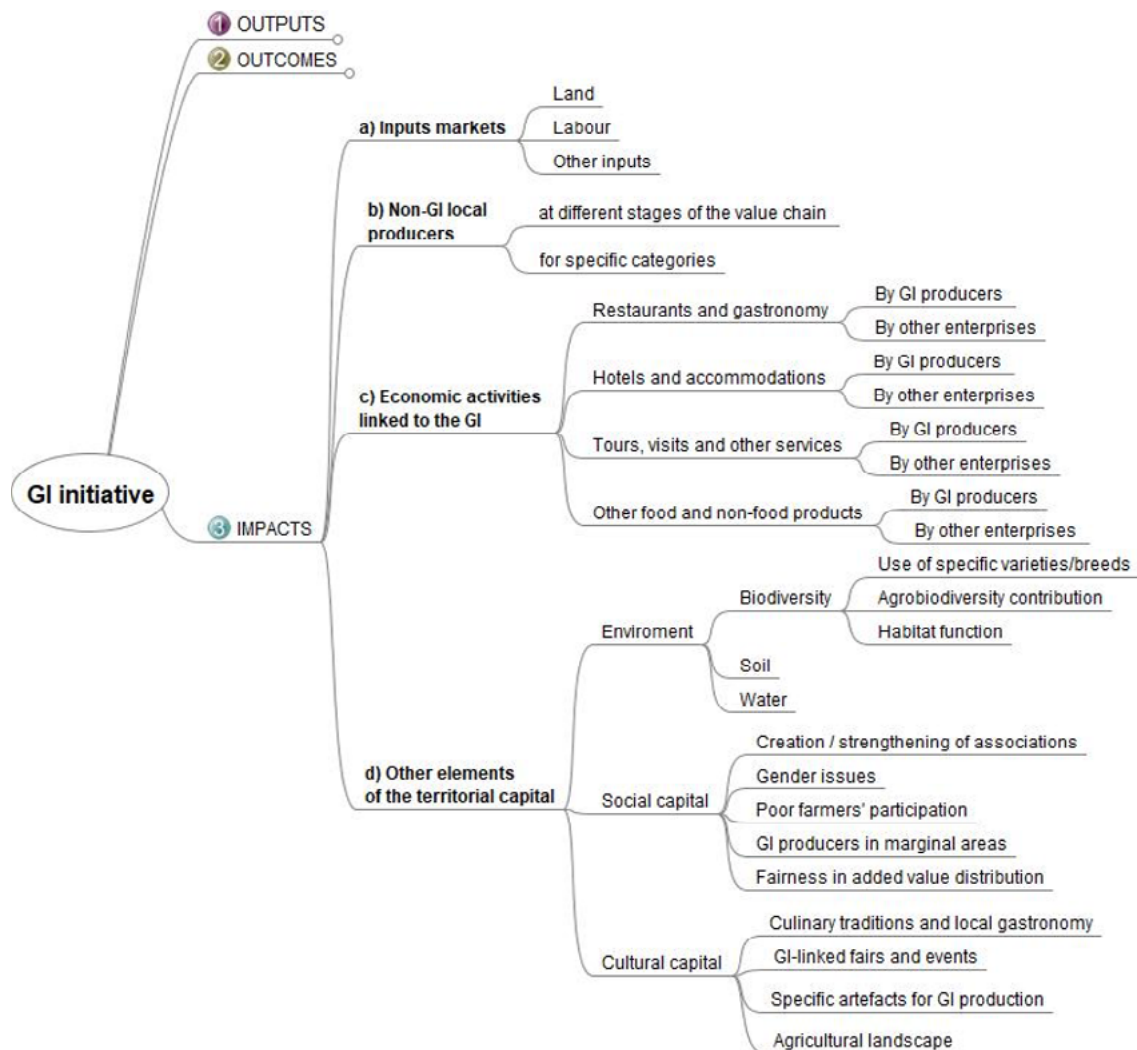
Impacts (third-order effects) are the indirect consequences of the participation of producers in a GI initiative. They stem from the close interconnection of OPs with (material and immaterial) local resources, other economic activities within the local system and society, and the environment (see Section 2.2).

The evaluation of impacts is challenging, as it is usually more costly and open to mistakes than the evaluation of first- and second-order effects. Indeed, impacts typically concern longer-term changes, and it may take months or years for such changes to become evident and measurable. Furthermore, it can be difficult to attribute observed changes to the GI initiative rather than to other factors, due to the length and complexity of the chains of causality. For example, is a change in water quality after the establishment of a GI initiative and the production of GI products a result of the GI initiative, or of other factors or trends in the area? Therefore, careful consideration should be given to the measurement and interpretation of impacts; the appropriate timeframe should be determined with great care, and stable resources and specialized skills should be made available.

Four main categories of third-order effects can be identified:

- a) impacts on markets for inputs to GI production processes: GI initiatives may result in changes in the conditions on markets for inputs (land, labour, raw materials, etc.) to the GI production process;
- b) impacts on non-GI local producers (i.e. producers of the OP system who do not join the GI initiative);
- c) impacts on other economic activities linked to GI product but outside of the OP system; and
- d) impacts on other elements of the social, cultural and environmental capital of the territory. This category includes the effects on the wider society, including the provision of quality products to consumers and the promotion of diversified, healthy diets.

**Figure 5** Map of the main impacts to consider when evaluating GI initiatives



Source: elaborated by the authors



### 3.4.2. Impacts on the markets for inputs for geographical indication products

A successful GI initiative may result in an increase in GI production volumes, and consequently in a rise in producers' demand for production factors such as land (see Box 19), labour (see Box 20) and other inputs. This increase in demand may stimulate economic activity at the local level, in particular when the CoP determines that inputs must be sourced from the delimited area. This can have positive effects on incomes and job opportunities in rural areas, especially in areas where few alternatives exist, and foster wider rural development dynamics. Note that where the supply of local inputs is scarce, production costs for all GI users may increase. This may hamper the growth of the GI production and change the distribution of value added between producers and other stakeholders at the local level.

#### BOX 19 – EXAMPLES

##### **Increases in the price of land following the implementation of GI initiatives**

Increases in the demand for well-known GI products (for example, wine or fruits) may result in an increase in the demand for land. If land resources in the GI-area are limited, this rise in demand may cause an increase in the price of land. Such an effect is positive for producers owning land, as the value of their assets increases; however, producers renting land suffer from an increase in land rental fees. Thus, part of the positive effect of the GI initiative is transferred from land tenants to landowners.

Many other factors may influence the demand for inputs. Therefore, data collection and analysis should establish with certainty whether there is a link between the GI initiative and the expected or assessed impacts.

#### BOX 20 – GI INITIATIVES IN ACTION

##### **Job creation in rural areas: Argan oil (Morocco) and Bocado Veleño (Colombia)**

The impact of GI initiatives in terms of the creation of durable job opportunities can be of paramount importance. However, this impact strongly depends on the rules stipulated in the CoP. The use of new technologies in agricultural production and food processing generally results in a reduction in labour requirements. Meanwhile, the uniqueness of many GI products is based on traditional, labour-intensive production processes, which is reflected in the rules of their CoPs.

*Argan oil* is an oil produced from the kernels of the argan tree, which is endemic to the arid and semi-arid regions of south-western Morocco. For centuries, local women have cracked the kernels and extracted the gold-coloured oil by hand, to use for cooking and in traditional medicine. This activity constituted an important source of income, and therefore of autonomy. Nowadays, cracking and extracting can be performed mechanically, too. However, the CoP of the PGI for argan oil, registered in 2010, establishes that kernels may only be cracked by hand, thus guaranteeing work for hundreds of women in poor rural areas.

*Bocado Veleño* is a traditional Colombian confectionery made from guava pulp and whole cane sugar or panela. The town of Vélez, which is a major centre of production, gives the name “Veleño” to the product. Bocado Veleño was registered as a PDO in 2017. Among the many specificities of the product is its packaging, which is made from the leaves of the bijao, a local plant, which are cooked and dried in the sun. The use of bijao leaves is mandatory according the CoP, even though some producers asked to be given the possibility to use plastic packaging to cut costs. The bocado Veleño producers' association decided to keep the obligation to use bijao leaves, not only because it is tradition, but also because the leaves determine the flavour, texture and aroma of bocado Veleño. This requirement benefits small, poor farmers who cultivate and process the leaves. For more information on bocado Veleño, see [www.bocadillovelenodo.com](http://www.bocadillovelenodo.com).

### 3.4.3. Impacts on non-geographical indication local producers

GI initiatives may exert effects on the producers of an OP system who do not join the GI initiative, for example because they expect a negative cost-benefit balance. Other OP producers may be unable to join the GI initiative, for example because of the burden of bureaucratic practices, the obligation to comply with stricter sanitary rules, or the difficulty of complying with certain production or quality rules as stated in the CoP. Yet other producers may be located outside the geographical boundaries set by the CoP. In all these situations, producers who may have been using the GI name before its registration are no longer able to do so. They might face a price reduction for their products and/or find it more difficult to sell them on the market (see Box 21). Conversely, the marketing success of a GI initiative may lead to price increases and better market conditions for producers using the GI, with positive spillover effects for non-GI producers inside the OP system. Changes on the markets for land, labour and other inputs resulting from a GI initiative may affect non-GI producers in the area, too. In certain cases, the latter do not benefit from the expected increase in the GI product price, but still bear negative effects (such as an increase in the rental price of land).

In conclusion, the analysis of the distribution of the economic effects of a GI initiative must carefully consider potential GI producers (i.e. enterprises belonging to the OP system and located in the GI area, but not joining the GI initiative). This requires specific inquiries or forecasting exercises on a sample of non-GI producers, or representative case studies. The effects on potential GI producers should be evaluated considering:

- the different stages of the value chain (farming, processing, etc.); and
- specific categories of producers (for example small producers, poor producers, producers located in marginal areas, etc.).

The analysis of the effects of a GI initiative on non-GI producers may have relevant policy implications. Indeed, knowing the side-effects of a GI initiative may help identify appropriate interventions to enable excluded producers to join the initiative.

#### BOX 21 – GI INITIATIVES IN ACTION

##### **Impacts of GI initiatives on non-GI local producers: extra virgin Toscano olive oil (Italy)**

When the PGI Toscano extra virgin olive oil was registered in 1998, certain small producers were not able to use the GI as their limited production quantities did not warrant the costs of applying traceability (administrative burden) and certification systems (fees to be paid to the certification body). Thus, they could no longer use the term Toscano on the label of their olive oil and, with consumers being very sensitive to that term, the price of their non-GI labelled oil decreased by more than 40 percent in 2000. Over the following years, the Toscano olive oil producers modified the rules of the CoP to allow smaller producers to participate in the GI system, too. At the same time, milling cooperatives allowed producers to sell their production collectively. In 2020, the PGI Toscano extra virgin olive oil is used by over 11 000 farmers (most of them small or very small) and 300 olive oil mills, guaranteeing a price premium. For more information, see [www.oliotoscanoigp.it](http://www.oliotoscanoigp.it).

### 3.4.4. Impacts on economic activities linked to the geographical indication product

GI initiatives may exert third-order effects on economic activities outside the GI value chain. Indeed, the reputational gains of a GI product may enhance the image and attractiveness of the whole territory associated with the GI. Local resources linked to or resulting from the GI production process (such as traditional landscapes, local breeds, gastronomy, traditions, etc.) may give rise to or strengthen a number of economic activities at the local level, such as:

- restaurants, GI product tasting events, gastronomic events, fairs;
- hotels and other forms of rural hospitality;
- guided tours in the territory, visits to GI enterprises and local museums;
- the processing of the GI product into a food product; and
- the production of other food and non-food products in the area.

These activities can be managed by the GI producers themselves or by other local enterprises and stakeholders (e.g. cultural associations, local public institutions, etc.). For GI producers, these activities offer an opportunity to diversify their output and complement their GI production.

The development and promotion of a GI product can serve as starting point for the development and promotion of an entire territorial heritage and its related products according to a “basket of goods and services” logic, whereby a set of products is closely linked to a GI product that acts as a pivot. Sometimes a touristic “route” is developed – a physical itinerary linking different GI producers and other enterprises inside a territory, based on a more or less formal organization that often involves local municipalities and other stakeholders, too (see Box 22).

#### BOX 22 – GI INITIATIVES IN ACTION

##### The impact of GI initiatives on other economic activities in the territory: GI product routes in Tuscany (Italy)

The **Strada del Marrone del Mugello** (the route of the Mugello chestnut) in the Apennine mountains in Tuscany was created around a specific local chestnut, protected by a PGI. The Marrone del Mugello is strongly linked to the local landscape and gastronomic culture; it serves as a landmark in an area with very few alternatives for farmers. The Marrone del Mugello-association involves various enterprises in the area, not only chestnut producers and processors but also restaurants, hotels, bed and breakfasts and farm stays. Local municipalities support the activities of the association. The route attracts tourists to the area, especially during the chestnut harvesting period. For more information, see [www.stradadelmarrone.it](http://www.stradadelmarrone.it).



Logo of the Strada del Marrone del Mugello

©Associazione Strada del marrone del Mugello di Marradi

The **Strada dei Sapori Valtiberina** (the route of flavours in Valtiberina) in Tuscany follows a similar approach. Here, local actors use the area’s best-known food product, Chianina beef (a PGI for the meat of the local Chianina breed), as a pivot to valorize other products and activities of the territory, creating a basket of goods and services under a single umbrella mark, connected by itineraries. For more information, see [www.stradasaporivaltiberina.it](http://www.stradasaporivaltiberina.it).

In both cases, the GI initiative strengthened the visibility and reputation of a local product as a pivot for a territorial strategy.

“Basket of goods and services” initiatives may boost the competitiveness of an entire local socio-economic system by strengthening other economic activities, including tourism. The latter may facilitate the collective promotion of a GI product and enable producers to explore new marketing channels.

The impacts on other economic activities linked to GI products may be assessed in different ways, including:

- the analysis of the number of local enterprises offering goods and services linked to the GI product (and its evolution);
- the monitoring of tourist flows in the area and the analysis of their link to the GI product;
- the analysis of the employment and revenues generated by these other economic activities (and their evolution).

As pointed out previously (see Section 3.1), the chain of causality between the GI initiative and these impacts must be analysed carefully.

### **3.4.5. Impacts on the environment and social and cultural territorial capital**

OP systems are often closely interconnected with local environmental resources such as biodiversity, soil and water, as well as with the cultural and social capital of a territory. GI initiatives are likely to affect these resources as a result of the implementation of the rules of the CoP and increased stakeholders' awareness. In certain cases, the expected effects of a GI initiative on society and the environment are the main motivations for launching the initiative. These impacts must be therefore be treated as an integral part of any evaluation.

#### *Environmental capital*

GI initiatives may contribute to the protection of agrobiodiversity and to the better management of habitats, soil and water, thereby contributing to the preservation of the environment for future generations. Where the production of a GI product is bound by the CoP to a defined area, all actors within the local production system should strive to use the resources in that defined area in a sustainable manner. This will ensure that they can keep carrying out their activities and enjoy a better-quality living environment in the medium to long term.

The quality of many GI products is based on traditional local breeds or vegetal varieties that are threatened by genetic erosion (see Box 23). The risk of losing them is often linked to their lower productivity as compared to modern breeds or varieties. GI initiatives, which valorize products' quality characteristics, may encourage producers to save and improve these breeds and varieties.

Certain GI products are produced in marginal areas, such as mountainous or other remote regions. This isolation helps preserve the identity of the product, as well as traditional farming systems. In these cases, the effects of GI initiatives on habitats and other ecological functions can be very positive: they may help maintain these systems and their positive impact on the overall environment.

## BOX 23 – GI INITIATIVES IN ACTION

**The environmental effects of GI initiatives*****Tushuri guda cheese (Georgia)***

In 2017, FAO and the EBRD launched a project to promote the use of GI labels in Georgia, and particularly in the dairy sector. One of the key results of the project was the empowerment of young dairy producers in the Tusheti mountains to engage in GI activities and hence preserve the biodiversity of their region.

Tushuri guda cheese is made from the milk of sheep and cow landraces in the high pastures of the Tushuri mountains, part of the Caucasus mountain range, in Georgia. The Tushetian cow or Tushuri jilagis dzrokha is a sub-breed of the Georgian mountain cow. Meanwhile, the Tushetian sheep breed was selected in the thirteenth or fourteenth century as a year-round grazing animal; nomads contributed to the formation of this breed. Summer pastures are characterized by the presence of (sub)alpine herbs (*Festuca ovina*, *Poa alpina*, *Zerna variegata*, *Dactylis glomerata*, *Lotus*, *Carex tristis* and *Campanula tridentata*), which give the cheese its specific flavour. This flavour is also determined by the microbiota that contribute to the transformation of raw milk into cheese, and by the ripening of the cheese in animal skin bags. The gradual disappearance of traditional cheese production practices constituted an urgent threat to the region's cultural heritage and biodiversity. To counter this trend, the CoP for Tushuri guda cheese formulated by producers in the framework of the GI initiative lays down specific rules regarding the use of landraces, pasturing, the use of skin bags, etc. As such, the GI initiative helps preserve the biodiversity of both animal breeds and pasture habitats. Importantly, the GI is a tool in the hands of local producers: it empowers them to manage local animal genetic resources and restore and maintain the traditional farming systems that produced them.

Source: FAO & EBRD. 2017–2019.



©FAO/E. Vandecastelaere

**The production of Tushuri guda cheese in the high pastures of the Tusheti mountains, Georgia**

***Yamauchi kabura (Japan)***

Yamauchi kabura is a turnip cultivated in the Wakasa Yamauchi district of Fukui Prefecture, Japan. While common turnips are round with a smooth skin, Yamauchi kabura is conical, with many depressions and fibrous roots on the skin. It is produced exclusively in a small area with 170 inhabitants. The production of Yamauchi kabura was abandoned in the 1980s due to the aging of farmers; however, the Prefecture kept seeds in a lab for 20 years, and production was rekindled in 1996 as traditional vegetables became a market trend. Yamauchi kabura was registered as a GI in 2016. Its CoP makes it compulsory to use the local variety. Seed production is strictly controlled, with seeds being collected jointly by the producers in the area. The GI initiative was launched with strong support from the local municipality and from the prefectural



©J. Kimura

**Yamauchi kabura turnips with the official Japanese GI seal**

government, which sees GI initiatives as a way to preserve unique varieties that enable producers to gain a competitive advantage. Once the GI was registered, local farmers gained confidence. They stepped up their production, launched many promotion initiatives and even created a song. Today, 12 female farmers produce Yamauchi kabura turnips. The GI registration boosted the reputation of Yamauchi kabura turnips on the market, and especially amongst highly-reputed restaurants in Kyoto.

*Source: Defrancesco, E. & Kimura, J. 2018.*

The success of a GI initiative may induce producers to step up their production. This might result in the overexploitation of local resources (see Box 24) or the substitution of traditional varieties or breeds with modern ones. In such cases, the original link between the territory and the very identity of the GI product is weakened.

In sum, local natural and human resources play a key role in ensuring the sustainability and durability over time of the GI initiative and of the OP system as a whole. The evaluation of the environmental effects of a GI initiative is therefore of paramount importance, also in the case of negative or opposite effects. Clear and objective knowledge about the environmental performance of an IG initiative will improve local actors' awareness and help address shortcomings in this field with appropriate corrective actions.

#### BOX 24 - GI INITIATIVES IN ACTION

##### **Trade-offs between economic and environmental sustainability: Prosecco wine (Italy)**

The Italian GI Prosecco wine has been a great marketing success. However, the steep expansion of vineyards in the relatively small area delimited by the CoP has had negative impacts on the environment due to the intensification of production and the use of chemicals. To improve environmental sustainability, the consortium for the protection of the Prosecco Controlled Designation of Origin publishes an annual winemakers' handbook, which provides an overview of the most sustainable vineyard practices. Moreover, in 2017 the consortium proposed to amend the CoP to ban the use of three active ingredients (mancozeb, folpet and glyphosate). This decision was widely accepted by producers, and generated an unexpected consensus among traders and consumers.

More information can be found at [www.prosecco.wine/en/sustainability](http://www.prosecco.wine/en/sustainability).

##### *Cultural capital*

GI initiatives may help preserve, strengthen and promote local traditions and habits. This may boost producers' and the wider local population's pride and self-esteem, thereby strengthening the local identity and other elements of local social and cultural life (see Box 25). The unique identity of GI products is linked to local human factors and to the material and immaterial culture of the local population (cultural capital). The valorization of a GI product is therefore likely to exert effects on different aspects of cultural capital. Origin products are often the basis of local culinary traditions, and play a key role in village festivals, fairs and events. GI initiatives frequently develop in close connection with these events, and may reinforce them. Agricultural landscapes, historical buildings and artefacts linked to the GI production process are relevant aspects of cultural capital. Agricultural landscapes are often the result of traditional farming systems, which are, in many cases, linked to the production of origin products. The valorization of OPs by means of GI initiatives may enable producers to stay in their territory and maintain traditional practices.

Strengthening cultural capital is important by itself, but can also exert positive effects on economic activities in the territory, in particular when connected to tourism and recreation (see Section 3.4.4).

However, GI initiatives may also produce negative effects on cultural capital. For example, when an origin product is used to enhance tourism, a GI initiative may distort local culture – especially if the local community commercializes its culture or adapts its traditions to demand, and thus loses its traditional way of life.

#### BOX 25 – GI INITIATIVES IN ACTION

##### **The effects of GI initiatives on cultural capital: Yubari King melon GI (Japan)**

At the first melon auction of 2019 at the Sapporo Central Wholesale Market, two Yubari King melons sold for a record JPY 5 million (more than USD 45 000). How did this GI melon build its reputation? Unlike other large land areas in Hokkaido, the mountainous Yubari area is not fit for large-scale farming. Thus, producers in the area had to concentrate on high-value products. In 1960, a Yubari melon group was formed within Japan Agriculture Yubari; its members developed the new Yubari King variety. The reputation of Yubari King melons, based on their link to the Yubari territory, grew over the next 60 years, with the melons capturing ever higher prices on the market. This evolution was also due to the strategic activities of Japan Agriculture, which is responsible for production quality, distribution, pricing and communication. In 2015, the Yubari King melon was registered as a GI according to the Japanese laws on geographical indications. Every year, a Yubari melon festival is held, where both locals and tourists come to taste and buy melons. The residents of Yubari, which lost its identity as a coal mining town, are now proud of the Yubari King melon, renowned for its high quality. Thus, the GI initiative helped shape the local identity. The JA Yubari Youth Club organizes classes on the Yubari King melon for third-grade students at the elementary school for one year. Local children thus learn to understand the characteristics of the Yubari melon and feel strongly connected to it. More information on the GI Yubari King melon can be found at <https://gi-act.maff.go.jp/en/register/entry/4.html>.

*Source: Defrancesco, E. & Kimura, J. 2018.*

#### *Social capital*

The evaluation of GI initiatives must consider the initiatives' effects on social capital. These effects play out in two ways: on the interactions between the people involved in the initiative, and on the traditional cultural capital that is linked to food production and consumption. Due to their collective dimension, the valorization of OPs through GI initiatives affects social linkages between local actors, particularly in territories where OPs represent an important component of the local economic and cultural system (as is often the case for remote areas).

The setting up of a GI initiative per se may reinforce the dialogue between producers and other local stakeholders and foster the creation of associations and the exchange of knowledge and information. GI initiatives may include social categories that do not often take an active part in such processes, such as smallholders, people belonging to minority groups, women (see Box 26), youth or elderly people. Origin products are often part of the cultural heritage of such "marginal" categories, being produced and preserved by them.

Conversely, GI initiatives may generate conflicts among local actors if different categories of stakeholders have different visions for the OP or have divergent economic interests. For this reason, it is important to support and facilitate processes of valorization and pay due attention to the enhancement of positive effects on social capital, while preventing negative ones.

## BOX 26 – GI INITIATIVES IN ACTION

**The effects of GI initiatives on social capital (gender): Kolašin cheese (Montenegro)**

Leafy Kolašin cheese is produced in the territory of Kolašin and in part of that of Mojkovac, two municipalities in Montenegro. The cheese gets its specific taste from the high-quality milk produced in the katuns, the summer huts located high up in the mountains. It has a mild milky-sour smell and a particular laminated appearance, with multiple layers, thin as leaves, shiny and smooth. The GI Kolašin cheese (Kolašinski lisnati sir), registered in Montenegro in May 2019, is a good example of how GI initiatives can support women entrepreneurs. The cheese is traditionally produced by women, from milking to maturation. Women have developed a specific knowledge in this field, which adds to the reputation of the cheese. The mobilization of women for the protection and promotion of the GI led to the establishment of a GI association grouping 35 producers, most of whom are women; together, they produce around 400 tonnes of cheese annually. The important role played by women is recognized in the CoP, which has helped strengthen female entrepreneurship:



©FAO/IJ. Krivcovic

*A female producer of Kolašin cheese with her cow, just before milking*

Kolašin cheese is produced by housewives, mostly middle-aged women who inherited the art of cheesemaking from their mothers and grandmothers. The art of cheesemaking is passed on through generations. (...) This knowledge and these skills are essential to the quality and success of making layered cheese (Udruženje Proizvođača Kolašinskog Lisnatog Sira, 2019, paragraph 6.3).

Source: FAO & EBRD. 2018.

The foods that people consume, and the ways in which they are consumed, are repositories of tradition that embody the values of people's cultures. In the case of origin-linked food systems, this cultural dimension is very strong: the food system is central to the collective identity and well-being of the local population.

The effects of GI initiatives on social capital include effects on culture and health. In recent decades, diets and eating patterns have changed dramatically as a result of globalization, urbanization and income growth. At the same time, guaranteeing access to healthy diets remains an enormous challenge in much of the world. In most modern food systems, from agricultural production to processing and retailing, there is little room for locally produced, low-processed foods and products based on local biodiversity systems. GI food products are unprocessed or low-processed foods, resulting from traditional methods of production wherein local resources play an important role (pastures, genetic capital including plant varieties or animal breeds, etc.). GI products may therefore offer better nutritional quality as compared to non-GI products from the same category. In this case, the promotion of GI products may contribute to the diversification of diets.

However, these impacts may be difficult to evaluate because consumers are not necessarily located in the IG territory; indeed, they may even be located in other countries. Nevertheless, GI initiatives, through their contribution to healthy diets, play an important role in the building of sustainable food systems; awareness as to this contribution may be raised by highlighting the importance of local biodiversity



systems and traditional methods in the formulation of IG initiatives. Likewise, underlining the role of an IG product in the preservation of nutritious foods and the promotion of healthy, diversified diets may be an effective way to better position the product on the market.

In conclusion, GI initiatives may foster rural development dynamics at the territorial level and contribute to the building of sustainable food systems. The assessment of all categories of impacts of GI initiatives requires appropriate indicators, and may be very complex. Indeed, the causal link between GI production and any changes in indicators must be carefully assessed by isolating other factors. Moreover, impacts often appear only after a long period of time, and may be costly to assess.

## PLANNING THE EVALUATION PROCESS

*This section explains how to plan the evaluation process and identify aims, actors, responsibilities and resources. It describes the key steps in the preparation of the evaluation plan and the terms of reference (ToR) of the evaluation. These two documents serve as the main references throughout the evaluation process.*

## 4.1. Aims and organization of the evaluation process

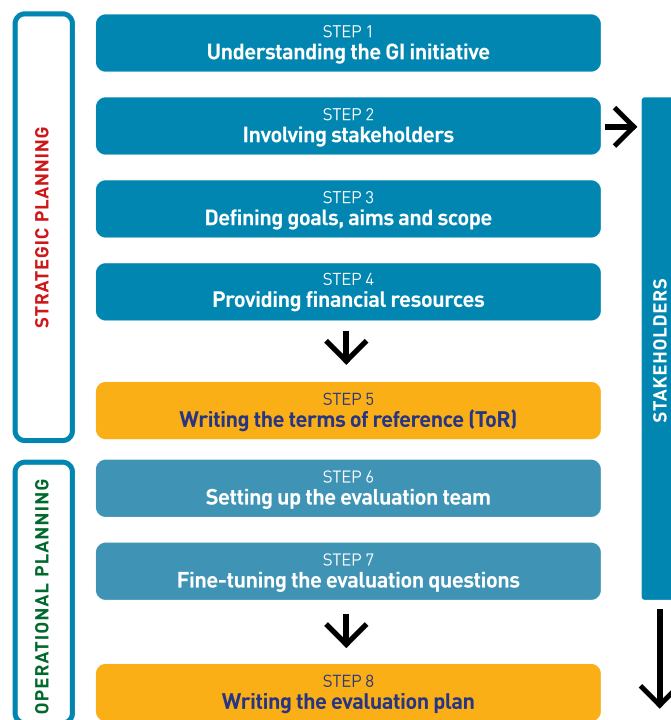
The aim of the planning phase is to make strategic and operational choices that will orient the entire evaluation process. Due to its complexity and its relevance for the GI initiative, the evaluation process should be organized and planned based on the fundamental principles listed in Section 2 (inclusion and representativeness, fairness and sustainability) from the very beginning.

The way in which the evaluation process is initiated is crucial for two reasons. First, the initiation defines the scope, aims and ultimate goals of the analysis, thus defining the whole evaluation process. Second, the initiation identifies an initiative's various stakeholders and determines how they will be involved in the evaluation process. The following key questions should be answered during the planning phase:

- Who wants the evaluation?
- What are the ultimate goals and the aims of the evaluation?
- Who will carry out the evaluation?
- Which stakeholders should take part in the evaluation process, when and how?
- What are the available financial and human resources?
- Which specific aspects should be evaluated?

A number of interconnected activities must be carried out during the planning phase, which consists of a number of steps in two main phases: the strategic planning, performed by the initiator of the evaluation, and the operational planning, carried out by the evaluation manager (See Figure 5). In cases where the GI initiative is small and human and financial resources are limited, the initiator and the manager may be the same person/organization, and certain steps may be carried out jointly. It is, however, important to always clearly distinguish between the roles of the initiator and those of the manager, and separate the strategic phases from the operational ones.

**Figure 6** Flow chart of activities during the planning phase of the evaluation of GI initiatives



Source: elaborated by the authors

## 4.2. The strategic planning

### 4.2.1. Aims and drivers of the strategic planning

The aim of the strategic planning phase is to make a number of strategic choices that will orient the whole evaluation process. The planning phase ends with the writing of the terms of reference (ToR), the document that will guide the operational phase.

The strategic phase is driven by the initiator – the person or organization that wants the evaluation to be performed, activates the evaluation process, defines its scope and general aims, provides resources and decides who will carry out the operational phase of the evaluation process (i.e. the manager). Decisions taken during the strategic phase are reported in the ToR, the reference document for the implementation of the operational phase. Usually, the initiator of the evaluation is also the initiator of the GI initiative, or its financial supporter (for example, a local development agency, an NGO or an international organization) (see Box 27). The clear identification of the initiator is important to guarantee transparency in all activities. Indeed, the needs and aims of the evaluation will strongly depend on the needs and aims of the stakeholder initiating the evaluation. An evaluation is seldom completely neutral, as the leading actors will try to point the analysis towards those issues in which they are most interested.

