



Food and Agriculture
Organization of the
United Nations



An overview of legal and institutional frameworks and opportunities, challenges and recommendations for geographical indication products in

Armenia, Georgia, Kyrgyzstan, the Republic of Moldova and the Russian Federation

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recommendations for geographical indication
products in Armenia, Georgia, Kyrgyzstan, the
Republic of Moldova and the Russian
Federation**

Synthesis Report

Food and Agriculture Organization of the United Nations

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Abstract

Geographical indication (GI) schemes can play a special role in promoting sustainable rural development, improving farm income and opening new export potential. Natural factors such as soil, climate and plant varieties play a major role in producing a unique product. Usually, GIs comprise knowledge and skills passed on from generation to generation, helping to protect local heritage.

This report is a synthesis of the five national reviews of the legal and institutional frameworks in Armenia, Georgia, Kyrgyzstan, the Republic of Moldova, and the Russian Federation. It has been developed on the expert level to raise awareness and to serve as guidance for further activities to be considered and developed at a technical level.

Background

The countries of Eastern Europe and Central Asia have many specific regional and traditional products with strong territorial identities. These products often have reputations and/or special qualities that are linked to designated areas. Consumers appreciate these products, and this creates demand for them. In the context of globalization, producers are eager to convey the specificity of their products (e.g. by registering their products in quality schemes, by clearly showing the “roots” of their products, or by protecting their geographical names against misleading information or counterfeits). Consumers are often sensitive to the fact that quality can be linked to the origin of the products they buy, and to be sure of that quality they need products to have clear indications of their origins. At the same time, the promotion of these products often has important impacts on society and culture, especially in rural areas, and can influence economic development, especially in the territories where the products are produced. Geographical indication (GI) schemes can play a special role in promoting sustainable rural development, improving farm income and opening new export potential. Natural factors such as soil, climate and plant varieties play a major role in producing a unique product. Usually, GIs comprise knowledge and skills passed on from generation to generation, helping to protect local heritage.

At the Twenty-ninth Session of the FAO European Regional Conference in Bucharest in April 2014, a number of ad-hoc requests asked for technical support regarding local traditional products and building on countries’ experiences with geographical indications. In response to these requests, FAO launched a regional project “Support to Sustainable Geographical Indications development in Europe and Central Asia region”. The project’s aim was to increase the capacities of the ministries in charge of agriculture and intellectual property, helping to ensure support of more inclusive and efficient agricultural and food systems in the Europe and Central Asia region through the development of sustainable GIs in an integrated regional approach. The project built on *(i)* a review of existing legal and institutional frameworks on GI products in a number of countries (Armenia, Georgia, Kyrgyzstan, the Republic of Moldova and the Russian Federation); *(ii)* a study on how GI policies have been implemented in European Union countries (Croatia, Hungary and Poland); and *(iii)* a regional workshop to share experiences and discuss perspectives in the region. The work is in line with FAO Strategic

Objective 4 to “enable more inclusive and efficient agricultural and food systems at local, national and international levels” and REU Regional Initiative 2.

This report is a synthesis of the five national reviews of the legal and institutional frameworks in Armenia, Georgia, Kyrgyzstan, the Republic of Moldova, and the Russian Federation. It has been developed on the expert level to raise awareness and to serve as guidance for further activities to be considered and developed at a technical level.

1. Existing GI system and its potential

The countries can be classified into two groups:

1. In Armenia, Georgia and the Republic of Moldova, institutional arrangements were modeled according to the system of geographical indications functioning in the European Union,¹ with protected designation of origin (PDO) and protected geographical indication (PGI) as classifications of registered products, as well as traditional speciality guaranteed (TSG) designations. These countries emphasize both the protection of the names and the quality and specific nature of registered products.² In these countries, the competences in the field of geographical indications are shared among the authorities dealing with the protection of intellectual property rights (patent offices) and the ministries of agriculture. The following key characteristics of GI systems in these three countries are:

- Registration of geographical indication or appellation of origin (AO) is voluntary and based on a collective application approach. However, a natural or legal person can be associated with a group under specific conditions.³
- Minimum requirements are requested; they include at least the following information: name of the region/area used to designate the specific product; product description; delimitation of the

¹ The concept of geographical indications functioning in the European Union encompasses protected designations of origin (PDOs) and protected geographical indications (PGIs) for foods and wines, while spirits and aromatized wines have geographical indications:

- Protected designation of origin (PDO) identifies products that are produced, processed and prepared in a specific geographical area, using the recognized know-how of local producers and ingredients from the region concerned.
- Protected geographical indication (PGI) identifies products whose quality or reputation is linked to the place or region where it is produced, processed or prepared, although the ingredients used need not necessarily come from that geographical area.
- Traditional speciality guaranteed (TSG) is not a geographical indication; rather, it focuses the spotlight on tradition. TSG identifies products of a traditional character, either in the composition or means of production, without a specific link to a particular geographical area.
See more: https://ec.europa.eu/agriculture/quality_en

² In these countries, products registered as a PDO (appellation of origin) or PGI (geographical indication) must not only have a modern or historical name of a geographical place, region or – in exceptional cases – country, but also must possess a specific quality or feature that is essentially or exclusively due to a particular geographical environment or human factor (alternatively, a specific quality, reputation, or other characteristic that is attributable to that geographical area).

³ In Georgia, there are no restrictions for accepting an application from individual farmers or producers. It should be mentioned also that at the initial stage of formation of the national GI protection system in Georgia, due to objective reasons, applicants for GI registration were the Vines and Wine Agency for wines and the Ministry of Agriculture for all other products.

geographical area; evidence that the product originates from the defined geographical area; production method, packaging and labelling rules; link with the geographical area; and names and addresses of the control and certification bodies.

- The law on GIs lays out the grounds for an objection procedure: any interested persons, state bodies and organizations, among them those belonging to other countries, are entitled to present objections against registration within the specified period of six months after the publication of the application for GI.
- As quality is the central point of the GI protection system, producers of geographical indication and appellation of origin products have to prove that they comply with the approved specifications (control system of compliance with technical specification is required).⁴
- In accordance with the concept of the GI protection system, a geographical indication is collective property that can be used by anyone who observes the requirements determined in GI specifications.

2. In Kyrgyzstan and the Russian Federation, GI schemes are focused especially on the protection of product names (even though ex-officio market controls are not well enforced) and are treated as a part of trademark intellectual protection rights. In these countries there is no distinction between PDOs (appellation of origin) and PGIs (geographical indication). There is only one category of protection, and experts consider this to be a problem and recommend that it be changed.⁵ In these two countries, authorities dealing with the protection of intellectual property rights are responsible for registration and protection of geographical indications, and GI schemes are usually not used as a tool for rural development. The distinguishing feature of GI schemes modeled on European Union solutions is the method of production, which in Kyrgyzstan and the Russian Federation is treated as an industrial secret of the registrant, which is contrary to the idea of geographical indications promoted in the EU.

⁴ At the same time – in spite of the formal and legal requirement – in each of the three countries there are problems with the organization of the certification system (see Chapter 3 on gap analyses).

⁵ Russian and Kyrgyz legislation provides only appellations of origin for the protection of food products linked to the territory. The use of GIs could increase the opportunities for additional legal protection for food products with special features that are linked to the place of origin.

