



Ceylon Cinnamon

A roadmap towards its protection as
Geographical Indication

FAO contribution to the project STDF lead by UNIDO

Standard and Trade Development Facility (STDF)

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Abbreviations

AGN	Accessing Global Knowledge International
AOs	Appellations of Origin
CCA	Ceylon Cinnamon Association
CinCA	Cinnamon Cultivators Association
CoP	Code of Practice
CTM	Certification Trademark
DEA	Department of Export Agriculture
DOC	Department of Commerce
EDB	Export Development Board
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organization
FAOR	Food and Agriculture Organization Representation
GAP	Good Agricultural Practices
GI	Geographical Indication
GiZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMP	Good Manufacturing Practice
HACCP	Hazard Analysis and Critical Control Point
ISO	International Standardization Organization
ITI	Industrial Technology Institute
NIPO	National Intellectual Property Office
OLP	Origin-Linked Products
Ceylon Cinnamon	Ceylon Cinnamon
PDO	Protected Denomination of Origin
PGI	Protected Geographical Indication
Prodoc	Project Document
TCP	Technical Cooperation Programme
TM	Trademark
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TSC	Spice Council
SLAB	Sri Lanka Accreditation Body
SLSI	Sri Lanka Standards Institute
STDF	Standards and Trade Development Facility
UNESCO	United Nations Educational, Scientific and Culture Organization
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
VC	Value Chain
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

1 Summary and key-questions

The Spice Council (TSC) and UNIDO have elaborated a project proposal in the field of food safety training and certification that was granted support by the Standard and Trade Development Facility (STDF). The implementation of the STDF-UNIDO-TSC project on Cinnamon started on Oct. 2012. Its implementation plan foresees an activity devoted to the registration of the Ceylon Cinnamon as geographical indication. For this purpose, collaboration has been initiated between the project coordination and the AGD division at FAO Headquarter. Main objective of this report is to propose a roadmap for the development and sustainability of the GI scheme.

The Ceylon Cinnamon has specific quality linked to origin on the following key-points:

- Variety (the wild Cinnamon tree is endogenous from Sri Lanka and was not acclimated in many other places).
- Soil and climate (located in number of provinces mainly located in the South of the island).
- Traditional knowledge in harvesting, peeling, drying, preparing the quills and drying again. This knowledge is unique for peeling and preparing the (42 inch long) quills.
- Quality oriented production, since the grading was established long time ago, and serves as reference for pricing.
- Reputation, as the export of Ceylon Cinnamon is made all around the world, since the spices have been traded.
- Ceylon Cinnamon is the world reference for quality of Cinnamon and that makes all producers and actors in the value chain very proud.

Ceylon Cinnamon is a major export product for Sri Lanka. In order to protect Ceylon Cinnamon against misleading products, and to promote the specific and high intrinsic quality of the product, The Spice Council and the EDB have developed a strategy for protection of the brand “Ceylon Cinnamon”: The strategy extends to threefold protection: first, through a certification trademark registered in Sri Lanka; second, in registering the trademark in several export countries; third, in preparing the registration as geographical indication both as Appellation of Origin at WIPO (Lisbon Agreement) and as PDO at European Union (reg. EC 1151/2012).

To reach the objective of registering as Certification Trademark under Madrid Agreement, and as Geographical Indication both under Lisbon Agreement at WIPO, and as PDO or PGI in European Union, some gaps have been identified.

GAPS for registering as CTM under Madrid Agreement	Lack of knowledge and experience for operating CTM at EDB
	Lack of information on CTM to the Value Chain actors (producers to exporters)
	Lack of proper concept for operationalization of CTM
	Need to decide on the license fees
	Sri Lanka not being full member of the Madrid Agreement
	Lack of capacity in NIPO to fulfill all requirements to become party to the Madrid Agreement.
	Need to link with effective consumer awareness and promotion

	campaign on target markets
GAPS for registering as GI under Lisbon Agreement	Sri Lanka not being full member of the Lisbon Agreement
	Lack of knowledge for NIPO to fulfill all requirements to become party to the Lisbon Agreement
Additional GAPS for registering as PDO or PGI in European Union	Lack of knowledge and competencies to set-up the national legislation regarding GI
	Lack of product specifications (according to EU regulation 1151/2012)
	Lack of system of controls
	Lack of external certification
	Lack of accreditation to enable certification bodies for GI-certification

The report proposes activities to be implemented, identifying the ones that can be directly implemented by the STDF-UNIDO-TSC project, and those that could be developed by partners (government or others). It describes as well the training components to be included in the overall training academy framework (in addition or in combination with the modules already proposed by the STDF-UNIDO-TSC project).