#### BOX 27 – EXAMPLES

##### Categories of potential initiators of the evaluation of a GI initiative

**Producers** usually act through their representative organizations. The initiator may be an interprofessional body representing producers operating at all stages of the value chain, or a professional body representing a single category of producers, such as farmers or processors. Evaluations that are initiated by producers or their representative bodies are generally oriented towards the economic effects of the initiative, with social and environmental effects being of secondary importance (or absent altogether).

**Public bodies** include *inter alia* regional authorities, national ministries (of agriculture, industry, etc.) or national property institutes. The purpose of an evaluation by public bodies is usually linked to a specific public policy aim that is pursued through the GI initiative. For example, GI initiatives can be aimed at helping farmers to better position their product on the market or to open up new marketing channels (e.g. export channels to access foreign markets). Public bodies generally have a wider view than private actors i.e. they are interested in the general well-being in the whole area of production of the OP and consider effects in terms of employment, social issues, environmental pressures, etc.

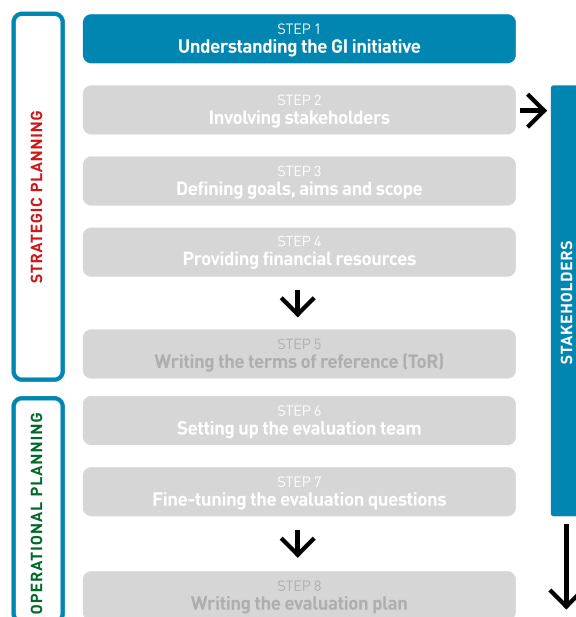
**Local NGOs** can also be the initiators of an evaluation. They may represent various interests in a GI product and are normally more sensitive to social, cultural and environmental effects in their evaluation.

**External donors** funding a GI initiative may be public (e.g. a foreign ministry) or private (e.g. a NGO). They often have a strong interest in evaluation as a means to justify their support for an initiative (*ex ante* evaluation) or demonstrate the effects of their cooperation (*ex post* evaluation).

### 4.2.2. Step 1: understanding the geographical indication initiative

A clear understanding of the main features of a GI initiative (see Box 28) is crucial to evaluate its effects. Therefore, the initiator should write up a short description of the GI initiative. The aim is not to develop a complete and deep analysis of the GI initiative, but rather to highlight some basic elements that form the basis for the planning of the evaluation process. These basic elements are:

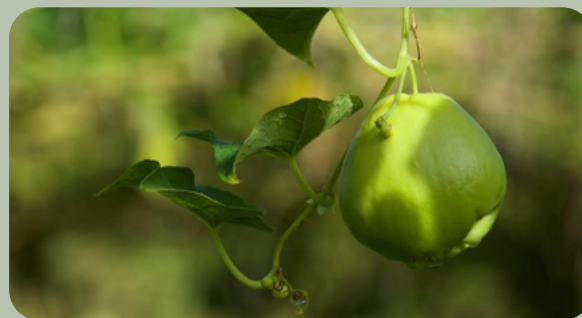
- the objectives and expected effects of the GI initiative (for prospective evaluation) or its realized effects (for retrospective evaluation);
- the stakeholders who participate in the development and management of the GI initiative;
- the beneficiaries targeted by the GI initiative;
- other categories of actors that may be affected by the GI initiative; and
- the main activities planned (for prospective evaluation) or implemented (for retrospective evaluation) in the framework of the GI initiative.



#### BOX 28 – GI INITIATIVES IN ACTION

##### Basic elements of a GI initiative: Chayote de Ujarrás (Costa Rica)

Chayote (*sechim edule*) is a fruit belonging to the family of Cucurbitaceae (gourds). The Ujarrás valley is the largest production area in Costa Rica. The area (located in the canton of Paraíso, Cartago Province) has a long production tradition and exports considerable quantities of the fruits. It has ideal agroclimatic conditions, allowing it to produce high-quality fruits. Chayote is the region’s main agricultural crop and is embedded in its cultural identity and traditions.



©L. Granados

**A chayote fruit**

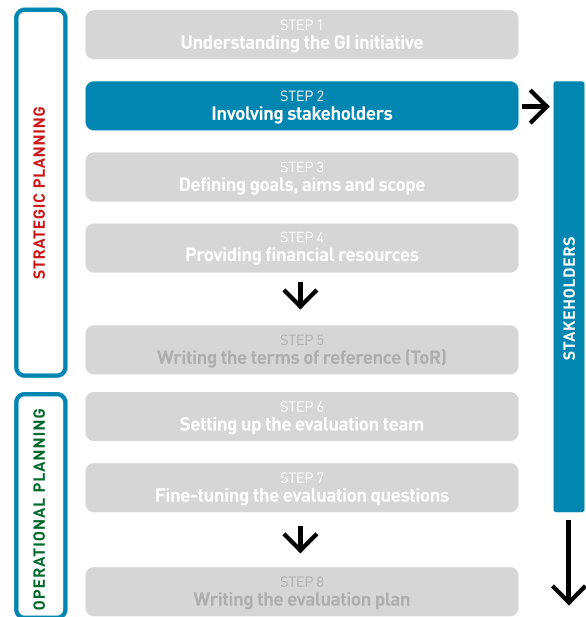
In 2014, the chamber of producers of chayote started developing a strategy to differentiate the chayote of Ujarrás by means of a denomination of origin (DO). The main aim of the development of the quality label was to improve producers’ market access through differentiation, as the chayote of Ujarrás has a reputation for quality among consumers. The ultimate goal of the initiative was to improve producers’ incomes and help them develop a collective organization. The GI initiative started with a study by CadenAgro, a research centre of the National University of Costa Rica (UNA), into product potential through the gathering of information about the gourd’s characteristics and its production system; this study found that chayote from Ujarrás had a good potential for registration as a DO. In later steps, local producers were involved in meetings to reach an agreement on common rules and draft a CoP for the DO.

Source: FAO, 2018.

### 4.2.3. Step 2: involving stakeholders

The involvement of stakeholders is an integral part of the entire evaluation process. It requires a careful reflection as to who the stakeholders are and how they can be stimulated and empowered to play an active part in the process.

Step 2 consists in the identification of the stakeholders relevant to the GI initiative and the planning of the activities that are required to ensure their active involvement. Participative evaluation approaches (see Box 29) offer many advantages in cases where the ultimate goal is to provide stakeholders with tools to improve their collective and individual actions. A diversified range of stakeholders should be involved in the evaluation process from the very beginning (see Box 30). Stakeholders should be given the opportunity to contribute to the definition of the aims of the evaluation, provide data and information and help interpret the results. This allows them to become fully aware of the results of the evaluation, and take due account of these results in their decision-making processes.



#### BOX 29 – DEFINITIONS

##### Participative evaluation approaches

The participation of stakeholders may vary according to the general approach followed in the evaluation process. On one end of the spectrum, stakeholders are merely informed about the ongoing evaluation process and asked to provide comments and feedback. On the other end of the spectrum, stakeholders are fully included in the strategic phase; they help define the aims and scope of the evaluation and nominate a manager to carry out its implementation. Stakeholders may also be involved in the operational phase of the evaluation, taking part in the collection and analysis of data and in the interpretation of results.

#### BOX 30 – HINTS FOR EVALUATION

##### The identification of stakeholders in an evaluation

The identification of the stakeholders in an evaluation involves:

- the preparation of a list of individuals and organizations that have an interest in the GI initiative;
- the identification of these stakeholders' interests in the initiative and its evaluation;
- the identification of their information needs;
- the identification of their level of involvement in the initiative, based on their needs and interests;
- the identification of potential evaluation participants (i.e. primary stakeholders);
- the invitation of participants to be part of the evaluation team;
- the identification of potential users of the evaluation outcomes (i.e. secondary stakeholders)

Source: Zarinpoush, F. 2006.

The selection of categories of actors as stakeholders in the GI initiative requires careful reflection (see Box 31). Which stakeholders are to be involved depends on the evaluation's aims and scope, and may vary between the different steps and activities of the evaluation process.

**BOX 31 – HINTS FOR EVALUATION**

**The criteria to select stakeholders for prospective evaluation**

The group of stakeholders that is selected for inclusion in an evaluation process should represent the different parts of the OP system, based on the following criteria:

- fairness and inclusiveness (both public and private stakeholders should be included);
- stakeholders' geographical location (all areas of the OP system should be represented);
- the balanced participation of resource owners (owners of land or infrastructure, labourers, ...);
- representation of all steps of the value chain (farmers, processors, distributors, consumers, ...);
- representation of all typologies of stakeholders within each step (e.g. small farmers vs large landholdings, artisanal vs industrial processors, local traders vs exporters, etc.).

The active involvement of stakeholders cannot be taken for granted; it must be facilitated and solicited, which requires specific competences and resources (see Box 32). Participatory approaches aimed at ensuring stakeholder involvement can take many forms. Small group meetings may be organized by actor category (e.g. farmers, processors, etc.) and/or by geographic area, if the geographical area is very large and varied. Such meetings allow stakeholders to express their different viewpoints. Information on the evaluation process and a summary of the evaluation report should be provided in an easily understandable way to serve as inputs for these group meetings. A number of general meetings may be organized to discuss the different perspectives of the performance evaluation. Weaker actors must be informed, involved and empowered to enable them to take part in the process.

Public bodies at all levels may be involved in the evaluation process, too. Their involvement may help ensure that the effects of a GI initiative on local development processes and issues of public interest (e.g. the conservation of the rural landscape, water safety, gender issues) are taken into due consideration.

**BOX 32 – HINTS FOR EVALUATION**

**Promoting the involvement of stakeholders in the planning and design phase of evaluation**

Every evaluation is an opportunity for learning. The extent of such learning is determined by how well the lessons learned are documented and shared. Stakeholder participation in the planning and design phase may be fostered in various ways:

- familiarize key stakeholders with the merits and workings of participatory evaluations;
- assess the information needs of stakeholder groups/individuals. Gauge their potential/level of commitment;
- formulate a framework/strategy for stakeholder participation that clearly sets out expectations, priorities, activities, extent of involvement, responsibilities, etc.;
- determine the costs of stakeholder involvement (the costs of e.g. training, data collection/analysis, fieldwork, transportation, etc.);
- decide how to monitor/document participation activities for stakeholders;
- revise and refine evaluation strategies to ensure they incorporate methods and practices that have proven to be effective.

*Source: Canadian International Development Agency. 2011.*

Decisions as to which stakeholders must to be included in the evaluation, when and how should be made at the outset. Operational tools must be chosen on a case-by-case basis, taking into account the characteristics of the stakeholders involved in the OP system and of the GI initiative.

Different stakeholders may have different views, for example on power imbalances. Therefore, reaching a consensus may be challenging. A possible solution is to alternate collective discussions with small group meetings or individual assessment exercises to enable all opinions to be heard.

If stakeholders’ awareness about origin products and GI initiatives is low, it may be necessary to provide basic information on the characteristics of origin products and the meaning and potential of geographical indications as a development tool.

Box 33 provides a tool for mapping stakeholders characteristics and roles in the evaluation process.

**BOX 33 – TOOLS**

**Stakeholders assessment and engagement plan: format**

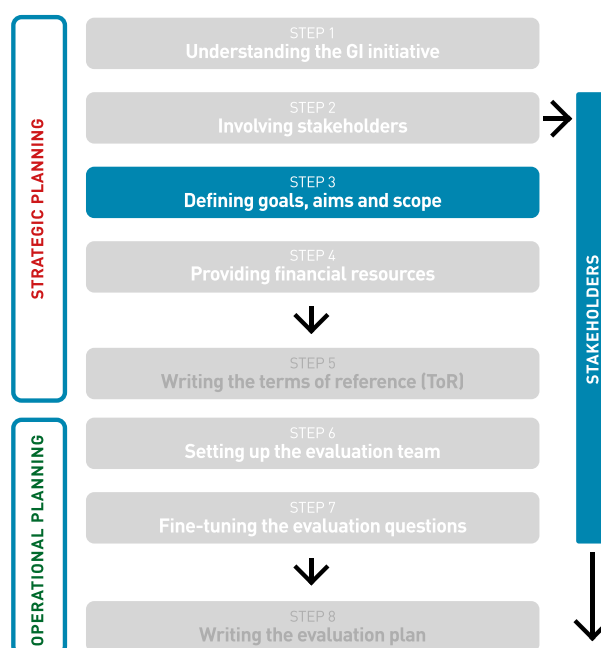
<b>Stakeholders category</b>	<b>Main characteristics</b> <i>Number, where they are, associations, etc</i>	<b>Interest and expectations in the GI initiative</b>	<b>Role in the evaluation</b> <i>Which roles can they play?</i>	<b>How and when to engage in the evaluation</b> <i>Define the right timing, also considering eventual empowerment actions</i>
Small local farmers				
Big local farmers				
Artisanal small processors				
Big processors				
Wholesalers				
Local municipalities				
Local NGOs				
...				



### 4.2.4. Step 3: defining the goals, aims and scope of the evaluation

Once the basic elements of the GI initiative have been accurately identified and formulated, the initiator has to clarify the ultimate goal of the evaluation (see Box 34 and Box 37). This ultimate goal is not to gather information, but rather to use the collected information to improve the GI initiative and optimize its effects on the local production system and rural territory.

The initiator must subsequently define the evaluation's aims in a purpose statement that should reflect the aims of the initiative (see Box 35 and Box 36). The purpose statement orients the evaluation; it specifies the main tools that will be used and identifies the information that is needed. The evaluation aims must be formulated in an explicit and clear way from the beginning, so that the activities that will be undertaken and the issues that will be tackled during the evaluation can be clearly defined.



#### BOX 34 - EXAMPLES

##### The ultimate goals of evaluation: examples

Some possible ultimate goals of GI evaluation include:

- to modify the GI initiative to make it more efficient and effective;
- to modify key rules to achieve a better distribution of value added between farmers;
- to modify the CoP to improve the social and environmental impacts of the initiative;
- ...

#### BOX 35 - EXAMPLES

##### Evaluation aims: examples

The evaluation of GI initiatives may aim to answer the following questions:

- What are the effects of the GI initiative on producers' income and their access to markets?
- To what extent do consumers appreciate the GI product? Are consumers willing to pay a higher price for the GI product?
- What are the effects of the GI initiative on local ecosystems, and how does it affect water pollution and soil degradation?
- What are the effects of the GI initiative on the local tourism sector and on social dynamics?

## BOX 36 – GI INITIATIVES IN ACTION

**Understanding the GI initiative and determining the goal and aims of the evaluation: Madd de Casamance (Senegal)**

Madd is the fruit of the *Saba senegalensis*, a wild liana that is endemic to the natural forests of West Africa. The fruit has been increasingly commercialized over the past 30 years. Madd fruits are sold fresh or processed (e.g. as jam, juice, fudge or syrup). Madd fruits from the Casamance region in Senegal have a reputation for better quality than madd fruits from Mali, Côte d'Ivoire and Burkina Faso. The fruit has therefore been identified as a potential candidate for GI protection in Senegal, and FAO has funded a study to analyse the feasibility and usefulness of the GI approach. This study has revealed that the production system of madd fruits in Senegal has a number of characteristics that make it a good candidate for the GI approach: a high-quality local product with a strong reputation, small processing units grouped in a cooperative, an important role in rural employment and the preservation of the environment, an interesting market potential, etc. However, other aspects of the system make a GI approach less suitable: weak coordination for harvesting, poor technical management (e.g. for the conservation of raw materials or transportation), seasonal variability, etc.

The first step of the planning phase of the evaluation was aimed at reaching a common understanding about the significance and aims of a possible GI initiative on madd fruits in Casamance.

A two-day meeting was organized with representatives of the different stakeholder categories in the local value chain, as identified in a preliminary study. First, participants in the meeting discussed the Senegalese context, the value chain for madd fruits, the fruit's potential, and ongoing activities on madd fruits. Then, the basic characteristics and functions of GI initiatives were discussed, with a particular emphasis on environmental and social issues. Lastly, the aims and methodology of the evaluation process were presented. To reach a common and shared understanding about the potential of a GI initiative, the discussion among stakeholders was organized around the following questions:

- Does everyone have a clear and common understanding of the characteristics and potential of GI initiatives?
- Do all participants share a common understanding of the aims of the local producers association?
- What effects do stakeholders expect from the GI initiative?

The expectations that stakeholders had from a GI initiative mainly concerned the protection of the name Madd de Casamance from imitations on the market, the protection of this natural resource, and social and territorial development i.e. improving local living standards (and especially those of young people and women). Therefore, the ultimate goal of the (prospective) evaluation was to evaluate the feasibility and utility of a GI initiative for madd fruits of Casamance against these expectations. During the first discussion, the stakeholders agreed that the prospective evaluation had to provide answers to the following questions:

- What is the most appropriate geographical area to include in the GI Initiative? What are the consequences of this selection on the choice of the name of the product?
- How can rules on production practices reduce the environmental effects of the production of madd fruits?
- Should the processing of madd fruits be included in the CoP?
- How can producers respond to market requirements related to quality standards and the packaging of processed fruit?

Source: FAO. 2018.

Even when the focus is on specific aims and domains (social, economic or environmental), the analysis should always consider the multidimensionality of an initiative's effects – and therefore various domains – as much as possible. The amount of financial and human resources that are available for the evaluation may affect the number and typology of domains that can be evaluated, as well as the accuracy of the evaluation itself.

In a next step, the scope of the evaluation must be delimited (see Box 37 and Box 38): the range of factors that will be evaluated must be defined (i.e. what is included, and what is excluded in the analysis), and it must be decided which kind of effects are more or less relevant for the analysis.

**BOX 37 – EXAMPLES**

**Evaluation scope: examples**

If the general aim of the evaluation is to quantify the effects of a GI initiative on producers' incomes, several questions must be taken into consideration. Should the evaluation consider only those producers who will take part in (or are taking part in, in the case of retrospective evaluation) the GI initiative? Or should it consider producers that are excluded from the GI initiative (for example because they are located outside the geographical boundaries set by the rules, or by their own choice), too? Should the analysis be limited to farmers, or should processors or traders be included, too?

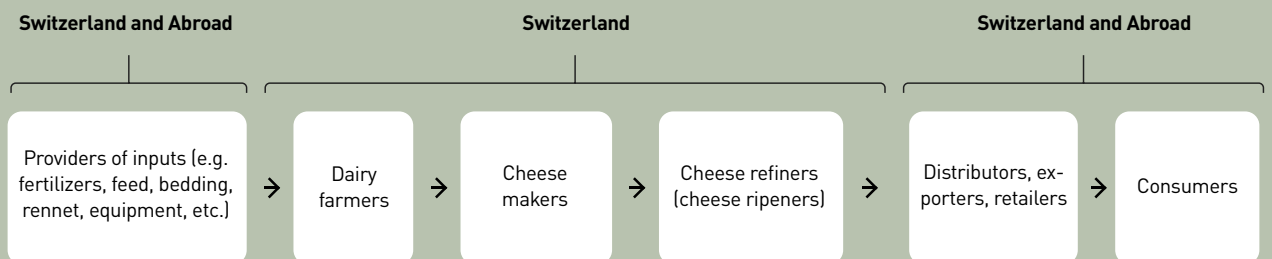
The delimitation of the scope of the evaluation is normally more complex in prospective than in retrospective evaluation, as in the former case the GI initiative has not yet been properly defined. When a GI initiative is already in place, the delimitation of the scope is usually easier. In general, the wider the scope of the evaluation, the more resources and competences will be needed to carry it out.

**BOX 38 – GI INITIATIVES IN ACTION**

**Definition of the evaluation scope for L'Étivaz PDO cheese (Switzerland)**

The evaluation of the sustainability performance of the value chain of L'Étivaz PDO cheese (Switzerland) implied the identification of the geographical boundaries of that chain. The scheme shows a simplified value chain for L'Étivaz cheese, with the various steps considered for assessment purposes.

*The value chain of L'Étivaz PDO cheese*



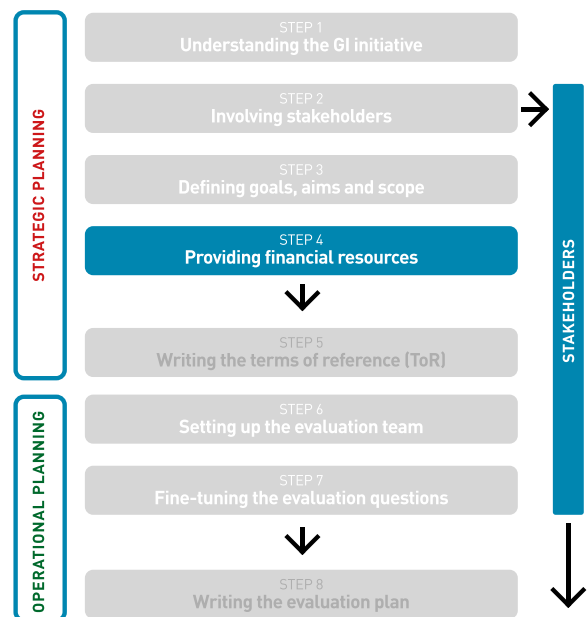
The scope of the evaluation of a GI initiative can potentially range from the supply of agricultural inputs to consumption. However, the input supply stage is difficult to assess, as it may be hard to obtain information on the production and transportation of inputs, and there is a high degree of interaction with many other food value chains. The stages of the value chain that were studied in the case of L'Étivaz cheese include the agricultural production stage, the primary processing stage (milk aggregation and cheese making) and the secondary processing stage (cheese refining). The packaging, export and retail stages were also taken into account in the study, despite the limited availability of data and the very high degree of interaction with other value chains.

Source: Schmitt, E., Tanqueray-Cado, A., Cravero, V., Gratteau, L., Le Goff, U. & Barjolle, D. 2015.

#### 4.2.5. Step 4: sourcing financial resources

Evaluation is costly. Gathering information, organizing and attending meetings, filling out data sheets, analysing the data collected, organizing information and so on requires both money and time. The amount of resources needed depends on:

- the aims and scope of the evaluation;
- the complexity of the OP system i.e. the number of stakeholders involved, their heterogeneity, the number of stages of the value chain, etc.;
- the desired degree of accuracy;
- the availability of existing secondary data;
- the period of time that is needed to observe and monitor the effects of the initiative;
- the competencies required.



If the initiator has limited financial and human resources, the characteristics of the evaluation may need to be adjusted to the resources available. The aims, coverage and required accuracy of the evaluation should be in line with the available resources. Depending on the budget at disposal, the evaluation may need to be simplified to reduce costs, without however jeopardizing the quality of results (see Section 7 on how to adapt the evaluation methodology to concrete GI initiatives).

Whatever the budget, the initiator should work out an estimate of all the costs of the evaluation, elaborating a rough budget for the main activities to be performed by the evaluator. Box 39 provides an example of a structure for such a budget. The elaboration of the budget may prompt a search for additional funds or the reconsideration of the scope and/or aims of the evaluation. In cases where the initiator assigns the implementation of evaluation to an external evaluator, the budget may represent the basis for the tendering process.

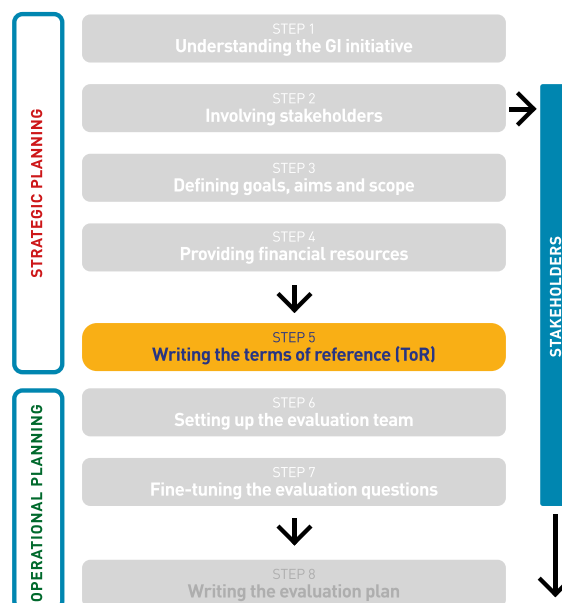
BOX 39 – TOOLS

**Budget table for a one-year project evaluation**

Activity	Type of cost	Estimated cost
Evaluation planning and preparation	Working days	
Field work (meetings, surveys, interviews ....)	Working days	
Field work (Travel)	Travel	
Field work (Subsistence)	Days of stay	
Elaboration of results	Working days	
Information analysis	Working days	
Dissemination and communication	Working days	
etc.....	...	
<b>TOTAL BUDGET</b>		

**4.2.6. Step 5: elaborating the terms of reference (ToR)**

The strategic planning ends with the writing of the terms of reference (ToR), a document that organizes and summarizes what has been decided in steps 1 to 4. The ToR provides guidance as to how to proceed with the evaluation of a GI initiative and how to use the results of the evaluation to improve an initiative. The ToR provides clear inputs for the operational phase of the planning process. The ToR is an explicit statement of the motivations, resources, roles and responsibilities of the initiator and manager (and the evaluation team), according to the following key questions:



- Why is an evaluation being carried out (the goals and aims of the evaluation)?
- Who amongst the stakeholders in the OP and the GI initiative should be involved in the evaluation, what should be the characteristics of the team in charge of the evaluation, and what are the roles and responsibilities of the different stakeholders during the process?
- What will be evaluated (the scope of evaluation)?
- What are the general guidelines for the implementation of the evaluation (including guiding principles and approach)? (Further details will be elaborated by the evaluation team in the next steps of the evaluation process and reported in the evaluation plan).
- When must milestones be achieved, and when should the evaluation be completed? Note that the timespan for monitoring is linked to the specific aims of the evaluation. The timespan should allow for the full manifestation of the effects under scrutiny (in the case of retrospective evaluation) or be in line with the timing of the initiative (in the case of prospective evaluation).
- What human and financial resources will be available to carry out the evaluation?
- Which activities of dissemination and implementation of the lessons learned will be developed?

Based on the ToR, the initiator selects a manager for the subsequent steps of the evaluation process (operational planning and implementation), and sets up an evaluation team (see Step 6). The manager can be selected using a more or less formal procedure (e.g. a public call), depending on the internal rules set by the initiator and on the magnitude and complexity of the GI system. For large and multi-stakeholder evaluations, it may be helpful to stipulate the roles and responsibilities of the different participants, and in particular of the evaluation team, with a higher degree of detail, and turn the ToR into a more formal document. The nature of the ToR is slightly different in the case of small OP systems, where the evaluation team is composed of people belonging to the organization of the initiator. However, even for such smaller systems, it is important to write down simplified but clear ToR to guide the evaluation activities.

The ToR constitutes the reference document for all activities performed during the evaluation. Based on the contents of the ToR, the evaluation team drafts an evaluation plan (usually approved by the initiator) (see Step 8). Box 40 provides an outline for the ToR of an evaluation, highlighting the main elements it should include.

## BOX 40 – TOOLS

## Outline of the ToR for the evaluation of GI initiatives

	Content	Examples of key questions to be answered
<b>WHY</b>	This section provides information about the specific aims of the evaluation and the intended users and uses of the evaluation.	<p>What is the general aim of the evaluation?</p> <p>What is the ultimate goal of the evaluation?</p> <p>Which general principles will guide the evaluation?</p> <p>How will the results of the evaluation be used?</p> <p>Who will be the main users?</p>
<b>WHO</b>	<p>This section indicates who should be involved in the evaluation:</p> <ul style="list-style-type: none"> <li>the stakeholders in the OP and in the GI initiative who are – or should be – involved in the evaluation;</li> <li>the characteristics of the team that will manage the evaluation.</li> </ul>	<p>Who are the stakeholders in the GI initiative?</p> <p>Which categories of stakeholders should be involved in the evaluation?</p> <p>What role should they have?</p> <p>How will stakeholders be engaged (as members of an advisory board or of the evaluation team, as data providers)?</p> <p>Which professional qualifications, experience and expertise should the members of the evaluation team have?</p> <p>Will the evaluation be conducted internally, externally or by a mixed team of evaluators?</p> <p>Which selection criteria apply to the external evaluator?</p>
<b>WHAT</b>	This section provides a description of the GI initiative and of its context (including the OP system on which the GI initiative is based), defines the scope of the evaluation and sets out the evaluation questions.	<p>Why is the GI initiative needed? What are its aims?</p> <p>What are the main expectations of the initiators of the GI initiative and other local actors?</p> <p>What are the initiative's intended products and outcomes?</p> <p>What stage of development is the GI initiative currently in?</p> <p>What is the scope of the evaluation, in terms of the vertical (activities along the value chain) and territorial (geographical coverage) boundaries of the object of evaluation?</p> <p>Which environmental, social or economic factors may affect the performance of the GI initiative?</p> <p>Which environmental, social or economic factors may be affected by the GI initiative?</p> <p>Which evaluation questions must be answered with regard to outputs (first-order effects), outcomes (second-order effects) and impacts (third-order effects)?</p>

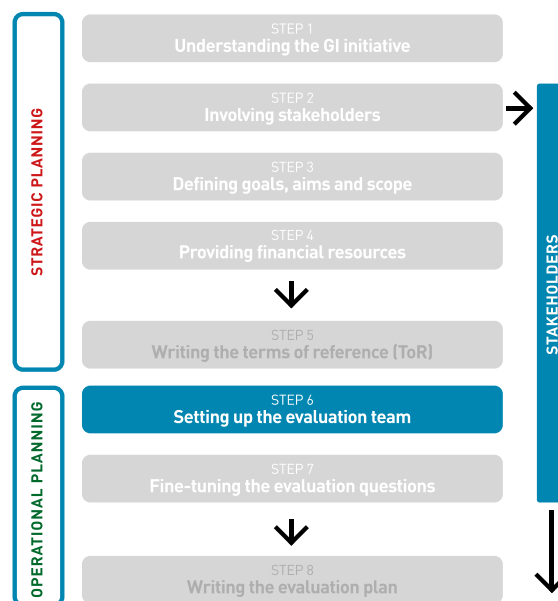
<b>HOW</b>	<p>This section provides an overview of the general approach and the main activities planned during the evaluation, as well as of the main outputs of the evaluation (intermediate and final reports).</p>	<p>What is the general approach of the evaluation? How are the general principles of inclusiveness, fairness and sustainability to be integrated into the evaluation and implemented during the evaluation activities?</p> <p>Which general activities are planned in order to achieve the aims of the evaluation and answer the proposed evaluation questions? What kind of data collection methods are preferred? Which actions and outputs (intermediate and final reports) should be delivered by the evaluation team?</p> <p>The evaluation team provides details as to how the evaluation process will be managed in the evaluation plan (see Section 4.3 on operational planning). This information is refined during the next phase of prospective and retrospective evaluation.</p>
<b>WHEN</b>	<p>This section provides a timeline for the evaluation and its milestones.</p>	<p>When should the evaluation activities start, and when should they be concluded?</p> <p>When will the evaluation team be ready to start its activities?</p> <p>What are the evaluation activity milestones (e.g. start of the field analysis, information dissemination activities, delivery of the final report, ...)?</p> <p>When should the evaluation team provide a detailed work plan of the activities?</p>
<b>RE-SOURCES</b>	<p>This section provides information on the budget (human and financial resources) for the planned evaluation activities</p>	<p>Which resources are available to support the evaluation (e.g. staff, money, space, time, partnerships, technology, etc.)?</p> <p>Which data have already been collected and are available? What is the budget that is allocated to this evaluation? Where will the money to support the evaluation come from? Do volunteers or partner organizations contribute (in cash or in kind) to the effort?</p>
<b>DISSEMINATION AND IMPLEMENTATION</b>	<p>This section provides information on the dissemination activities planned during and after the evaluation process. It also details on how the lessons learned during the evaluation should be implemented.</p>	<p>Who will be involved in the drawing up, interpretation and justification of the conclusions of the evaluation?</p> <p>What are the target audiences of the evaluation progress reports and/or reports on the evaluation's findings?</p> <p>What is the most appropriate communication method for this audience and purpose?</p> <p>How, where and when will the findings be used? Who will implement these findings?</p>

### 4.3. The operational planning

The operational phase concerns the planning of the implementation and management of the evaluation process. A manager (an individual or team) is in charge of the operational phase; this manager must ensure that the required competences and skills are available and guarantee that the evaluation is carried out in the best way possible, in line with the objectives stated in the ToR. Initially, the manager draws up the evaluation plan, which operationalizes the ToR. Then, the manager implements and manages the evaluation according to the evaluation plan, during the prospective and retrospective evaluation phases (see Sections 5 and 6).

