

Annex I: oriGIn sustainability strategy for GIs

Draft

1. Objective

The objective of this strategy is to define the role of oriGIn in supporting GI associations, consortia or consejos (“GI groups”) to assess their current status with respect to sustainability, to understand the challenges involved as well as to come up with a roadmap to improve their response to such challenges. This document summarizes how oriGIn can be instrumental to help interested GIs to define relevant sustainability priorities and develop strategies for continuous improvement.

2. Background

For the purpose of this document, the concept of “sustainability” is understood following the conceptual framework of the Burtland Report:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

In this context, sustainability has three dimensions or pillars: an economic one (whether a given business is or can become profitable and add value to the resources invested), an environmental one (related to the business impact on the environment) and social (how the business affects those involved and the communities where the operation is based).



Conscious of the increasing importance of sustainable practices in production methods, labeling and commercialization, during the 2015 General Assembly in Brazil, oriGIn decided to analyze the role of sustainability in Geographical Indications (GIs) as well as to promote the consolidation of sustainable business models within GIs. Several factors strongly position GIs to respond to sustainability challenges: The unique nature of GIs, the ways in which local stakeholders are engaged, the key role played within GIs by governance (relations among value chain's players), quality control and traceability.

Key principles were considered in the context of the work oriGIn embarked upon following the 2015 General Assembly decision:

- Sustainability is a pathway and not a state. In that sense, the idea is to support GI groups in collaboration with public and private stakeholders involved in the GI process in the territory, to respond to their sustainability challenges and help devise their own trajectory to sustainability. Thus, the objective is not to compare GI sustainability records.
- The oriGIn approach should look at what makes GIs specific (territorial approach, link to natural and cultural resources; inclusive and fair value chain, localization of benefits; externalities on other local activities).
- The results of oriGIn's work should mainly target its members, but be available to all GIs.
- Any resulting tools for GIs to work on sustainability should be practical and of easy access, and allow self-assessment by GI groups as key actors of GI systems.

This draft Sustainability Strategy for GIs, raises the following key questions: WHY GIs need to be aware of sustainability; WHAT can be done by oriGIn to support its members and other GIs navigate the complex world of sustainability; HOW GIs can develop a common approach vis-à-vis sustainability.

3. Sustainability as a Condition to Operate

WHY GIs need to be aware of sustainability

There are significantly important arguments that explain the importance of sustainability for GIs. They have to do with resource depletion or climate change and client requirements and/or consumer demands and regulations.

1. Conservation of resources (environmental component of sustainability): GIs link products and processes to a given territory. GIs cannot switch production elsewhere (no delocalisation is possible). As a result, more than in other sectors, resources and natural capital should be conserved for the GI to continue to exist and thrive in the medium/long term, so to ensure the economic viability as well.

The FAO-SinerGI project and its Guidelines to promote sustainable GIs also stressed the need to identify possible negative effects of current practices and rules so as to ensure that GIs will promote the reproduction of natural resources and the traditions and cultural heritage. Climate change and climate variability, reduced water availability in certain areas, the increased presence of pests and diseases due to warmer temperatures, or the emigration to urban areas are just some of the many threats that GIs and many territories are currently facing. Thus, there is a need to raise awareness and build capacity of producers, as well as to highlight existing GI producers' good practices on sustainability that focus on overcoming the challenges GIs are facing to become more sustainable.

2. GI's and local society (social component of sustainability): GIs are an integral part of the community in a territory. They have to consider the local society's aspirations and expectations, as well as interact with local authorities and regulators. GIs also need to promote their own role in preserving local culture and territorial identity. This is why they need to assess their role in the provision of public goods, in the evolution towards sustainable development production models or in their ability to generate value to local stakeholders. Therefore, the relationship between the GI system and local stakeholders are a key factor of their success.
3. Market requirements and consumer trust (economic component of sustainability): In parallel, responding to consumers, investors and even their own employees' pressure, the private sector has been developing sustainability requirements for their suppliers, which in many occasions are related to third party certifications or client audits. This trend responds to a society that has become more demanding on companies and brands and expect them to contribute to society at large. For example the [2015 Nielsen global survey](#) on corporate responsibility that covered

consumers in 60 countries showed that 66% of Global Consumers – and 73% of millennial consumers are willing to pay more for sustainable brands.

The same survey found that trust, related to the ability to demonstrate or provide concrete information on sustainability initiatives, is a major driver for purchase interest. These new set of expectations have transcended into distribution channels, notably large retailers that now produce their own standards and policies for their providers. In fact, these developments have reached to the point where for certain products in certain markets-distribution channels, sustainability standards, policies and/or commitments are increasingly becoming a market access requirements even for the mass consumer segments. Responding to sustainability challenges is becoming an issue of market opportunities and relations with retailers.