1.1. Armenia

Product potential:

For the time being, only one national GI registration has been completed in Armenia (found in the Official Bulletin). It is a fish product, Sevan trout, which comes from Lake Sevan.⁶ Armenia has no wines registered as GIs or DOs, even though the Armenian Law on GIs lays down legal grounds for registering wines as GIs and/or DOs.

The Agro-Processing Department of the Ministry of Agriculture (MoA) initiated activities directed towards the identification of GI products in Armenia. As a result, nine products have been selected that would qualify as GI products: Sujukh (a meat product); Chechil, Horaz and Motal (cheeses); Doshab (a dense sweet); Basturma (a meat product); Matzoun (a milk product); Alani (dried peaches stuffed with walnuts); and Qarahunj (vodka). The technical requirements (specifications) of these products were approved by the MoA Minister's Decision of 2013.⁷ Armenia is also famous for Armenian traditional carpets, handmade knitting techniques, and wool dyed using natural products (e.g. dried herbs and a type of insect called the Armenian cochineal). These products date back centuries. Also significant are wood-carving, the making of khachkars (cross-stones), crouching, and lace-making.

In general, consumers know about products that are connected to their place of origin.⁸ For Armenia, people point out wines (there are different names of wines currently produced in Armenia), cheeses, Basturma, Alani, Armenian apricots, honey, Rejan, Sweet Sujoukh (a dry, sausage-like sweet product with walnuts), Geghard bread, and beer (Gyumri, Kilikia, Kotayk, Ararat and Erebuni) as being potential national products that could be protected as geographical indications or guaranteed traditional products. All of these products are available on the market.

⁶ Due to its physical, chemical, and biological indicators, Lake Sevan is considered to be a strategic reserve of fresh water. Sevan trout is an endemic species of the lake, which is registered in the Red Book of Armenia. It is one of unique freshwater lakes where conditions of specific fish species are generated due to the low quantity of salt. More information is available at: http://aipa.am/u_files/file/GI/SevanTroutENGNew.pdf

⁷ No. 237- U issued on 20 December 2013

⁸ However, in Armenia people tend to associate products of cultural heritage, tradition, human skills, and reputation with those that are enclosed in and/or subject to being included in UNESCO's list of Intangible Cultural Heritage of Humanity. This was revealed due to inquiries/mini survey conducted among the general public (within the framework of this work). People are generally unaware of the GI tool, its characteristics and particularities.

Potential producers of quality products in Armenia include individuals, entrepreneurs, cooperatives, farmers and companies. Various unions are currently active in Armenia; The Union of Cheese Producers, the Union of Meat Producers, the Union of Wine Makers, and the Viticulture and Winemaking Foundation of Armenia, which was established recently and operates on the principle of cooperation between the state and the private sector and plans to provide high-quality and internationally competitive products.

Institutional framework:

The Armenian Law on Geographical Indications came into force in 2010. It is a comprehensive legal document that encompasses provisions on the protection of geographical indications and designations of origins as well as guaranteed traditional products (GTPs).⁹ The law conforms to European legislation and international treaties to which Armenia is a signatory. The Intellectual Property (IP) legislation in Armenia was reviewed and developed a few years ago; specifically, the EU Advisory Group (EUAG) to the Republic of Armenia supported national authorities in the implementation of its reform agenda, including the IP legislation.

The institutions/bodies responsible for examining and approving GI applications in Armenia are:

- The IP Agency: for the examination of applications and registrations. The IP Agency performs registrations of GI/DO products.
- The MoA: for approval of specifications and making general principles of supervision, stages and procedures. The relevant department (in this case dealing with fish products) provided an opinion on Sevan trout.
- The national conformity assessment body: to supervise the assessment of GI, DO and GTP products in accordance with the legislation. No such body is currently designated to deal with GI products in Armenia.

Today, the GI system is not functioning fully due to a number of different decisive factors, such as the lack of relevant bodies to control and supervise GI products in the market (these bodies have not been designated yet).

There is no GI legislation on non-agri products in Armenia, which could be applicable to handicrafts. Provisions of the Armenian law on GIs are not applicable

⁹ The latter is equivalent to the traditional speciality guaranteed (TSG) established in the European Union.

to natural and mineral waters; this is clearly mentioned in the law on GIs. Therefore, natural and mineral waters are produced by legal entities/trademark owners and regulated by the Armenian law on trademarks.

GI and quality schemes as factors in rural development:

The Armenian 2010–2020 Sustainable Agricultural Development Strategy was approved by the Government in 2010. This document reflects the state policy's main directions on agricultural development, outlines the main targets of agrarian policy, and states the priorities. The strategy highlights the targets of government agrarian policy for 2010–2020 and their implementation measures. Its objectives are to establish a framework, promote export-oriented agriculture, develop infrastructure, food safety and technical advisory systems; advance agrarian reforms; and reduce rural poverty. The strategy also highlights points related to the high-quality products scheme, such as quality control, development of a food safety system, and linking the food security interests of the country with the principles of relative advantages of external trade in agrifood and the development of export-oriented agriculture.

There are also various international programmes that have been implemented in cooperation with the Ministry of Agriculture in Armenia. Such programmes can be regarded as having had an indirect impact on the production GIs and DOs¹⁰ and on overall high-quality Armenian products. For instance, the European Neighborhood Program for Agriculture and Rural Development (ENPARD) programme, which was launched in Armenia in January 2015, will last for three years. With the help of the ENPARD programme, several production facilities have been launched in Armenia: the Dprabak herb production cooperative, the Tsovagyugh buckwheat production and processing plant, MerSarere Holding honey production, a high-value cheese production cooperative, and an organic agriculture cooperative. Regarding the promotion and implementation of GIs, an Intergovernmental Working Group was created in 2013, and the Department of Agro-Processing Development of the Ministry of Agriculture has initiated activities directed towards the identification of potential GI products in Armenia.¹¹

¹⁰ For example, through support for the creation of cooperatives around the manufacturers of high-quality products.

¹¹ In accordance with Prime Ministerial Decision No. 423-Ն, issued on 6 June 2013 and based on a decision issued earlier (Prime Ministerial Decision No. 257-Ս, issued on 8 April 2013). Among members of the Intergovernmental Working Group were representatives of both governmental and civil society organizations, including: the deputy minister of the MoA; the Agro-processing Department of the MoA; the Ministry of Economy, State Food Service; the IP Agency; the Consumers Rights Protection NGO; representatives from the Agricultural University; and the Union of Wine Makers. https://www.e-gov.am/u_files/file/decrees/varch/2013/06/13_423.pdf.

1.2. Georgia

Product potential:

Agricultural potential in Georgia is built on its favourable natural, agro-climatic conditions and its unique cuisine and cultural traditions. The soils in Georgia's river valleys are of volcanic origin, and they tend to be quite fertile and reasonably easy to cultivate. Georgia has 22 micro-climates, varying from cool and dry mountain regions to warm and humid subtropical areas on the Black Sea coast. These diverse micro-climates allow for a wide range of growing conditions, which give products from particular regions specific and high-quality characteristics. This has given Georgia renown since ancient times as a quality food supplier. Many Georgian food and beverage products are well-recognized as high-quality brands in other former Soviet countries. At the same time, opening to the world has provided a new opportunity for Georgian agriculture: Georgian product exports have increased and stayed at high levels in many other regions of the world. Georgia is recognized abroad as a country with ancient roots and a long history of wine production. It currently produces high-quality red and white wines that are exported to more than 50 countries around the world. The most popular Georgian products also include mineral water, fruit, nuts, tea, vegetables, cheeses and some dairy products. The names of some of the most popular Georgian products that are linked with their places of origin are wines (Khvanchkara, Kindzmarauli, Mukuzani), mineral water (Borjomi), and cheese (Megruli Sulguni).