### 4.3.1. Step 6: setting up the evaluation team

Evaluation requires a good knowledge of the OP system, and especially of the dynamics of the local economic and social systems. In addition, specific competencies are required to manage the evaluation according to high quality standards. OP systems are often complex, and GI initiatives may impact upon multiple dimensions. Therefore, multidisciplinary competencies might be needed (for example in the fields of agronomy, economics or social or environmental sciences). The responsibilities of the parties involved in the evaluation and the procedures that will lead to the desired outcomes must be identified in a formal manner.



The manager can be chosen from within the initiating organization (e.g. a member of the local producers association) or can be external, such as a university staff member or a private consultant. Both solutions have their strengths and weaknesses. Internal managers may be more involved in the initiative; they may also be cheaper. Meanwhile, external managers often bring specific competencies and may ensure greater objectivity. A single person rarely possesses all the competencies required for evaluation. Therefore, it is advisable that an evaluation team be set up to manage the evaluation process according to the general evaluation principles and the aims of the evaluation.

The evaluation team must have theoretical and practical knowledge about GIs, including about GI protection tools and their scope and limitations, national and international GI regulations, and legal frameworks related to food safety and quality, the use of inputs, the environment, labour practices, etc. It must also be familiar with the characteristics of the OP, including its production system and its socio-economic context (see Box 41). A good knowledge of the FAO/SINER-GI guide “*Linking people, products and places*” is an absolute requisite. Previous experience of working with rural and value chain actors may also be required. If any of these competencies are lacking, time and financial costs may increase, and the general efficiency of the evaluation process and the quality of its outcomes may be affected.

It may be necessary to train the evaluator by means of specific courses on GIs. It is recommended to include local universities or research institutes in the evaluation team, as they may bring technical and scientific competencies, and often a more objective vision.

A manager should be chosen from amongst the members of the evaluation team. The manager should supervise the evaluation team members and coordinate their activities, and communicate with the initiator.

The evaluation team is the core team in charge of the day-to-day planning and management of the evaluation. Apart from the evaluation team, many other people may take part in specific evaluation activities. For example, producers may provide data and help interpret the results of the evaluation, data collectors may help gather data, and statisticians may elaborate the collected data.



**BOX 41 – GI INITIATIVES IN ACTION**

**Multidisciplinary evaluation teams: the example of Prosciutto di Parma PDO ham (Italy)**

The objective of the evaluation of the GI initiative for Prosciutto di Parma PDO was to assess the performance of the PDO value chain against a set of sustainability parameters (selected through a participatory approach) such as affordability, added value, resilience, labour relations, chain governance, animal welfare and territoriality. For each of these parameters, a set of indicators was calculated.

Given the multidimensionality of the assessment, various actors with different competencies (e.g. veterinarians, food scientists, economists, entrepreneurs, ...) were included in the evaluation team:

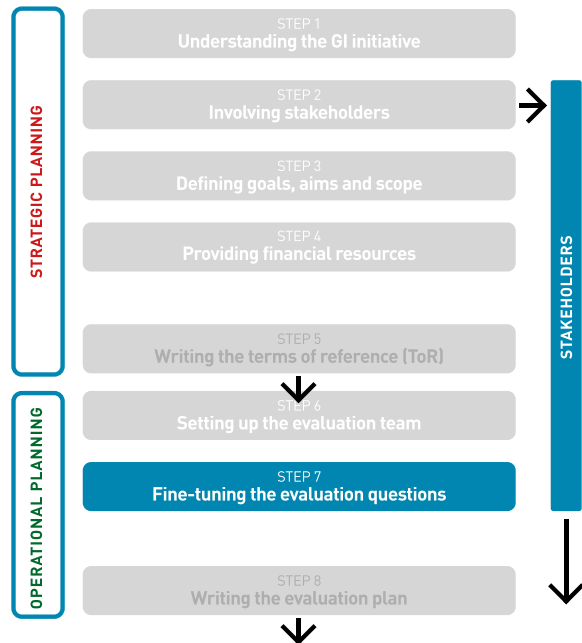
- Experts of the Italian Research Centre on Animal Production;
- Researchers from the University of Parma; and
- Value chain stakeholders (including the Parma Ham Consortium, Parma ham producers, the gourmet route association “The Road of Ham and Wines of the Hills” and consumer organizations).

*Source: De Roest, K., Pignedoli, S., Belletti, G., Menozzi, D. & Arfini, F. 2014.*

**4.3.2. Step 7: fine-tuning the evaluation questions**

Once the aims and scope of the evaluation have been clearly defined and the stakeholders to be involved have been identified, a list of evaluation questions must be made to fine-tune the evaluation to those issues that are most important (see Box 42). Evaluation questions should be formulated based on the specific objectives of the GI initiative and its activities, the characteristics of the OP system and the evaluation aims as defined by the initiator. Then, stakeholders should be invited to identify the precise questions that the evaluation should answer, and a wide-ranging list of potential questions should be compiled to cover different points of view. Next, the evaluation team must check the pertinence and feasibility of each question by identifying whether it actually relates to the GI initiative and to the outputs, outcomes and impacts it may produce. It is strongly advisable that evaluation questions cover all three orders of effects (outputs, outcomes and impacts) and avoid focusing on the most trivial effects amongst them.

Evaluation questions should give due consideration to the quality virtuous circle and to the sustainable use and reproduction of specific local resources, which are the basis of the very identity and reputation of GI products. The reproduction of these resources is important, not only for environmental but also for economic reasons. It is crucial that the evaluation questions cover the whole range of effects of a GI initiative, looking beyond producers’ short-term interests to include social and environmental sustainability, which is often overlooked by producers.



The selected evaluation questions should be directly associated with at least one aim of the GI initiative and/or of the future development of the initiative. The choice of the evaluation questions has an important bearing on the complexity of the evaluation process.

Certain evaluation questions – and in particular those related to third-order effects such as effects on the environment (water, genetic resources, landscape) – require a long monitoring time and specific competencies of the evaluation team. The selection of evaluation questions must therefore be strictly coordinated with the provision of human and financial resources (see Step 4). Questions should first be selected based on their relevance, and then filtered according to their feasibility in terms of data accessibility and costs.

For each aim of the evaluation, evaluation questions should be compiled into a “question card” (Box 43).

#### BOX 42 – EXAMPLES

##### **Evaluation questions: examples**

###### ***Evaluation questions related to outputs (first-order effects):***

Does (for retrospective evaluation)/could (for prospective evaluation) the GI initiative:

- Attract the interest of the intended target population (e.g. farmers, consumers, processors, ...)?
- Attract the intended number of actors?
- Stimulate an increase in the GI production volume and sales?

###### ***Evaluation questions related to outcomes (second-order effects):***

Does (for retrospective evaluation)/could (for prospective evaluation) the GI initiative:

- Improve producers' profits?
- Widen the range of marketing channels used?
- Facilitate access to new geographical markets?
- Increase the sales price of the GI product?
- Improve product quality?
- Encourage the collective organization of producers (the creation of collective bodies, networks and partnerships)?

###### ***Evaluation questions related to impacts (third-order effects):***

Does (for retrospective evaluation)/could (for prospective evaluation) the GI initiative:

- Affect the local labour market (e.g. by driving up wages)?
- Generate any changes in producers' skills, knowledge, attitudes or behaviour?
- Have the expected impacts in terms of environmental preservation?
- Exert effects on local (female) employment?
- Help alleviate poverty?
- Encourage poorer producers to participate in collective actions?

BOX 43 – TOOLS

**Question card defining specific purposes and their evaluation questions: example**

*Specific aim of the evaluation*

Evaluating the effects of a GI initiative on producers' incomes.

*Scope of the evaluation*

Producers using the GI label.

*Main evaluation questions*

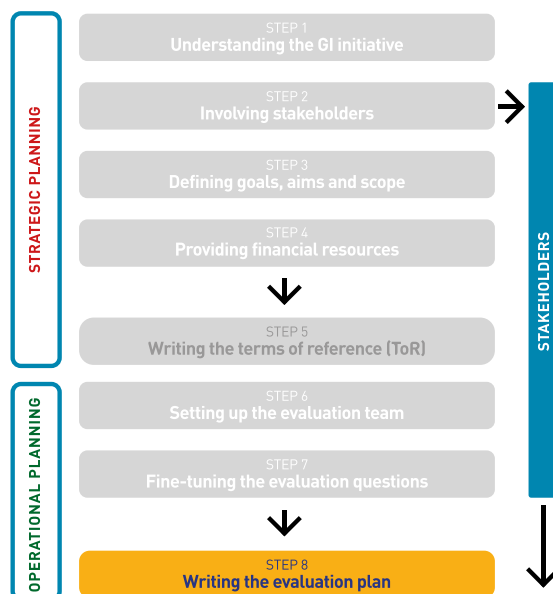
- What are the initiative's effects on the costs and turnover of the different categories of producers?
- Which producer typology benefitted most?
- Did the GI initiative prompt higher production volumes and sales prices?
- Has the quality of the GI product improved due to the GI initiative?

*Other questions*

- What is the trend of prices for origin products not bearing the GI?
- Has the GI initiative helped alleviate poverty?
- Does the initiative help preserve the natural resources underlying the OP's specificity in the medium and long run, to guarantee long-term economic benefits and access to environment-conscious consumers?

**4.3.3. Step 8: writing the evaluation plan**

Based on the content of the ToR, an evaluation plan is drawn up by the evaluation team and usually approved by the initiator. The evaluation plan is a work plan that organizes the evaluation in the field. It specifies the evaluation questions as defined in the previous step, the information that must be collected to answer those questions and the methods that must be used to collect and interpret the data, and determines the timing and the organization of the activities. The evaluation plan thus ensures coherence between the human and financial resources available and the activities to be performed. The evaluation plan should take account of the main steps of the following phase of the evaluation (prospective or retrospective, depending on the case – see Sections 5 and 6). The evaluation plan will need to be fine-tuned as the evaluation goes on and the evaluation team obtains more information about the GI initiative from the field. Thus, the evaluation plan is a dynamic tool, a living document that must be updated on an ongoing basis to reflect the concrete situation in the field, with its difficulties and problems.



At the end of Step 8, the evaluation plan is approved. The evaluation manager is responsible for the operationalization and management of the evaluation during the prospective and retrospective evaluation phases, in accordance with the evaluation plan. Box 44 provides an outline of the main elements of an evaluation plan.

**BOX 44 - TOOLS**

**Structure and content of the evaluation plan**

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

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

## PROSPECTIVE EVALUATION: WHETHER AND HOW TO ACTIVATE A GEOGRAPHICAL INDICATION INITIATIVE

*This section is dedicated to prospective (or ex ante) evaluation, where stakeholders have to decide whether and how to launch a GI initiative. Stakeholders are in the process of designing the GI initiative and deciding which rules to include in the CoP.*

### 5.1. The role and steps of prospective evaluation

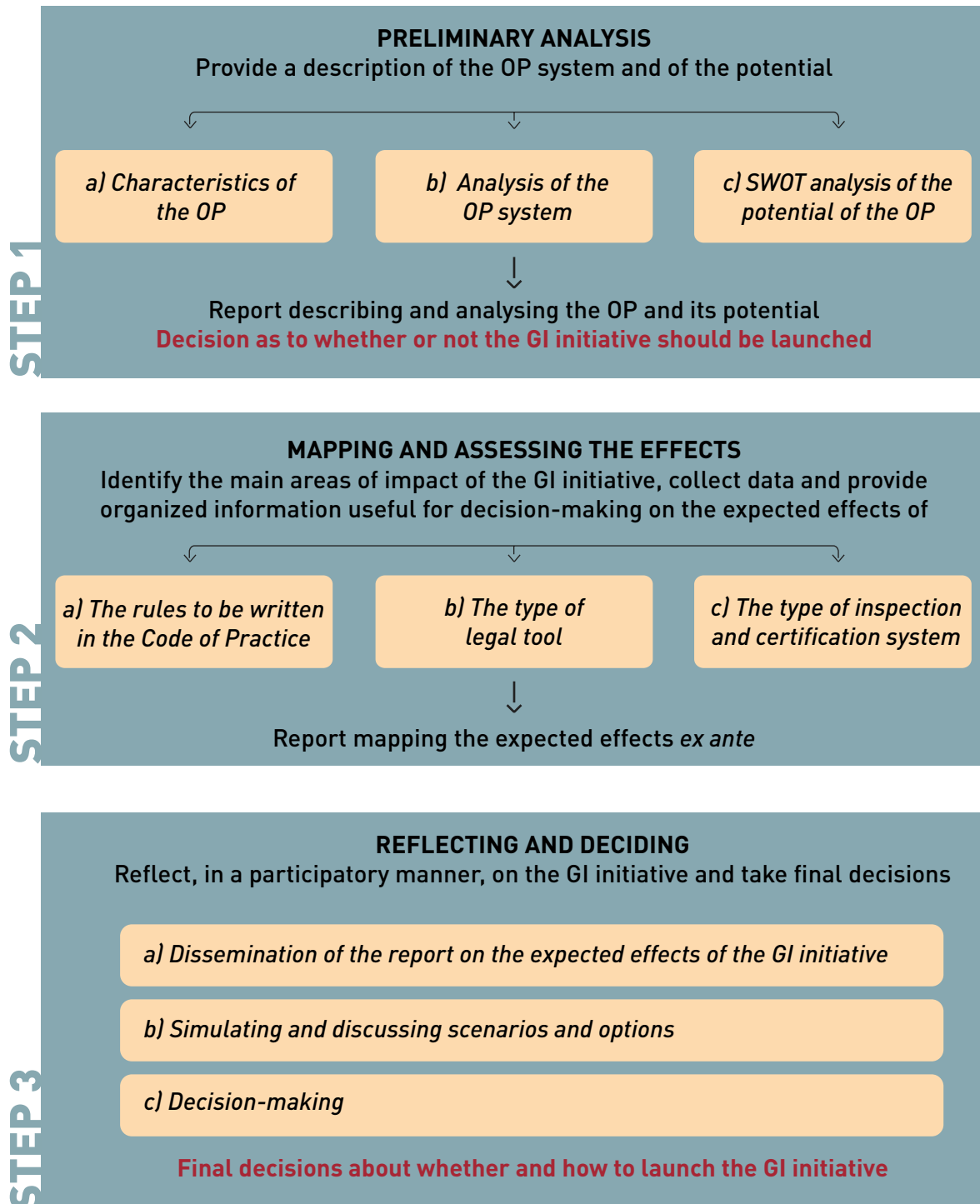
Prospective or ex ante evaluation refers to the identification and qualification phases of the origin-linked quality virtuous circle, where the OP has to be clearly identified (identification phase) and an initiative to better qualify the OP on the market may be launched (qualification phase).

The decision on whether and how to launch a GI initiative requires an agreement among stakeholders; achieving this agreement may be highly demanding in terms of time and human and financial resources. Prospective evaluation can help stakeholders make the best decision by forecasting the possible effects of the GI initiative in different areas (economic, social and environmental). The evaluation questions formulated in the planning phase steer the process of prospective evaluation by indicating which effects should be mapped and evaluated.



After a preliminary analysis (Step 1) of the OP and its production system, data are collected on the potential effects of the alternative decisions that stakeholders may take as to the characteristics of the GI initiative (Step 2). Finally, stakeholders discuss the results of the analysis are discussed and make final decisions (Step 3) (see Figure 7).

Figure 7 The various steps of prospective evaluation

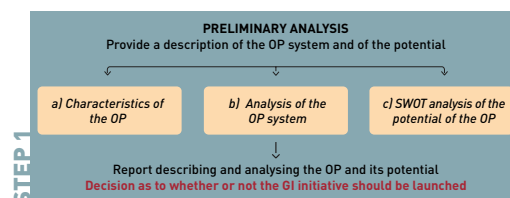


## 5.2. Step 1: preliminary analysis of the origin-product or origin-linked product system and of the potential of the origin-product or origin-linked product

### 5.2.1 Aims and steps of the preliminary analysis

As a starting point, a clear and comprehensive preliminary description and analysis of the OP system should be developed for two main reasons:

- to understand how the OP system works and what its main characteristics in the economic, social and environmental spheres are. This is important as the prospective analysis is based on a simulation exercise about the effects that the GI initiative may have on the OP system; and
- to take a picture of the OP system before the GI initiative is launched, to provide a baseline for future retrospective evaluation (see Section 6), whereby the effects produced by the GI initiative are evaluated.



Three main activities are needed for the preliminary analysis:

- a) the identification of the main characteristics of the OP and of its potential;
- b) the in-depth analysis of the characteristics of an OP system and their evolution;
- c) a strengths-weaknesses-opportunities-threats (SWOT) analysis of an OP and its production system.

### 5.2.2 Identification of the main characteristics of the origin-product or origin-linked product and of its potential

The Quality & Origin Identification Web Tool is a tool for the identification of the main characteristics of an OP and of its potential, developed by FAO (see Box 45). The tool is intended to facilitate the identification and description of the link between a product and its geographical origin, focusing on the strengths and weaknesses of its production system. By means of the Quality & Origin Identification Web Tool, an evaluation team can:

- identify whether the quality of a product is linked to its geographical origin;
- identify the potential for the development of an origin-linked quality strategy (strengths and weaknesses); and
- generate an analysis and profile for a product, including the main characteristics necessary to enter into an origin-linked quality virtuous circle strategy.



## BOX 45 – TOOLS

**The FAO Quality & Origin Identification Web Tool**

Origin-linked products can become the pivotal point of an origin-linked quality virtuous circle through a territorial strategy of promotion. Among the effects of such a circle are the creation of value, the preservation of bio-cultural assets and the activation of social networks, all of which are reinforced over time and contribute to the creation of a sustainable production and consumption system. The first step of the circle is the identification phase; during this phase, stakeholders determine whether the product has a specific quality that is linked to its geographical origin (product) and what resources (place) and stakeholders (people) would be involved in the promotion strategy.

The Quality & Origin Identification Tool is an online/offline tool that helps users determine whether a product has a quality that is linked to its geographical origin (Questionnaire 1) and identify the dimensions that must be considered in order to develop a GI process and enter the origin-linked quality virtuous circle (Questionnaires 2 and 3).



For more information, please contact [GI@fao.org](mailto:GI@fao.org)

### 5.2.3 Analysis of the characteristics of an origin-product or origin-linked product system and their evolution

Table 2 enumerates the elements that should be considered when analysing the characteristics of an OP and its production system.

**Table 2** Elements to be considered in the analysis of an OP and its production system

LOCAL CONTEXT	The local context of an OP is the geographical, economic and social environment (and its dynamics) in which the OP system is embedded. This encompasses the local and regional public policy environment.
PRODUCT AND PROCESS	Among the basic characteristics of a product and its production process are: <ul style="list-style-type: none"> <li>• The quality characteristics and specificities of the product;</li> <li>• The characteristics of the production process;</li> <li>• The link of the OP to local human and natural specific resources;</li> <li>• The variability of product quality among producers; and</li> <li>• The geographical boundaries of the production area.</li> </ul>
VALUE CHAIN	The structure and evolution of a value chain can be analysed through a number of variables, including the stages of the value chain, producers and their typologies (classification according to e.g. sales volumes or the degree of specialization in the OP), the number and typology of workers and the technologies used. As far as the latter are concerned, competing production technologies, their associated costs of production and the product's resulting quality characteristics are of particular relevance.
ORGANIZATION AND GOVERNANCE	The analysis of an OP's system organization and governance involves the analysis of the networks of actors involved in the production and valorization processes of the OP (enterprises, public institutions, collective organizations, etc.), the relations among the different stages of the value chain, elements of conflicts, etc.
MARKET	The market-related dimensions of an OP system include: <ul style="list-style-type: none"> <li>• The marketing strategies adopted by OP enterprises: branding strategies, marketing channels (long or short: direct selling, selling to intermediaries or selling to supermarkets) and target markets (local, regional, export);</li> <li>• The place of the OP in firms' overall activities; and</li> <li>• The characteristics of the value chain and their evolution: prices at different stages of the chain, the distribution of value along the chain, competition within and between the various stages of the value chain, etc. Of particular relevance is the position of farmers in the value chain.</li> </ul>
CONSUMPTION	Who are the OP's consumers? Are they locals, or are they located in foreign markets? Are they young, or not? How and when do they use the OP? Is the OP linked to local gastronomy, and if so, how?
SOCIAL AND ENVIRONMENTAL ISSUES	The social dimension of OP systems can be analysed through the following variables: the links between the OP and livelihoods, the local society and local culture, and the position of various groups (women, youngsters, migrants, informal workers, etc.) in the production system. Meanwhile, the environmental impacts of OPs and their production systems include both positive and negative effects on inter alia water quality, landscape characteristics, biodiversity preservation, CO2 emissions, etc.
USE OF GEOGRAPHICAL INDICATIONS	Do the OP actors use a geographical name to market the OP product? Do they use only one geographical name, or many? Is the geographical indication protected by a private trademark? Are there conflicts over the use of the name? Is the OP product imitated, or its name usurped? Do these problems come from within or without the traditional production area?

## 5.2.4 SWOT analysis of an origin-product or origin-linked product and its production system

The third step in the preliminary analysis consists of the analysis of the main strengths and weaknesses of the OP and OP system and of the opportunities and threats faced by it (the SWOT analysis) (see Box 46). The SWOT analysis is of a paramount importance for the next steps of the evaluation. Indeed, any GI initiative should leverage the strengths of an OP and exploit opportunities whilst reducing weaknesses and overcoming threats. The SWOT analysis should be carried out with a view to the inclusive and sustainable development of the GI initiative.

### BOX 46 – TOOLS

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

##### STRENGTHS

*i.e. the main strengths of an OP in relation to opportunities and threats*

Examples:

- The OP enjoys a good reputation on local markets.
- The OP fetches a high price on its final market, and this price is largely captured by processors and farmers.
- The OP uses a local plant variety that answers to consumer demands.
- The OP's image is strongly linked to local culture and traditions.
- The OP's production system is based on well established production and quality rules.
- Actors along the value chain have strong competences and skills.
- ...

##### WEAKNESSES

*i.e. the main weaknesses of an OP in relation to opportunities and threats*

Examples:

- Farmers and processors face high production costs.
- Producers depend on a single buyer.
- Incentives for farmers to improve quality are weak.
- The production system has weak connections to the domestic market.
- Lack of collective organization of producers causes difficulties in dealing with downstream enterprises.
- ...

##### OPPORTUNITIES

*List in this box the main strengths the OP shows with reference to opportunities and threats*

Examples:

- Consumer interest in specific quality products and GIs is growing.
- Consumer awareness of the social and environmental dimensions of production processes is growing. There is a high degree of cohesion and solidarity among local producers.
- Policymakers support GI initiatives.
- More tourists are visiting the territory, and more attention is paid to local traditions and culture.
- The demand for local products from supermarkets is growing.
- ...

##### THREATS

*i.e. the threats faced by the OP stemming from the economic, social and environmental context and its evolution*

Examples:

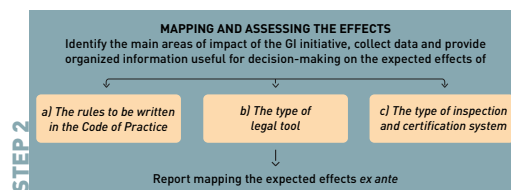
- Competition in high-quality market segments is increasing.
- The geographical name is abused and/or the OP imitated on intermediate and final markets, with a potential negative effect on the OP's reputation.
- Food regulations (e.g. hygiene rules) ban certain traditional practices.
- The processing and/or retail segments are highly concentrated.
- etc...

Based on the preliminary analysis (Step 1), stakeholders should decide whether or not to launch a GI initiative. If the results of the preliminary analysis show that the OP does not have sufficient potential and/or the OP system does not have enough strengths to carry forward a GI initiative, other strategies and actions may be more indicated.

## 5.3. Step 2: mapping and assessing the potential effects

### 5.3.1. General map of the categories of effects

Once it is decided that the OP and the OP system have sufficient potential to develop a GI initiative, strategic alternatives are identified and analysed, taking into account the potential effects of each alternative in the economic, social and environmental spheres. This assessment constitutes Step 2 of the prospective evaluation.



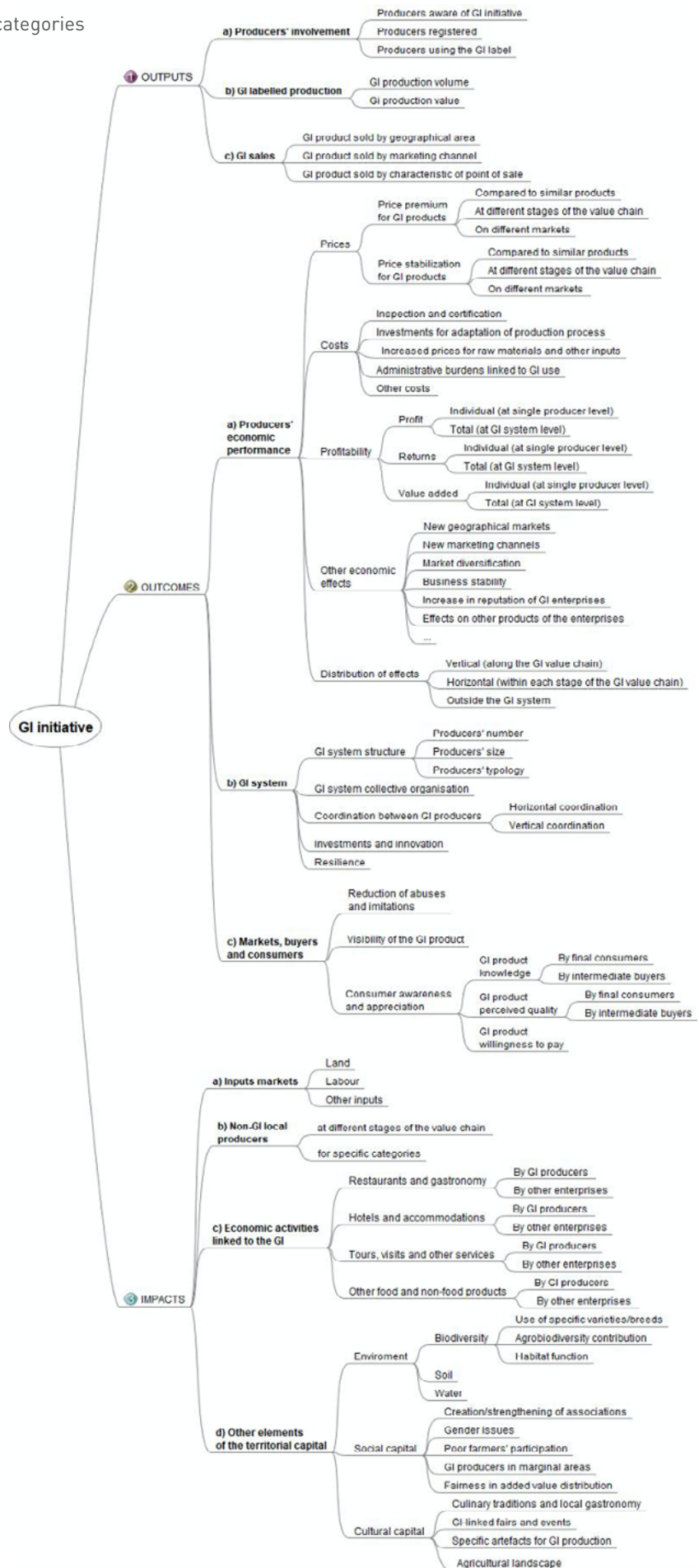
The strategic alternatives for the design of the GI initiative concern:

- a) the rules to be written in the CoP;
- b) the type of legal tools used to protect the GI; and
- c) the type of inspection and control system.

The information obtained in Step 2 will feed into Step 3, where stakeholders collectively make final decisions about whether and how to launch the GI initiative.

The remainder of this section discusses the critical choices to be made for each of the three strategic fields (CoP, legal tools and the inspection and control system), as well as their possible effects. The analysis of the effects is developed according to the maps of potential effects as presented in Section 2 (see Figure 8); this analysis should focus on the selected evaluation questions (see Section 4, Step 7).

**Figure 8** General map of the categories of effects of GI initiatives



Source: elaborated by the authors

The evaluation team mainly uses qualitative analysis (see Box 47) and may use different forecasting methods for Steps 2 and 3 (see Box 48). It is important to remind that many decisions related to the setting up of a GI initiative are strongly interrelated or interdependent (for example, certain legal tools require a specific kind of control system). Therefore, the analysis of the single choices should be followed by a general assessment of the overall definition of the GI initiative and its potential consequences.

#### BOX 47 – HINTS FOR EVALUATION

##### **Qualitative and quantitative analysis in prospective evaluation**

Prospective evaluation is usually more based on qualitative analysis and participatory discussions about alternative strategies than on statistical methods for data analysis. In theory, the evaluation team should collect, for each alternative, information to forecast its potential effects through quantitative and qualitative methods (including desk analysis, surveys, direct interviews, focus group discussions, etc.). In practice, however, the expected effects can rarely be quantified, as statistical data specific to an OP system are seldom available. The collection of such data for the purpose of the prospective evaluation can be time-consuming and costly. As a consequence, it is generally only possible to express a magnitude of forecasted effects on the basis of experts' and stakeholders' advice and information, especially for key variables as selected by the initiator of the evaluation (e.g. prices, costs or access to marketing channels) (see Section 4). This approach may not be entirely scientifically sound; however, the GI initiative will benefit from the early direct involvement of stakeholders, which may compensate for the lack of quantitative data and facilitate the sharing of information among all producers interested in the GI initiative.