As annex to this report, two missions reports have been added. The FAO-consultant attended the two missions. The first one is a 2-days mission in Brussels, during which a delegation of representatives of TSC, UNIDO-Colombo and EDB met several EC representatives. The second one was a 1-day mission in Geneva, during which the president of TSC met representatives of WIPO, OriGIn, consortium of Tequila and WTO. This useful complementary information allows taking more targeted support measures for developing the road map in an efficient and fast way. These meetings were unique occasion to ask all questions related to application for better protection of Ceylon Cinnamon as Geographical Indication in the European register and in the Lisbon Register.

2 Background

The implementation of the WTO-UNIDO-TSC project on Cinnamon started on Oct. 2012.

Its implementation plan foresees a special activity devoted to the registration of the Ceylon Cinnamon as a geographical indication. For this purpose, the collaboration has been initiated between the project coordination and the AGD division at FAO Headquarter (Renata Clarke, head of the section “Food safety and Consumer protection”, and Emilie Vandecandelaere, in charge of the FAO-program on “quality and origin”).

Dominique Barjolle has been recruited, as consultant for a on-site mission, in order to meet the project coordination team, the stakeholders and to elaborate a roadmap towards the registration of the Ceylon Cinnamon as a geographical indication at international level.

The terms of references of this mission were the following:

- Review all documentation provided by UNIDO in relation to the initial project activities and available background on the “Ceylon Cinnamon” value chain.
- Liaise with UNIDO and FAO offices in Sri Lanka to identify stakeholders to be consulted in relation with the GI component of the project and establish the agenda of the mission from 27 to 31 November.
- During the mission, assess the needs to be addressed to ensure the development and sustainability of the GI scheme, in relation to:
 - The institutional framework (assessment of the GI, registry, certification, accreditation), taking into account the legal framework, and implementation of other GIs in Sri Lanka.
 - The specific quality linked to origin of the product and how to guarantee and inform traders and consumers.
 - The producer organization and capacity.
 - The preservation of local natural and human resources and how to use it for promotion.
- To identify the mobilizing and training activities that are to be implemented (themes, type of participants) regarding producers’ awareness and capacity. Propose a roadmap for the development and sustainability of the GI scheme, including:
 - The activities to be implemented, identifying the ones that can be directly implemented by the STDF project, and the ones that could be developed by partners (government or others).
 - The training components to be included in the overall training academy framework (in addition or in combination with the modules already proposed by the project).

This short report is both a mission report and the commissioned roadmap, as the two subjects are very closely linked.

3 Short presentation of the Ceylon Cinnamon

3.1 Value Chain in key-figures

The supply chain of Ceylon Cinnamon is mainly composed by:

- 70 000 plantations (=families of planters), out of whom around 70-80% are smallholders. Important to know is that capital necessary to plant is reasonable, and that return of investment is made after 5-7 years. The production starts 2-3 years after planting. The work in plantation is starting with the planting, the most labour intensive step is to harvest and especially to peel, dry, prepare quills and dry again, then prepare the lots.
- 30 000 peelers, and among them, some of them are small holders. In the value chain they are recognized as skilled workers/professionals. However, they are represented in the Ceylon Cinnamon Association through their membership in the Ceylon Cinnamon association (CCA). Their specific skill determines a big part of the quality of the product. Most often, the same workers cut the barks, peel, dry and prepare the quills. They can have some plantations themselves. This part of the supply chain is vertically integrated by the big plantations, which employ workers on regular basis. For the purpose of improving the quality, peeling is increasingly made in units, which are owned by big planters, who collect the barks (peeled cinnamon/balers) from the smallholders.
- 1 to 3 000 Traders/Balers, who collect from smallholders and transport the quills from the villages in the different provinces to the places of Colombo, where the Cinnamon is stored and prepared for export. Traders/Balers are important intermediaries, who are competent to sort the quills according to the quality. They pay the smallholder producers in cash, according to the grades of the product, as defined in the Sri Lanka standard and the Codex Alimentarius standard for Ceylon Cinnamon. These grades are determining the quality classes mainly according to the diameter of the quills.
- Around 200 exporters, among them 10 are making 70% of the trade. Exporters are a coherent group, who pays the Cinnamon according to quality.

3.2 Specificity of the Ceylon Cinnamon

Ceylon Cinnamon is a specific product, which can be recognized visually by any expert in Cinnamon.

This is due to several specificities:

- Long history and strong reputation of production of intrinsic and inherent high quality Cinnamon in Sri Lanka all over the world. Ceylon Cinnamon is sold in more than 100 different countries all over the world, and is known as one of the finest spices originating from the tropical regions. It can be recognized easily with a quick visual assessment, as it is shown on the picture below (right: Ceylon Cinnamon / left: Cassia).