In recent years, farmers and producers have demonstrated increased interest in the GI protection system. Through their own experience and different awareness-raising activities (workshops, seminars, exhibitions, etc.) they have become more and more aware of the importance of GI protection as a tool for the official recognition of the quality of their products and for making them more visible on the market and more attractive to consumers.¹² More than 40 AO and a number of GI products are registered in Georgia,¹³ and more than 100 products are recognized as having the potential to become GI products in the future.

¹² It is important to stress that in Georgia, many high-quality agricultural products traditionally bear geographical names of the places in which they were grown or produced, thus providing a strong link between each product's characteristics and its geographical origin. It is also a well-known phenomenon that for Georgian consumers, the origin of products is the most important factor when deciding what to buy, and a significant part of the public expresses a readiness to pay premium prices for quality products.

¹³ Officially recognized origin-related (AO and GI) products are produced and sold in different ways. For example, wines are produced mostly by wine companies. But recently, more cooperatives and individuals are eager to be

Institutional framework:

In 1999, the Law of Georgia on appellations of origin (AO) and geographical indications (GI) of goods was adopted, providing protection for these two kinds of GIs. Besides the above-mentioned law, in 2002 the Law of Georgia on Vines and Wine was enacted. This law provides for protection of the two kinds of origin-related wines: AO wines and regional wines. The Georgian law was developed in line with principles and provisions laid down in the European Union regulations on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. However, unlike the European legislation, the Georgian law covers all kinds of goods, not only agricultural products and foodstuffs.

Several governmental bodies are currently directly involved in procedures regarding geographical indication protection:

- The National Intellectual Property Center of Georgia (Sakpatenti), which is responsible for the protection of all intellectual property, elaborates on and enacts GI policy overall (regarding legislative activities, Georgia's participation in international agreements, supporting Georgian producer initiatives to protect GIs abroad, etc.). The competence of Sakpatenti also covers the registration of GI applications for all goods (including agricultural products) submitted by both Georgian and foreign applicants. Georgian agricultural producers have to file their GI applications with Sakpatenti after approval of the relevant GI specifications by the competent body (namely, the Vines and Wine Agency for wines and spirits and the Food Agency for all other agricultural products and foodstuffs). Sakpatenti examines applications and, if all legal requirements are complied with, registers the GI.
- The Ministry of Agriculture (MoA) is responsible for elaborating on and enacting AO and GI policy in the agricultural sphere. There are two agencies under MoA – the Vines and Wine Agency and the Food Agency – that are directly involved in GI protection issues.

involved in winemaking, and there have been some success stories. Regarding dairy products, the situation is different. Companies, farmers and cooperatives are simultaneously operating in that sphere. Regarding fruits and vegetables, the main players are individual farmers. A variety of AO and GI Georgian products are available on the international and national markets. Few such products are sold only on the local market. Channels of distribution in the country are different and depend on the specific product. For example, wine, spirits and mineral water mostly are available in supermarkets and shops. Dairy and some other products (fruit, vegetables, meat, honey, and Georgian delicacies) could be bought in bazaars and in the supermarkets and shops as well.

- The Vines and Wine Agency is in charge of enacting AO and GI policy in the wine sector. It verifies the specifications of GI applications related to wine and spirits and ensures that GI wines and spirits meet the relevant specifications.
- The Food Agency is responsible for verifying relevant GI applications (not including for wines or spirits) and ensuring that GI water meets the relevant specifications.
- Unfortunately, there are currently no state institutions controlling GI compatibility for other agricultural products in Georgia. This is one of the main challenges that need to be addressed (for more, see the chapter on gap analyses). In recent years, four GI associations have been created in Georgia (more information in chapter 3). In accordance with their statute, one of their tasks is to provide internal control of relevant GI products. But at present, they do not have any experience and capability for conducting such procedures. These associations also urgently need assistance on this subject.

The Government of Georgia pays special attention to GI protection abroad. Georgia is a member of the Lisbon Agreement and has concluded bilateral agreements on mutual GI recognition with the European Union and Ukraine. Georgian GIs are protected in many countries on the basis of national registrations. The agenda of the cooperation between the World Intellectual Property Organization (WIPO) and Sakpatenti included the establishment of a regional GI training center in Tbilisi. Cooperation on GI protection issues became an important part of the Deep and Comprehensive Free Trade Agreement concluded between the EU and Georgia (2014) and is one of the main spheres of cooperation between Georgia and WIPO (2014).

GI and quality schemes as factors in rural development:

The Government of Georgia considers GI protection to be an efficient instrument for producing high-quality agricultural products that positively influence the social and economic development of regions. It also recognizes GI protection as one of the priorities of agribusiness development. It has been suggested that the recognition and protection of GI products encourages producers to invest in the quality on which the reputation and competitiveness of their products are built.

The development of the national GI protection system is included in the Georgian agricultural strategy of 2015 and is also reflected in the ENPARD programme. In 2014, four new GIs were registered in the framework of the ENPARD programme.

In line with EU practice, four special GI associations related to the production of the agricultural products were established in Georgia, namely:

- Machakhela honey
- Tkibuli mountain tea
- Kutaisi greens
- Akhalkalaki potatoes.

These associations were assisted by a Georgian expert in drafting the statutes of associations¹⁴ and the relevant GI specifications.

In 2016, Sakpatenti and the Vines and Wine Agency founded the not-for-profit organization “Origin Georgia.” The objective of the organization is to promote the development of the GI protection system in Georgia and enhance the role of GIs in increasing the efficiency of the Georgian agricultural sector. The main tasks facing the organization are to stimulate and actively participate in processes aimed at:

- identifying potential GIs;
- founding GI associations;
- drafting GI specifications;
- developing a GI control system; and
- increasing stakeholders’ awareness of GI issues.

“Origin-Georgia” has already conducted special studies and identified more than 100 products that, on the basis of preliminary assessments, have the potential for official recognition as GI products in the future.

In 2010, the Government of Georgia issued a decree that adopted the technical regulations on food phytosanitary and veterinary requirements. This allows small-scale producers and producers of traditional products some derogation from the phytosanitary and veterinary requirements, which is a very important issue for GI products.

¹⁴ In accordance with the statute of the established GI associations, the main directions of activities are:

- drafting GI specifications;
- submitting GI applications to the competent authorities;
- ensuring internal control of the compliance of the product characteristics with GI specifications (generally in collaboration with producers and the official control body);
- elaborating the strategy for the promotion of GI products on internal and international markets; and
- rendering different kinds of technical assistance to members of associations on GI issues and other relevant matters.

It is important to stress that more and more producers share the opinion that ownership of GIs by a group of business operators is the most efficient system for managing GIs and creating a value chain in connection with the most valuable GI products produced in particular territories.