## BOX 48 – TOOLS

**Collecting information by means of forecasting methods**

Forecasting methods can be divided into two broad categories: qualitative and quantitative. This division is essentially based on the availability of data (e.g. historical time series). In practice, a combination of these methods can be used to formulate accurate forecasts and plan for the future.

*Quantitative forecasting models* are used to forecast future data as a function of past data. They can be used when past numerical data are available. There are two main types of quantitative forecasting methods. The first method uses a past trend of a particular variable (i.e. time series) to forecast the future trend of that variable on the basis of a number of assumptions, which in the case of a GI initiative may regard changes in marketing channels, production, etc. The second quantitative forecasting method is also referred to as the causal method because it relies on the use of several variables and their cause and effect relationships. Time series for two or more variables with a cause and effect relationship with the GI initiative should be analysed to incorporate as many relevant factors into the forecast as possible.

*Qualitative forecasting* techniques generally employ the judgment of experts to generate forecasts. Three examples of qualitative forecasting methods are:

- The *Delphi method* develops forecasts through group consensus. A panel of experts, ideally coming from a variety of backgrounds, is asked to respond to a series of questionnaires. A first questionnaire is followed by a second one, incorporating information and opinions gathered by means of the first questionnaire. Experts are asked to reconsider and revise their initial response to the questions based on this new information. This process is continued until some degree of consensus is reached.
- The *scenario development* approach starts with different sets of assumptions on a selection of context variables (e.g. market trends, the provision of raw inputs, the sociopolitical context, etc.). For each set of assumptions, a plausible scenario of expected outcomes and a narrative are developed. The scenarios do not state what is likely to happen, but rather provide a context in which to imagine possible outcomes of the introduction of the GI initiative. Several different future scenarios (corresponding to different sets of assumptions) are generated, and the evaluation team discusses what consequences are expected in each context. The final aim is to identify the best characteristics of the GI initiative.
- Under the *subjective approach method*, stakeholders participate in the forecasting exercise, thus generating a forecast based on feelings, ideas and personal experiences. This subjective approach may take the form of brainstorming sessions in which different categories of stakeholders compare their impressions as to the possible outcomes of a GI initiative. The subjective approach may also take the form of a survey.

### 5.3.2. Expected effects of the rules of the code of practices

#### *The function of the CoP*

The Code of Practice (CoP) is a document laying down a set of rules that producers must comply with in order to use a GI. The CoP is thus at the heart of the GI initiative.

Reaching a collective agreement on these rules is often a very difficult task. Indeed, the producers involved in most OP systems differ widely in terms of the stage of the value chain in which they operate (farmers, processors, traders, etc.), their production volumes, their degree of specialization, etc.; as a result, different producers may intend to pursue very different aims by means of the GI initiative (see Box 50). Sometimes, the reputation of an OP covers a wide range of versions of the product, with significant differences in appearance, production methods, quality, ingredients, etc. (see Box 49). In such cases, it may be difficult to distinguish a legitimate use of the GI from a misuse or imitation. While there may be no easy solution to this problem, it is important to encourage a process of convergence and consensus building among local stakeholders based on local resources and local traditions.

#### BOX 49 – DEFINITIONS

##### **Internal differentiation in the CoP**

In some cases, there are several variants of a GI product, for example a high-quality variant produced according to traditional methods and a standard-quality variant produced with industrial methods. In such cases, the CoP should allow producers to differentiate their products within the overall GI. All variants will share the GI name, but some will bear an additional qualification (e.g. “traditional method”). This may prevent or reduce internal competition between the different typologies of producers; it also allows producers to target niche markets (see also Box 57 for an example).

#### BOX 50 – GI INITIATIVES IN ACTION

##### **Formulating the rules of the CoP: Rooibos (South Africa)**

The debate on the protection of the GI rooibos (bush tea) revealed that the question of who is entitled to formulate a GI initiative’s objectives and decide on the rules of the CoP is connected to the question of who will benefit from a GI. In the case of rooibos, stakeholders discussed whether the primary objective was to protect the name rooibos against abuse on the international market, or rather to preserve the fynbos, the natural habitat of the rooibos plant. Other questions tackled during the discussions concerned the selection of the type of rooibos that would be covered by the GI (wild or cultivated plants) and the cultivation and production practices that would be allowed.

*Source: Gerz, A., & Biénabe, E. 2006.*



Often, CoPs are written without due care and consideration. Sometimes, CoPs are written by external scientists or technicians, or by the representatives of a public body or professional category. Often, insufficient attention is paid to the multiple and sometimes contrasting effects that the CoP will generate once it becomes obligatory for producers who want to use the GI to adhere to its rules. Forecasting the possible effects of the CoP helps select the most appropriate rules in view of the local context and stakeholders' aims.

A CoP contains rules about:

- the name chosen to identify the GI product;
- the geographical boundaries of the territory in which the production must take place; and
- the key characteristics of the production process and of the final product (quality and appearance).

These rules must be analysed to identify their potential effects on different typologies of producers, on the production system as a whole and on the wider local system (including its social and environmental dimensions).

#### *Choosing a name to identify the GI product*

Names used to label an OP are often a combination of the name of a product category and a geographical name (e.g. Café de Colombia for Colombian coffee, or Prosciutto di Parma for Parma ham). Other names do not make a reference to a geographical area (like feta cheese from Greece). In most cases, it is obvious what the name of the product is since that name is well-reputed among consumers, who associate it with a production tradition.

In certain cases, however, stakeholders must carefully choose a name from a bundle of alternatives (see Box 51). This is the case when several local names (and symbols and images) are being used at the same time, each one appealing to a specific category of consumers. Local or national consumers, for example, may be attracted by names of specific localities inside their country, but foreign consumers might prefer the better-known names of regions or even countries. All potential names should be analysed for the different effects they may generate. This analysis can be carried out by using the maps of effects introduced in Section 3 (not all the effects listed in the maps will be connected to the choice of the name; the relevant areas must be selected) (see Box 52).

#### BOX 51 – HINTS FOR EVALUATION

##### **Choosing a name for the OP**

It is advisable to select a single name to identify an OP. As a general principle, this name should be linked to reality, and should not create confusion or deceive customers and final consumers. Hence, producers are not completely free in their choice of a name for the GI, and the choice of the name should normally refer to the definition of the geographical boundaries where the production of the GI product can take place.

## BOX 52 – TOOLS

**Expected effects of the choice of an IG name**

Issues/Areas of effect	Alternatives		
	Name A	Name B	Name C
First-order effects (outputs)			
• Producers' awareness and knowledge			
• ...			
Second-order effects (outcomes)			
• Reputation of the IG			
• Consumer knowledge of the IG in new markets			
• Abuses/imitations			
• Customer awareness			
• Visibility of the GI product			
• ...			
Third-order effects (impacts)			
Activities linked to GI reputation			
• Firms using the GI in their communication			
• Fairs and events linked to the GI			
• ...			

In some cases, the geographical name may be already registered as a private trademark (by firms within or without the area of production), obliging stakeholders to seek an agreement with the owner of the label, undertake legal action or select an alternative name, depending on the provisions of the law.

*Defining the geographical boundaries of the production area*

The choice of the geographical boundaries of the GI production area is of critical importance due to the many effects it may generate. The delimitation of the area makes a clear cut between those producers who may join the GI initiative and use the GI label, and those who may not. The latter will have to buy land and/or relocate their production plants within the delimited area if they want to participate in the GI initiative and use the GI label.

The delimitation of the area is a difficult task and requires specific expertise. Indeed, the characteristics of the area (the geographical origin) are by definition closely linked to the specificities of the product. Several factors must be considered when setting the geographical boundaries (see Box 53). Mediation is usually required to reconcile the different positions and needs of different stakeholders.

Geographical boundaries may be defined for only one key step of the production process (e.g. the agricultural production stage), for several steps (e.g. the agricultural production and processing stages), or even for the entire production process (including packaging, such as the bottling of olive oil or wine or the slicing of cured ham) (see Box 54). Different geographical boundaries

may be set for different production stages; the area for processing, for example, may be more restricted than that for the production of raw materials (e.g. cheesemaking vs milk production).

The decision as to which stages of the production process must be delimited geographically may have an impact on supply flows between stages, and thus affect the division of power between actors operating at different stages of the value chain. If the area for milk production, for example, is delimited, cheesemakers are obliged to buy their milk from farmers within that territory. This may lead to a reduction in the supply of milk, and hence an increase in its price. Conversely, if the CoP rules do not specify where cheesemakers must source their fresh milk, the effects of the GI initiative on local milk producers will be more limited.

## BOX 53 – TOOLS

**Criteria used to define geographical boundaries and potential effects of geographical delimitation**

<i>Criteria</i>	<i>Example of a decision based on this criterion</i>	<i>Examples of the potential effects of geographical delimitation based on this criterion</i>
Ecological environment	The production area is limited to lands located at altitudes of more than 1000 m, with a homogenous ecological environment (e.g. temperatures, rainfall, etc.).	<ul style="list-style-type: none"> <li>• The number of producers who may participate in the GI initiative is limited.</li> <li>• The exclusion of producers located outside the delimited area has negative social and economic effects.</li> <li>• The product has a strong market identity and high homogeneity.</li> <li>• Prices paid to GI producers increase.</li> <li>• More tourists visit the area.</li> <li>• The production volume is limited, and producers focus on niche markets.</li> <li>• ...</li> </ul>
Production know-how and practices	The territory is restricted to the area of origin of the traditional production methods.	<ul style="list-style-type: none"> <li>• The number of producers who may participate in the GI initiative is limited.</li> <li>• The product has a strong market identity.</li> <li>• Prices paid to GI producers increase.</li> <li>• More tourists visit the area.</li> <li>• OP producers from other areas who produce according to the same production methods, are excluded.</li> <li>• ...</li> </ul>
Production history	Although production was historically limited to a single village, it spread to neighbouring villages, which are included in the geographical area.	<ul style="list-style-type: none"> <li>• A high number of producers may participate in the GI initiative.</li> <li>• There are too many versions of the product on the market, which dilutes the image and identity of the product.</li> <li>• GI producers receive lower prices.</li> <li>• Production volumes increase, and there is more scope for collective management and promotion.</li> <li>• The GI producers have more bargaining power.</li> <li>• ...</li> </ul>

Location of production stages	The territory is restricted to the area where processing currently takes place. Raw materials may be sourced elsewhere.	<ul style="list-style-type: none"> <li>• The GI initiative has a lower impact on the local economy.</li> <li>• Farmers suffer from external competition and receive a lower price for their output.</li> <li>• The identity of the product is weaker.</li> <li>• GI production volumes may be increased as inputs may be sourced externally and new, modern marketing channels may be accessed.</li> <li>• ...</li> </ul>
OP system	The area is delimited on the basis of the location of all interested stakeholders belonging to the OP system.	<ul style="list-style-type: none"> <li>• There is better coordination between actors along the chain.</li> <li>• A high number of producers may participate in the GI initiative.</li> <li>• There are too many versions of the product on the market, which dilutes the image and identity of the product.</li> <li>• The link between the OP and history and tradition is weakened.</li> <li>• The enterprises participating in the GI initiative are highly heterogenous, and conflicts arise.</li> </ul>
Existing territorial administration	The area is delimited based on existing administrative borders (e.g. one or more municipalities).	<ul style="list-style-type: none"> <li>• The area and its actors are clearly delimited and defined.</li> <li>• The local administration is more inclined to provide support.</li> <li>• Specific resources are less homogenous, which weakens the product identity.</li> <li>• ...</li> </ul>

## BOX 54 – GI INITIATIVES IN ACTION

**Defining geographical boundaries based on stages in the production process: Bresaola della Valtellina PGI (Italy)**

Bresaola della Valtellina is air-dried, salted beef, produced from the thighs of animals that are one and a half to four years old. The typical production area of Bresaola della Valtellina PGI coincides with the entire Sondrio Province in the Lombardy Region. The province encompasses two valleys located in the heart of the Alps: Valtellina and Valchiavenna. The former is considered as the origin of the product, according to history and literary tradition. Only the processing stage of the production of Bresaola della Valtellina PGI is restricted to a delimited geographical area, as local production of the raw material (beef) for the production of Bresaola is insufficient.

For more information, see [www.bresaoladellavaltellina.it](http://www.bresaoladellavaltellina.it).

Various geographical boundaries may be set for the production of a single IG product, all with a scientific rationale (see Box 55). As the alternative areas will produce different economic, social and environmental effects (see Box 56), mediation between stakeholders is required as a next step in the evaluation (see Section 5.3). The larger the delimited area, the more producers may participate in the GI initiative and use the GI label, and the more GI product may be supplied. The opposite applies to restricted areas. However, wide territories are likely to encompass heterogeneous areas, with differences in terms of the quality of soils, climate, etc. These differences may affect the IG product's quality characteristics, homogeneity and identity. A possible solution for such cases is the definition of subzones, which producers can indicate on their labels (see Box 57).

The map of potential effects may be used to support the analysis and help define the most appropriate geographical boundaries.

#### BOX 55 – HINTS FOR EVALUATION

##### **Scientific and strategic delimitation**

The definition of the geographical boundaries of a GI area is not only a scientific question, but also a strategic one. The boundaries must be coherent with the overall strategy pursued by the GI initiative. For example, if the aim of the GI initiative is to gain access to mass markets (e.g. supermarkets) through communication and advertising, production volumes must be large. Hence, the geographical area must be wide. Conversely, if an initiative's aim is to enter highly selective niche markets, it may not be advisable to delimit a very wide production area.

## BOX 56 – TOOLS

**Expected effects of the definition of geographical boundaries: examples**

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

## BOX 57 – GI INITIATIVES IN ACTION

**Subzones within the territory of production: Fagiolo di Sorana PGI (Italy)**

Fagiolo di Sorana beans are produced in the hills around the village of Pescia in the Sorana area (Tuscany), from which it derives the name. Sorana beans are sold in glass recipients or plastic bags of variable weights and sizes, and must be sealed and labelled. The annual production of the PGI product stands at about six tonnes, produced by around 15 mostly small-sized farms. One subzone, Ghiareto, was identified within the wider geographical area of production to distinguish its beans, which have a different quality due to the subzone's different climatic conditions and soils. Farmers in the Ghiareto subzone may include the indication "Ghiareto area" in their label, in addition to the indication "Fagiolo di Sorana PGI", to indicate the higher quality of their beans.



©A. Marescotti

*Production of Sorana beans  
in Tuscany, Italy*

Source: Belletti, G., Marescotti, A. & Brazzini, A. 2014.

*Defining product and process characteristics*

Choices regarding the definition of the characteristics of an IG product and its production process have effects on different aspects, including:

- The quality and identity of the product, and its link to the geographical origin. Rules should reflect heritage, but also actual production practices, which may involve the use of new technologies with lower production costs (see Box 58).
- Access of (different typologies of) producers to the GI initiative and use of the GI label. A GI product may have numerous variants, and producers may differ considerably in terms of management and the use of technology. Hence, rules regarding product and process characteristics may favour certain producers while forming an obstacle for others. For example, banning the use of preservatives or mechanization may favour small and artisanal producers. Meanwhile, if there are no limitations regarding the use of technology, producers using more intensive production models will be favoured. Rules regarding the use of technology may have important and direct repercussions on the quality and identity of the product.
- Innovation dynamics. Particularly stringent rules may hamper technological innovation. Rules regarding the use of technology may constitute a strategy to preserve the identity of the product and its production tradition; they may also make it difficult to improve production efficiency and lower production costs, which may jeopardize the product's competitiveness on the market.
- Environmental issues. Process rules may directly or indirectly affect the environment. A clear example are limitations on yields, which aim to limit the intensification of techniques and prevent the excessive use of chemicals (note that yield caps may affect the quality of the final product too, as there may be a trade-off between yields and product quality). The CoP may oblige producers to adopt certain practices to preserve the environment (e.g. organic production methods).
- The reproduction of local specific resources and the preservation of biodiversity. CoPs may oblige producers to use local traditional animal breeds or plant varieties, thus helping preserve these genetic resources (biodiversity) (see Box 60). They may also require producers to implement extensive breeding (see Box 60) or cultivation techniques, which may have positive effects on the environment (e.g. landscape).
- Social issues. Product or process rules may have a positive impact in terms of job creation, the inclusion of women, etc. (see Box 59).

#### BOX 58 – HINTS FOR EVALUATION

##### **Requirements regarding product quality and processing methods**

Requirements regarding **product quality** may concern:

- the use of raw materials of a specific quality;
- the physical characteristics (shape, size, etc.) and presentation (fresh or preserved, type of packaging, etc.) of the product;
- the use of chemical additives (e.g. preservatives);
- microbiological aspects (the use of ferments, the presence of germs, etc.); and
- the organoleptic aspects of the product (flavour, texture, colour, aroma, etc.).

Requirements regarding **processing methods** may concern:

- processing techniques (temperature, length of the phases, etc.);
- the use of specific equipment;
- for animal products: breeding practices, feeding, age at slaughter, etc.;
- for plant products: plant varieties, harvesting, storage, etc.; and
- social and environmental aspects of the production process, such as workers' rights, the use of chemicals or water management.

#### BOX 59 – GI INITIATIVES IN ACTION

##### **Enhancing inclusiveness through CoP rules: Madd de Casamance (Senegal)**

[See also Box 36]. The production of madd fruits involves many types of local actors, especially small producers who collect the fruits in the wild. Men, women and youngsters are all involved in the harvesting of the fruits, from May to September. Youngsters may earn a significant amount of money to fund their studies. Women are particularly involved in the processing of the fruits; they are organized in small processing units that take the form of cooperatives. This provides them with an interesting source of income for their families. In 2017, FAO helped conduct a survey to assess the possible registration of the geographical indication Madd de Casamance. Local and national stakeholders were encouraged to collaborate with a view to preserving the traditional production of madd fruits. The project promoted the use of sustainable practices to ensure the reproduction of local resources. During the discussions about the creation of the GI system, local stakeholders recognized the importance of ensuring inclusiveness, referring to the roles of different stakeholders, and particularly of youngsters in harvesting and of women in processing. While the market potential for madd fruits is considerable, both within Senegal and in other countries, the species is threatened by extinction due to the increasing occurrence of forest fires in the Casamance region.

*Source: Bermond, L., Kanoute, P.T. & Fournier, S. 2020.*



## BOX 60 – GI INITIATIVES IN ACTION

**Preserving biodiversity through CoP rules: Cinta Senese (Italy)**

Cinta Senese is a local pig breed typical of Tuscany, a region in central Italy. Cinta Senese pigs are traditionally bred outdoors in the woods, and fed with acorns and other spontaneous products of the woods. The breed was at the risk of extinction up until the 1980s due to the very high production costs of its meat; it was preserved thanks to a programme providing incentives to producers. Parallel research by the local university found that Cinta Senese meat has interesting nutritional characteristics. This led to the launch of a valorization project, including the registration of a PDO for the meat in 2012. The PDO has helped producers improve market access and led to an increase in prices. As a result, the Cinta Senese breed fully recovered, and was taken off the official EU list of endangered breeds. The CoP for Cinta Senese meat imposes limits on the number of animals bred. First, Cinta Senese pigs may not be crossed with pigs of other (more productive) breeds, which ensures the purity of the breed. Second, pigs for slaughter must be reared in the (semi)wild from their fourth month onwards, with a limit of 1 500 kg live weight per hectare. This requirement prevents overgrazing and thus damages to woodlands. For more information, see [www.cintasenesedop.it](http://www.cintasenesedop.it).

Source: De Roest, K., Arfini, F., Belletti, G. & Menozzi, D. 2015.



*Cinta Senese pigs*

©Consorzio di tutela della  
Cinta Senese



*The logo for Cinta Senese pig meat*

©Consorzio di tutela della  
Cinta Senese

Rules on product and process characteristics generally have an impact on production costs, and hence on prices and added value. This may incite certain types of customers and consumers to buy the product and modify the positioning of the GI product vis-à-vis competitors.

All results of the analysis of expected effects should be systematized in a single table to guarantee easy access to and understanding of the results (see Box 61). This will allow stakeholders to prepare for Step 3, where final decisions will be taken. For an example of such a table, see Box 62.

**BOX 61 – TOOLS**

**Expected effects of the selection of process and product characteristics: examples**

Areas where effects play out	Product characteristics		Process characteristics	
	High-quality products only	All qualities (no subcategories)	Traditional methods only	All methods
<b>First-order effects (outputs)</b>				
• Number of producers using the GI name				
• GI production volumes				
• ...				
<b>Second-order effects (outcomes)</b>				
• Reputation of the GI product				
• Consumer knowledge of the GI product				
• Abuses/imitations				
• Customer awareness				
• ...				
<b>Third-order effects (impacts)</b>				
• Activities linked to the GI product				
• Environmental impacts				
• Tourist inflows				
• Cultural identity				
• ...				

BOX 62 – TOOLS

**Summary of the expected effects of CoP rules: examples**

	Contents of rule	Expected effects		
		First-order effects (outcomes)	Second-order effects (outputs)	Third-order effects (impacts)
<b>Name</b> <ul style="list-style-type: none"> <li>• Name A</li> <li>• Name B</li> </ul>				
<b>Boundaries of the GI initiative</b> <ul style="list-style-type: none"> <li>• Stages of the value chain:                             <ul style="list-style-type: none"> <li>• only farming</li> <li>• only processing</li> <li>• all stages</li> </ul> </li> <li>• Geographical boundaries:                             <ul style="list-style-type: none"> <li>• large area</li> <li>• small area</li> <li>• large area with subzones</li> </ul> </li> <li>• ...</li> </ul>				
<b>Product and process characteristics</b> <ul style="list-style-type: none"> <li>• Raw materials</li> <li>• Production techniques:                             <ul style="list-style-type: none"> <li>• artisanal</li> <li>• industrial</li> </ul> </li> <li>• Product characteristics</li> <li>• Packaging</li> <li>• Use of native plant varieties</li> <li>• Use of organic production methods</li> <li>• Internal quality differentiation</li> <li>• ...</li> </ul>				

### 5.3.3. Expected effects of the legal tools for the protection of geographical indication labels

GI labels may be protected by means of different kinds of legal tools (see Box 63). The expected effects of the various alternatives (i.e. their costs and benefits) should be analysed carefully, taking due account of producers' knowledge and skills to manage the related (possibly complex) traceability and certification systems.

The main questions to be answered are:

- Is there a legal framework to regulate and manage the GI?
- What are the tools provided by the law?
- What are the differences among them with regard to prerequisites, costs, effects, inspection and control systems?
- Are there other tools to valorize the GI product?

#### BOX 63 – DEFINITIONS

##### Legal tools for the protection of GI initiatives and labels

Tools for the legal protection of GI initiatives and labels range from general national laws (for example on business practices to prevent unfair competition or protect consumers) to specific regulations for the registration and protection of GIs. The registration of a GI name as intellectual property is the legal tool that is most commonly used to define a circle of legitimate users and ensure protection of the GI label. There are two main approaches to the protection of intellectual property at the national level:

- The public law approach, whereby public authorities enact specific legislation dedicated to the protection of GIs (*sui generis* system). This approach usually means that GIs are officially recognized by granting them the status of a public seal of quality (often with a common official logo); governments can then protect the use of the GI *ex officio*, that is without the intervention of the injured party being necessary.
- The private law approach, whereby GIs are registered as collective trademarks and protected through trademark laws that shield trademarks from unfair competition, imitation, etc.

In certain countries, both approaches exist simultaneously. Various types of intellectual property may be used to protect GI products. The logos used to market GIs, for example, are usually registered as graphic trademarks. Other types of intellectual property include patents for processing or packaging techniques, industrial models and designs, etc.

Once all available legal tools have been identified, they must be compared against a number of major dimensions. Box 64 compares the *sui generis* and private law approaches to GI protection against various dimensions.

## BOX 64 – EXAMPLES

**Comparing legal tools for the protection of GI initiatives and labels: *sui generis* vs private law protection**

<b>Dimension</b>	<b><i>Sui generis</i> protection</b>	<b>Private law protection (collective trademark)</b>
<b>Legal protection offered on the internal market</b>	Normally high	Lower
<b>Time needed for the registration</b>	Medium to long	Short
<b>Costs for registration</b>	Variable	Variable
<b>Costs for maintenance</b>	Low	Medium-high, depending on countries
<b>Costs for enforcement</b>	Generally assumed by the state	High court costs
<b>Constraints on the choice of the rules in the CoP</b>	Medium to high	Low
<b>Need for a formalized control system</b>	Normally required	generally not compulsory
<b>Possibility to extend the protection to foreign markets</b>	In many cases, yes (through international bi- or multilateral agreements)	No, a new registration is needed in each country
<b>Access offered to specific public policy measures/aids</b>	In some countries, yes	Normally no
...	...	...

Each legal tool has its advantages and limitations; these should be analysed in accordance with the specific situation and aims of the GI initiative. Box 65 provides an example of such an analysis, with a focus on two main variables: the reputation of the GI, and the economic importance of the GI product in terms of production volumes.

## BOX 65 - EXAMPLES

**Specific GI contexts and their influence on the choice of legal protection tools: examples**

<b>Reputation</b>	
The geographical name is highly reputed, and the product is widely counterfeited and imitated.	The strength of legal protection and the possibility to benefit from enforcement by public authorities are important factors to be considered, pointing towards a sui generis system. If the GI product is exported, protection abroad is better under such a system.
The GI product is not reputed outside its own territory and is not threatened by imitations.	In this case, the speed of the registration process is more relevant than the level of protection; hence, a trademark approach is preferable. The process of registering a trademark may provide an opportunity for stakeholders to formulate a common vision and develop common promotional activities.
<b>Dimension (production volume)</b>	
Production volumes are limited; there are few producers.	Given that certain costs, such as registration and maintenance costs, are fixed (i.e. they do not depend on production volumes), legal tools that require less investments should be preferred.
Production volumes are large; there are numerous producers.	The costs of legal protection can be shared among a large number of producers and spread out over a great number of units of production; hence, more expensive legal tools may be used.

Another relevant aspect of the choice between legal tools is the strength of the link between the product and the territory. In many countries with sui generis protection systems, GIs may be registered as either protected denominations of origin (PDO) or protected geographical indications (PGI). The former type of registration usually requires a particularly strong link between the quality of the product and the territory; this link must be documented scientifically. PDO schemes usually require that all stages of the production process take place within the delimited area of production.

The choice between different legal tools strongly depends on the characteristics of both the OP and the available legal tools, which differ greatly from one country to the next. Indications of quality can be developed by governments to protect geographical indications (such as PDOs), but there may be other collective quality signs that fix common rules, set up a guarantee system and communicate specific qualities linked to a territorial origin to consumers. For example, quality signs may be developed and promoted by NGOs or consumer associations (a case in point are the Presidia promoted by Slow Food). These signs may be registered as trademarks under a country's general regulations on intellectual property rights (see Box 66).

## BOX 66 – GI INITIATIVES IN ACTION

**The multiplicity of GI tools: the Slow Food Presidia project**

The Slow Food Presidia project was launched in 1999 to encourage the recovery and preservation of food products of gastronomic excellence, with small production volumes, that are threatened by industrial agriculture, environmental degradation and the homologation of taste. The Presidia support quality products threatened by extinction, protect unique regions and ecosystems, recover traditional processing methods, and safeguard native breeds and local plant varieties. The aim of Slow Food Presidia is to promote an alternative way to communicate and guarantee the territorial origin and tradition of products, in addition to the schemes regulated by public bodies, which may be too complex for small productions. Slow Food Presidia label is not recognised under a specific GI Law, and it is often assigned by a Slow Food scientific committee. The requirements imposed upon producers to use the Slow Food Presidia label are similar to those imposed by public quality schemes, such as the European Union's PDO and PGI schemes. At the request of producers, Slow Food Italy registered the Slow Food Presidia brand to accompany, identify, protect and promote Italian Slow Food Presidia products. The registered brand includes a graphic logo and guidelines that producers must abide by. At the end of June 2019, there were 576 Slow Food Presidia all around the world. For more information, see [www.fondazione Slow Food.com/en/what-we-do/slow-food-presidia/](http://www.fondazione Slow Food.com/en/what-we-do/slow-food-presidia/).

**5.3.4. Expected effects of the choice of an inspection and certification system**

The inspection and certification system, or control system, is another fundamental pillar of any GI initiative. The control system ensures that products carrying the GI label comply with the requirements set in the CoP. The choice of the control system may be strongly influenced by that of the legal protection tool, especially in the case of sui generis legal tools, which often call for a specific typology of control system.

Control systems must be efficient, credible and accessible to the producers involved in the GI initiative. While control systems form the basis for consumers' trust in a GI label, they engender technical and administrative costs for producers. These costs are both direct (fees to be paid to inspection bodies, chemical or organoleptic analyses, etc.) and indirect (time needed to fill out documents, the costs of adapting administrative routines, the costs of developing workers' skills, etc.). They are directly linked to the rules written in the CoP. A CoP may, for example, require that the quality parameters of the final product be ascertained by means of laboratory analyses.

Therefore, producers' capability to comply with the requirements of a control system should be carefully assessed. Adhering to a highly formalized and demanding inspection and certification system may be very complicated and costly, especially for small farmers and processors, who often lack the required competences, skills, formal procedures and financial resources.

Stakeholders in the GI initiative must decide upon various aspects of the control system, including:

- The desired degree of reliability of controls and their coverage (e.g. 100 percent of the units produced, or only a sample);
- The criteria for sharing control costs among different typologies of producers (e.g. farmers and processors); and
- The characteristics of the certification body (e.g. its accreditation).

This discussion may give rise to various questions, including the following:

- How should the inspection and certification system be conceived?
- What is the role of producers organizations in supporting both producers and the inspection body?
- What kind of formal control system is needed to access certain markets (e.g. the EU's PDO/PGI system) or marketing channels (e.g. supermarket chains)?
- Is there any law that imposes a particular inspection and/or certification system?
- What are the available alternatives, considering a country's legal framework? Are participatory guarantee systems a feasible alternative (see Box 67)?
- What are the pros and cons of each alternative?

#### BOX 67 - DEFINITIONS

##### **Participatory Guarantee Systems**

A participatory guarantee system is based on the active participation of stakeholders, both internal and external to the GI value chain (including consumers). Participatory guarantee systems are based on a foundation of trust, social networks and knowledge exchange, and are entirely envisageable in the context of small-scale farms and local direct markets. Participatory guarantee systems may be managed by local associations of stakeholders (including producers, local authorities and buyers), carrying out their own GI value chain controls.