- Physical characteristics (described in a specific ISO standard), *as a result from a specific variety and*
- A specific traditional knowledge in managing the plantation (and specific tools to harvest the barks).
- A specific knowledge (and specific tools) in the process of peeling, drying and preparing the quills.
- A specific organoleptic character (taste and aroma).

Main critical points regarding the quality of the final product are:

- The diameter size of the quills, which depends very much of the quality of the barks, which is related to the harvest period and the health and age of the tree during the harvesting period.
- The color, which depends of the health and age of the tree, the solar exposition, the care with which the producers proceed during the harvest, the period of harvest, and of all post-harvest operations.
- The aroma, which depends much of the post-harvest process and especially the conditions of air drying.
- The possible presence of moisture on the quills.

These moistures are not penalizing the producers, at the contrary, it increases the weight of the quills, and therefore, there is a gain for the producers when moistures are present on the quills.

To prevent the damages and improve the coloring, sulfate (SO₂) is fumigated, and this impacts the final quality and the image of the product, whereas toxicity is not proved.

Key-points to insure natural optimal conservation of the Cinnamon:

- Plantations should be healthy and well kept, harvested on regularly basis, and re-planted when necessary.
- Harvesting should be made at maturity by skilled persons.
- Peeling should be made according to good practices (ventilation and safe from contamination).
- Drying should have duration of min. 9 to 14 days (more depending on the humidity).
- Storage should be made in adequate storage space, regularly decontaminated and with correct ventilation.
- Transport should respect similar good conditions.
- Cinnamon can be stored for min. 5 years when quality of the product is optimal.

3.3 Link between specific quality and origin: key points

The Ceylon Cinnamon has specific quality linked to the origin on key-points:

- Variety (the wild Cinnamon tree is endogenous from Sri Lanka and was not acclimated in many other places).
- Soil and climate (located in number of provinces mainly located in the South of the island).
- Traditional knowledge in harvesting, peeling, drying, preparing the quills and drying again. This knowledge is unique for peeling and preparing the (42 inch long) quills.
- Quality oriented production, since the grading was established long time ago, and serves as reference for pricing.
- Reputation, as the export of Ceylon Cinnamon is made all around the world, since the spices have been traded.
- Ceylon Cinnamon is the world reference for quality of Cinnamon and that makes all producers and actors in the value chain very proud.

3.4 +Quality Leadership+ Strategy

Regarding the situation to improve the quality of Cinnamon, the main current obstacle is the lack of economic incentive to adopt Good Agricultural or Manufacturing Practices.

A good starting point is the exporters pay according to quality (best quality is paid 50% more than lowest grade).

But in fact, adopting good practices and being certified for it, is not asked nor rewarded by the exporters. As there is no big food safety issue on Cinnamon, as there is no risk of infection or other diseases, the buyers are not requesting the respect of any f standards. However, generally speaking, the importance of the respect of standards is increasing. This is conditioned to the better consumer awareness about a wide range of concerns, such as the decent working conditions, the equity in the remuneration of the smallholders, or the respect of the natural resources.

In reality the demand exceeds the offer:

- At the one hand, the demand increases (+5% per year in average).
- At the other hand, Sri Lankan production cannot follow the increase of worldwide demand, because of the lack of peelers.

As a consequence, the prices are increasing, and quality is decreasing (especially because harvest is not always done in due time, the drying duration is shortened, and moisture may develop).

Sri Lanka is losing market shares, whereas it keeps (or even increases) its total volumes of production.

In that situation, in order to develop the market share and not to lose market leadership, the strategy of The Spice Council is to embark Sri Lankan Cinnamon production in a +Quality Leadership+ strategy.

Financing this strategy towards +Quality Leadership+ should be possible as the exporters contribute already to the TSC, which matches the funds of the STDF- UNIDO-TSC project on Cinnamon (\$ 3 cents per kilo – as a kilo costs for average quality \$ 10 to 20, so 0.003% to 0.015%).

3.5 Governance

The producers are organized around the two main producers associations (Ceylon Cinnamon Association CCA, Cinnamon Cultivators Association CinCA).

The peelers are not organized in association for the moment, but have an established network segmented into groups, which coordinate mainly on the price they charge for the different harvesting and post-harvesting activities. They are not members of the TSC but some are members of the CCA and are represented through CCA in TSC. As individual, the producers generally pay them cash as soon as they deliver the barks, and consequently to harvested quantity and quality. They ask between a third and a half of the total value of the production as sold to the trader. They are present when the trades buy, and participate in the process of price and quality negotiation.

The dealers (collectors) collect and buy. They are very connected to the planters and the peelers, as they are the one that are dealing with the wholesalers or even with the exporters. Collector balers grade the quills, fumigate with sulfate if it is necessary, and bundle the quills, preparing them to be exported.