1.3. Kyrgyzstan

Product potential:

In Kyrgyzstan, there are agricultural products with specific characteristics based on their place of origin, which enhance the reputation of these products. These products include walnuts from Jalal-Abad; dried apricots from Batken; fresh apricots from Issyk-Kul; apples from Nookat and Issyk-Kul; rice from Uzgen; mineral water from Ysyk-Ata; dried plums from Ala-Buka and Aksy. This recognition results from consumers' perceptions of the regions.¹⁵ One very popular Kyrgyz product is honey, which is produced across Kyrgyzstan. The region determines the taste, due to differences in flowers and production techniques. Kyrgyz honey is now widely exported and is increasing its reputation in regional and international markets. The Association of Beekeepers of Kyrgyzstan guides beekeeping activities. This association supplies tools and auxiliary materials at reasonable prices, provides information on recent research and development outcomes, helps promote Kyrgyz honey within the country, and promotes export activities. Honey exhibitions are common in Kyrgyzstan.

There are currently 17 Kyrgyz products that are registered as appellations of origin. Of these, 12 are foreign AOs, while only five – all of them mineral waters – are local products. This may be explained by the absence of a marketing positioning strategy implemented by producers (farmers), which is caused by lack of expertise and awareness. The lack of geographical indications for agricultural products and foodstuffs from Kyrgyzstan suggests poor recognition of origin-related products that are locally produced.

Institutional framework:

Kyrgyzstan is a member of the Paris Convention (1883), the Madrid System Agreement and Protocol (1891, 1989) and the TRIPS Agreement. These international agreements create a solid basis for GI protection and for the further development of national legislation. The Kyrgyz Republic Law on Trademarks, Service Marks and Appellations of Origin is dated 14 January 1998. In Kyrgyzstan, the law only provides a basis for registering AOs; there is no specific national law covering the registration of GIs. The Kyrgyz Law on Trademarks,

¹⁵ These products are produced by farmers and small entrepreneurs and sold fresh at local markets, bazaars, small shops and supermarkets (chains). Recently, some supermarkets (e.g. Narodniy, Globus and Frunze) have started putting "A Product of Kyrgyzstan" signs on price tags.

Service Marks and Appellations of Origin defines appellations of origin as “the denomination of country, locality, region or other geographical point (further geographical denomination), which is used to designate a product originated therein, and the special characteristics are due exclusively or essentially to this geographical point’s natural conditions or human factors, or a combination of these.”

According to the law, the State Service of Intellectual Property and Innovation under the Government of the Kyrgyz Republic is responsible for the registration, examination and approval of AO applications. It is important to know that the rules state that legal entities and individuals (not groups) located in a geographical denomination (the name of which is used in the appellation of origin) have the right to submit and register an AO and/or obtain the right for use of AOs. There is no obligation to mention a specific method of production in the AO application form.¹⁶ Processing technology (know-how) is not subject to control by the state, as this is a part of a company’s intellectual property (confidential information). However, applications must include evidence that the requestor is located in the geographical location in question and produces a product with special characteristics that are due exclusively or essentially to this geographical point’s natural conditions or human factors, or a combination of these. However, the law does not provide any definition of a competent authority.

The regulations specify that one or several legal entities or individuals may register an AO or obtain a right to use a previously registered AO. Therefore, two main criteria for granting an AO are the producer being located in geographical location or place in question and the definite special characteristics of the product. For existing AOs, the criteria are to be located in the same area and to produce a product with the same characteristics. The special characteristics and quality have to be certified by an accredited laboratory, by the Kyrgyz Centre of Accreditation, or by international accreditation bodies. Under Kyrgyz legislation, these bodies can be either private or public. Applicants must choose the accreditation body and provide evidence of the product’s special characteristics.

The legislation provides ex-officio control measures, meaning that producers can request protection of their rights, and ex-parte measures, meaning that public authorities or prosecutors can request that the use of certain AOs be ended. The

¹⁶ An application for a registration of AO shall include:

- name of requestor and address;
- requested designation;
- description of the good for which a registration is being requested; and
- description of the good’s special characteristics.

decision on the amount of compensation can be decided only by the courts, and the protection costs are related to the amount due.

GI and quality schemes as factors in rural development:

At processor level, a quality scheme¹⁷ has been created by the Association of Food Processing Companies of Kyrgyzstan. The association owns a trademark “Vkus Solnca” (Sun Taste), and five processing companies are unified under this trademark. It was created within the framework of the Local Market Development (LMD) Project. The LMD project¹⁸ started in Kyrgyzstan in 2005. The main intervention approach is to link existing upstream fruit and vegetable processing and trading companies to farmers’ groups in order to enable these groups to deliver produce in bulk and to connect processors to markets downstream. In this way, the main target groups – subsistence farmers with small market surplus production, as well as small-market-oriented farmers – are able to increase their income. “Vkus Solnca” is aimed at ensuring the promotion of quality products within the country, as well as the export – mainly to Russia – of these products. Quality requirements are described in the form of specifications for the final product. Consumers consider the products under this trademark as having been made from clean and safe raw materials from Kyrgyzstan. As the trademark is owned by the Association of Food Processing Companies of Kyrgyzstan, it remains open for other members of the Association and is not limited to canned vegetables.

1.4. The Republic of Moldova

Product potential:

The Republic of Moldova is a small, landlocked country. It has a favourable climate and fertile soils. Of the total area of 3.38 million ha, 73 percent is agricultural land. The local market is relatively small and has limited absorption capacity. Therefore, the economic development of the country depends heavily on its performance in export markets (agrifood products currently represent around 40 percent of all Moldovan exports). Export-oriented products include wine, spirits, and fresh and processed fruits and vegetables. Geographical indications, including appellations of origin and traditional specialities, are an effective way of protecting

¹⁷ Even though it is not dedicated strictly to origin-linked quality and labeling, it is aimed at promoting the quality of Kyrgyz products.

¹⁸ The project was funded by the International Cocoa Organization (ICCO) and HELVETAS Swiss Intercooperation.

these products. There is a growing tourism industry in the Republic of Moldova that is increasing demand for quality food products, and many tourists – up to 1 million per year – are already familiar with GI products in Europe.

The Republic of Moldova is known in the region for its high-quality, traditional products, especially in agriculture and viticulture. A large number of geographical names are used for specific origin-linked products. These include wines such as Cricova, Mileștii Mici, Purcari, Ștefan Vodă and the Moldovan aged, wine-distilled spirit Divin. Consumers also often associate the quality of agricultural products and foodstuffs with particular regions, such as potatoes from Corjăuți, tomatoes from Dubăsari, fruit juices from Orhei, canned fruits and vegetables from Cupcini, honey from the Codru area, walnuts from across the Republic of Moldova, edible and essential oils from Bălți, sausages from Domulgeni, and sheep's cheese from Popeasca. Most of these products are not registered as GIs or AOs but could be sold for much higher prices if they were. At present, there are only seven Moldovan products registered as GIs and three registered as AOs.¹⁹ Five of this total are wines; the wine industry has a countrywide support programme for producing wines with GIs, while other products eligible for GIs remain largely unknown.

Institutional framework:

The GI system in Moldova is relatively new. In 1995, the AO registration system was introduced by the Law on Trademarks and Appellations of Origin of Goods No. 588/1995. In 2008, a *sui generis* system, harmonized with the EU legislation, was implemented, providing for the registration and protection of GIs, AOs and STGs in the Republic of Moldova.²⁰ Today, the wine sector is the most active user of the GI system. To support strategic developments in the wine sector, a governmental programme for wine sector restructuring²¹ has been developed and is currently being implemented in the country. Investments in consolidating wine sector capacities to deliver high-quality wines are already bringing benefits, such

¹⁹ The products registered as PGIs and PAOs are the wines Ciurmei (PAO), Românești (PAO), Codru (PGI), Valul lui Traian (PGI), and Ștefan Voda (PGI), the spirit drinks Divin (PGI) and Rachiul de caise de Nimoreni (PGI), the rose petal jam Dulceață din petale de trandafir Călărăși (PGI), the sheep's cheese Brânză de Popească (PAO), and Zăbriceni (PGI), for plants, draft fruits and mixtures thereof for infusions such as herbal and fruit tea.