### **5.3.5. Reporting**

At the end of Step 2, the evaluation team must produce a report analysing the expected effects of the choice of the GI name, the product and process rules, and the inspection and certification system of the GI initiative. The aim of this report is to summarize, in a clear and concise manner, the evidence collected. The presentation of the report must be adapted to its audience, e.g. farmers, processors, the local population, local and/or national policymakers, scientists, etc. It should provide an overview of the possible effects of the GI initiative in different areas and lay out various options and alternative decisions that might be taken to overcome problems. The pros and cons of each alternative decision should be analysed and presented in a clear way. Box 68 presents a template for the presentation of the analysis of alternative decisions on geographical boundaries, using the decision on the inclusion of a particular district in a GI area as an example.



## BOX 68 – TOOLS

## Template for the presentation of the analysis of decisions about geographical boundaries

<i>Example question: should district X be included in the GI production area?</i>			
Alternative decisions	Potential effects (examples)		
	Economic	Social	Environmental
YES, district X should be included in the GI area.	<ul style="list-style-type: none"> <li>• (+) District X is a promising zone to expand production.</li> <li>• (+) Larger production volumes and hence better opportunities for market penetration and access to modern marketing channels.</li> <li>• (-) Increased control costs.</li> <li>• (-) Too much heterogeneity in product quality, which carries risks.</li> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• (+) Inclusion of small farmers in the area and positive effects on their quality of life.</li> <li>• (-) Lower interest of producers in the traditional production area.</li> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• (-) Too much pressure on the environment in a fragile area.</li> <li>• ...</li> </ul>
NO, district X should not be included in the GI area.	<ul style="list-style-type: none"> <li>• (+) Support for a niche strategy.</li> <li>• (+) Higher quality.</li> <li>• (+) More homogeneity of the product.</li> <li>• (-) Lower production volumes impede access to export markets.</li> <li>• (-) Lower production volumes hamper the promotion of the product.</li> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• (+) Inclusion of small farmers in the area and positive effects on their quality of life.</li> <li>• (+) Higher social cohesion and a stronger social identity, which boosts participation and collective action.</li> <li>• (-) Lower interest of producers in the traditional production area</li> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• (+) Local varieties which are better adapted to the environment are used, with a lower use of chemicals.</li> <li>• ...</li> </ul>

The evaluation team should generally consider the following additional aspects:

- Trade-offs: a positive effect in one dimension may be linked to a negative effect in other dimensions. For example, allowing the use of pesticides may result in higher and more stable yields and better access to certain marketing channels, but may at the same time negatively affect the environment (water quality, biodiversity, etc.).
- Short- vs long-term effects: some effects take time to manifest themselves, while others are more immediate. For example, the delimitation of a very wide geographical area may have an immediate impact on production volumes and the local economy, but may in the long run result in the exclusion of the more marginal and disadvantaged zones within the delimited area.
- Decisions may have different effects on different stakeholders categories.

In the next phase (Step 3), the report on the expected effects of the decisions related to a GI initiative is analysed and discussed, with a direct and strong involvement of stakeholders.

## 5.4. Step 3: reflecting and deciding

### 5.4.1. Activities in the reflection and decision-making phase

The process of making decisions about the launch of a GI initiative, its legal tools and the rules of its CoP must involve all relevant stakeholders. Stakeholders must be fully informed about the outcomes of the previous steps.

As seen in Section 4, stakeholders should be motivated to take part in the reflection and decision-making phase. Some stakeholders may need empowerment. The selection of stakeholders to be invited to take part in this phase should be made carefully, taking into account:

- the complexity of the value chain (one or more stages) and the degree of heterogeneity of producers within each stage;
- the eventual presence of stakeholders' organizations and their representativeness;
- the need to limit the number of participants vs the need for this phase to be as inclusive as possible.

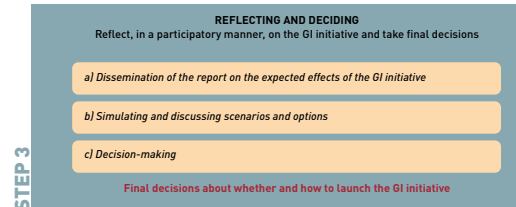
This final step of the prospective evaluation may be organized according to the following sub-steps:

- dissemination of the report on expected effects;
- simulating and discussing relevant scenarios/options; and
- decision-making.

These sub-steps must be organized with due account taken of the complexity of the OP system and the GI initiative, which depends *inter alia* on the number of producers involved, the presence of producers organizations, the number of other stakeholders (local public authorities, NGOs, donors, etc.), the size of the geographical area affected by the initiative and its logistics, the financial and human resources available for the evaluation, etc. One or more meetings may be organized to implement this final step; different tools to organize the discussion among participants may be used. Some examples of such tools are discussed below.

### 5.4.2. Dissemination of the report on the expected effects of the geographical indication initiative

The first task of the reflection and decision-making phase is to disseminate the results of the analysis carried out by evaluation team. These results are presented in a concise manner in the report on the expected effects of the GI initiative. All potential stakeholders receive this report, to make them fully aware of all aspects of the GI initiative and its expected (intended and unintended) effects. Making this information available is the first step towards evaluation and decision-making (see Box 69).



## BOX 69 – HINTS FOR EVALUATION

**Disseminating the report on expected effects: tips**

- Determine which stakeholders should receive what information, when and why (e.g. updates on the status of the evaluation, invitations to meetings, interim or final findings).
- Involve not only producers who will participate in the GI initiative and use the GI label, but also those who will probably not participate, to understand the reasons why.
- Choose appropriate methods (e.g. face-to-face meetings, emails, written reports, presentations) to communicate with stakeholders.

**5.4.3. Simulating and discussing relevant scenarios/options**

After the dissemination of the report to stakeholders, relevant scenarios must be elaborated and discussed among stakeholders in preparation of the final decision-making.

First, to prepare the final discussions and optimize decision-making, the evaluation team must highlight the most relevant results of the analysis and present issues that must be tackled more in depth. Certain decisions will appear more relevant than others. For these, the evaluation team should develop alternative scenarios for in-depth analysis and discussion. The context of IG initiatives is uncertain; therefore, multiple scenarios describing alternative (or complimentary) plans should be formulated. The scenarios should consider the available alternatives (e.g. defining a large vs a small production area) in relation to relevant variables (e.g. the availability of raw materials, product quality, prices, paedoclimatic conditions, primary and secondary processing plants, etc.). This will help stakeholders understand the interconnections between variables and foresee the possible consequences of combined choices.

Critical areas with a higher likelihood of conflict among stakeholders include:

- the setting of the boundaries of the production area (large, small, sub-zones);
- the production phases to include in the CoP (farming only, farming and processing, or only processing);
- the production methods to be allowed in the CoP (traditional/artisan methods only, or industrial production methods too);
- product quality requirements (high or low, possibility for quality differentiation).

The evaluation team may cross-analyse the expected results of alternative decisions on these issues, as illustrated in Box 70.

BOX 70 – TOOLS

**Cross-analysis of two scenarios of decisions about the rules in the CoP: example**

		Production methods	
		Artisanal only	Both artisanal and industrial
Minimum quality level	High	<ul style="list-style-type: none"> <li>• Only a small number of producers is willing/able to participate in the GI initiative and use the GI label.</li> <li>• Non-compliance costs are high.</li> <li>• Prices need to be set high.</li> <li>• The GI product is targeted towards niche markets.</li> <li>• The strong reputation of the product benefits the local economy and culture, tourism, etc.</li> <li>• The impact on input providers is limited.</li> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• All producers may use the GI.</li> <li>• Non-compliance costs are high.</li> <li>• The GI product is targeted towards niche markets.</li> <li>• Prices need to be set high.</li> <li>• More resources are available for collective action.</li> <li>• Small artisanal producers may be crowded out by industrial ones if there is no internal quality differentiation or communication regarding production methods.</li> <li>• The impact on the local economy is strong.</li> <li>• ...</li> </ul>
	Low to medium	<ul style="list-style-type: none"> <li>• Only a small number of producers is willing/able to participate in the GI initiative and use the GI label.</li> <li>• The reputation of the GI weakens over time.</li> <li>• Artisanal products are similar to industrial ones and therefore difficult to differentiate vis-à-vis customers.</li> <li>• The impact on tourist activities is limited.</li> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• Only industrial firms are able to use the GI if no internal quality differentiation is possible.</li> <li>• The impact on small artisanal firms is negative.</li> <li>• The GI product is suited for export.</li> <li>• There is a loss of product identity.</li> <li>• ...</li> </ul>

The scenarios must be discussed among stakeholders, for example in working groups where different categories of stakeholders can express their points of view and present their proposals regarding the GI initiative (see Box 71).

The time and resources dedicated to the reflection and decision-making phase may vary. In certain situations, questionnaires may be sent to stakeholders to prepare meetings and working groups and speed up the process. Working groups may bring together various typologies of stakeholders (e.g. different professional categories, or stakeholders from different geographical areas), depending on the type of choices to be made. The overall results of all workshops should be presented at a plenary session bringing together all stakeholders; the choices to be made should be further analysed during this plenary session.

First, discussions should focus on the most important rules, taken one by one; then, more complex scenarios combining two or more alternatives should be explored (see Box 72 and Box 73).

## BOX 71 – HINTS FOR EVALUATION

**Organizing discussions among stakeholders**

In cases where the choices to be made are simple, stakeholder discussions may take the form of a one-day meeting. If decisions are more complex, more time may be needed. The complexity of decisions depends not only on the characteristics of the OP system (e.g. stakeholders are numerous, geographically dispersed and fragmented along the various stages of the value chain), but also on the kind of rules to be included in the CoP.

## BOX 72 – GI INITIATIVES IN ACTION

**The reflection and decision-making phase of prospective evaluation: Madd de Casamance (Senegal)**

Box 36 introduced the GI Madd de Casamance. During the prospective evaluation of this GI initiative, different scenarios were developed to analyse the initiative's potential effects; these scenarios were presented in working groups bringing together local stakeholders. The working groups were set up to comprise all types of stakeholders, and a facilitator was assigned to every working group to guide the debate. After answering the questions on the potential effects for each scenario, participants had to express their choice. At the end of this process, all working groups reported their conclusions in a general meeting, where the potential effects of selected choices for each evaluation question were discussed in a synthesized form. Particular attention was paid to the delimitation of the geographical area, the name of the product and its quality characteristics. For example, two options were discussed regarding the delimitation of the geographical area (and consequently regarding the name of the product): the inclusion of the administrative region of Ziguinchor, the main production area, or the larger region of Casamance. In the end, the second option was chosen. The table below presents the matrix for the two options that was prepared for the meeting of the working group and filled out by participants.

**Matrix of options regarding the delimitation of the production area of madd fruits in Senegal**

	First option Area: Ziguinchor, name: Madd de Ziguinchor	Second option Area: Casamance, name: Madd de Casamance
<b>Area variables considered:</b> <ul style="list-style-type: none"> <li>• homogeneity of the ecological environment (climate, soil, vegetation, ...);</li> <li>• presence of traditional knowledge in the area;</li> <li>• history of production;</li> <li>• social networks (where are potentially interested stakeholders located?); and</li> <li>• administrative delimitations of the area.</li> </ul>		
<b>Effects on involved actors:</b> <ul style="list-style-type: none"> <li>• the number of actors involved;</li> <li>• the number of actors interested in participating; and</li> <li>• processors located in Dakar (i.e. outside the area of production).</li> </ul>		
<b>Effects on GI production:</b> <ul style="list-style-type: none"> <li>• expected production volume</li> <li>• expected sales</li> <li>• expected marketing channels</li> </ul>		
<b>Effects on actors' collective actions:</b> <ul style="list-style-type: none"> <li>• expected production volume</li> <li>• expected sales</li> <li>• expected marketing channels</li> </ul>		
<b>Effects on the territory:</b> <ul style="list-style-type: none"> <li>• land value</li> <li>• tourist inflows</li> <li>• cultural identity</li> </ul>		
<b>Effects on product reputation</b>		

Source: FAO, 2018.

## BOX 73 – GI INITIATIVES IN ACTION

**The reflection and decision-making phase of prospective evaluation: Chayote de Ujarrás (Costa Rica)**

Box 28 introduced the DO Chayote de Ujarrás. The process for the registration of chayote de Ujarrás as a DO started in 2018, when the Chamber of producers of chayote implemented an ex ante evaluation of the impacts of the GI, to determine the contents of the CoP. This evaluation was performed following the methodology proposed in this guide; it was supported by FAO and by an external evaluator. First of all, a preliminary analysis of the chayote production system and the definition of the goals and scope of the GI initiative was conducted. Then, a focus group was organized to determine which rules needed to be included in the CoP concerning the name of the DO, the geographical boundaries of the production area, production practices (e.g. variety used), product quality (organoleptic characteristics), packaging and traceability. For each category of rules, several questions were formulated to facilitate the identification of alternatives by stakeholders attending the meeting and the related economic, social and environmental effects. Most of the questions were derived from previous research and technical studies carried out by the local university, to ensure objectivity. Once the alternatives and their impacts were identified, an attempt was made to reach consensus agreements, with facilitation by the evaluation manager (a university professor who was perceived as independent from the specific interests of stakeholder categories). The table presents the output matrix used to collect information, present results and systemize the decision-making process about which production areas to include in the DO (in addition to the traditional area of Ujarrás); this table served as the basis for the DO proposal.

*Matrix presenting the pros and cons for alternative CoP rules regarding the geographical boundaries of the production area of Chayote de Ujarrás*

Question	Alternatives	Factors for/against the alternative		
		Economic	Social	Environmental
What should be the geographical boundaries of the production and processing area?	Inclusion of the <b>Santa Teresita</b> area.  (Around ten hectares are under cultivation in the Santa Teresita area. Agroecological and product characteristics are homogeneous).	(+) The area has a good potential for the future expansion of the crop. (+) Product quality in the area is very high. (+) Chayote production is an interesting economic opportunity in this area.	(-) Social effects from the exclusion of potential producers in the area. (-) There is no tradition or socio-cultural identity linked to the production of chayote in this locality. (-) There could be an expansion of the production of chayote that is disconnected from local traditions and collective organizations.	(+) Less incidence of pests.
	Inclusion of the <b>Turrialba</b> area.  Certain communities in the Turrialba area used to produce (mainly white) chayote.	(+) The inclusion of the area could present an economic opportunity for producers in this area, although under the current conditions of production and prices, no chayote is produced in the area. (-) The inclusion of these zones could, in case of success of the DO, crowd out the most traditional area of production.	(-) There is some production in some regions of Turrialba. (-) Currently there is no local interest in producing chayote.	No mention of environmental factors.

	<p>Inclusion of the <b>Cachí</b> area.</p> <p>The production of chayote in Cachí is small; it is not a traditional crop in the area.</p>	<p>(+) Cachí is a production area, and presents possibilities for expansion.</p> <p>(+) Inclusion of the area would not have negative effects on the quality of the product.</p> <p>(+) Inclusion of the area does not increase costs in terms of the control system due to the fact that the area is very close to the core production area.</p>	<p>(+) Inclusion of the area would have a positive social impact by boosting the local economy.</p>	
	<p>Inclusion of the <b>Orosí</b> area.</p> <p>Currently, no chayote is produced in Orosí; it is not a traditional area of production.</p>	<p>The inclusion of the area is not expected to have relevant economic effects.</p>	<p>No mention of social effects.</p>	<p>No mention of environmental effects.</p>
<b>AGREEMENT</b>	<p>Maintain the proposed limits but excluding Orosí. Explain the Mesitas and Las Joyas as part of the territory of the DO (could belong to two different cantons). Do not include Santa Teresita de Turrialba.</p> <p>The inclusion of some areas of Turrialba will depend on the existence of evidence of production tradition in these territories (later it was found that there is no tradition of production in this territory, so it was excluded).</p>			

Source: FAO. 2018

An effective participation of the different categories of stakeholders is of paramount importance for the effects the GI initiative can reach (see Box 74). Specific methodologies should be used in order to allow this (see Box 75).

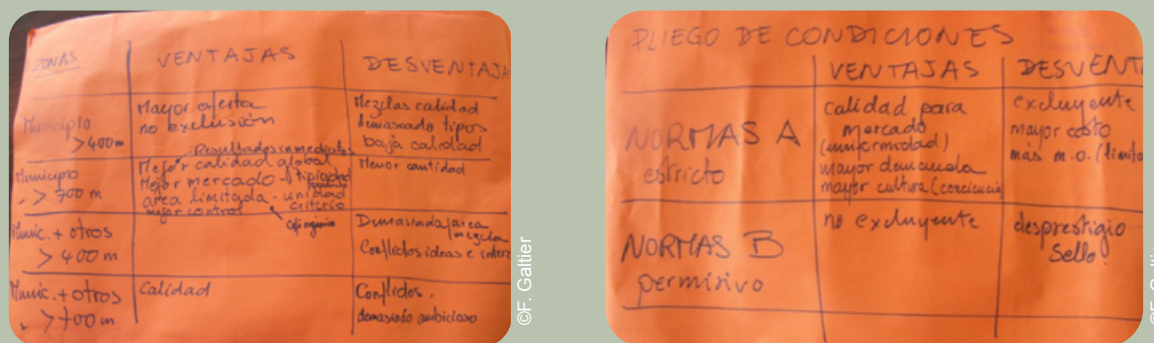
**BOX 74 – GI INITIATIVES IN ACTION**

**Scenario exercises: Pico Duarte coffee (the Dominican Republic)**

In 2007, a study was conducted into the protection of coffee from the Pico Duarte region (the Dominican Republic) as a DO, and more specifically into stakeholder participation, the information available to stakeholders for decision-making, and the tools used to make decisions regarding the application. All meetings held in the area with local stakeholders were analysed to understand the dynamics of collective decision-making and the limitations and final outcome of the process. The study identified a number of factors that hamper the participation of different stakeholder categories. These factor may seriously undermine a GI initiative’s efforts towards decommodification and a fairer distribution of benefits for local producers.

Source: Galtier, F., Belletti G. & Marescotti, A. 2013.

**Results of a working group discussion amongst traders on the pros and cons of alternative CoP rules for Pico Duarte coffee (left: rules regarding final product quality, right: rules regarding the delimitation of the production area)**





## BOX 75 – TOOLS

**Participatory impact pathways analysis (PIPA)**

Participatory impact pathways analysis (PIPA) is a practical planning, monitoring and evaluation approach. It is designed to help the persons involved in a project, programme or organization express their theories of change i.e. explain how they intend to achieve their goals. PIPA improves evaluation by helping managers and staff formalize their project's impact pathways and monitor progress, encouraging reflection, learning and adjustment along the way.

PIPA begins with a participatory workshop where stakeholders express their assumptions about how their project will achieve effects. Participants construct problem trees, carry out a visioning exercise and draw network maps to help them clarify their impact pathways. These are then articulated in two logic models:

- The *outcomes logic model* describes the project's medium-term objectives in the form of hypotheses: which actors need to change, what are those changes and which strategies are needed to realize these changes.
- The *impact logic model* describes how, by helping to achieve the expected outcomes, the project will impact on people's livelihoods.

The outcomes are a description of the project's medium-term objectives, what is expected to change and which strategies are needed to realize these changes. Participants identify outcome targets and milestones that are regularly revisited and revised as part of project monitoring and evaluation (M&E). PIPA engages stakeholders in a structured participatory process, promotes learning and provides a framework for action research on processes of change. For more information, see <http://steps-centre.org/methods/pathways-methods/vignettes/pipa/> and <http://pipamethodology.pbworks.com/w/page/70283575/Home%20Page>.

Source: Douthwaite, B., Alvarez, S., Tehelen, K., Cordoba, D., Thiele, G. & Mackay, R. 2008.

**5.4.4. Decision-making**

After the discussion of the evaluation report and of all relevant scenarios, final decisions must be made as to whether and how to activate a GI initiative (see Box 76). More specifically, decisions must be made regarding the name to be used as GI, the rules to be written in the CoP and the control and certification system. Some of these decisions are driven by the specific regulatory system provided in each country. For example, under some legal systems (such as the EU's PDO/PGI scheme), stakeholders applying for a GI are obliged to undergo inspection and certification by a third-party inspection body; they have no alternative choice as to their control and certification system.

## BOX 76 – HINTS FOR EVALUATION

**Decision-making**

The ways in which decisions are taken vary greatly, depending on the specific context of the GI initiative. Decision-making processes can be very straightforward, with decisions being taken through voting, or use more technical and advanced methods. In the latter case, more data are taken into consideration, and decision-making is more secure.

At this stage, the evaluation team must write a final report containing the result of the analysis and the decisions taken with regard to the CoP, the legal tool chosen for the protection of the GI, and the control and certification system. The final report may also contain a plan outlining required actions (see Box 77), actors responsible, and timelines:

- Which actions are required to activate the GI initiative (and especially the drafting of the CoP)?
- Who is responsible for the implementation of these actions?
- When will the decisions be implemented, and how?

#### BOX 77 – HINTS FOR EVALUATION

##### **Future actions to help producers comply with the CoP**

One important element that must be taken into consideration in the final decision-making is the possibility of future collective actions aimed at helping producers to join the GI initiative (e.g. financial support, technical assistance, marketing support, etc.). Indeed, even if some OP producers cannot immediately join the GI initiative because they lack the resources or competencies required to comply with the CoP, they may join the initiative later.

The final decisions should take due account of the specific local situation and the legal framework.

### **5.5. Adapting prospective evaluation to available resources and to the characteristics of the geographical indication initiative**

As pointed out earlier, any evaluation exercise should be tailored to the concrete situation of the observed case, that is:

- to the characteristics of the OP and GI system, which can be big or small in terms of the number of producers/producer categories and stakeholders, more or less complex and wide geographically, and more or less articulated in terms of its production process structure;
- to the characteristics of the relationship that the GI system has with its socio-economic and physical environment (e.g. with the poor or with female workers; with local agrobiodiversity and ecosystems, etc.);
- to the characteristics of the GI initiative, and in particular to the complexity of the rules written in the CoP;
- to the financial and human resources that are, or can be, provided by stakeholders, public bodies, NGOs and other supporting actors.

Any concrete decisions as to how to set up, organize and manage the evaluation process must be based on a careful analysis of these factors. The characteristics of the OP/IG system and its relationship with its environment and of the GI initiative determine the scope and potential objectives of the evaluation; the financial and human resources available define the boundaries of the evaluation.

Annex 2 provides an example of the prospective evaluation of a small GI system.

## RETROSPECTIVE EVALUATION: WHAT ARE THE EFFECTS OF THE GEOGRAPHICAL INDICATION INITIATIVE?

*This section deals with the ex post situation, when actors have to reflect on the results the GI initiative has produced on all the dimensions covered by the evaluation, and make according decisions to improve the performance of the GI initiative.*

## 6.1. The role and steps of retrospective evaluation

This section concerns the period when the GI initiative is ongoing and producing effects. The aim of retrospective evaluation is to map and analyse the categories of effects produced by the initiative as compared to the baseline situation, and make according decisions on future corrective and supporting actions. Retrospective evaluation differs from prospective evaluation, in terms of both aims and approach. Retrospective evaluation concerns the overall performance of the origin-linked quality virtuous circle, and in particular the remuneration and reproduction phases. It aims primarily at determining if and to what extent the natural and human resources used in the GI production are reproduced and improved, thus guaranteeing the long-term economic, social and environmental sustainability of the GI production system.



The evaluation questions formulated in the planning phase steer the process; they indicate which specific issues must be assessed by the evaluation team. The preliminary analysis of the OP system and GI initiative (Section 6.2) helps fine-tune the evaluation questions. Based on these fine-tuned evaluation questions, the monitoring questions are formulated.

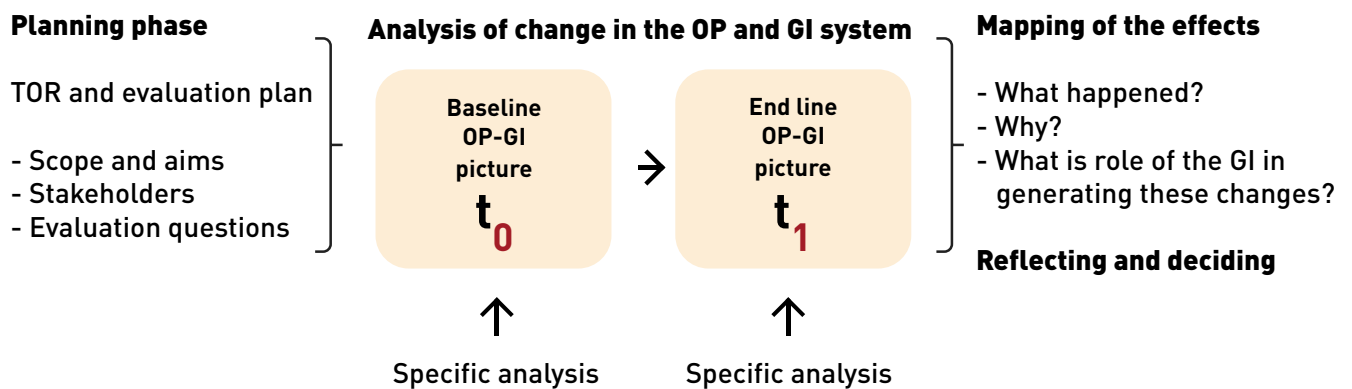
### BOX 78 - HINTS FOR EVALUATION

#### Managing the various steps of retrospective evaluation

The retrospective evaluation process consists of three main phases, each involving a number of steps (see also Figure 9). These steps should not be considered as formally separated activities, but rather as interconnected logical phases which the evaluation team must follow in order to ensure a rigorous evaluation. The practical steps to be undertaken in the field must be designed and managed in a coherent manner, taking into account time constraints and the availability of human and financial resources.

The general approach of retrospective evaluation is based on the detection and assessment (qualitatively and quantitatively) of the changes induced by the GI initiative for local producers (both those participating in and those excluded from the GI initiative), in the entire production system and in the wider local territory and society. The retrospective evaluation assesses whether these changes correspond with stakeholders' expectations and the GI initiative's aims. This is done by comparing two snapshots of the OP system at different times (diachronic approach): a baseline snapshot taken when the GI initiative had just started (or before) and an end line snapshot, taken after a sufficiently long period so as to allow the effects of the GI initiative to play out (see Figure 9). This focus on the OP system is necessary, as the OP system is the context in which the GI initiative starts, develops and exerts its primary effects.

Figure 9 The diachronic approach for retrospective evaluation



The baseline and end line snapshot must be taken in function of the data that must be collected. The snapshots are analysed using both quantitative (e.g. statistical elaboration of quantitative data) and qualitative (focus groups, the analysis of stakeholders satisfaction by means of Likert scales, etc.) tools (see Box 79). The data must be then organized by means of indicators, which allow for an easier comparison between the baseline and end line pictures. To complement this analysis, the GI initiative in question may be compared with other, similar GI initiatives (synchronic approach).

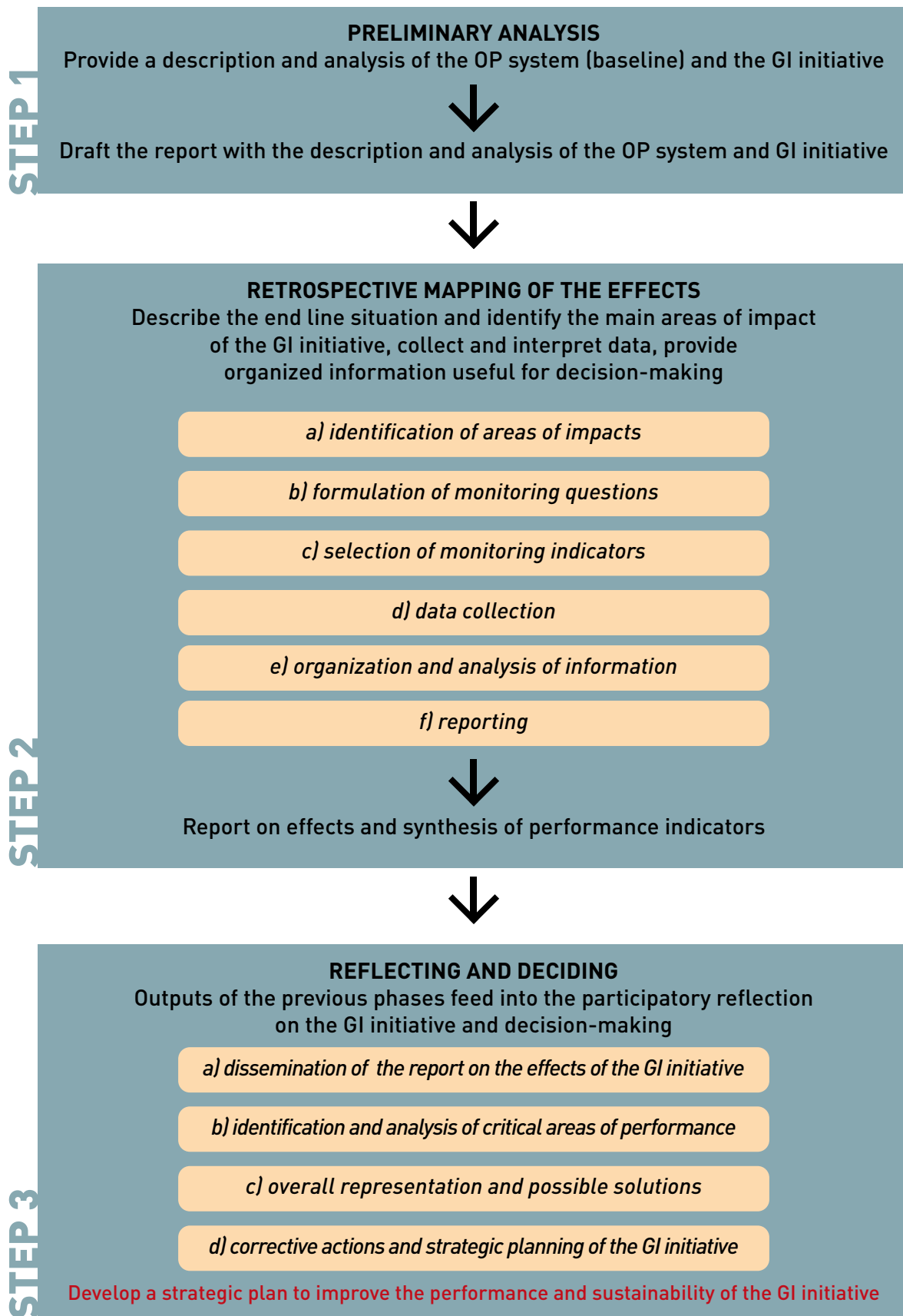
#### BOX 79 – HINTS FOR EVALUATION

##### Retrospective reconstruction of the baseline

A problematic aspect stems from the fact that baseline reconstruction is often established when the GI initiative has already started and is currently happening.

In this case, it is suggested to reconstruct the baseline retrospectively, based on past data or by asking the actors of the OP system to reconstruct the situation based on their memories.