Exporters hold the storages, and maintain their facilities in best conditions to keep the bundled quills at top-quality level. They have the contact with the foreign buyers. They constitute a strong and coherent restricted network. They are strongly represented in the TSC, whereas this apex body for Spice sector in Sri Lanka has representatives of all other stakeholder groups, public and private, including providers of inputs and manufacturers of value added products.

3.6 Branding tools to promote +Quality Leadership+ strategy

As a tool of the +quality leadership+ strategy, TSC would like to adopt a more active branding strategy.

A brand is the right tool:

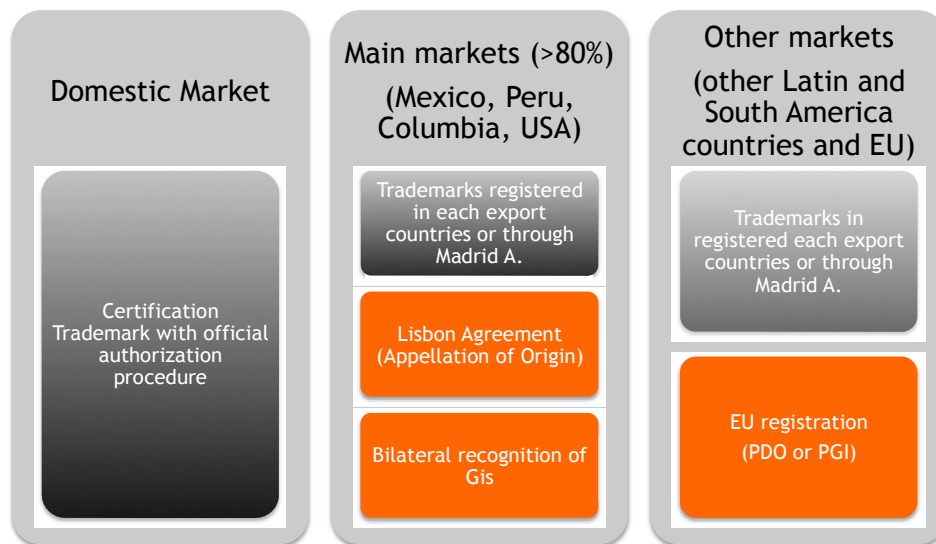
- To bring the product to a certain level of quality.
- To make this quality known by the final consumers and along the supply chain.
- To reserve the use of the brand exclusively to the producers who meet all quality requirements.
- To reward the quality through a higher price (according to the grading).

A brand is a strong way to sell the quality. But this could have longterm impact only if the protection of the brand is sufficient. This is the reason why TSC has developed a threefold strategy of protection of the brand “Ceylon Cinnamon”:

This involves certification trademark registered in Sri Lanka. This CTM is registered as well in several export countries, and finally, the objective of TSC is to prepare the registration as

geographical indication both as Appellation of Origin at WIPO (Lisbon Agreement) and as PDO at European Union (reg. 501/2006).

The current strategy can be represented as below:



3.7 Past and future other support projects

USAID was active in the support of the Cinnamon industry in the past years.

GiZ have funded the study that have done the value chain mapping, and a technical assistance project, which aimed at upgrading 10 factories in their adoption process of GMP/ISO.

FAO was recently asked to elaborate a TCP for a development plan for all spices. Funds to organize a workshop with all stakeholders have been granted and workshop is up coming. Link should be made with STDF-UNIDO-TSC project on Cinnamon, through STDF.

4 Main Gaps for obtaining benefits from a GI

The establishment of a geographical indication as key tool for achieving the +quality leadership+ strategy has sound grounds:

- Ceylon Cinnamon is certainly one of the most famous geographical indication in the world, as Tequila, Darjeeling Tea, Ceylon Tea, Roquefort, Champagne or Prosciutto di Parma.
- The end-buyers at the export markets are recognizing the high quality of Ceylon Cinnamon, and demand more. Some of them pay more for higher quality.
- The Sri Lankan (=ISO) standard does exist, and is used as reference for a payment according to quality of the quills.
- The quality is visually recognized and shared by the peelers, dealers (balers) and exporters.

- Some exporters who have vertically integrated the plantation have already implemented certification for their products, plantations and factories (according to G.A.P. and G.M.P., which have been already developed and implemented).
- The prices for Ceylon Cinnamon are increasing, so is the demand allowing the private sector contributing to a collective effort to enhance quality, to invest in the upgrading of the facilities to meet food safety (HACCP, G.M.P.) standards as well as more demanding standards like the CTM and the Geographical Indication.
- Excellent existing knowledge about the functioning, appropriate diagnosis and correct analysis of the value chain, thank precedent study and work carried out by key-experts.
- Strong motivation of the TSC, STDF-UNIDO-TSC project team and key-stakeholders to carry on the +quality leadership+ strategy.