²⁰ Law No. 66-XVI of 27.03.2008 on the protection of geographical indications, appellations of origin and traditional specialties guaranteed.

²¹ The Wine Sector Restructuring Program was designed by the Government of Moldova and the European Investment Bank (EIB) to address the structural weaknesses of the Moldovan wine industry. According to the Financing Contract signed on 23 November 2010, EIB granted the Republic of Moldova a loan of EUR 75 million (approximately USD 100.4 million) to help achieve the programme's objective to contribute to the redressing of the country's wine industry and the promotion of protected designations of origin and protected geographical indications for wine.

as extra profits, improved employment, diversification of products, improved quality and wine tourism. The experience gained within the GI wine program could be multiplied and transposed to other sectors that have GI potential.

The law on GIs is the framework for the basic requirements of registration, protection and enforcement of GIs, AOs and STGs. On the basis of the law, the State Agency on Intellectual Property (AGEPI) is the only authority responsible for the registration of GIs, AOs and STGs for all categories of products, including agrifood and non-food products, such as construction and mineral raw materials and handicrafts. The Government Decision of 2010 designates the government bodies responsible for the approval of specifications and the supervision and control by category of products. Specifications have to be approved by the competent authority²² before registrations are filed with the State Agency on Intellectual Property. The Ministry of Agriculture and Food Industry (MAFI)²³ is responsible for all agricultural products and foodstuffs.²⁴ Once approved, the specifications become binding for all group members and constitute a reference for inspection. Considering that producers of wines and spirits are most likely to apply for GIs and AOs, the role of the Ministry of Agriculture and Food Industry is key in the GI quality system. MAFI has established procedures for the approval of specifications for producing wines with GIs and AOs²⁵ and for approving specifications for agricultural products and foodstuffs.²⁶

The National Accreditation Centre of the Republic of Moldova²⁷ is called to grant accreditations to “conformity assessment bodies,” the bodies that perform activities to assess conformity, such as calibration, testing, certification and inspection. Conformity assessment bodies are accredited in accordance with EN 17065 “General requirements for bodies operating product certification system” and Law 235/2011 on accreditation and conformity assessment activities.

²² Competent authorities with responsibilities to approve technical specification for different categories of products are designated by Government Decision No. 644 of 19 July 2010.

²³ In line with the recent reform (Government Decision No. 594 of 26 July 2017), the Ministry of Agriculture and Food Industry merged with other two ministries, the Ministry of Construction and Regional Development and the Ministry of Environment and is now known as the Ministry of Agriculture, Regional Development and Environment.

²⁴ The Ministry of Culture supervises handicrafts products. The Ministry of Construction and Regional Development is responsible for matters concerning construction materials and products. Healing products – namely herbs, teas and mineral waters – are supervised by the Ministry of Health, and mineral raw material (stone, sand, clay, etc.) belongs to the Ministry of Environment.

²⁵ Order No. 28 of 8 July 2011 on the approval of specifications to produce wines with geographical indication and designation of origin.

²⁶ Order No. 149 of 4 August 2015 on the procedure for approval of the specifications of agricultural products and foodstuffs with appellations of origin, geographical indications and traditional specialties guaranteed.

²⁷ The National Accreditation Centre of the Republic of Moldova is activating in accordance with Law No. 235 of 1 December 2011 on accreditation and conformity assessment activities.

Unfortunately, the GI certification system is almost non-existent in the Republic of Moldova, except for wines (see more in the gap analyses chapter).

GI and quality schemes as factors in rural development:

Consolidation of GI protection and enforcement is one of the objectives of the National Intellectual Property Strategy for 2012–2020. The National Action Plan for 2015–2017 provides for concrete measures to be undertaken by public authorities with a view to increasing the use of the GI system by local producers of quality and traditional products. In particular, the Action Plan provides for activities to promote and provide information about the benefits of using the GI system, along with using information events and trainings to raise consumer awareness of PGIs, PAOs and STGs as signs of quality. The activities are financed either from the budgets of public institutions or as part of technical assistance projects.²⁸ Promotion policies for quality and GI products are also split into different sectorial strategies. The lack of a common approach on the role of quality products for local development is diminishing the access of some traditional industries to quality policy programmes and support instruments.

In 2015, the Republic of Moldova and the European Union signed an agreement on the ENPARD program in the Republic of Moldova with a budget of EUR 64 million (approximately USD 69.9 million). With the launch of the ENPARD Moldova programme, the EU will support the establishment of a long-term relationship and dialogue between the Government and civil society organizations, farmers, producer's organizations and federations, food business operators and, last but not least, rural communities. Despite that the programme is not focusing expressly on geographical indications, the project is aimed at increasing the quality of products, including through protected GIs and AOs.

²⁸ Significant support is provided by international organizations and development partners of the Republic of Moldova through international or country technical cooperation programs. At present, this includes several agribusiness support programmes implemented by international donors (IFAD, WB, FAO and EIB) and technical assistance programmes financed by country partners such as France, Poland and the United States of America.

1.5. The Russian Federation

Product potential:

The Russian Federation produces a lot of food products that consumers associate with a specific place of production. Such goods are more competitive due to their higher quality. The quality and characteristics of these products depend mostly on natural factors such as climate, the geographical location of farmlands, endemic plants and traditional animal breeds. These products include agricultural products, processed food, mineral water, spirit drinks and wine. Geographical indications (GIs) can be seen in the names of the products; examples include Moscow Bun (which has a certain recipe and a specific form), Gorodetsky gingerbread (named for a town in the Nizhny Novgorod region), Vyazma gingerbread (named for a town in the Smolensk region), Kostroma Cheese (which has its own recipe and is produced from local milk), Tambov ham (the most well-known Russian ham and an example of the old Russian cuisine), and others. These products are not registered as appellations of origin (AOs), though it would be possible to register them according Russian legislation. Currently, the list of issued AOs includes mineral water (with various names), alcoholic beverages, butter, honey, vegetables, and more. Products linked to the places of origin are well known to Russian consumers. Most products with AOs sell well across the Russian Federation. Moreover, products like Russian vodka are well known in other countries as well. At present, the application for international registration of the AO “Russian vodka” is under consideration by the European Union.

According to the Association of Peasant Farms and Agricultural Cooperatives of Russia, farmers produce more high-quality products because they use fewer chemical fertilizers for growing agricultural products or do not use chemical fertilizers at all. The well-known farmers’ cooperative LavkaLavka has its own ecological standard that prohibits the use of chemical fertilizers.

Institutional framework:

There are four types of intellectual property protection that can be used for geographical names or symbols in the Russian Federation: trade names, trademarks and service marks, commercial designations and appellations of origin. This classification is adopted in the Civil Code of the Russian Federation.