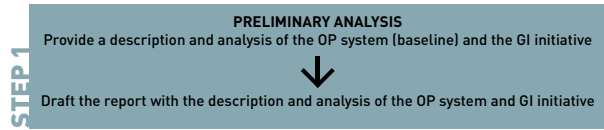
Figure 10 Steps in the retrospective evaluation process



## 6.2. Step 1: preliminary analysis of the origin-product or origin-linked product system and geographical indication initiative

In a first phase, the evaluation team analyses the OP system, including all producers (whether or not they participate in the GI initiative) and other interested stakeholders in the territory.

The importance of this preliminary analysis is twofold. It gives the evaluation team a general understanding of the dynamics and issues related to the GI initiative, and it provides a snapshot of the GI initiative at the time of its launch. This snapshot may be compared to the situation of the GI initiative later on, to see how the GI initiative is working and answer the evaluation questions. The preliminary analysis should consider not only economic issues, but also social and environmental ones, to obtain a complete picture of the system. The preliminary analysis constitutes a baseline for the evaluation; the results of the analysis should provide information about the areas listed in Table 3.



**Table 3** Areas and topics to be covered in the preliminary analysis of retrospective evaluation

<b>OP SYSTEM</b>	
<i>Product</i>	Main characteristics of the OP. Existence of different types of the product inside the area. Conflicts about the factors determining the identity of the OP.
<i>Value chain structure and evolution</i>	Stages of the chain, enterprises and their typologies (e.g. dimension, degree of specialization, marketing channels), number and typology of workers, technologies (in particular competing production technologies and their associated production costs and resulting product quality characteristics), recent modifications.
<i>Actors' networks</i>	Identification of the actors' networks (enterprises, public institutions, collective organizations, etc.) involved in the OP system, relations between different stages of the chain and within each stage, cooperation and conflicts.
<i>Social profile of the OP system</i>	Link between the product and livelihoods, society and local culture. Role of women, young people, indigenous people, informal workers, migrants in the production system
<i>Environmental profile of the OP system</i>	Specific environmental issues affected by the production process.
<b>GI INITIATIVE</b>	
<i>Short history of the GI initiative</i>	Birth of the GI initiative. Producers and other actors involved. Controversies during the building phase of the GI initiative.
<i>Main characteristics of the CoP</i>	Main characteristics of the CoP. Differences between CoP rules and what producers normally do in the area for the same type of product. Economic implications of these differences.
<i>Product Quality</i>	Variability of quality characteristics of the GI labelled product among different producers, problems generated by this variability for producers or consumers.
<i>Guarantees and certification</i>	Characteristics of the traceability and control system. Critical points that producers have to confront to comply with the CoP. Certification costs. Reliability of the system in guaranteeing consumers about the compliance of the product with the CoP.
<i>Collective organizations</i>	Organization, management, decision-making and mode of operation of the GI initiative. Interprofessional representativeness of the collective organization. Activities carried out by the collective organization.
<b>PRODUCERS AND THE GI INITIATIVE</b>	
<i>Participation of enterprises and use of the GI label</i>	Producers taking part in the GI initiative and using the GI label, their characteristics and typology. Quantities sold with the GI label, markets and marketing channels served. Other private trademarks that incorporate the same geographical name, other geographical names used as alternative names, conflicts regarding the use of the GI.
<i>Marketing strategies</i>	Place of the GI product in producers' activities, marketing channels used, markets served (local, regional, national, foreign), branding strategies, value distribution along the chain (prices and added value at different stages of the chain, conflicts between different stages, etc.).
<i>Farmers' involvement</i>	Involvement of different typologies of farmers (e.g. small vs big) farmers in the GI initiative.
<b>MARKET AND CONSUMPTION</b>	
<i>Consumption characteristics</i>	Characteristics of the purchasers of the GI product. Type of use they make of the GI product (seasonal, fresh, processed, as an ingredient, etc.). Degree of appreciation. Main substitutes and their price compared to the GI product.



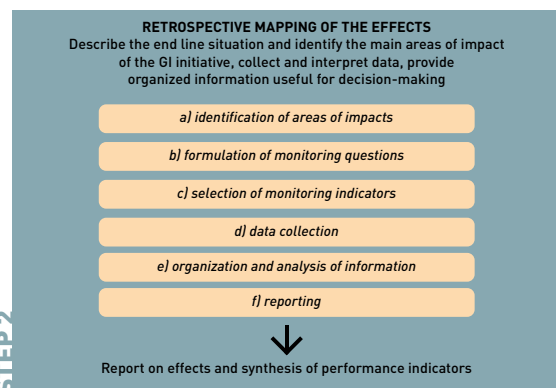
The preliminary analysis can be carried out using various sources of information. A frequent distinction is made between desk and field analysis. Desk analysis relies on the collection and organization of existing information and data, for example studies, reports and statistics. Field analysis is based on information and data collected ad hoc by producers and other stakeholders; the collection of these dispersed data at a reasonable cost and within an acceptable period of time is critical. A number of methods of collection may be used to this end, from statistical inquiries to individual interviews and focus groups.

The output of the preliminary analysis phase is a report describing and analysing the OP system and GI initiative. This report is not for public dissemination, but for internal use by the evaluation team. Indeed, the evaluation team needs a complete, clear, accurate and neutral description of the OP and GI system at baseline, to compare to the end line snapshot. The report may be more or less structured, detailed and documented, depending on the complexity of the system, the level of accuracy requested and the specific aims of the evaluation.

## 6.3. Step 2: retrospective mapping of the effects of a geographical indication initiative

### 6.3.1. The function and steps of the retrospective mapping of effects

The retrospective mapping of the effects of a GI initiative consists in the description, based on empirical evidence, of what has happened in the OP and GI system and its subsequent interpretation. The objective of the retrospective mapping of the effects is to identify the effects produced by the GI initiative compared to a given starting point, the reference situation of the OP system. This allows for a more formal organization of the activities that must be undertaken, according to the six main steps presented in Table 4 and described in the following sections.



**Table 4** The six steps of the retrospective mapping of effects

a) Identification of areas of impact	What are the relevant categories of effects?
b) Formulation of monitoring questions	What do we want to know?
c) Selection of relevant indicators	Which relevant indicators? What data are needed, where to get these data? How can we monitor?
d) Data collection	How and when can the information be gathered?
e) Organization and analysis of information	How should the data be organized to represent phenomena? How may casual relationships between the GI initiative and its effects be verified?
f) Reporting	How should the gathered information be organized and illustrated, with cross-section (benchmarks, etc.) and time series comparisons (before/after)?

For practical reasons, and depending on the characteristics of the analysed system (the number of phases in the value chain, the number of producers involved and the geographical extension of the production area), the involvement of stakeholders in the GI initiative may be required to identify areas of impact, formulate monitoring questions and select indicators (see Box 80). This involvement may take the form of one or more meetings with producers located at different stages of the value chain and other categories of stakeholders, of interviews or of other methods of interaction and reflection.

Stakeholders may play a relevant role in data collection, and provide important data at a low cost. Involving them from the very beginning of the evaluation process may promote the availability of these data.

#### BOX 80 – HINTS FOR EVALUATION

##### **Involving GI initiative stakeholders in retrospective mapping**

When there are many stakeholders in the OP and GI systems and/or when stakeholders are very differentiated or scattered across large areas, involving them may be quite costly. In such cases, representatives of the different categories of stakeholders (such as farmers and processors) and territorial areas (such as lowlands and mountainous areas) can be identified in order to reduce the costs of information collection. The evaluation team must be very careful in the selection of these representatives, to ensure that all interests at stake are properly represented.

### 6.3.2. Identifying areas of impact

The evaluation team should map the relevant categories of effects that must be analysed during the evaluation i.e. the areas of effects (see Section 3 and Figure 11) that are most affected by the GI initiative. This mapping should be based on the evaluation questions and carried out according to the general principles discussed in Section 2, with contributions from the different categories of stakeholders. In particular, the team should:

- evaluate the GI initiative from different points of view. If needed, representatives of the different categories (e.g. farmers) and subcategories (e.g. small family farmers) of stakeholders may be included in the evaluation team;
- consider not only on first-order effects, but also second- and third-order effects; and
- determine the right moment to analyse effects. The need for methodology and coherence must be balanced with reality, and particularly with the availability of data over the period since the beginning of the initiative.

To render the analysis clear and well-underbuilt, the evaluation team should:

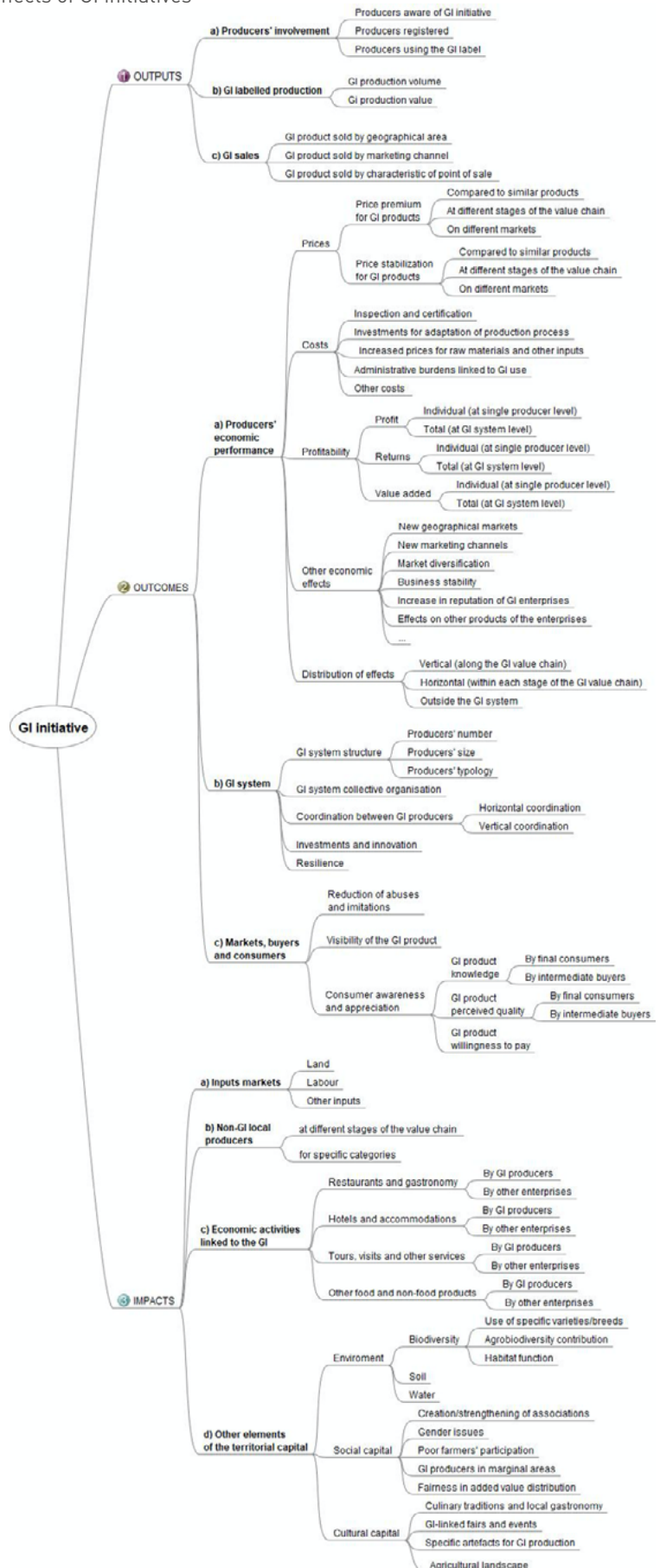
- analyse the aims of the promoters of the GI initiative as initially stated. In some cases, specific expected performances are identified, too (e.g. the number of producers to be involved, or the expected price increase of the GI product);
- provide stakeholders with the general map of effect categories of GI initiatives (see Section 3), to stimulate and facilitate stakeholders' participation in the analysis (see Box 81);
- ask stakeholders to indicate which categories of effects are perceived as the most important, whether they can provide empirical evidence on these effects, and which kind of indicators they suggest for the measurement of these effects; and
- ask stakeholders to identify the causal relationships and transmission mechanisms linking the starting situation of the OP system, the GI initiative and selected effects.

#### BOX 81 – HINTS FOR EVALUATION

##### **Using the appropriate methods to involve stakeholders**

To identify the areas of effects, the evaluation team may use various methods to involve stakeholders and facilitate interaction, such as focus groups, questionnaires and checklists. Generally speaking, the higher the complexity of the system (which depends on the number of producers involved, the number of stages in the value chain and the geographical extension of the production area), the more meetings and interviews will be required.

Figure 11 General map of the potential effects of GI initiatives



Source: elaborated by the authors

Thus, the evaluation team will be able to identify the areas on which data collection and in-depth analysis should focus. Preliminary hypotheses about the causal relationships between the GI initiative and each category of effect should be formulated based on stakeholders' direct experiences. A careful analysis of the possible chains of causality is required to identify disturbance factors i.e. other factors that may possibly have an influence on the effects (see Box 82).

## BOX 82 – TOOLS

**Retrospective mapping of the effects of GI initiatives: examples**

Category of effects	Monitored effect	Possible chains of causality	Possible disturbance factors
<b>First-order effects</b> Number of GI label users	The number of GI label users as a percentage of total potential users, is low.	Smaller farmers and processors find it difficult to comply with the CoP rules.  Producers selling directly to consumers are not interested in the GI initiative.	Sanitary rules hamper GI producers' access to formal markets.
<b>Second-order effects</b> Access to new marketing channels	Producers start selling their GI product to supermarkets.	Supermarket buyers have confidence in the certification system.	An increase in the prices of non-GI alternative products helps boost sales of the GI product.
<b>Third-order effects</b> Price of land in the delimited geographical area	The price of land suitable for the cultivation of the GI product increases.  The income of women involved in the GI production process increases.  Stocks of local breeds increase.	The availability of suitable land is limited; hence, the increased demand for the GI product leads to an increase in the price of land.  The price of the GI product increases; this benefits women, who play an important role in the production process.  CoP rules oblige to producers to use local breeds; hence, the stocks of these breeds grow.	An increase in the cultivation of other crops in the area leads to an increase in the price of land.  The distribution of value along the value chain is unfair; this dampens the effect on women producers' incomes.  The intensification of the production process weakens the link between local breeds and their territory.

### 6.3.3. Formulating monitoring questions

To analyse the effects of the GI initiative, specific monitoring questions must be formulated (see Box 83). Monitoring questions are a fine-tuning of the evaluation questions formulated in the planning phase; they determine which indicators will be used and what kind of data will be collected throughout the monitoring process. Collecting data that are not useful to answer monitoring questions is a waste of time and money. Monitoring questions must ask for specific information; they must take due account of the specific situation of the GI system and value chain.

The formulation of the monitoring questions should start with the stakeholders. The evaluation team should then refine the list of questions to cover less obvious potential effects, including those related to the social and environmental sustainability of the GI initiative.

#### BOX 83 – EXAMPLES

##### **Monitoring questions: examples**

###### ***Production volumes***

- What is the evolution of the total quantity produced in the GI area?
- What is the evolution of the total quantity produced under the GI label?
- What quantity of agricultural products (raw material) benefits from the GI label?
- Are there any producers who are unable to access the GI label?
- What is the quantity of processed GI product that is sold by processors and traders/exporters?
- Are the volumes of the product marketed as GI by local processors and traders important?
- ...

###### ***Certification costs***

- Does the local inspection body have an official price list?
- Does accessing the control system have a cost?
- Does certification have a fixed annual cost?
- Is the cost of certification borne by all participants in the value chain, or only by certain producers/processors?
- Do the costs of certification differ from one stage of the value chain to the next? What role can collective organizations play here?
- How much certified product do participants produce on average?
- ...

### 6.3.4. Selecting the relevant indicators

The effects produced by the GI initiative should be assessed on the basis of qualitative and quantitative indicators (see Box 84) that capture the phenomena under investigation.

The choice of appropriate indicators, and hence of the type of data to be collected, is of key importance in the evaluation process. The evaluation team, also taking inspiration from already existing and internationally adopted sets of indicators (see Box 85), must identify those indicators that answer the monitoring questions and monitor data for those indicators (one or more indicators for each area of effects and for each question).

## BOX 84 – HINTS FOR EVALUATION

**Qualitative and quantitative indicators**

Indicators can be quantitative (e.g. the number of enterprises using the label, quantities sold and price increases) or qualitative (e.g. positive or negative feedback from enterprises, problems encountered, degree of satisfaction).

## BOX 85 – TOOLS

**SAFA (Sustainability Assessment of Food and Agriculture)**

In 2013, FAO released SAFA (Sustainability Assessment of Food and Agriculture), a framework to integrate the myriad of sustainability goals and standards developed by agricultural and food industries into a cohesive and coherent framework for sustainability. The resulting framework is structured around four pillars of sustainability, representing the four dimensions of building sustainable food and nutrition systems:

- Good governance: this pillar chiefly concerns the institutional practices that determine the fairness, and consequently stability, of a food system.
- Environmental integrity: this pillar is mainly concerned with natural resources, which determine production volumes and yields.
- Economic resilience: to be economically resilient, a rural enterprise shall generate a positive cash flow that pays its debts and compensates for any negative externality it creates, without negatively affecting workers' income or shareholders' benefits.
- Social well-being: this pillar relates mainly to access to food, or the rights of people to the resources necessary for food production or procurement; it includes cultural diversity (indigenous knowledge and food sovereignty).

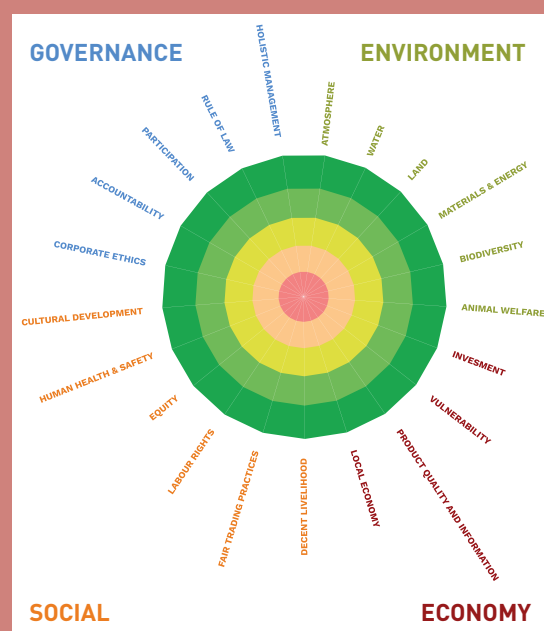
These four dimensions of sustainability – which are particularly relevant for GIs – are divided into 21 themes and 58 subthemes (see Figure 35), with their associated explicit sustainability objectives. With this holistic interpretation of the major sustainability themes, the SAFA guidelines provide a common sustainability language and framework for the food and agriculture sector, which allows for the assessment of the sustainability of systems in a standardized, transparent and comparable manner. For more information on SAFA, see [www.fao.org/nr/sustainability/sustainability-assessments-safa/en/](http://www.fao.org/nr/sustainability/sustainability-assessments-safa/en/).

Some recent studies have applied the SAFA methodology to GI products with the aim to assess sustainability and to describe the related public goods in the framework of research project Strength2Food, funded under the EU's Horizon 2020 programme ([www.strength2food.eu/](http://www.strength2food.eu/)).

See also:

Arfini, F. & Bellassen, V., eds. 2019

Arfini, F., Guareschi M. & Mancini M.C. 2020



Representation of an example of a SAFA valuation at topic level

Source: FAO. 2014.

Many methodological questions relate to the selection and use of indicators, as demonstrated by the vast literature on monitoring and evaluation. Among the pitfalls related to the selection of indicators are the selection of too many indicators or the choice of ambiguous, irrelevant or redundant ones.

The identification of appropriate indicators is key to a successful evaluation process. Good indicators are:

- relevant: they address the key potential effects of the GI initiative;
- responsive: they change sufficiently quickly in response to the observed phenomena in both the short and the long term;
- not redundant (to avoid the duplication of information, and unnecessary costs);
- representative of both the tangible and the intangible effects of the GI initiative;
- easy to understand and interpret, including by producers and other stakeholders (to motivate stakeholders on the ground to supply data and give them useful indications);
- have reference or threshold levels, to enable benchmarking; and
- easy to measure i.e. they use readily available data or data that can be collected with a good cost-benefit ratio, so they can be updated regularly.

The evaluation team must consider the number of indicators and their usefulness for the scope of the evaluation carefully, taking account of the availability and cost of data (see Section 6.5). Box 86 presents an evaluation grid that can be used to assess possible indicators (see Box 87), and Box 88 provides an example of identifications of areas of impact, monitoring questions and selection of indicators.



## BOX 86 – TOOLS

**Evaluation grid for indicators**

The below grid may be used to assess possible indicators for evaluation.

<b>Name of indicator</b>			
<b>Main area of effects</b>			
<b>Specific aim of the indicator</b>			
<b>Type of indicator</b>	<i>Qualitative, quantitative, ...</i>		
<b>Method for data collection</b>	<i>Official statistical data, administrative data, specific survey ...</i>		
<b>Who would collect the data for the indicator?</b>			
<b>Are there reference levels or threshold levels to compare observed values for the indicator with?</b>	Yes	No	Notes
<b>What is the expected chain of causality between the indicator and the GI initiative?</b>			
<b>Are data easy to obtain?</b>	Yes	No	Notes
<b>Is the calculation necessary to assign values to the indicator simple enough?</b>	Yes	No	Notes
<b>Is the indicator objective and reliable?</b>	Yes	No	Notes
<b>Is the indicator easy to understand for stakeholders?</b>	Yes	No	Notes
<b>Are there other possible indicators to monitor the same phenomenon?</b>	Yes	No	Notes
<b>What are the advantages/disadvantages of the indicator, compared to alternative indicators?</b>	Advantages		Disadvantages
<b>Connection/relation of the indicator with other indicators</b>			
<b>General notes</b>			

## BOX 87 – EXAMPLES

**Indicators to monitor the evolution of production and sales volumes and sales turnover of a GI product**

Possible indicators to monitor the evolution of production and sales volumes and sales turnover include:

Q	Quantities of a GI-labelled product produced
Q	Quantities of a GI-labelled product sold
%	Quantities of a GI-labelled product sold, per type of marketing channel (direct, short and long channels, traditional and modern channels, etc.)
%	Quantities of a GI-labelled product sold, per geographical market (local, regional, national and international)
Q	Quantities of a GI product sold without GI-label
%	Quantities of a GI-labelled product produced as a percentage of potential quantities of the GI-labelled product produced
%	Quantities of a GI-labelled product sold as a percentage of potential quantities of the GI-labelled product sold
\$	Sales turnover of a GI-labelled product on the final market
%	Sales turnover of a GI labelled product on the final market, per type of marketing channel (direct, short and long channels, traditional and modern channels, etc.)
%	Sales turnover of a GI-labelled product on the final market, per geographical market (local, regional, national and international)
\$	Sales turnover of a GI-labelled product at the gate of the production system of the registered GI (RGI) (producer prices)
%	Share of the GI-labelled product (at farm gate level) in the total market value of the OP (both RGI and non-RGI)
%	Share of the GI-labelled product in the final consumption market (value)
	...

## BOX 88 – GI INITIATIVES IN ACTION

**Areas of impact, monitoring questions and the selection of indicators: the example of Marcala coffee (Honduras)**

In 2005, Café Marcala (Marcala coffee) became the first registered GI (DO) in Honduras. The geographical area covered by the GI includes 202 villages in 19 municipalities of three departments (La Paz, Comayagua and Intibuca); this area produces around 13 percent of all coffee produced in Honduras. The area is located in a rough and mountainous environment, 1 100 to 2 000 m above sea level. There are around 15 000 coffee growers in the area (potential GI users). More than 90 percent of them produce coffee on less than five hectares. There are over 2 400 GI users, the large majority of them farmers, grouped into an association (ADOPCAM). The GI is managed by a regulatory council, where both producers and other local stakeholders are represented. In 2018, ADOPCAM implemented an ex post evaluation of the effects of the GI initiative for Marcala coffee to improve the performance of the initiative and enhance its sustainability. The evaluation was conducted based on a first draft of this guide, adapting the methodology to available resources. This allowed for an assessment of the effectiveness of the guide. The evaluation process was planned in February 2018. In April and May 2018, the evaluation team (consisting of the Director of ADOPCAM and an international expert) performed the preliminary analysis of the OP system and GI initiative and identified aims and evaluation questions. Stakeholders were involved through

face-to-face interviews with key actors, videoconferences and a concluding meeting where final decisions were made. Two specific aims of the evaluation and five evaluation questions (EQ) were identified:

- Aim 1. Assess the effects of the legal protection offered by the GI to the OP on the market:
  - EQ 1: evaluate the achievements of the legal protection against name usurpation and fraud;
  - EQ 2: evaluate whether the certification and control system is effective to protect the reputation of the GI.
- Aim 2. Assess the effects on value added and better livelihoods for producers in the territory:
  - EQ 3: assess the level of use of the GI, and whether it corresponds to stakeholders' needs;
  - EQ 4: assess whether the GI helps create added value for Marcala coffee;
  - EQ 5: assess whether the GI has contributed to better livelihoods for local producers.

Next, stakeholders identified the relevant categories of effects, using the map of GI effects of this guide as the basis for the exercise, and selected the consequent monitoring questions and indicators. During this stage, the evaluation team organized meetings with members of three coffee cooperatives and conducted interviews with members of the local coffee table, mayors of the most important communities producing Café Marcala, producers groups, exporters and European customers. The table below presents the results of these efforts, using the effects of the initiative on the creation of added value (EQ 4 and its monitoring questions and indicators) as an example.



©DO Marcala

*Discussion among producers of Café Marcala*

Has the registration of the DO Café Marcala helped add value to Marcala coffee?	
Monitoring questions	Indicators
Have exports of Marcala coffee increased since the registration of the DO?	<ul style="list-style-type: none"> <li>• Exports of Marcala coffee in volume terms, per destination market</li> <li>• Exports of Marcala coffee in value terms, per destination market</li> <li>• Exports of Marcala coffee in volume terms, per distribution channel</li> <li>• Exports of Marcala coffee in value terms, per distribution channel</li> </ul>
Has interest in Café Marcala on the national and on international markets grown, and has Café Marcala's market share increased?	<ul style="list-style-type: none"> <li>• Selling price of Café Marcala DO on the national market (compared to non-DO coffee)</li> <li>• Selling price of Café Marcala DO on international markets (compared to other DO coffees)</li> <li>• Level of interest of potential users (qualitative analysis)</li> </ul>
What types of stakeholders are interested in DO certification?	<ul style="list-style-type: none"> <li>• Number of registered Café Marcala users (roasters, traders, etc.)</li> <li>• Evolution of production quantities per typology of users</li> <li>• Level of interest of potential users (qualitative analysis)</li> </ul>
Does the cost of certification negatively impact?	<ul style="list-style-type: none"> <li>• Certification costs paid by different actors in the value chain</li> <li>• Incidence of certification costs at the different stages of the chain</li> </ul>

Source: FAO. 2018.

### 6.3.5. Collecting data

Calculating the value of indicators requires data; this gives rise to various questions. Where can the required information be found? Which tools should be used to collect the information? Who will gather the information, and when?

Data collection may be very complex, depending on the indicator chosen and the degree of precision needed. Often, official data at a level that is relevant for GI systems are not available, especially if the product is not marketed (entirely) through formal channels. The veracity of existing data is often questionable, which means alternative data sources must be sought. Thus, many data must be collected specifically for the evaluation. This can be very costly. It is therefore important to check if any data have already been collected within the GI system, and by whom. In some cases, data have already been collected into a databank, for example by a certification body, producers group or interprofessional association involved in the GI initiative (see Box 89). It is preferable to use existing data, provided they are reliable.

#### BOX 89 – EXAMPLES

##### **Using existing data for retrospective evaluation: socio-economic information regarding GI-labelled products in Italy from ISMEA and QUALIVITA**

Every year, ISMEA, a public institute divulging information on agricultural markets, and Qualivita, a foundation for the promotion of GI products, publish a report on Italian GI-labelled products. The report is based on regular enquiries sent out to consortia and certification bodies, and developed in collaboration with the Italian Association of Geographical Indication Consortia, which provides data and information, and the Italian Ministry of Agriculture. The document presents and analyses socio-economic indicators for Italian GI products (certified as PDO and PGI), focusing mainly on first-order effects.

More information at: <https://www.qualivita.it/pubblicazioni/rapporto-qualivita-ismea-2018/> (accessed on 24/06/2020)



2018 issue of the annual report by ISMEA and Qualivita on Italian GI-labelled products

If no existing data are available, a data collection method must be chosen (see Box 90). There are many different instruments to collect qualitative data, including inter alia case studies (of representative situations), focus groups, direct interviews, observation, the analysis of written documents (such as administrative documents, databases, etc.). Involving GI producers may enable data collection and lower its cost; however, this is only possible if producers are motivated to participate in the evaluation process and aware of the possible benefits of the evaluation.

The strengths and weaknesses of different data collection instruments must be analysed carefully. Certain data, such as prices or volumes of the GI product sold, require regular surveys. Other data can be collected once a year, or even only at the beginning and end of the monitoring period. The process of data collection should be carefully planned, organized and managed to ensure that the data are of a high quality.

The data and information for each indicator must be registered and organized; their quality should be verified carefully. Triangulation, meaning the use of different sources (e.g. qualitative and quantitative) and/or methods for data collection (e.g. participatory and non-participatory) and their constant comparison, may help cross-check data, thus reducing biases and ensuring that information is reliable.