Nevertheless, there are some weak points and gaps that could be categorized in three main groups:

- Lack of an appropriate governance structure for the geographical indication. The governance is for the moment split between TSC and EDB. Furthermore, there is nobody caring only on Cinnamon (TSC is in charge of all spices). This point must be considered carefully with regards to the process of registration as Protected Designation of Origin at European level, because this must be a group representing all the parties in the supply chain who is the applicant group. Additionally, the high number of producers, peelers, and dealers is a challenge in itself. Any implementation of quality management processes, control and certification procedures must be first preceded by extensive and correct information of the concerned persons and enterprises. This implies a huge effort of organization and conception. All this could be a success only if made in full participation, where everyone feels to be part of the whole process, recognized and useful, and can benefit from the strategy. This would not be possible without a broad awareness campaign, starting with the key-actors downstream the supply chain, i.e. the exporters, and especially the small group of around 10 exporters who have 80-90% of market share.
- Knowledge gaps. As represented in the TSC, the stakeholders are motivated and keen to embark on implementing the geographical indication. Nevertheless, deeper knowledge is clearly needed, to enable every concerned party to play an active role in the process, from the preparation of the registration, to the GI registration itself, the upgrading of the quality management along the supply chain, the controls and certification at each level of the supply chain, the necessary active promotion strategy until the final consumer and the fighting against the infringements. All the concerned parties, recognize the necessity to get more familiar with the legal and practical aspects of the geographical indication, from the necessary changes in the Sri Lankan legal frameworks, until the certification and accreditation according to international requirement, including the elaboration of the product specifications based on the Lisbon agreement and EU-legislation.
- Obstacles to brand Ceylon Cinnamon to final consumer. The consumers are not informed about the origin of the true Cinnamon and are confused between Ceylon Cinnamon and Cassia (a competing but different product to Ceylon Cinnamon, produced mainly in China, India and Indonesia, and sold at much cheaper prices on

international markets). This is weak point because the difference between the consumer and the producers prices are quite big, and any effort made to improve quality will be hardly negotiated by the exporters without a “consumer-effect”, i.e. an increase in consumer price (increased willingness to pay), which than must be shared between all stages within the supply chain, from the retailers to the producers. For the moment, the end-buyers on the export markets sell mostly through their trademarks and have little interest to trace the Ceylon Cinnamon until final consumers in the supermarkets.

5 Key recommendations

The strategy of +quality leadership+ for Ceylon Cinnamon is the right one to ensure a sustainable development of the Cinnamon value chain in Sri Lanka.

Key-elements for its success are established, and this is realistic to be optimistic regarding its realization.

This strategy will serve the interests of all stakeholders (from consumers up to producers) making a stronger link between the final consumers willingness to pay for a high quality products, and the efforts made by all actors along the supply chain to produce exclusive high quality.

To achieve the implementation of the strategy within the 3 years-project of STDF-UNIDO-TSC, there is an urgent need to:

1. Fill the knowledge gaps about Geographical Indications of the key-stakeholders.
2. Decide on an appropriate governance structure, which should be created, as part of the TSC, such as a dedicated working group inside the TSC, chaired by the president of the TSC, where all parties (especially the 10 top-exporters) are around the table to decide on the key technical points.
3. Decide (in this group) on the appropriate level of registration for the Geographical Indication "Ceylon Cinnamon" (countries, international agreements, European Union), and the related legal tools.
4. Initiate an awareness campaign addressed to all actors in the supply chain (from producers to exporters) to inform them about the Geographical Indication process, and then conduct a participatory process to make everyone concerned by the geographical indication and its consequences in terms of quality management, controls and certification implications.

These are the starting points of the Roadmap.

Then, when all these very sensitive first steps are over, the implementation of the Roadmap can start.

The objectives of the strategy are the following:

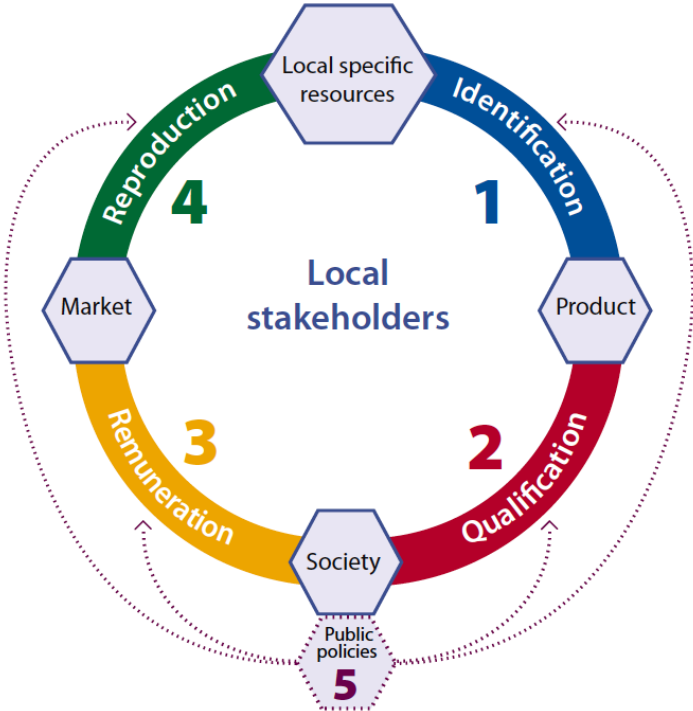
- To enhance the value of the brand „Ceylon Cinnamon“ as marketing tool. The value of the brand should serve all stakeholders in Cinnamon Value Chain: all consumers should demonstrate a better willingness to buy and to pay, which would allow the supply chain as a whole, to be rewarded for the better quality, and then, enhance welfare of all actors upstream in the VC.
- To get „Ceylon Cinnamon“ globally protected. It means that Ceylon Cinnamon should be registered according to any relevant international protection. In that perspective, one should pay sufficient attention to the use of the designation "Ceylon Cinnamon" for value added products (processed or used as ingredient).
- To improve the quality of all final products, in establishing the +Quality Leadership+ for Ceylon Cinnamon on global markets.

Geographical Indication is an appropriate tool for achieving all these objectives.

In effect, Ceylon Cinnamon is clearly an “Origin-linked product”. Ceylon Cinnamon can clearly be differentiated as a result of its local identity and typicity. Its identification as Geographical Indication product is justified by the particular local context in which it originates, and that gives it its specific nature, quality and reputation in consumers’ eyes. As the other OLP, its anchoring in the production area allows a quality virtuous circle to be established, as much as the promotion of its origin-linked quality can generate positive economic, social and environmental effects, which can be reinforced over time thanks to sustainable reproduction of the involved local resources.

This virtuous circle corresponds to a value creation and preservation process with four main stages (see Figure 1), starting when local stakeholders gain awareness of the potential of the product and agree to launch a collective process. Added value is a result of consumers’ and market recognition of the product, and may if necessary be reinforced by official recognition and legal protection of the GI. The sustainability of this production and promotion system for the origin-linked product will depend both on remuneration from the market and on sustainable reproduction of local resources.

Figure 1: The origin-linked quality virtuous circle



It is important to highlight the main differences between CTM and GI.

	Certification Trademark	Geographical Indication
Protection	<p>According to Trademark provision. Additional provision for TM with geographical indication in the TRIPS Agreement. Must be registered in all countries, except if Sri Lanka becomes member of the Madrid Agreement. Requires an active surveillance of the use of competing marks plus actions in courts in each jurisdiction.</p>	<p>According to Lisbon Agreement: all imitations, evocations and confusing designations are forbidden.</p> <p>According to European Union: protection <i>ex officio</i> in all EU-member states: the surveillance is (partly) done by the public authorities, and there is no need for court protection.. The applicant country should set-up <i>ex officio</i> protection for all domestic and European protected names.</p>
Requirements	<p>Are decided exclusively by the owner.</p>	<p>Lisbon: Are decided by the owner and examined by the competent national public authority. Every AO recognized by the national authority is automatically put into the register (but the members are free to refuse to protect the AO if they consider it making injury to an owner having had prior use of it).</p> <p>EU: Are decided by the owner, must be approved by national competent authority, and are examined by the EU-authority (2-levels procedures). If there is an approved objection, , the registration can be rejected after opposition procedure.</p>
Controls certification	<p>Are made by the owner, without any public requirements.</p>	<p>Lisbon: depends of the national legislation.</p> <p>EU: must be done by a third-party, accredited by an internationally recognized Certification Body.</p>
Duration of registration	<p>Limited in time. Renewal should be made in each country. Simplified regime for the countries, which are members of the Madrid Agreement.</p>	<p>Unlimited. Without renewal.</p>
Users	<p>Are granted by decision of the owner. Owner cannot refuse a user who meets all requirements. Only users meeting all requirements posed by the owner are entitled to apply for use.</p>	<p>Are granted by decision of the certification body. Any user meeting all requirements is granted. The user is free to become member of the producer group. All users in the geographical area are entitled to apply for use. No further use of the designation "Ceylon Cinnamon" is allowed in Sri Lanka.</p>
Costs	<p>Are determined by the owner. Fees paid to the owner are mandatory.</p>	<p>Are determined by the certification body. Fees paid to the owner are voluntary.</p>