Russian legislation provides only appellations of origin²⁹ for the protection of food products linked to specific territories.³⁰ Using geographical indications (for food products) could increase the opportunity for the additional legal protection of food products with special features linked to the place of origin.³¹

The Federal Service for Intellectual Property (Rospatent) is responsible for appellation of origin registration. Rospatent receives applications, registers them, examines them and issues certificates. The Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor) oversees the preservation of the special properties of goods registered as AOs. Inspections check the requirements of AO products in accordance with the declared specifications:

- the origin of the product certified by Rospatent (certificate is valid for ten years);
- the specific characteristics and defined quality are certified; and
- the declared method of production (know-how) is certified.

The procedure for registering an AO in the Russian Federation is the same for producers of wines and spirits, foodstuffs, natural products, industrial products and handicrafts. All AOs receive a single model certificate. Russian legislation does not provide a specific logo (or mention) for AOs; only terms are used for registered AOs (e.g. Russian vodka, Tula gingerbread and Lukhovitski cucumber).

The following information is required for AO applications, according to The Civil Code of the Russian Federation:³²

- the designation;
- an indication of the goods for which AO registration is sought for either granting the exclusive right to use the name or to provide the exclusive right to a previously registered appellation of origin;
- an indication of the place where the product was manufactured (geographical boundaries), natural conditions and/or human factors that

²⁹ The definition of AO in Russian legislation is as follows:

An appellation of origin granted by legal protection is a designation that represents or contains contemporary or historical, formal or informal, full or abbreviated name of the country, urban or rural settlement, locality or other geographical object, as well as a designation derived from such names that has become known as a result of its use in relation to the goods, the special properties of which are exclusively or mainly determined by the characteristics of the geographical natural conditions and/or human factors.

³⁰ At the same time, the Federal Law on State Regulation of Production and Alcohol Products provides the notion of winemaking products with a protected geographical indication.

³¹ This will allow Russian producers to register and protect both products with very strong quality links with their place of their origin and products where the links are slightly weaker.

³² Part Four, Article 1522

- exclusively or mainly determine or can determine the specific properties of the goods; and
- a description of the special properties of the product.

In practice, some applicants proactively indicate additional specifications, which are then included in the certificate. Applicants describe the appearance of the product and its quality characteristics, but in some cases they also give a description of climate, soil and the manufacturing technology used.

An application may be filed by one person or several persons, including individuals and legal entities. However, the application for granting the exclusive right to a previously registered appellation of origin can only be filed by one person or legal entity. The exclusive right to use an AO is granted to legal entities (individual entrepreneurs, companies or associations) that have registered this name. Registered names are available to any producer located in the designed area in question who meets the requirements of AO specification. The exclusive right to use an AO does not mean that the owner obtains a monopoly on the use of the AO. Rather, it means that the manufacturer must have a company within the boundaries of the protected geographical area and that the goods must have the special properties listed in the state register.³³

GI and quality schemes as factors in rural development:

In the Russian Federation, there is a functioning “Quality Mark” scheme.³⁴ Identification of goods worthy of the Russian Quality Mark is a result of studies of the products. The goods are checked for compliance with existing standards of quality and standards of the Autonomous Non-Profit Organization Russian Quality System (Roskachestvo). The Russian Quality Mark is a public logo, not a private brand. Roskachestvo is the authority responsible for assigning this logo.³⁵ Quality Mark confirms the quality of products and that they meet the standards used by Roskachestvo. It corresponds to two quality categories, the first of which

³³ The exclusive right to use an AO of the same name can be granted to any person who in the boundaries of the same geographical area produces goods with the same special features, on the basis of those submitted to the federal body of the corresponding application.

³⁴ As in the case of the Kyrgyz Vkus Solnca trademark/scheme, even if the Russian “Quality Mark” is not dedicated strictly to origin-linked quality and labeling, its aim is to promote the quality of products originating from the Russian Federation.

³⁵ Roskachestvo standards have higher requirements for products than state standards. For example, the Standard of Roskachestvo for butter in comparison with the current state standard (GOST 32261-2013 “Butter. Specifications”) imposes more stringent safety requirements applying to the State Quality Mark, in particular on the content of yeast and mold. High-quality butter can be the fresh product only. For this purpose, the figure of content of peroxide was increased in comparison with the state standard. The level of localization of production for obtaining the Quality Mark to butter premium quality with a fat content of not less than 82.5 percent shall be not less than 85 percent.

confirms that the product is of good quality, and the second of which ensures that the product is of high quality because characteristics of the product meet higher requirements than the Roskachestvo standards.³⁶

At regional level, there are several schemes for determining and monitoring the quality of goods produced in Russian regions. For example, there is a voluntary certification system “Made in the Don” that includes the requirements for improving the quality and competitiveness of products manufactured by enterprises in the Rostov region. This system sets higher standards and quality indicators than the current legislation does. The logo Made in the Don has been awarded to 57 products from 23 enterprises. More and more consumers are learning about the Don quality mark. In 2014, half of all residents had heard about the brand Made in the Don, and today, more than three-quarters of the population know about products showing this logo. This logo guarantees that the product is of high quality and complies with identifiable characteristics. Similar systems are operating in other regions of the Russian Federation as well. Unfortunately, regional and local authorities are not trying to identify the potential of regional and traditional products (including AO products) in their territories. High-quality products (regional, traditional, AO products) are not mentioned in regional or local rural development programmes or strategies.³⁷

State support for products linked to specific territories has not been fully implemented in the Russian Federation. The Russian Government has adopted a strategy for improving food quality in the Russian Federation by 2030, which provides a set of measures for the improvement and development of quality systems of food production.³⁸ However, AOs are not directly mentioned in the strategy. In existing federal programmes for agricultural development there are no provisions to stimulate the development of production linked to the name of the place of production. Quality schemes, including the AO system, are not involved

³⁶ Quality schemes at the federal level are controlled by the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor), the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhozadzor), and the Autonomous Non-Profit Organization Russian Quality System (Roskachestvo).

³⁷ These products are not treated by regional or local authorities and communities as one of the factors for rural development. Moreover, there are no key institutions at regional or local levels that work for/with high-quality products.

³⁸ The goals of the strategy are the following: ensuring food quality, promoting and stimulating the growth of higher-quality food supply and demand of products, and enforcing the rights of consumers to purchase quality products. To achieve these objectives, it is necessary to:

- improve and develop a methodological base for the assessment of compliance indicators of food quality;
- monitor food quality;
- develop and implement quality management systems for food production; and
- create mechanisms for stimulating manufacturers to produce food products that meet quality criteria and the principles of healthy nutrition.

in rural development programmes either, especially in the federal targeted programme “Sustainable development of rural areas in 2014–2017 and for the period up to 2020,” approved by the Russian Government in 2013. Also, AO policy is not linked to agricultural policy efforts to support cooperatives and producers’ groups or micro-processing and non-farm employment in rural areas.

2. Gap analyses

The list of gaps was prepared based on information contained in the country reports.³⁹ Gaps are grouped by same or similar indications of problems in the various countries. The list is divided based on two issues (corresponding to the grouping of recommendations and suggestions in chapter 4):

- 1) Policies, legal and institutional framework – certification and market control enforcement.
- 2) Stakeholders’ awareness or capacities for using geographical indication (GI) schemes – marketing of the products.

In each gap, the most important steps needed to address the gap are underlined.