## BOX 90 – TOOLS

## Main data collection instruments for impact evaluation

<i>Instrument</i>	<i>Definition and use</i>	<i>Strengths</i>	<i>Weaknesses</i>
Case studies	Case studies allow for the construction of a descriptive or explanatory story that helps answer the questions of how and why.	<ul style="list-style-type: none"> <li>• Case studies may provide very diverse types of evidence e.g. documents, interviews, observations, etc.</li> <li>• Case studies may provide explanations if the focus is on institutions, processes, programmes, decisions or events.</li> </ul>	<ul style="list-style-type: none"> <li>• Good case studies are difficult to carry out.</li> <li>• Case studies require specialized research and rigorous writing skills.</li> <li>• The findings of case studies may not be generalizable to the entire population.</li> <li>• Case studies are time consuming.</li> <li>• It is difficult to replicate case studies.</li> </ul>
Focus groups	Focus groups are discussions involving members of a target population who are familiar with pertinent issues. The purpose of focus groups is to assess beneficiaries' perspectives on abstract concepts relating to the evaluation's objectives.	<ul style="list-style-type: none"> <li>• The advantages of focus groups are similar to those of interviews (see below).</li> <li>• Focus groups are particularly useful where interaction with participants is desired.</li> <li>• Focus groups allow for the identification of hierarchical influences.</li> </ul>	<ul style="list-style-type: none"> <li>• Focus groups can be expensive and time-consuming.</li> <li>• The results of focus groups are not generalizable.</li> </ul>
Interviews	During an interview, an interviewer asks questions to one or more respondents and records the answers. Interviews may be formal or informal, conducted face-to-face or by telephone, and use closed- or open-ended questions.	<ul style="list-style-type: none"> <li>• During interviews, respondents (persons or institutions) can explain their experiences in their own words and setting.</li> <li>• Interviews are flexible i.e. they allow the interviewer to pursue unanticipated lines of inquiry and probe into issues in depth.</li> <li>• Interviews are particularly useful if language difficulties are expected.</li> <li>• Interviews are a good method to obtain input from senior officials.</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews are time-consuming.</li> <li>• Interviewing can be expensive.</li> <li>• The interviewer may influence respondents' answers.</li> </ul>
Observations	Observations are the results of the observing and recording of events in a log or diary (who, what, when, where, how). Observation may be direct (the observer watches and records) or participatory (the observer becomes part of the setting for a period of time).	Observations provide descriptive information on contexts and observed changes.	<ul style="list-style-type: none"> <li>• The quality and usefulness of data are highly dependent on the observer's observational and writing skills.</li> <li>• The findings may be open to interpretation.</li> <li>• It is difficult to observe process changes within a short time frame.</li> </ul>
Questionnaires	Questionnaires are lists of survey questions, the answers to which can be coded consistently.	<ul style="list-style-type: none"> <li>• Questionnaires enable researchers to reach a large sample of respondents simultaneously.</li> <li>• Questionnaires give respondents time to think before answering.</li> <li>• Questionnaires can be answered anonymously.</li> <li>• Questionnaires impose uniformity by asking all respondents the same questions.</li> <li>• Questionnaires make data compilation and comparison easier.</li> </ul>	<ul style="list-style-type: none"> <li>• The quality of responses is highly dependent on the clarity of the questions.</li> <li>• It may be difficult to persuade people to complete and return questionnaires.</li> <li>• Questionnaires require the classification of institutional activities and people's experiences into predetermined categories.</li> </ul>

Analysis of written documents	Analysing documents such as records, administrative databases, training materials and correspondence.	<ul style="list-style-type: none"> <li>• Written document analysis may help identify issues that need further investigation.</li> <li>• Written document analysis provides evidence for actions, changes and impacts to support respondents' perceptions.</li> <li>• Written document analysis may be inexpensive.</li> </ul>	<ul style="list-style-type: none"> <li>• Written document analysis may be time-consuming.</li> </ul>
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Source: Baker, J.L. 2000.

### 6.3.6. Organizing and analysing information

When data have been collected for all relevant periods, the evaluation team must produce a synthesis and preliminary analysis of the collected information to make it manageable and useful for the following step of reflection and decision-making. The organization and analysis of information mainly requires technical competencies, such as statistical ones. The aim of this step is to present the findings about the effects of the GI initiative without expressing value judgments or identifying strategic or policy implications. Data organization and analysis starts with the verification of the collected data, to ensure their quality and avoid problems in their interpretation; this is followed by the elaboration of the statistics and the calculation of indicators. Next, the evaluation team performs a critical analysis of those indicators. All these activities must stay on the technical side of data analysis and reporting, as opposed to the more political or strategic evaluation of the performance of a GI initiative. The risk that neutrality is lost should be accounted for.

An evaluation team can make three different kinds of analysis, depending on the type of data that is collected:

- *Change analysis* analyses the evolution of a single indicator over time: this requires baseline data and time series of calculated indicators.
- *Attribution analysis* compares observed changes against targets, threshold values or comparators (see Box 91).
- *Contribution analysis* confirms or disconfirms chains of causality between the GI initiative and measured changes. As underlined in previous sections, the effects of the GI initiative may depend on both internal and external driving forces. While first-order effects can be directly attributed to the GI initiative, second- and third-order effects are linked to the GI initiative by an indirect cause-effect relationship, and may hence be subject to outside pressures.

#### BOX 91 – DEFINITIONS

##### Targets, thresholds and comparators for attribution analysis

**Targets** are expected values of an indicator; they are considered desirable by the GI initiative's stakeholders.

**Thresholds** are safety levels of an indicator, generally provided in literature for environmental indicators (e.g. water safety).

**Comparators** are the values of indicators observed in cases similar to the GI initiative.

All three kinds of analysis must verify to what extent the evolution of indicators over time, or their performance as compared to comparators, is directly attributable to the GI initiative. In other words, the existence of causal relationships must be verified carefully, using the advice of both experts and local actors (collected during individual interviews or small group consultations). Indicators must be interpreted in view of stakeholders' experiences. Therefore, stakeholders must be stimulated to take part in the process by means of participatory methods (see also Section 2).

### 6.3.7. Reporting

In a final step, the evaluation team delivers a report analysing the effects of the GI initiative and synthesizing the performance indicators. The aim of this report is to make essential information available for the next step in an easily understandable manner. The report should be adapted to its target audience, e.g. farmers, processors, the local population, local and/or national policymakers or scientists.

The reporting style should balance the conflicting needs of keeping the text simple and easily understandable on the one side, and providing a realistic and complete representation of the effects of the GI initiative on the other. Technical annexes to the final report may explain methodologies in greater detail and provide more analytical information.

The general synthesis of the effects of the GI initiative usually constitutes the main part of the report; it should contain an assessment of the reliability of the indicators used and of the causality between the observed trends and the GI initiative (see Box 92).

#### BOX 92 – TOOLS

##### Synthesis of the main areas of effects and their relevant indicators

The below table provides an example of how to present the assessment of the reliability of the indicators used and of the degree of causality between the GI initiative and the indicators' values.

Main areas	Indicator (examples)	Reliability of the data	Degree of GI causality
<b>Effects on the use of the GI label</b>			
Firms' interest in the GI label	<ul style="list-style-type: none"> <li>• Number of firms in the GI system as a percentage of the total number of firms in the area</li> <li>• Number of firms using the GI label as a percentage of the total number of firms in the GI system</li> <li>• ...</li> </ul>	Assessment of the level of reliability (e.g. Very poor, Poor, Sufficient, Good, Very good), with a short explanation	Assessment of the degree of causality (e.g. Very weak, Weak, Good, Strong, Very strong), with a short explanation
Production and sales of GI-labelled quantities	<ul style="list-style-type: none"> <li>• Quantity of GI-labelled products sold (trend)</li> <li>• Quantity of GI-labelled products as a percentage of the total quantity that could potentially be labelled with the GI</li> <li>• ...</li> </ul>	...	...
Producers' awareness and knowledge of the GI label	<ul style="list-style-type: none"> <li>• Number of producers aware of the existence of the GI label</li> <li>• ...</li> </ul>	...	...
<b>Effects on the structure of the GI system</b>			
Firms' number and dimension	<ul style="list-style-type: none"> <li>• Number of new firms entering</li> <li>• ...</li> </ul>	...	...

Exclusion effects	<ul style="list-style-type: none"> <li>• Number of firms using the GI label as a percentage of the total number of firms that could potentially use the label</li> <li>• ...</li> </ul>	...	...
Organization of the GI system	<ul style="list-style-type: none"> <li>• Number of firms that are a member of the collective body</li> <li>• ...</li> </ul>	...	...
Coordination	<ul style="list-style-type: none"> <li>• Number of firms that are a member of a cooperative</li> <li>• ...</li> </ul>	...	...
<b>Effects on the economic performance of the GI system</b>			
Prices	<ul style="list-style-type: none"> <li>• Sales prices of GI-labelled products</li> <li>• Sales prices of alternative products</li> <li>• ...</li> </ul>	...	...
Costs	<ul style="list-style-type: none"> <li>• Costs of compliance</li> <li>• ...</li> </ul>	...	...
Profitability	<ul style="list-style-type: none"> <li>• Profits per unit of GI product</li> <li>• ...</li> </ul>	...	...
Other economic benefits	<ul style="list-style-type: none"> <li>• Access to new markets</li> <li>• Access to new marketing channels</li> <li>• ...</li> </ul>	...	...
<b>Effects on markets and consumers</b>			
Abuses/imitations	<ul style="list-style-type: none"> <li>• Number of abuses/imitations</li> <li>• ...</li> </ul>	...	...
Consumer awareness	<ul style="list-style-type: none"> <li>• Number of consumers who know what the GI label stands for</li> <li>• ...</li> </ul>	...	...
GI-labelled product quality and identity	<ul style="list-style-type: none"> <li>• Product standardization</li> <li>• Perceived quality</li> <li>• ...</li> </ul>	...	...
<b>Economic effects outside the GI system</b>			
Effects on related markets	<ul style="list-style-type: none"> <li>• price of agricultural land</li> <li>• ...</li> </ul>	...	...
Economic activities linked to the GI-labelled product	<ul style="list-style-type: none"> <li>• Number of restaurants in the GI area linked to the GI product (managed by GI producers/by other actors)</li> <li>• Number of tourist accommodations in the GI area linked to the GI product (managed by GI producers/by other actors)</li> <li>• Number of tourists visiting the production area</li> <li>• Expenditures of tourists visiting the production area</li> <li>• ...</li> </ul>	...	...



Effects on other elements of the territorial capital			
Biodiversity (these effects are very case- and context-specific; the causality link must therefore be checked carefully)	<ul style="list-style-type: none"> <li>• Number of firms using local plant varieties/ breeds (as stated by the CoP)</li> <li>• Trends in the diffusion of local plant varieties/ breeds</li> <li>• ...</li> </ul>	...	...
Environment (these effects are very case- and context-specific; the causality link must therefore be checked carefully)	<ul style="list-style-type: none"> <li>• Indicators on water usage by GI firms</li> <li>• Indicators on water quality (if linked to GI production)</li> <li>• Indicators on the use of pesticides/herbicides per hectare</li> <li>• Indicators of animal density per hectare (overgrazing)</li> <li>• ...</li> </ul>	...	...
Social capital	<ul style="list-style-type: none"> <li>• Number of women working in the GI system</li> <li>• Number of small/poor farmers participating in/ benefitting from the GI initiative</li> <li>• ...</li> </ul>	...	...
Cultural capital	<ul style="list-style-type: none"> <li>• Number of cultural events linked to the GI-labelled product</li> <li>• Indicators on the preservation of the traditional landscape</li> <li>• ...</li> </ul>	...	...

Summary information sheets or PowerPoint presentations may be prepared to help stakeholders understand the results of the analysis. Various instruments and tools can be used to visualize indicators and other relevant information. A summary presentation of aggregate indicators can visually show overall performance in various dimensions, and may facilitate benchmarking over time (see Box 93).

## BOX 93 - EXAMPLES

**Graphical representation of multiple effects by means of radar visualization**

Graphics, such as bar charts and pie charts, can simplify complex information, emphasize key points and visualize shares, comparisons and trends. Various indicators may be visualized in a single graph, to produce an aggregate picture of the effects. As every indicator has its own scale (e.g. the number of producers involved in a GI initiative, or GI product prices), different indicators must be standardized by means of rescaling techniques (for example, by calculating indicators as a percentage of a theoretical optimal value of 100) before they can be included in a single graph. Colours (red, yellow, green) help readers understand the meaning of the results of the analysis for the different indicators.

**Radar visualization of the multiple effects of a GI initiative: example**

Source: FAO. 2014.

Reporting can be more or less formal (see Box 94), depending inter alia on the complexity (e.g. internal differentiation) of the OP system and GI initiative. Where few producers and other stakeholders are involved, in a small community, reporting can be done by means of simple documents and PowerPoint presentations. The report on the effects of the GI initiative and summary information sheets serve as main inputs for the decision-making in the next step.

## BOX 94 - HINTS FOR EVALUATION

**How to share the results of the analysis of the GI initiative's effects**

Some tips to improve reporting and the sharing of results are the following:

- Determine how findings will be presented (e.g. PowerPoint presentation, video, written report).
- Report on all relevant issues that emerged from the evaluation.
- Distribute reports and other information in such a way as to meet the needs of the stakeholders.
- Ensure that all stakeholders are given the information, down to the grassroots level.
- Follow up to determine if decision-making is based on the evaluation results.

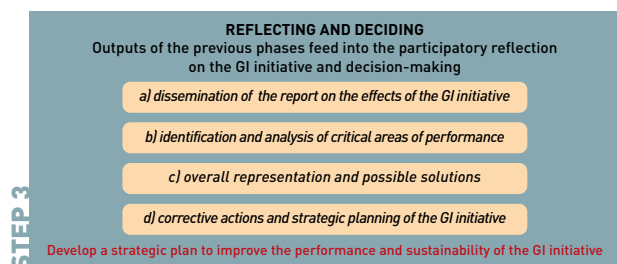
## 6.4. Step 3: reflecting and deciding

### 6.4.1 The function and steps of the reflection and decision-making phase

The overall performance of the GI initiative must be evaluated on the basis of the collected data and indicators. The reflection and decision-making phase consists of the following four main steps:

- a) Dissemination of the report on the effects of the GI initiative;
- b) Identification and analysis of the critical areas of performance;
- c) Overall representation of the situation of the GI initiative and possible solutions;
- d) Corrective actions and strategic planning.

The evaluation team must match the different perspectives of evaluation to the expectations of different categories of stakeholders in the GI product. Stakeholders involved in the GI initiative should become protagonists and decision-makers in this phase of the evaluation. This will ensure that the issues and problems highlighted by the analysis are addressed through appropriate actions by individual firms, the GI association and public bodies.



In summary, the purposes of the final phase of reflection and decision-making are (see Box 95):

- To encourage a critical reflection on the GI initiative, its use by producers in the GI system and the management of the procedures of the GI initiative;
- To analyse the overall strategy adopted for the GI initiative and identify activities to ensure its successful replication or expansion; and
- To improve the implementation of the initiative, boost its effectiveness and decide how to better manage limited resources.

#### BOX 95 – HINTS FOR EVALUATION

##### **Questions that may be posed during the reflection and decision-making phase**

- Which categories of GI producers benefit more from the GI initiative? What are the effects of the GI initiative on non-participating/excluded firms? Does the initiative have a negative impact on certain producers in the OP system?
- Do the effects of the GI initiative correspond with the initiators' expectations?
- How satisfied are stakeholders with the obtained results?
- What are the main benefits and costs of the initiative in the various areas of sustainability (economic, social and environmental)?
- What should be done to enhance the benefits of the GI initiative and limit its costs (e.g. through changes in the CoP, investments in marketing, actions to support excluded producers, etc.)?
- Which concrete actions are needed to improve the initiative's performance? Who should undertake these actions, and when?

The identification of lessons learned from the assessment activities helps actors of the production system and public institutions implement improvements. The identification of the lessons learned is also critical to help others benefit from the experienced problems and successes.

The involvement of stakeholders in the entire reflection and decision-making phase is very important (see Box 96). People should be motivated to take part in this phase, and participants should be selected carefully, to represent all relevant categories and points of view. The involvement of public actors (e.g. local administrations such municipalities or provinces, development agencies, etc.) in the evaluation process may ensure that the general interest is duly taken into account in the analysis and decision-making process, and facilitate mediation among diverging interests of various categories of actors.

#### BOX 96 – HINTS FOR EVALUATION

##### **Involving stakeholders in retrospective evaluation**

As for prospective evaluation, the selection of participants in the process of retrospective evaluation must be carried out carefully, taking into account:

- The complexity of the value chain (determined by the number of stages within the chain and the degree of homogeneity within each stage);
- The possible presence of stakeholders organizations (and their representativeness);
- The need to balance practical limitations on the number of people involved on the one hand, and the requirement of inclusiveness on the other.
- The need to verify whether decisions are made based on the results of the evaluation.

The steps of this phase should primarily be dealt with in working groups, where different categories of stakeholders can express their points of view and make proposals to improve the GI initiative performance. The organization and management of these activities, and the time and resources dedicated to them, should be adapted to the concrete situation of the GI and OP system. In simple situations, with few stakeholders and only one relevant phase in the value chain, the evaluation can focus on a limited number of issues, and the reflection and decision-making step can be dealt with in a one-day meeting. More time may be needed where the GI system is more complex. To ensure a careful and fair evaluation, the evaluation team must follow all the logical steps, using the most appropriate tools.

### 6.4.2 Disseminating the results of the analysis of the geographical indication initiative's effects

Evaluation findings must be reported in an objective way. The interpretation of those findings and the formulation of conclusions may be laborious; diverse opinions as to how to use the findings to determine future actions must be taken into account.

Collaboration is key to successful programme evaluation. Very often, certain categories of stakeholders need to be empowered in order to actively participate in the process; this empowerment is achieved through specific dissemination activities by the evaluation team. These activities should take the following key points into account:

- The evaluation team should carefully determine which stakeholders it must communicate with.
- The process should involve not only producers who took part in the GI initiative, but also producers who did not.
- The evaluation team must choose the most appropriate methods of communication considering the specific stakeholder audience and their interests (e.g. presentations during face-to-face meetings, emails with short written reports, etc.)

### 6.4.3 Identification and analysis of critical areas of performance

The identification and analysis of the critical areas of performance may be difficult, as the report may use various indicators related to different evaluation areas and the stakeholders taking part in the process may differ greatly. Thus, it is advisable to start with simple evaluations, asking each category of stakeholders to express their own assessment of the value of each indicator, and then compare and aggregate these different opinions to obtain a comprehensive representation of the performance of the GI initiative.

The performance measured by an indicator is defined as critical if its value is lower than before the implementation of the initiative, and lower than what could be reasonably expected by the actors involved (see Box 97). Similarly, an area of impact (e.g. the profitability of the GI initiative) is considered critical if many related and relevant indicators demonstrate a critical performance.

#### BOX 97 – HINTS FOR EVALUATION

##### **Criteria to determine whether performances are critical**

An indicator can be considered critical on the basis of five different criteria:

- Expectation criterion: the measured effects are compared to stakeholders' expectations in the GI initiative.
- Contextualization criterion: the situation of producers who take part in the GI initiative is compared to that of those in the same territory who do not, and to the general trend of the same indicator (inside or outside the area).
- Threshold criterion: the measured effect is compared to a reference value based on scientific evidence or other information. In some countries, for example, reference revenues for farmers are calculated; these can be used as thresholds for farmers participating in a GI initiative. However, the applicability of this criterion is often limited, due to the specificities of OPs and their production systems.
- Evolution criterion: the measured effect is compared to the situation prior to the start of the GI initiative. This criterion is often not applicable to GIs due to the lack of data and information.
- Benchmarking criterion: the measured effect is compared to the value of an indicator for a similar product under a similar GI initiative. This criterion is useful to help understand how other initiatives achieve high performance levels; that insight may be used to improve the performance of the evaluators' initiative. It is often not applicable to GIs due to a lack of data and information.

It is recommended to use as many criteria as possible, in order to avoid misinterpretations.

The analysis of critical areas of performance requires a high degree of cooperation between the evaluation team and the stakeholders. The results of the analysis may be summarized in a table organizing indicators on the basis of the various objectives of the GI initiative (see Box 98). Various indicators may be used to measure performance against a single objective; the last column of the table indicates how critical that objective is. The assessment of the various indicators for a single or multiple objectives often reveals trade-offs i.e. the GI initiative has improved some aspects of the GI systems, but has made others worse. These trade-offs can concern:

- Effects on different objectives/areas of impact: economic vs social or environmental effects;
- Effects on different categories of actors, such as small vs big farmers; and
- Effects in the short term vs effects in the long term.

One of the main difficulties encountered during this phase is how to take account of different indicators for each evaluation area and how to weigh them. The evaluation team may add up weights and scores on the basis of stakeholders' opinions, considering the different points of views of various categories.

## BOX 98 – TOOLS

**Table for the identification of critical performances: examples of findings**

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

Objectives of the GI initiative	Indicators	Performance (scale: very good, good, bad, very bad)	Explanations, comments, differences between groups, etc.	Level of criticality
Ensure that the GI label is used by many producers	Quantities of GI-labelled products sold, as a percentage of total production	Very good	Quantities sold are high, thanks to the participation of a number of big firms in the area.	Highly critical, because the GI initiative aimed at using the GI to improve market access for small producers.
	Number of farmers using the label	Bad	Many small farmers are unable to take part in the GI initiative, due to difficulties to comply with formal traceability rules.	
	Number of processors using the label	Bad	Many small processors are unable to take part in the GI initiative, due to difficulties to comply with formal traceability rules.	
	...	...	...	
Increase profitability for farmers	Sales price	Good/bad	The price of the GI-labelled product has increased; the price of non-labelled products has fallen slightly.	The performance in terms of profitability, and especially of small farmers and processors, is critical
	Quantities sold	Good		
	Costs of production	Bad	Production costs have risen due to the rules of the CoP, in particular for small farmers.	
	Costs of certification	Bad	Big farmers are pushed to intensify their production methods, due to the increase in market prices.	
Preserve the local environment	Use of chemicals (e.g. pesticides)	Bad	Big farmers are pushed to intensify their production methods, due to the increase in market prices.	This performance is highly critical, as the impact on water quality may be relevant in the medium term.
	Preservation of local varieties	Bad	Big farmers are pushed to abandon local varieties in favour of modern, more productive ones.	This performance is highly critical, because the very identity of the GI product is based on local varieties.
...	...	...	...	...






Box 98 illustrates that indicator values may differ considerably for different categories of producers. The causes for this variance must be analysed carefully, to identify the potential winners and losers within a GI production system. The question becomes more complex if different categories of stakeholders attach more importance to different indicators.

It is neither important nor useful to evaluate the overall performance of a GI initiative as a whole. In other words, different indicators for different areas of effects, such as economic (e.g. sales price increase), environmental (e.g. increased use of pesticides, leading to a loss of biodiversity) and social (e.g. exclusion of small farmers) effects, should not be aggregated. The performance of a GI initiative can be represented visually (e.g. with traffic lights); this facilitates communication (see Box 99).

#### BOX 99 – TOOLS

##### Communicating performance results: traffic lights

Evaluation results may be summarized in a matrix using traffic lights to indicate areas of good and bad performance. To assign traffic light colours to the various performances, scales (e.g. high, medium, low) must be formulated; these scales should correspond with suitable intervals in the ranges of indicators. Scores can be elaborated individually (for each farm, firm, individual, etc.) and then aggregated (e.g. by averaging) at a collective level (e.g. relevant groups of stakeholders).

Traffic light	Score	Indicator(s)
	Met expectations	80–100%
	Nearly met expectations	60–80%
	Set to meet expectations	40–60%
	Far from meeting expectations	20–40%
	Did not meet expectations	0–20%

#### 6.4.4 Interpretation and overall representation of the results of the analysis of effects

Once critical areas have been identified, the reasons behind the bad and good effects of the GI initiative must be examined based on the report describing and analysing the GI system, including the GI initiative. The relevance of the GI initiative as compared to that of other factors may be found to decrease as the analysis moves from first-order to second- and especially third-order effects. Indeed, as the focus moves from first- to third-order effects, the chains of causality between the GI initiative and effects become more complex, and it becomes increasingly difficult to isolate the effects of the GI initiative from the influence of other pressures (i.e. changes in global market conditions, public policies, etc.). Stakeholders should collectively discuss the results of the evaluation, and identify the causes behind results that are lower than expected or possible. The evaluation team should organize one or more meetings to this effect. Different interpretations may emerge during these meetings, reflecting differences in performance for different groups of stakeholders (e.g. farmers vs processors, small vs big farmers) (see Box 100). Discussions should focus on key problems raised by actual or potential participants in the GI initiative (see Box 101).

The final results of the discussion may be summarized in a table such as the one in Box 102.



#### BOX 100 – HINTS FOR EVALUATION

##### **Tips for the interpretation of the results of the evaluation**

- Interpret the evaluation results with the goals of the GI initiative in mind.
- Consider the limitations of the evaluation:
  - Possible biases
  - Validity of the results
  - Reliability of the results
- Consider whether there are alternative explanations for the results.
- Consider how the results compare to those of similar initiatives.
- Consider whether the results are in line with expectations. If they are not, determine why.

#### BOX 101 – EXAMPLES

##### **Reasons for bad performance: example of a low uptake of the GI label by producers**

A low uptake of a GI label by the various producers in the chain may be due to various factors, and the report on the effects of the initiative should provide alternative interpretations as to these factors.

Possible explanations include:

- The rules of the CoP are too strict, and producers are unable to comply with them (identify which rules/producers).
- Producers lack the necessary marketing capabilities.
- It is unprofitable for certain producers to use the label due to high control and certification costs.
- Buyers or consumers are not interested in the label or don't understand its meaning.
- ...

## BOX 102 – TOOLS

**Presenting the analysis of the causes behind differences in performance: example**

The below table provides an example of how to present the results of the analysis of the causes behind differences in performance.

<b>GI initiative Objectives</b>	<b>Indicators</b>	<b>Causes of differences in performance and key problems raised (with a focus on different interpretations)</b>
Widespread use of the GI label	Quantities of GI-labelled products sold as a percentage of total production	The limitations imposed by the CoP (related to specific rules about methods of production) and the formal nature of the GI's protection system (requiring many documents, traceability, etc.) hinder the participation of small farmers and processors.
	Number of farmers using the label	
	Number of processors using the label	
	...	
Increased profitability for farmers	Sales price	The appreciation in the market of the GI product is quite good (prices have increased, in particular in some marketing channels). However, profitability is low for small farmers and processors due to the fact that certain rules/procedures prescribed by the CoP are not easy to follow and generate high costs of compliance. Small producers also lack marketing skills, which makes it very difficult for them to access marketing channels that valorize the GI label.
	Quantities sold	
	Costs of production	
	Costs of certification	
	...	
Preservation of the local environment	Use of chemicals (e.g. pesticides)	Medium- and large-sized producers modernize and intensify the production process of the GI product, thus generating negative effects on the local environment. They also abandon traditional local varieties in favour of modern, more productive and resistant ones. A lack of rules in the CoP on these aspects leaves producers free to adapt their techniques. This may also affect the specific identity of the GI product in the medium term.
	Preservation of local varieties	
...	...	...

### 6.4.5 Actions and strategic planning to improve the geographical indication initiative

The reflection and decision-making phase ends with the formulation of ways to manage trade-offs, that is to avoid negative, undesired effects and improve the performance of the GI initiative for individual enterprises and as a system. Weaknesses of the control and certification system, problems in complying with the rules of the CoP and marketing dynamics that discourage producers from taking part in the GI initiative are but some of the factors that can undermine the effectiveness of an initiative. The aim of this last step is to formulate possible corrective actions and develop a strategic plan to improve the effectiveness of the GI initiative, taking into account the causes behind differences in performance and key problems identified in the previous step. Corrective actions may be taken at different stages of the value chain and at different phases of the OP virtuous circle. Depending on the problems encountered, the effectiveness of an initiative may be improved by:

- Modifying the rules of the CoP (see Box 103);
- Adapting the traceability and control system to consumers' and/or customers' needs;
- Improving communication, marketing and promotion;
- Strengthening the interprofessional organization involved in the GI initiative to improve the horizontal and/or vertical distribution of the costs and benefits of the initiative;
- Formulating accompanying policies aimed at farmers and/or other GI users, to make the use of the GI label easier and less costly.

#### BOX 103 – GI INITIATIVES IN ACTION

##### **Modifying the rules of the code of practice**

The rules of CoPs are modified quite frequently. Indeed, GI initiatives are living social constructions, whereby many factors may force the actors of the GI system to adapt the CoP rules. These factors may be external to the GI system (such as changes in climatic conditions, technological developments or newly implemented public policies) or internal to it (such as the need to better position the GI product on the market). The process of modifying CoPs is normally regulated by national authorities due to the important role played by CoPs in linking the identity of GI products and specific local resources, and to its importance for consumers. CoPs may be modified with different aims, following different directions and logics, as in the following examples.

##### ***Strengthening the identity of the GI product***

- The quality of GI cheeses depends on many factors, including the breeds and feeding practices used. Limiting the breeds that may be used to produce milk to local breeds may improve the quality and strengthen the identity of GI cheeses on the market. The CoP for Brocciu Corse cheese, a soft fresh cheese from Corsica (France) that was registered as a PDO in 1996, was amended in 2003 to allow only milk from Corsican breeds of sheep and goats to be used.
- Sulguni cheese is so popular in Georgia that it was produced nationwide, by any type of dairy, including large dairies using industrial processes. Hence, it was important for the GI to stress the traditional qualities of the cheese. Thus, the CoP prescribes specific practices, particularly relating to the crucial processing stage of kneading (whereby the mass must be folded several times to ensure that it is dense and elastic, and consists of detachable layers).



*Producers tasting Sulguni cheese to revise the definition of its organoleptic characteristics*

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### ***Adapting the GI product to market demands***

- Pecorino Toscano, a sheep cheese from Tuscany (central Italy) that was registered as a PDO in 1996, has for centuries been produced in a round shape. Certain producers asked for the possibility to produce the cheese in a rectangular shape to meet the needs of professional users (e.g. for the preparation of sandwiches), as this would reduce wastage. The amendment was approved in 2015, but with limits: to preserve the cheese's image, the parallelepiped shape is not allowed for cheese sold to the final consumers.
- Tushuri guda cheese is a very popular cheese in Georgia; however, consumers and tourists increasingly find the cheese very salty as a result of the use of salt in the lamb skin bags (guda) in which the cheese is ripened, to ensure food safety. A FAO/EBRD project to develop and implement food safety guidelines in collaboration with the national food safety agency has raised producers' awareness of hygiene and animal health; as a result of the project, producers agreed to lower the amount of salt prescribed by the CoP.



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*Producers of Tushuri guda cheese adapt their CoP to take inputs from the national food agency into account*

### ***Allowing technical innovation to reduce production costs***

- The first CoP for Reblochon cheese, a French PDO, made no mention of automatic milking, since this technology did not exist when it was written. After 2000, some producers started asking for the possibility to use milking robots. This issue was very controversial because of its possible effects on the quality of the cheese. After technical experimentations and lengthy discussions, stakeholders finally decided to allow the use of milking robots under certain conditions: the physical and chemical characteristics of the milk have to be maintained, milking has to be done twice a day, and the process must be controlled regularly by a technician. The CoP for Reblochon was modified in 2015.
- Varietal innovation happens very fast in the fruit sector; varieties are improved to produce more fruits and better fit modern technology (e.g. varieties suited for mechanical picking, varieties that preserve better in the fridge). In certain cases, the introduction of new varieties may dilute the identity of an GI product by changing the shape, hardness, texture or flavour of the fruits. Hence, balancing innovation and tradition is a delicate issue. In 2012, the CoP for Ciliegia di Vignola, an Italian PGI for cherries, was amended to broaden the varietal range. The newly introduced varieties offer production-related advantages, but mostly have improved quality characteristics (conservability, consistency, shine and size) as compared to the varieties included in the original CoP. The addition of the new varieties extends the harvesting and marketing period of the cherries, enabling Ciliegia di Vignola cherries to be available on the market throughout a longer period. The new varieties were accepted because producers demonstrated, by means of experimental and documentary evidence, that the method of production and the qualitative characteristics of the fruits would remain consistent with the CoP.

Public policies are often a key element to help strengthen the GI initiative. Public stakeholders, such as national, regional or local administrations, local development agencies or technical advice agencies, should take an active part in the evaluation process; they should identify ways to support evaluations through specific actions. Interventions by public actors to support GI initiatives may concern various aspects and make use of different tools, for example making access to credit easier, setting up collective processing facilities, improving access to resources (such as water) or providing technical assistance to small farmers and processors. The presence of public actors during the improvement phase may be of paramount importance in facilitating the dialogue between different categories of actors and interests, and in finding solutions that take the public interest at heart. When elaborating corrective actions, it is important to consider the GI initiative as a whole and take its multidimensional character (its impact on economic, social and environmental sustainability) into account, so as to capture the complex interactions between a modification in one area and other dimensions. For example, lowering the CoP's quality requirements to make it easier for small producers to participate in the initiative may cause a loss of identity of the product; the final effect may be that consumers no longer see its specificity and lower their willingness to pay. Meanwhile, an increase in production volumes may counter efforts to improve the environmental performance of a GI production system.