Regarding the protection of Ceylon Cinnamon at international level, for the particular case of Ceylon Cinnamon, three options are possible, but indeed, these should be seen as stages more than different options, because they are complementary and not exclusive at all:

Option A: Certification Trademark (CTM) “Ceylon Cinnamon”	
	<ul style="list-style-type: none"> • Effective implementation i.e. decision on fees, registration of the interested users, controls of the users by EDB or sub-contracted party (still to do).
	<ul style="list-style-type: none"> • Adaptation of national legislation and application at international level (WIPO), in order to get International Protection of CTM through Madrid Agreement.
Option B: CTM + AO (according to Lisbon Agreement) + Bilateral GI-Agreement	
Same as Option A PLUS	<ul style="list-style-type: none"> • Adaptation of national legislation in order to get International Protection of CTM as Appellation of Origin through the Lisbon Agreement
Option C: CTM + AO (according to Lisbon Agreement) + EU-PDO or -PGI	
Same as Option A+B PLUS	<ul style="list-style-type: none"> • Setting-up national legislative and operative EU-compatible framework for PDO-PGI
	<ul style="list-style-type: none"> • Registration of “Ceylon Cinnamon” as PDO or PGI at EU level (according to EC Reg. 1151/2012)

TSC has already chosen to go for the Option C.

Based on our knowledge and understanding of the situation, it is possible to identify the main gaps for each option.

GAPS for Option A	Lack of knowledge and experience for operating CTM at EDB
	Lack of information on CTM to the Value Chain actors (producers to exporters)
	Lack of proper concept for operationalization of CTM
	Need to decide on the license fees
	Sri Lanka is not a full member of Madrid Agreement
	Lack of knowledge for NIPO to fulfill all requirements to become party to Madrid A.
	Need to link with effective consumer awareness and promotion campaign on target markets
GAPS for Option B (in addition to option A)	Sri Lanka is not a member of Lisbon Agreement
	Lack of knowledge for NIPO to fulfill all requirements to become party to Lisbon Agreement
Additional GAPS for Option C (in addition to option A and B)	Lack of knowledge and competencies to set-up the national legislation regarding GI
	Lack of product specifications (according to EU regulation 1151/2012)
	Lack of efficient controls
	Lack of external certification
	Lack of accreditation to enable certification bodies for GI-certification

The nature of costs and benefits for each option can as well be assessed roughly.

	Option A	Option B	Option C
Costs	License Fees Promotion costs (branding)	Registration costs	Certification costs Promotion for Geog. Indication
Benefits	Registering the producers/processors Branding	Getting "Pure Ceylon Cinnamon" (more efficiently) globally protected	Quality improvement Differentiation on target markets Reputation effect "GI" effect on EU-market Promotion efficiency Sustainability Environmental impacts Traditional knowledge Fair remuneration for quality

Licence fees can represent up to 0.5% of the total sales plus a fix fee of less than 100 \$ per year and per user.

Based on experience in developing countries, **certification costs can represent up to 1% of total sales value**, when the system is based on a mix between “internal controls” made by second-party (what is called “producer group” in the EU-regulation) and “external controls and certification” made by independent and competent accredited third-party (certification body).

Impacts on sales and turnover are not automatic. Some products are very successful and benefit a lot from the registration and additional protection. In some cases, the impacts are not significant. Nevertheless, at EU-level, no product did ask for withdrawing its registration. At the contrary, the number of registered products is still increasing. And since the possibility is given to third-countries to apply for registration, some producers groups ask for and obtain EU-protection, such Columbian Coffee, Tequila, Darjeeling Tea.

6 Roadmap for getting and running the GI “Ceylon Cinnamon”

6.1 Objectives of the roadmap

This roadmap intends to define every action and task which should be done in order to optimize the chance to get the geographical indication « Ceylon Cinnamon » registered and effective.