At the same time, GIs are facing evolving regulations dealing with sustainability (environmental, social and economic component of sustainability). These include sets of regulations dealing with labour, labelling, environment among many other aspects, responding to the increased pressure governments and regulators receive to enforce different standards. Authorities in territories are now also expected to keep track of regional sustainability indicators through the [UN's Sustainable Development Goals \(SDGs\)](#). This translates into the need for local authorities and producers in hundreds of countries to keep track of different of indicators, standards, and for GIs to be able to participate in these discussions with relevant information and data. Thus, responding to sustainability regulations is also becoming an issue of market access.

It is now clear that sustainability has become a pressing issue for many GIs that are already developing their own sustainability policies and initiatives. In fact, a survey made to oriGIn members show that among the 27 respondents, nearly half have been approached by their stakeholders to develop a sustainability policy, and an overwhelming majority (over 90%) are keen on this topic.

A number of GI products are already involved in developing their own sustainability initiatives and priorities. Many Wine and Spirits GIs, like [Scotch Whiskey Association](#), [Tequila](#), [Napa Valley Wines](#), [Italian Wines](#) or [Champagne](#), have developed initiatives that focus on environmental practices, reducing waste and their impact on the environment. Comte Cheese and the [dairy sector in France](#) or [Fromarte](#) (cheese in Switzerland) are also examples of organisations looking at sustainability issues in more detail. [Café de Colombia](#) or Café Marcala in Honduras are other examples where sustainability is becoming a market access requirement. Several other GIs, though, are only starting to tackle sustainability issues or are being pressed to do so.

There is a clear trend of the need for GIs increasingly engage with its members on sustainability topics. This is already taking place because of market requirements or due to the need to comply with evolving regulations. The [French national institute for origin and quality \(INAO\)](#) work on sustainability, is an interesting example of how government institutions have already started to be involved in helping GIs define and adopt their sustainability strategies with the development of [agro-ecological guides](#) working together with producers and experts by identifying, evaluating and promoting desired practices.

4. Sustainability: the Role of oriGIn

WHAT can be done by oriGIn to support its members and other GIs navigate the complex world of sustainability

GIs are also well placed to respond to sustainability challenges given their existing governance structures, traditions and commitment to the territory. However, this does not mean that GIs are sustainable by definition. They need to identify their top sustainability challenges, to assume the trade-offs among the three pillars, and to engage in initiatives to mitigate or overcome them.

This work should be considered as a strategic exercise that will ensure the viability of GIs in the short, medium and long run. As they bring the possibility to enhance the work and benefits that GIs provide to their territories, opportunities for communication and recognition to enhance the GI reputation among its stakeholders may be identified.

In this context, oriGIn can be a platform to:

- i) Raise global awareness on the sustainability benefits of GIs to consumers, retailers, local authorities and other stakeholders; and
- ii) provide GIs with practical tools to:
 - Develop a sustainability strategy for individual GIs that is relevant to their local context;
 - Engage local stakeholders around common objectives that help their regions of origin and their possibilities for differentiation beyond quality attributes;
 - Help GI producer organizations to identify their own priorities as it relates to sustainability, providing the basis for cooperation with certification agencies, sustainability practitioners, donors, governments and other institutions;
 - Develop or improve monitoring and implementation of governance, economic, social and environmental strategies that

are relevant to the local context with adaptable sustainability indicators;

- Obtain institutional support, share experiences and promote policies from which GIs can benefit to identify and implement improved sustainability practices;
- Allow GIs to provide information and indicators required for local resource preservation and enhanced market access.

Based on the relationship of GIs and their origin, they are already recognized as an important player in the identification of sustainability priorities for their territories. Organisations representing GIs should have:

- Trusted relationships and balanced interests with local stakeholders in the value chain;
- Ability to understand and implement change in a defined territory;
- Knowledge of the particularities of communities and territories;
- Interest in the conservation of local natural resources and landscape;
- Interest in the preservation of traditional food products;
- Strong links with local culture and identity.

It is clear that in developing this strategy oriGIIn should take into account that:

- It is not a one size fits all exercise– Some GIs already started implementing a sustainability policy and tools and they may continue using the methodologies they have already adopted or trying to improve them.
- Sustainability may be a source of public-private partnerships and cooperation with local authorities, regulators, impact investors or clients.
- Sustainability is not a public relations exercise. It is a philosophical understanding of the importance of sustainability for each individual GI.
- Engagement is key as well as the need for a Bottom-Up approach and consultation among producers that leads to democratic decisions by GI systems.
- It is an inclusive and open process that is to be leveraged by all oriGIIn members. Particular attention would be given to small and medium GIs so that they can have support and easy access to tools and resources to develop their own sustainability policies.

