Placing value chain stakeholders at the core of Geographical Indications in Vietnam

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INTRODUCTION
What are Geographical Indications?

- Geographical Indications (GIs) are indications of goods whose qualities, characteristics or reputation is attributable to their place of origin
- Growing importance in international trade
- Vietnam: very active with 60 GIs (May 2018)
- But in Vietnam GIs are:
  - underused by value chain (VC) stakeholders (producers, processors, traders…)
  - not recognized by consumers
- We identify GI management system as a major constraint:
  - not operational and heterogeneous
- We draft recommendations on the management of GIs from:
  - an empirical survey of 35 Vietnamese GIs (documentary plus field survey for 8 GIs), the lessons learnt from EU and Asia:
Examples of geographical indications
What is management of GI?

- Drawing up the book of specifications (BoS):
  - product’s characteristics
  - method of production
  - geographical area

- Drawing up the management plan:
  - GI registration (who will be responsible)
  - Control
  - promotion;

- Registering the GI;

- Implementing control of the product and of the production/processor units;

- Promoting and marketing the product;

- Fighting misuses.
WEAKNESS OF GI IN VIETNAM
Little involvement of producers in drafting the GI book of specification

- local authorities rather than value chain stakeholders prepare and apply for GI registration
  - Even though they are the most knowledgeable about the product and its specificity, the geographical area
  - even though art. 88 of IP Law allows so.
  - Collective GI organizations of producers, processors only formed after GI registration

- Consequences:
  - poorly written and unrealistic book of specifications, too complicated to follow
  - no provisions on GI control
Little involvement of producers in managing GI after GI registration

- Collective GI organizations of producers, processors:
  - weak human and financial capacities
  - do not benefit from national program funds (68)
- Do not manage GIs after registration:
  - even is permitted by art 121 IP Law
  - Only 1/35 GIs managed by a GI Association
  - All other cases, by provincial/district authorities
- Complicated management regulations for getting the right to use the GI are enacted:
  - Very little users
- No implementation of controls:
  - only 1/35 (Nuoc Mam Phu Quoc)
**Example of GI Orange Cao Phong**

- Use of the name Orange Cao Phong, but not of the GI logo
- GI management is divided into many levels Province/District, no GI organisation, not clearly defined responsibilities: producers do not know how to use the GI
- And producers think it belongs to the district and is not made for them: misunderstanding!
- The control plan of the GI has not been established

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LESSONS LEARNT FROM ASEAN/EU
Lessons learnt from Asean/EU

- Strong involvement of the GI collective organization in drafting the BoS:
  - In Europe, Cambodia:
    - GI applications can only be filed by a group of producers and/or processors.
  - In France:
    - organization for the Defense and Management of the GI: all producers/processors are automatically members, to avoid any unfair exclusion.
  - Indonesia and Thailand:
    - mixed system: a group of producers/traders, or an institution representing the local community or local government/government agency.
Lessons learnt from Asean/EU

- **EU**: external control by either private accredited certification bodies and/or public authorities (if guarantee objectivity and impartiality)
- **France**: internal control by the GI collective organization, external control by private ISO 17065 accredited certification body. INAO, (National Institute for Origin and Quality) supervising the whole system, approving the control plan for each GI.
- **Cambodia**: same system as France
- **Indonesia and Thailand**: internal control by GI Associations when they exist, external control by public bodies or by private certification bodies.
- **Strong internal control** in all countries:
  - strengthens the GI collective organization, supports producers/processors in respecting GI specification by combining training and internal control.
  - reduces the costs of external control.
EU-Asean/Vietnam top-down versus bottom-up

EU/Cambodia/Indonesia
Producers’ driven

Drafting of GI application + management of the controls

Voluntary and collective action of producers

Vietnam State’ driven

Local authorities

Registration process management of GI
RECOMMENDATIONS FOR MANAGEMENT OF GI IN VIETNAM
Recommended management model for Vietnam

Value chain stakeholders: producers, processors, traders

1. Elaborate
2. Letter approval
3. Examine
4. Examine and approve

Motivated pilot group

Collective organisation

Local authorities (District + Province PC)

Support + Manage conflicts

NOIP

Register GI users self control

Motivated pilot group

Registered GI users self control

Internal control

External control

Private certification body

Value chain stakeholders: producers, processors, traders

Support + Manage conflicts

Ask advice about feasibility of GI

Ask use of GI

Authorize use: no need of membership

Mandatory Ask advice
Consultation minutes

Suppor t

1. Elaborate
2. Letter approval
3. Examine

book of specifications + regulation of the management
Core role of the GI collective organisation of VC stakeholders

- Set up a GI collective organization, with a president from the value chain;
- Prepare the GI application: BoS + the management plan, including controls (what to control, how, how often, by whom, which sanctions);
- Authorize the use of the GI based on the simple expression of interest and commitment to respect the BoS instead of administrative procedure endorsed by a public authority;
- Implement internal control of the product, of the farm/processing unit and guide self-control;
- Promote sales and marketing;
- Fight fraud (detect cases of fraud and report to Provincial Peoples’ Committee)
Supporting role for national and local public authorities

• Supporting role for national authorities:
  ◦ MOST: set up the national GI institutional framework, with MARD, MOIT, in consultation with the GI National Consultative Council (GINCC);
  ◦ MOST, MARD and MOIT: implement policies by selecting the products for GI projects (Program 68) based on the motivation of stakeholders of the VC;
  ◦ NOIP in consultation with GINCC: examine the GI application (BoS and management plan); publish all GIs BoS (or a summary of BoS)
  ◦ MOIT identify fraud on the market;
  ◦ MOST set up an accreditation scheme of certification bodies

• Supporting roles for local authorities:
  ◦ Help identifying motivated stakeholders in the value chain;
  ◦ Support the formation and formalization of the GI collective organization;
  ◦ Approves the BoS + the management plan drawn up by the GI collective organization, before it is transmitted to NOIP;
  ◦ Create an External Control Committee
Conclusions

- This recommended management of GI can be set up with no changes to the existing legal framework.
- However, some conditions should be met:
  - need to publish guidelines on how to promote this new management model for all GIs in Vietnam;
  - need to insure the human and financial resources for internal control by the GI collective organization and for external control by the Control Committee;
  - Effective cooperation will be required between all public authorities at national and local levels.
Thank you!