2.1. Policies, legal and institutional framework

I. Lack of an inclusive quality policy for sustainable economic development

The lack of national strategies or state policies focused on the development and promotion of quality products with geographical indications slows GI-system development and diminishes the access of some traditional industries or categories of producers, in particular small-scale farmers from rural areas with limited resources to use quality policy programmes and support instruments. A lack of national quality policies focused on the development and promotion of GI products makes it difficult to improve the situation in the field.⁴⁰ Quality policies should consider and exploit all the benefits that can be exploited through the use of a GI system, considering their impacts on product diversification and differentiation and on the preservation of traditional goods and processes. GI manufacturing requires the establishment of value chains that generate new jobs and services in rural areas, and that could slow out-migration among rural populations. By

³⁹ “Reports on country experiences of work to introduce GIs (quality policy)” in Armenia (ARM), Georgia (GEO), Kyrgyzstan (KYR), the Republic of Moldova (MOL) and the Russian Federation (RUS).

⁴⁰ For example, in Armenia the Intellectual Property Agency is not promoting and/or initiating any activities on the identification, promotion, enforcement and protection of GI products. The agency makes official registrations by checking the conformity of GI applications and supporting documents with the prescribed provisions, and nothing more. All in all, it is rather a “mechanical” function of mere registrations of GI/DOs. A GI high-quality product system requires a professional agricultural body to be engaged in the whole process of product identification, qualification, promotion and, overall, developing conditions for GI sector development. The Ministry of Agriculture is responsible for dealing with all of the activities mentioned above and plays a key role in the GI system.

using GIs, farmers can better compete on price, quality and accessing new markets and build brand recognition and attractiveness to tourists. This is why it is of utmost importance to build synergies among GI policies and other development-oriented strategies, such as export promotion strategies, rural development strategies and tourism strategies.

II. **Lack of policies for social and economic inclusion, cooperation and organization of farmers into integrated supply chains**

The lack of cooperation and organization of farmers constrains their capacity to integrate into supply chains, and it diminishes market opportunities. Individually, farmers, producers and local service providers have limited resources to enhance the value of their production and services (through storage, packaging, etc.). They also have low bargaining power with buyers due to small quantities, supply inconsistencies and lack of transportation. They also have limited resources to ensure specific quantities. This results in low producer prices and the perpetuation of a cycle of low-value agriculture. Simplified norms in production for small-scale entities and producers of traditional products (if one exists) are not legally extended to GI products.

III. **Lack of protection as GI**

In the Russian Federation and in Kyrgyzstan, only appellations of origin (AOs) are subject to legal protection. The introduction of the two product protection categories (AO and GI)⁴¹ into the legal order in the Russian Federation and Kyrgyzstan would allow producers to register and protect not only products with very strong quality links with their place of origin, but also the products possessing slightly weaker links. A GI scheme could allow producers to get additional legal protection for products with special properties that are linked to their geographical origin but that do not currently fulfil the quite strong AO requirements in the Russian Federation and in Kyrgyzstan.

⁴¹ A geographical indication (GI) is often a place name that identifies a product as originating in the territory of a particular country, region or locality where its quality, reputation or other characteristic is linked to its geographical origin. The definitions of GIs differ among countries. In some states, the definition includes a stronger qualitative link between the product and the territory (like in Lisbon Agreement of 1958), and in others this link is weaker (e.g. based on the definition of the TRIPS Agreement). Appellations of origin (sometimes called designations of origin) are a special kind of geographical indication. GIs and appellations of origin both inform consumers about a product's geographical origin and the quality or characteristics of the product that are linked to its place of origin. The basic difference between the two terms is that the link with the place of origin must be stronger in the case of an appellation/designation of origin. The quality or characteristics of a product protected as an appellation of origin must result exclusively or essentially from its geographical origin.

IV. Long-term registration of GIs (AOs), large registration fees for individual entrepreneurs

The long-term registration of AOs does not stimulate producers to obtain AO certificates. The minimum cost of registration is too expensive for farmers.

V. The GI certification system is (almost) non-existent

The GI certification system is almost non-existent in the Republic of Moldova, except for wines. Certification bodies show little interest in becoming accredited to provide GI products with conformity certifications. This is mainly due to the small numbers of applications for GI protection and, therefore, a very low demand for GI product certification services. The legislation that sets the responsibilities and competencies of the authorities empowered with attributions related to official control of conformity of products bearing AOs, GIs and TSGs with the approved technical specification is outdated and difficult to understand, creating confusion and discouraging potential users of the GI system. In Armenia, despite that it has regulations on the accreditation of certification bodies, there is no such body due to the small size of the GI market. A lack of effective control and certification can undermine confidence in the GI system. In Georgia, there is no GI control system for agricultural products, except for wine and mineral water.

VI. Lack of ex-officio controls and insufficient GI market control system

Armenia has ex-officio market control of the food safety of all products appearing on the market. However, no special rules for GI products and their control have been established (no ex-officio power is granted to public authorities). Enforcement of rights on GI names relies on private actions from the rights holder (ex-parte protection). In the Republic of Moldova, the existing ex-officio control system is ineffective. A lack of ex-officio controls and insufficient GI market control systems greatly weakens the protection of registered products.

2.2. Stakeholder awareness, capacities to use GIs, product marketing

VII. **Insufficient understanding and knowledge about the GI system**

One of the major problems related to the low use of GI quality systems is the lack of information about the concept, principles and advantages of GIs among both producers and consumers. This reduces interest in the system (on both the supply and demand sides) and de facto blocks its development. Although consumers seem to be ready to pay more for local, quality products, there is insufficient understanding of the added value brought by GI signs as a guarantee of certain quality. Producers, especially small-scale farmers, have little or no understanding of the system. The multiplicity of requirements and bodies involved in the process, as well as a lack of transparent and clear rules and procedures, make understanding the system very difficult for farmers and small-scale producers.

VIII. **Lack of national GI logos**

Special logos for GI product identification do not exist in Armenia, Georgia, Kyrgyzstan and the Russian Federation. Without a logo, it is hard to build the commercial and marketing credentials of any food-quality scheme.

IX. **Lack of exploitation of GIs as an element of (local) tourism strategies**

Most tourism packages concentrate on a few well-known attractions. However, almost every community has its own distinctive identity, local heritage, traditions and specific products that constitute important elements for rural and agro-tourism. These are underexploited. Quality, origin-linked products could help the development of tourist routes around these communities, including wine and culinary routes and traditional crafts fairs. Linking people, places, traditions and products can help encourage rural tourism. If this is does not happen, one of the important sources of local development – tourism – is lost for GIs and origin-linked products.

X. **Insufficient promotion and protection of quality products with GIs, especially in third markets**

The Republic of Moldova exports mostly unprocessed raw materials or semi-finished products with low economic value. The export of quality, high-value

products is limited and not sufficiently promoted. The advantages and benefits of the international and bilateral agreements that provide the protection of GIs in third markets need to be better promoted. The signing of bilateral agreements with other countries for the reciprocal protection of GIs could also be considered. In Georgia, there is a lack of provisions on control matters and a lack of determined duties and responsibilities of central government bodies and regional structures in the proper functioning of the GI protection system in its broad sense, including economic and social aspects. The insufficient promotion and protection of GIs in third markets reduce the chances of developing exports and decrease the profitability of local producers of GI goods.