In light of the above, oriGIIn can be useful to its diverse set of members and other GIs by:

- **Raising awareness** about sustainability challenges among GIs;
- **Identifying** their existing sustainability practices or any existing gap;
- **Helping GIs organizations** to identify their own short, medium and long term sustainability priorities adapted to their reality and context, providing the basis for

cooperation with certification agencies, sustainability practitioners, donors, governments and other institutions;

- **Supporting GIs organizations in navigating, implementing and monitoring** sustainability initiatives that are relevant to the local context with adaptable indicators;
- **Lobbying and Searching for support** for interested GIs interesting in implementing their own sustainability strategies.

A Sustainability Roadmap for GIs

HOW GIs can develop a common approach vis-à-vis sustainability

In the effort of developing a GIs common approach to sustainability, some preliminary work has already been done in the first half of 2017, with the support of the Food and Agriculture Organization of the United Nations (FAO).

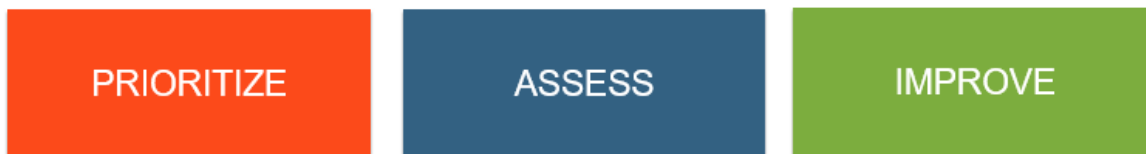
Different sustainability frameworks used by corporations, brands, certification agencies and retailers were reviewed, as well as the construct of the UN's Sustainable Development Goals (SDGs) and [FAOs SAFA guidelines](#). The research concluded that SAFA is a robust framework and adaptable framework that can be used by most GIs and can provide the necessary information for clients or GIs using SASB, GRI or territories focusing on SDGs. oriGIn reconvened a meeting of experts and GIs interested in the topic in Geneva in May 2017 to review the project's progress and obtain suggestions from the academic and GI community. As a result of this work, we have concluded that:

1. There is a need to raise awareness as well as to highlight and share existing GIs good practices on sustainability and already existing initiatives.
2. The general approach for sustainability should be voluntary, gradual, flexible depending to local realities, while taking into account local communities, market requirements and conservation of resources.
3. Guidelines and material to help producers and their GIs to prioritize their initial sustainability challenges and goals should be developed, taking into account the comprehensive approach of SAFA or other technically robust available methodologies. While SAFA is framework that may adapt to a large number of GI needs, GIs may choose other frameworks or existing tools and methodologies, ideally lining them to territorial sustainability.

4. The objective is not to evaluate GIs on sustainability, but offer a process GIs can use to evaluate their own needs and develop improvement goals that can be adapted to different types of GIs and sectors.
5. There is a need to create the conditions of consultation, not only between experts and GIs involved in sustainability but among GIs and especially between GIs organization and its members. Conditions and best practices for engagement should be shared to make sure an effective bottom-up approach is adopted.

A SUSTAINABILITY ROADMAP for GIs

The next step is to define a “Sustainability Roadmap for GIs”. While different GIs in different continents and different sectors face a variety of sustainability challenges, a three-stage approach is recommended. Such an approach will depend on the particular sustainability pathway the GI system chooses and will allow the elaboration of sustainability strategies in line with local needs and specificities:



- 1) Support GIs stakeholders in the value chain in identifying their priorities to respond to sustainability challenges, in line with the local context and taking into account the heterogeneity among and within GIs;
- 2) Provide GIs with tools for self-assessment through relevant indicators; and
- 3) Help GIs develop target objectives to improve their response to sustainability challenges, as well as identify further sustainability priorities and work on them (continuous improvement) with the same succession prioritize-assess-improve in a step-by-step iteration.

“Prioritize”

Tools and guidelines will be developed and disseminated for GI groups, primarily for oriGIn members, to:

1. Ensure an adequate consultation among the GI value chain actors to:

- Assess needs with respect to sustainability.
- Discuss and identify sustainability priorities.
- Understand Market context and demand needs
- Consider GI structure and internal motivation

2. Select sustainability topics to work on, taking into account:

- Product / sector
- Defined contexts and requirements (water stress, poverty, conflict)
- Stage of the value chain (producers, processors)

Assess

Once priorities are identified, interested GIs will need to assess their current situation with respect to those areas. Different assessment tools (including self-assessment) and guidelines will be provided in this respect. Some existing tools might need to be adapted for specific GIs needs.

Improve

Provide information and support to support continuous improvement and benchmarking. As facilitator, oriGIn should contemplate developing a networking platform that can provide:

- Capacity development
- Relevant benchmarking
- Aggregation of Information
- Updated materials
- Best Case studies
- Stakeholder engagement