Corrective actions may be implemented in the short, medium or long term. Therefore, the evaluation team should build a certain degree of uncertainty regarding the future into its plans. This brings the reasoning back to prospective evaluation, which evaluates the future impact of alternative actions.

Uncertainty and interactions between different goals should be accounted for by formulating possible alternative scenarios. These scenarios may consider the available alternatives (e.g. enlarging or restricting the production area) in relation to other relevant constraints (e.g. the availability of raw materials, quality characteristics, prices, paedoclimatic conditions, primary and secondary processing plants, etc.). This allows stakeholders to understand the interconnected consequences of alternative choices (see Section 6.3). The final decisions should be made according to the specific local situation and the legal framework.

Recommendations as to the strategy and actions to be undertaken to improve the performance and sustainability of the GI initiative can be formulated in a final report (a strategic plan) (see Box 104). This final report may contain a plan outlining:

- The actions that may be undertaken (e.g. step up promotion efforts, change the legal tool used, modify the CoP, etc);
- The actors responsible for the implementation of these actions; and
- The timeline and methodology for the implementation of the actions.

## BOX 104 – GI INITIATIVES IN ACTION

**Strategic planning to improve GI initiatives: Café Marcala (Honduras)**

The evaluation process of Café Marcala (see Box 88) ended in June 2018. The evaluation team invited the members of the regulatory council (representing the different categories of stakeholders involved in the GI system) to a one-day meeting. The agenda for the meeting was set as follows:

- Discussion of the report on indicators;
- Identification of critical areas;
- Diagnosis and interpretation; and
- Droposals for action.

The aim of the meeting was to define the necessary strategies and corrective measures, focusing on actions aimed at improving the protection of the GI and the creation and management of the economic value of Café Marcala. Once critical areas were identified with a traffic lights methodology (see Box 99), the participants were divided into two groups to diagnose and interpret the weaknesses of the GI system. Each group focused on a number of specific issues; after 60 minutes of discussions, each group reported on the results in a joint session. Ten specific goals were identified, four associated with GI protection and six associated with the improvement and distribution of the economic value generated by the GI initiative. Next, the participants were divided again into two groups to develop concrete proposals for actions. The mission of each group was to formulate, for each goal, some lines of action, with persons responsible, deadlines and indicators to assess their impact. To help the working groups, the evaluation team provided a table with information for each short-term goal (see the below table).



*Marcala coffee producers work on retrospective evaluation*

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**Structuring working group discussions on retrospective evaluation: example of Café Marcala**

Aims	Evaluation questions	Short-term goals	Challenges	Actions/ Indicators	Actors responsible	Other actors involved	Timeframe
Improving added value for DO coffee growers and processor.	Has the use of the DO increased?	Generate pride in the 19 municipalities of the DO.	Develop a coherent narrative capable of generating loyalty and appropriation.	Develop an internal communication strategy, develop support material for exporters and find an agreement with IHCAFE for participation in fairs.	Regulator and council.	Municipalities, other local actors, roasters.	2019
		Generate demand for the Café Marcala seal.	...	...	...	...	...
	Has the DO added value to the product?	Try to sell Marcala as an origin coffee.	...	...	...	...	...
		...	...	...	...	...	...
...	...	...	...	...	...	...	
...	...	...	...	...	...	...	

## **6.5. Adapting retrospective evaluation to available resources and to the characteristics of the geographical indication initiative**

As pointed out in Section 2.5, evaluation processes must be adapted to the concrete situation of the observed case, that is to:

- The internal characteristics of the OP and GI system (which can be more or less complex and wide in geographical terms, big in terms of the number and categories of producers and other stakeholders, and articulated in terms of the structure of the production process);
- The characteristics of the relationships that each GI system has with its local socio-economic and physical environment (e.g. with the poor, with female labourers, with local agrobiodiversity and ecosystems, etc.);
- The characteristics of the GI initiative, and in particular the complexity of the rules written in the CoP;
- The financial and human resources that are available or obtainable from stakeholders, public bodies, NGOs and other supporting actors.

The concrete decisions as to how to set up, organize and manage the evaluation process must be based on the careful analysis of these factors. The first three categories determine the scope and potential objectives of the evaluation, the fourth category defines its limitations.

Annex 3 provides an example of the retrospective evaluation of a small GI system.

## ■ CONCLUSION



The evaluation of GI initiatives is a constituent part of efforts to protect and valorize origin products.

Prospective evaluation should precede the launching of any GI initiative; it helps producers and other stakeholders decide whether or not to launch an initiative and construct it in such a way as to meet expectations, maximize benefits and prevent possible drawbacks. Prospective evaluation considers a wide range of effects, taking into account all beneficiaries and stakeholders who may be interested and/or (in)directly affected by the initiative.

Once a GI initiative has been launched, retrospective evaluation assesses the effectiveness of the initiative with respect to the aims stated at the beginning. Retrospective analysis considers undesired and unexpected effects, too, which allows stakeholders to identify possible areas for improvement.

The evaluation exercise is conducive to informing stakeholders about the characteristics and results of the GI initiative, and involving them in the initiative. Evaluation exercises should actively involve as many stakeholders as possible; they can learn, discuss and contribute to the success of the initiative from the start. Participation and inclusiveness are key to ensuring that GI initiatives are oriented towards wider goals than just producers' economic performance.

Sustainability should be a leading principle for any evaluation. Indeed, all evaluation processes should take due account of social and environmental issues to allow the origin-linked quality virtuous circle to play out fully. Sustainability is not just a matter of ethics; the reproduction and improvement of the resources used to produce the GI product are at the very basis of the resilience of the system in the long run.

Evaluations are complex processes; they may take up a lot of time and require important financial resources. The decision to embark on deep and sound evaluation must be discussed and agreed upon by all stakeholders, based on the assessment of its costs and benefits according to the initiators' objectives.

We hope that these guidelines will help producers groups that are considering the development of a GI initiative to reflect on the consequences of their choices and make decisions that further both private and public interests.

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## GLOSSARY

**Baseline:** a clearly defined starting point (point of departure) where implementation begins; the baseline is used for comparisons (e.g. to assess improvements).

**Code of practice (CoP)** (or product specifications): a document describing the specific attributes of a GI product in relation to its geographical origin, by means of a description of the product and its production process, including processing, packaging, labelling, etc. Any party using the GI must meet the requirements laid down in the CoP, which is the outcome of a consensus among the stakeholders in the GI's value chain.

**Interprofessional/interbranch organization:** an organization bringing together upstream and downstream producers from the same value chain. Interprofessional associations enable producers to share functions and/or resources and provide services to their members (e.g. collective marketing initiatives, training, the provision of credit, collective packaging, etc.). Interprofessional organizations may take various legal forms (including partnerships, consortia and associations), depending on the legal rules of the country. Interprofessional organizations play an important role in GI initiatives; they develop initiatives (including the GI label) and implement them.

**Geographic(al) indication (GI):** Article 22.1 of the World Trade Organization's agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) (1994) states:

Geographical indications [...] 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 (World Trade Organization. 1994. Marrakesh Agreement Establishing the World Trade Organization. Geneva. p. 328).

All WTO member countries have to establish basic provisions for the protection of GIs. GIs distinguish a product based on the identification of the product's origin and its link with particular product characteristics or reputation. GIs can be legally registered in different forms (e.g. appellation of origin (AO) also called denomination of origin (DO), protected denomination of origin (PDO), controlled appellation of origin (AOC), protected geographical indication (PGI)), depending on the categories defined in the various countries; their registration makes them enforceable. The TRIPs agreement does not prescribe any specific legal system for the protection of GIs, leaving this task to member countries. If a member country has established a formal registration process to recognize GIs within its territory, then a product registered in this way can be referred to as a protected GI. However, a GI may also exist without legal protection, unless the name or product is considered generic. In certain situations, a collective mark or certification mark is the most effective legal protection for a GI.

**GI product:** a product identified by means of a geographical name (geographical indication).

**GI system:** a system including all stakeholders belonging to an origin product (OP) who take part in a GI initiative. It includes both producers and other stakeholders in the GI initiative.

**Labelling scheme (LS):** a collective labelling scheme is based on a set of common rules (code of practice) and a control and inspection system aimed at guaranteeing compliance of a product to common rules vis-à-vis consumers. A LS can be a PDO, PGI, collective geographical trademark, and so on.



**GI initiative:** an initiative implemented by a local community of producers aimed at regulating and valorizing an Origin Product (OP) by defining a common name for the product (the geographical indication), formulating a set of underlying rules and setting up a control and guarantee system.

**Governance:** a concept referring to the complex systems including mechanisms, processes, relationships and institutions through which individuals and groups articulate their interests, exercise their rights and obligations, and mediate their differences.

**Origin product or origin-linked product (OP):** a product for which a specific quality is essentially attributable to its geographical origin, as a result of a combination of unique climatic conditions, soil characteristics, local plant varieties or breeds, local know-how, historical or cultural practices, and traditional knowledge concerning the production and processing of certain products. The interaction among these elements (which constitute what is known as the terroir) confers specific characteristics that allow the product to be differentiated from other products in the same category.

**OP system:** a system including all stakeholders who contribute to the production and valorization of an origin product (OP). An OP system thus includes OP producers (farmers, processors and other enterprises operating in the value chain) and other stakeholders involved directly or indirectly in the value chain, including but not limited to public authorities, NGOs, research institutions and extension services.

**Opportunity cost:** the returns from an alternative use of an asset. With reference to GI initiatives: what the producer would have gained if the resources used in the GI initiative would have been invested in other economic activities.

**Producers:** producers include farmers, processors and other enterprises involved in the value chain.

**Stakeholder (or actor):** in the value-creation process for origin-linked products, any person, group or organization with a direct or indirect stake in the outcome of the process, inasmuch as they can affect or be affected by its results. Local producers and their associations, companies involved in the value chain (processors, distributors, suppliers, etc.), consumers, the government and any institution playing a part in the GI system are all stakeholders.

**Value chain:** the full range of farms and firms and their successive coordinated value-adding activities that produce particular raw agricultural materials and transform them into particular food products that are sold to final consumers and disposed of after use.

## Annex 1. Evaluation guides and toolkits

A number of guides provide practical tools for evaluation. They may refer to sectors and activities that are very different from the ones discussed in this guide. Some examples that are freely available online are the following:

**Austrian Development Agency.** 2009. *Guidelines for project and programme evaluations. Final draft.* Vienna. [also available at [www.oecd.org/development/evaluation/dcdndep/47069197.pdf](http://www.oecd.org/development/evaluation/dcdndep/47069197.pdf)].

**Estrella, M., & Gaventa, J.** 1998. *Who counts reality? Participatory monitoring and evaluation: a literature review.* IDS Working Paper 70. Falmer, United Kingdom, Institute for Development Studies (IDS). [also available at <https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/3388/Wp70.pdf?sequence=1>].

**Hobson, K., Mayne, R. & Hamilton, J.** 2013. *A step by step guide to monitoring and evaluation.* Oxford, United Kingdom, University of Oxford. [also available at <https://transitionnetwork.org/wp-content/uploads/2016/09/Monitoring-and-evaluation-guide.pdf>].

**Hughes, J., & Nieuwenhuis, L.** 2005. *A project manager's guide to evaluation.* Evaluate Europe Handbook Series Volume 1. Bremen, Germany, Institut Technik und Bildung. [also available at [www.pontydysgu.org/wp-content/uploads/2008/02/EvaluateEuropeVolume1final.pdf](http://www.pontydysgu.org/wp-content/uploads/2008/02/EvaluateEuropeVolume1final.pdf)].

**International Fund for Agriculture and Development (IFAD).** 2002. *Managing for impact in rural development. A guide for project monitoring and evaluation.* Rome. [also available at [www.ifad.org/documents/38714182/39723123/toc.pdf/e7c718e2-56b9-4f60-b404-3f31448a38a2](http://www.ifad.org/documents/38714182/39723123/toc.pdf/e7c718e2-56b9-4f60-b404-3f31448a38a2)].

**International Federation of Red Cross and Red Crescent Societies.** 2011. *Project/programme monitoring and evaluation (M&E) guide.* Geneva. [also available at [www.ifrc.org/Global/Publications/monitoring/IFRC-ME-Guide-8-2011.pdf](http://www.ifrc.org/Global/Publications/monitoring/IFRC-ME-Guide-8-2011.pdf)].

**Zarinpoush, F.** 2006. *Project evaluation guide for nonprofit organizations: fundamental methods and steps for conducting project evaluation.* Toronto, Canada, Image Canada. [also available at [http://sectorsource.ca/sites/default/files/resources/files/projectguide\\_final.pdf](http://sectorsource.ca/sites/default/files/resources/files/projectguide_final.pdf)].

Some websites offer useful online toolboxes for evaluation, such as:

**Evaluation Toolbox:** <http://evaluationtoolbox.net.au/>

**BetterEvaluation:** [www.betterevaluation.org](http://www.betterevaluation.org)

**Strength2Food:** [www.strength2food.eu](http://www.strength2food.eu) (see "Resources")

## **Annex 2. Fictional example of the prospective evaluation of small geographical indication initiatives: the geographical indication for cherries from Cherrytown**

Cherries are a traditional crop in the hilly area around the small village of Cherrytown. A number of native cherry tree varieties underlined the specificity and reputation of the cherries of Cherrytown, coupled with the peculiarity of its soils and climate. Cherry production has suffered the effects of the widespread crisis in agriculture in the area that started in the 1970s. Higher agricultural production costs compared to those in nearby plains, and especially the ongoing industrialization in neighbouring areas, has resulted in a decrease in the number of farmers and in production volumes. Although nearly all farms in the Cherrytown area grow some cherry trees, only a few are professional producers, and specialized orchards are rare. Most farmers farm only part-time; agriculture is for them a secondary source of income, after jobs in industrial or service sectors, or pensions. Local consumers have a strong preference for the cherries of Cherrytown; this preference is not affected by competition from other, stronger production areas. From 2000 onwards, a number of local stakeholders (farmers, local public institutions, the chamber of commerce and research institutes) have shown a growing interest in initiatives aimed at enhancing the value and image of the cherries of Cherrytown on the market and thus promoting rural development. The local association of cherry producers therefore organized a number of meetings of its members to discuss whether and how to launch a GI initiative to register the cherry of Cherrytown as a PDO (prospective evaluation). While the resources available for the evaluation were limited, the small number of producers, their geographical and social proximity and their profound knowledge about the product and its market allowed for a simplified prospective evaluation process.

Here below the activities that were carried out during the prospective evaluation process are listed, and the main decision taken summarized.

### **PLANNING PHASE**

The initiators of the initiative, the producers association for Cherrytown cherries, invited all local farmers to a first meeting, held in December 2018; this meeting was followed by a number of talks. The total duration of the initial meeting was 3 hours.

#### **STEP 1 - Understanding the GI initiative**

During the first meeting, the initiators presented an analysis of the production and market situation of Cherrytown cherries. They presented the possibility to launch a GI initiative, making a first evaluation of its potential effects in collaboration with researchers from the local university. The following characteristics of the OP and GI system were agreed upon:

- Most producers manage small farms and use short marketing channels and direct sales. Only a few producers are professional farmers, selling on local wholesale markets. Only the cooperative sells to supermarkets.
- There are no real problems to sell the product. So far, no collective marketing initiatives to enhance the image of the product have been implemented. There have been just a few cases of imitation or usurpation of the name on the market.
- The production process is relatively simple, and knowledge is shared among the farmers, who use traditional cultivation techniques. The production area is well identifiable.

- The real value added of the product is the use of native cherry tree varieties that are grown only in this small area; however, many of these varieties are ill-adapted to modern markets due to their high perishability and small size.
- A GI initiative could help producers to better market their product by signalling the special quality of the product to consumers and by highlighting the importance of native varieties in reply to growing consumer concern about the loss of biodiversity. A successful GI initiative may attract new producers to the area and stimulate tourism.

### **STEP 2 - Involving stakeholders**

During a second meeting, held in February 2019, the initiators informed stakeholders about the ongoing evaluation and its aims, and involved them in the definition of the evaluation questions. The stakeholders involved in the evaluation process were the farmers, the municipality and, to a lesser extent, representatives of the local tourism sector and environmental associations. All local farmers were asked to attend the meeting; they were informed about the contribution they would be asked to make i.e. providing the required information and debating and deciding about whether and how to set up a GI initiative. Farmers were informally invited to the meeting in phone calls.

### **STEP 3 - Defining the goals, aims and scope of the GI initiative**

During this second meeting, the initiator committed to carrying out an evaluation process to decide whether to launch a GI initiative (goal) and to assess the potential effects (aims) of such an initiative on:

- producers' income and the economy of the area;
- biodiversity (the preservation of traditional native cherry trees varieties); and
- tourist inflows and impact on other economic activities in the area.

The evaluation would focus exclusively on farmers located in the municipality of Cherrytown (scope).

### **STEP 4 - Providing financial resources**

During a third meeting, held in March 2019, the initiators informed stakeholders about the decision to carry out a direct survey with the help of the local university, and the evaluation team was set up.

The initiator and the actor responsible for the evaluation agreed that the evaluation should use as instruments the direct survey of a sample of farmers and interviews with traders and wholesalers conducted by researchers from the local university. This decision was based on the considerations that the financial resources for the evaluation process were limited, and that knowledge about the OP system and farmers' characteristics was already available. In addition, the municipality committed to providing financial support to pay for the direct survey and organize meetings during the management phase.

### **STEP 5 - Writing the ToR**

A short document was drafted to report on the main decisions taken.

### **STEP 6 - Setting up the evaluation team**

During the third meeting, the initiator agreed to set up an evaluation team consisting of the director of the producers' association, a researcher from the local university and one representative of the municipality. The director of the producers' association was appointed as manager of the evaluation.

### **STEP 7 - Fine-tuning the evaluation questions**

During the third meeting, the specific aims of the evaluation were discussed and agreed upon. Participants agreed to focus on economic benefits and market access, and pay special attention to the preservation of the local biodiversity.

### **STEP 8 - Writing the evaluation plan**

The manager wrote an information sheet defining the specific purposes of the evaluation and formulating the related evaluation questions.

## **MANAGEMENT PHASE**

### **PHASE 1 - PRELIMINARY ANALYSIS**

#### **a) Characteristics and potentialities of the OP and b) Analysis of the OP system**

The evaluation team gathered information on the OP and OP system, based on previous studies by the local university. In April 2019, the researcher interviewed a sample of farmers, wholesalers and traders directly; these interviews confirmed the good reputation and potential of the product and its link to the territory. The presence of native cherry tree varieties and consumers' knowledge and appreciation of the OP on local markets indicated that there was a lot of potential for a GI initiative.

The results of the survey showed that the use of the GI on the market is widespread, and that consumers living in nearby areas are prepared to pay a premium for Cherrytown cherries. The OP is an important asset for the local population, as it functions as the pivot element for fairs and cultural events in the municipality of Cherrytown.

Despite these positive elements, the investigation revealed that local cherry production was threatened by the depopulation of rural areas and the lack of young people willing to work in agriculture. Climate change was found to severely affect both the quantity and the quality of production, and in some cases the very survival of the cherry trees.

#### **b) SWOT analysis of the OP potential**

The evaluation team conducted a SWOT analysis based on the information gathered.

### **PHASE 2 - MAPPING AND ASSESSING THE EFFECTS**

*In May 2019, the evaluation team prepared a first draft of the CoP on the basis of interviews of farmers about the production process and quality requirements needed to market the product.*

#### **a) Expected effects of the rules of the CoP**

The evaluation team discussed the expected effects of the rules of the CoP, based on a map of potential effects. The choice of the name for the OP was straightforward, as only one name was used to market the product. Likewise, setting the geographical boundaries was easy, as all cherry farms were located within the geographical borders of the municipality of Cherrytown and no other farms in nearby areas produced cherries. Growing techniques were homogeneous across farms; the main choices to make as to the production process concerned the imposition (or not) of integrated pest management and hand picking (without any mechanization of the harvesting operations).

The main decision regarding quality was related to the minimum size of the fruit. The expected effects of these alternatives were evaluated by means of qualitative analysis. One of the possible outcomes of imposing integrated pest management, for example, was that many small farms using traditional growing techniques could be excluded, at least at the beginning, from the GI system. Over time, technical assistance could solve this problem. Special attention was devoted to the use of native cherry tree varieties, menaced by the competition of new varieties that were better suited for modern marketing channels. None of the producers in Cherrytown grew both traditional and new varieties, the former being preferred by most. The evaluation team discussed the option of inserting a special mention in the CoP of traditional varieties, (internal differentiation in the CoP). This would counter the risk of their extinction, especially if the GI initiative would be successful at using modern marketing channels.

#### **b) Expected effects from the type of legal tool, and**

#### **c) Expected effects from the type of inspection and certification system**

Two alternatives were discussed by the evaluation team as regards the choice of the legal tool to protect the GI. On the one hand, there was the possibility of applying for a PDO according to EU regulations; on the other hand, the GI initiative could be based on a collective geographical trademark. The advantages and disadvantages of both options were discussed by the evaluation team. The implications of the choice of the inspection and certification system were also discussed. Note that third-party inspection and certification is compulsory for PDOs.

*At the end of Phase 2, the evaluation team produced a report on the expected effects of the GI initiative. This report presented the analysis of the expected effects of the choice of the name, the CoP rules and the inspection and certification system in a concise manner.*

### **PHASE 3 - REFLECTION AND DECISION-MAKING**

*In July 2019, a one-day meeting with farmers and other stakeholders was organized to discuss the results of Phase 2 and make final decisions.*

#### **a) Dissemination of the report on the expected effects of the GI initiative**

The evaluation manager presented first the results of the analysis of the OP system and OP characteristics, and then the draft CoP with the various options for decision-making.

#### **b) Simulation and discussion of scenarios and options**

A first discussion concerned the choice of the legal tool (PDO vs a collective geographical trademark). All stakeholders agreed to use a PDO as it comes with stricter controls, a stronger reputation and thus better access to markets. Further discussions were held in a plenary meeting. Stakeholders agreed on the geographical boundaries of the GI system; they also agreed not to impose organic production methods. Certain stakeholders did not agree with the proposal to allow only native cherry tree varieties to be used. Hence, it was decided to include a special mention for native varieties in the CoP.

#### **c) Decision-making**

The evaluation team wrote a short report on the decisions taken. The initiators wrote the CoP based on these decisions and applied for a PDO.

### **Annex 3. Fictional example of the retrospective evaluation of small geographical indication initiatives: the geographical indication for beans from Fagiolo**

Fagiolo is a small village in a marginal rural area; it has a long tradition of producing a local variety of beans. The Fagiolo bean was registered as a PGI in 2005, according to EU rules on geographical indications (in 2005, Council Regulation (EEC) No 2081/1992). The GI initiative was launched by a small group of bean producers, who set up an association to safeguard the name of the GI product against unfair imitations, but also to launch a bundle of other initiatives to support local producers. The local municipality and the provincial administration joined and supported the GI initiative, as they understood the contribution a GI initiative could make to the economic and social revitalization of an area subject to depopulation. According to the CoP for beans from Fagiolo, both fresh and dried beans can carry the GI-label. The production process is simple and very artisanal, the area delimited by the CoP is very small (around 650 hectares), the number of producers in the area is low (no more than 30 small or very small producers), and the area under beans stands at approximately 7 hectares.

An official from the provincial administration (with competences in agriculture) and a representative of the producers association acted as initiators of the evaluation process. The financial resources available for the evaluation were limited; the producers association had to fund the process itself, with a small contribution from the local provincial administration. The case of beans from Fagiolo is thus an interesting case to understand how the methodology proposed by this guide can be adapted to a very simple GI. Indeed, the methodology is flexible and can easily be adapted to concrete cases without losing its accuracy and rigour.

Here below the main decisions and activities developed during the different steps of the evaluation process are presented.

#### **PLANNING PHASE**

*The initiators of the initiative decided on the first steps of the activation phase during a first meeting, held in October 2016; this meeting was followed by a number of talks. The total duration of the initial meeting was 3 hours.*

##### **STEP 1 - Understanding the GI initiative**

During the first meeting (October 2016), the initiators (the representatives of the provincial administration and of the producers association) shared their knowledge and perceptions about the GI initiative and its effects. They agreed on the following characteristics of the OP and GI system:

- The production process is relatively simple, and the cultivation and drying phases are normally undertaken by the same producers.
- The area as defined in the CoP is quite small; it comprises low- and high-lying fields, with a different microclimate and different soils.
- Annual total production stands at around six tonnes. Production techniques are traditional and quite homogeneous. There are no economies of scale due to the very limited size of the average field.

Based on this information, it was decided to include the following stakeholders in the evaluation process: the farmers of the two sub-areas (corresponding to low- and high-lying fields), the local public authorities and (to a lesser extent) representatives of other sectors of activity (restaurants, bed and breakfasts and farm stays).

### **STEP 2 - Involving stakeholders**

The initiators organized a meeting open to all producers and other interested people from the area, to inform them about the ongoing evaluation and stimulate them to actively participate in the following steps. The local stakeholders were informed about the general goal of the evaluation, its main steps and the contribution they would be expected to make. A Facebook page was set up to boost stakeholder involvement and keep everyone updated.

During meeting, held in November 2016, the initiators informed stakeholders about the ongoing evaluation, its aims and resources; following this meeting, the initiators drafted the ToR.

### **STEP 3 - Defining the goals, aims and scope of the evaluation**

During the same meeting, and after hearing stakeholders' views, the initiators agreed on the following aims:

- to assess the effects of the GI initiative on producers' economic performance and on the local economy in the production area; and
- to assess the effectiveness of the GI initiatives in attracting new, younger producers and entrepreneurs (in agriculture and in other economic activities).

The scope of the evaluation included not only producers participating in the GI initiative, but also producers not taking part, to understand their motives for not participating, assess whether they suffered any negative effects and determine how to involve them in the initiative.

### **STEP 4 - Providing financial resources**

The initiators held a second meeting on the same day of November 2016. There was a limited budget for the evaluation, but no human resources. Hence, it was agreed to assign the management of the evaluation to a university, providing a small budget. The initiators also agreed to create two grants for graduate students to work on the evaluation, to obtain specific skills for the collection and processing of the data.

### **STEP 5 - Writing the ToR**

At the end of this second meeting, the initiators wrote the ToR, following the outline provided in Section 4.2.

### **STEP 6 - Setting up the evaluation team**

During a third meeting, the initiators agreed to create an evaluation team composed of two representatives of the producers association, two representatives of the local university (one economist and one social scientist) and one representative each for the municipality, the province, the local chamber of commerce and the association of the inhabitants of the village of Fagiolo. A professor from the local university was chosen as leader of the evaluation.

### **STEP 7 - Fine-tuning the evaluation questions**

During the third meeting, the specific aims of the evaluation were agreed upon. For each aim, a card defining specific purposes and related evaluation questions was written.



### **STEP 8 - Writing the evaluation plan**

In a second part of the third meeting, participants agreed on the main elements of the evaluation plan. After the meeting, the evaluation manager sent the drafts of the cards and of the evaluation plan to all members of the evaluation team. Thus, the evaluation plan became the guideline for the management phase of the evaluation.

## **MANAGEMENT PHASE**

### **PHASE 1 - PRELIMINARY ANALYSIS**

The preliminary analysis was undertaken by the evaluation team in December 2016 and January 2017. The evaluation team decided to use 2004 as the baseline for the analysis. Collecting information for 2004 was difficult; however, documents provided by the association and interviews with local stakeholders contained some relevant information. Direct interviews with a sample of farmers and traders by the evaluation team provided information regarding a number of key issues concerning the OP, its producers, the GI initiative and market trends. The evaluation leader drafted a three-page document summarizing the information.

### **PHASE 2 - RETROSPECTIVE MAPPING OF THE EFFECTS**

#### **a) Identification of the areas of effects**

#### **b) Formulation of monitoring questions, and**

#### **c) Selection of relevant indicators**

In February 2017, the evaluation team organized a meeting in Fagiolo. All stakeholders were invited. The meeting was split into two sessions; its total duration was four hours. The areas of effects were tentatively identified on the basis of the interviews conducted during the previous phase. A short PowerPoint presentation and an open discussion based on the general map of potential effects helped participants select areas of effects for the aims agreed upon previously (producers' economic performance, effects on the local economy and effects on the attraction of young producers and entrepreneurs). During the second session, seven monitoring questions were formulated and related indicators identified.

#### **d) Data collection**

Data were collected by the leader of the evaluation using documents from the local producers association, data from the local chamber of commerce and specific enquiries to producers and other actors in the area. The collection of the data took up about one week in February 2017.

#### **e) Organization and analysis of the information and**

#### **f) Reporting**

In early March 2017, the evaluation team met for half a day to analyse the collected information. A short report was drafted to inform stakeholders about the results in a clear and concise way.

### **PHASE 3 - REFLECTION AND DECISION-MAKING**

**a) Dissemination of the report on the effects of the GI initiative**

**b) Identification and analysis of critical areas of performance**

**c) Overall representation and possible solutions, and**

**d) Corrective actions and strategic planning**

In March 2017, Phase 3 was dealt with in a one-day meeting held in Fagiolo. Around 25 producers and other stakeholders attended the meeting. First, the leader of the evaluation team introduced the results of the analysis by means of a PowerPoint presentation. The discussion that followed revealed a number of critical issues. Firstly, while the market price of Fagiolo beans was relatively high, profit margins were eroded by the high costs of certification. Second, certain small producers were unable to use the GI label due to restrictive rules in the CoP. For the second part of the meeting, participants were split into three groups to discuss the reasons behind unsatisfactory performances and possible corrective actions in greater detail. The third (plenary) part of the meeting dealt with corrective actions, such as the amendment of the CoP, the simplification of control procedures by eliminating redundant obligations and the organization of activities to better inform and support local farmers about the GI initiative. The producers association and the provincial administration were given a mandate to implement these activities.

This guide deals with the evaluation of initiatives based on origin-linked products and aims at enhancing such initiatives by setting clear rules for the protection and use of geographical indications (GI), to foster the development of sustainable food systems.

The guide adopts a practical approach aimed at helping local stakeholders implement a participatory evaluation process. It provides a step-by-step roadmap, methodological tools and practical examples. It envisages two different types of evaluation, depending on whether the evaluation is carried out prior to or after the launch of an initiative. Prospective evaluation helps producers and other stakeholders decide whether or not to launch an initiative and how to design it to meet expectations, maximize benefits and avoid drawbacks. Once an initiative has been launched, retrospective evaluation helps assess an initiative's effectiveness with respect to the purposes stated at the beginning. Retrospective evaluation checks for undesired and unexpected effects, thus identifying areas for improvement.

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