3. Suggestions and recommendations

3.1. Policies, legal and institutional framework

I. Institutional cooperation for better use of GI schemes

There is a need for institutions with responsibilities in the geographical indication (GI) field to establish a permanent constructive dialogue for sharing information, experiences and best practices. There is a leading role for ministries of agriculture in this dialogue. The establishment of inter-institutional working groups or committees dealing with GI-related issues is recommended. It can also help to implement clear rules of procedure for technical specification approval and certification for different categories of products. The institutional capacities of the authorities with GI responsibilities should be consolidated, and contact points responsible for GI-related issues within the responsible institutions should be appointed. Furthermore, GI-responsible specialists from public and local administration should be trained to provide consultancy and guidance to producers. A clear division of competences among local, regional and national bodies/institutions operating in the agricultural and GI sectors should be established, and support should be officially provided to activities related to GIs. Through nationwide cooperation in the field of GI policy, geographical indication schemes will increase transparency, efficiency and accessibility, and they could become an important pillar of rural economic growth and development.

II. National quality policy – national action plan for the GI sector

Comprehensive inclusive national quality policies focused on the development and promotion of local products with geographical indications should be formulated. National action plans should be developed. This should create synergies with other development policies and put GI systems in the service of sustainable regional development.

III. **Support mechanisms**

Financial support and technical assistance in areas such as legal, production, marketing, etc. should be provided to the groups of producers of quality products with geographical indications, in particular for exporters to the European Union market. Also, interested farmers and producers should be involved in GI support programmes focused on providing consultancy and financial support for establishing value chains for GI product registration and marketing. Some help is also needed for associations of producers in areas such as administrative costs, functioning and basic duties.

IV. **Simplifying procedures, preparing guidelines, reducing costs and improving legislation. Providing producers with clear and transparent guidelines for GI protection and use**

To extend the access of small-scale producers and farmers to the GI system, registration procedures should be simple, easy to use and cost efficient. The complexity of the GI system should be demystified by increasing the transparency of the procedures and providing producers with easy-to-follow guidelines for the entire registration and protection process, including the approval of specification, registration, control, enforcement, promotion and international protection. In the Russian Federation, registration costs are reduced for small businesses. In Kyrgyzstan, the law on appellations of origin (AO) does not require the submission of the method of production (know-how), and this may create difficulties for new companies that want to produce the same product with a protected name. This is a potential conflict and should be considered within the frame of GI/AO legislation development.

IV^a. **Food safety flexibilities and derogations.**

Considering that traditional foodstuffs that are eligible for GI/AO protection have a traditional method of production, often it is difficult for these products to comply with hygienic and other food-safety rules. In addition, in many countries, traditional and origin-linked products are produced by smallholders who face difficulties in getting registered regarding food safety as a result of their small size (and low capacity for investments) or of type of markets in which they operate. That is why, following EU legislation on food safety, the national legislation should provide flexibility and derogations, allowing smallholders and traditional products to comply with food-safety regulation and therefore to promote their products through GI processes.

3.2. Certification and market control enforcement

V. Certification system – verifying compliance with specification. Identification and establishing an adequate certification system in line with national and local contexts

Comprehensive legal and institutional frameworks for official GI controls and product certifications should be established in accordance with national contexts, institutional capacities and resources, producers' objectives, and requirements from the targeted markets. The opportunity to establish a private, public or mixed public and private certification regime should be considered depending on national and local contexts and resources. In case of the delegation of public responsibility on certification and/or controls to private bodies, accreditation processes should be supported to ensure the existence of certification bodies for main GI products (i.e. agro-products, foodstuff, wines and spirits).

VI. Consolidation of enforcement mechanisms for GI protection, including in third markets, through the promotion of bilateral agreements and the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, and sharing best practices in the field

There is a need to improve the institutional capacities of law enforcement authorities dealing with GI enforcement on the market, such as agencies and offices tasked with consumer protection, and export/import transactions, such as customs services. There also is a need for putting in place an efficient ex-officio mechanism to allow the removal from the market of misleading or false GI products. This type of mechanism should be implemented along with sanctions to discourage the misuse of protected GIs.

3.3. Stakeholder awareness, capacities to use GIs

VII. Product identification mechanism

Country-wide assessments for identification and mapping of GI potential should be conducted, especially in rural, undeveloped areas. The aim would

be to identify products and producers with potential who are interested in using GI systems. A wide range of institutions (associations, chambers of commerce, private-public partnerships, local authorities) should be involved in product identification. This would increase interest in the issue and could ease future GI cooperation and quality policy implementation. Promotion of the studies developed during the identification of potential GI products is important. Ministries of agriculture, together with local (regional) public authorities, could coordinate the elaboration of such inventory list/mapping of potential GIs and AOs; local (regional) public authorities could provide information about the products being produced in their regions and localities.

VIII. Awareness raising and training for value-chain stakeholders

Awareness-raising campaigns should cover all stakeholders, but specific activities should be designed for each target group – producers, local communities, public institutions – individually. It will be important to build capacity on the basis of best practices identified in each country. For producers and farmers, potential users should be provided with consultancy and support in GI registration, and they should be made aware of best practices and experiences regarding the use of the GI system, along with its advantages, benefits and existing support instruments. For current and future farmers and rural development experts, there should be a university course on Geographic Indications.

Regular dialogue with stakeholders, including all civil groups, should be ensured through an accessible platform. The European Union example of building up and promoting the Agriculture Quality Policy may be used as an example to be followed.

3.4. Marketing of the products

IX. Special logos for GI/AO products

Design and approve special logos for GI/AO products.

X. Information campaigns for the general public, raising the awareness and confidence of consumers for GIs as quality schemes

Organize the promotion of GIs and AOs on domestic and foreign markets by connecting various institutions through such elements as exhibitions, fairs,

business missions and promotional materials (e.g. booklets, catalogues and other publications).

XI. Role of GI as a tool for tourism promotion and rural development

Include GI products in tourist routes and link them with local gastronomy offered to local and foreign tourists. Promote GI products through traditional local fairs and exhibitions, strengthening the inter-regional-municipal cooperation for rural territorial development. Use GIs for country branding and promotion.

3.5. Cooperation and the sharing of knowledge at the regional level

Exchange of experience and best practices among countries in the region (organization of study visits, regional events, etc.) with respect to both agricultural and non-agricultural GIs.

XII. Pilot projects on preparing and implementing complex GI policy

In general, it could be relevant to draft a pilot project that could serve as a basis for further long-term activities. Overall, the following activities are recommended:

- establish a working group within the ministry of agriculture to deal with GIs;
- develop/draft GI policy (to be introduced as part of an overall agricultural policy);
- build up expertise and designate ministry of agriculture officials to deal with GIs;
- build up capacity in ministries of agriculture on GI systems in general;
- train relevant ministry of agriculture staff and/or members of the Working Group on GIs;
- Assess the GI system and organize it for the implementation of GIs, with the ministry of agriculture in a leading role;
- designate/clarify respective control bodies and create an appropriate model of supervision;
- encourage the identification of products that should be protected as GIs;
- perform activities towards preparations for registration;

- reconsider the costs charged for registrations in accordance with the functions of institution(s) identified for dealing with GIs; and
- understand/clarify/draft necessary supplements and amendments to the respective laws on who is enforcing GI rights (private and/or public bodies).

XIII. Cooperation among countries of the region in sharing knowledge and experiences at the regional level:

- organize study tours on specific topics among countries for producers and/or public authorities to learn from the experiences of their counterparts in such areas as examinations of GI requests, flexibility and derogation, certification and more;
- organize technical workshops to discuss some specific areas and best practices; and
- review the best practices in the region and publish case studies or guidelines.

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