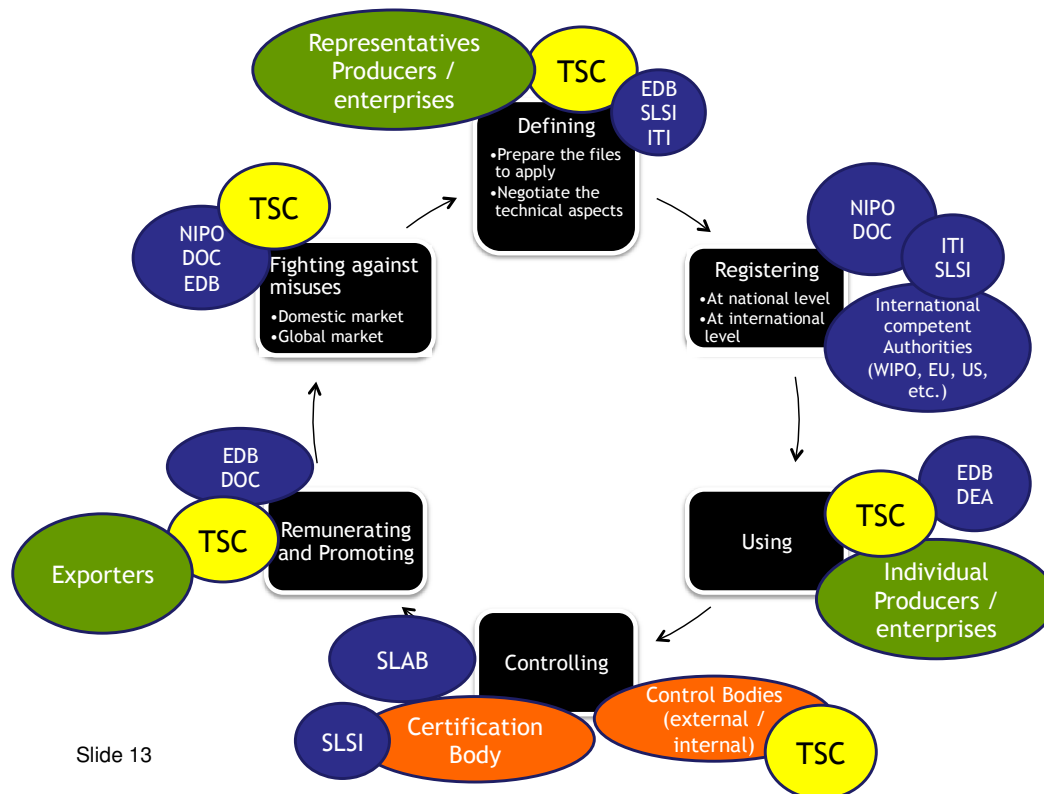
It was not in the scope of the work undertaken by FAO on the STDF-UNIDO-TCS project on Cinnamon to discuss the relevance of the choice of registering the GI for Ceylon Cinnamon.

The work done aimed to understand the state of knowledge and experience of each partner as identified by the project manager. Each partner has been interviewed, , even shortly.

Knowledge on Ceylon Cinnamon itself, and on the situation of the value chain, was acquired through project study, project document, inception report and other relevant documents given shortly before or during the mission by the project team.

The main lines of the roadmap were discussed during the mission, first with the chairman of TSC and the project team and then with the stakeholders the last day of the mission.

The general conception is the following (for each step of the roadmap, designed below, the key stakeholders to be involved are indicated):



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The general principles of the roadmap is to have the broad view from the application to the implementation, although the demand was not formulated clearly to go so far, but was indeed more focused on the registration itself, in order to secure the protection of the Ceylon Cinnamon. From our experience, the broad view and conception are necessary to be considered since the registration itself is demanding and its implementation requires a lot of efforts, especially when considering the respect of the requirements along the value chain and the additional controls and certification costs.

During the mission, a field visit allowed the FAO expert to better understand the cultivation and the post-harvest practices of the Ceylon Cinnamon. However, the expert understanding is limited to a very restricted extend, as the visit was only on a “model factory”, and did not represent the average situation of the smallholders in the villages.

6.2 Concepts and methodological approach for GI development¹

Origin-linked products (products of a *terroir*) are distinguished from comparable products by their local identity and their typicity coming from their tie to the *terroir*. The *terroir* constitutes the multiple interactions within a specific geographical area between local stakeholders and their environment over the course of time, interactions that have generated specific knowledge and developed a specific origin-linked quality. This specific quality has both a dimension that can be objectified (especially through its sensory characteristics of taste, texture and shape) and a subjective and symbolic dimension (for example, identity-affirming values and authenticity) (Allaire, 2011; Bérard and Casabianca, 2003; Barham, 2003; Barjolle *et.al*, 1998; Bérard and Marchenay, 1995, 2007, 2008; Van der Ploeg, 2002).

The objective and subjective dimensions of quality are linked to a unique geographical and temporal context, and, as a result of this combination of material and non-material elements, the product possesses a specific quality and unique identity that cannot be reproduced. This identity gives it its special quality, formed by a certain environment, people and historical trajectory.

As this specific quality is recognized by consumers, it can lead to the creation of various values – economic, social, environmental and cultural – that are spread along the value chain among producers, processors, middlemen, retailers and other local stakeholders, especially the tourist sector or the local population (Barjolle, 2006).

A product of origin-linked quality can be identified by a specific name, referred to as a Geographical Indication (GI).

Geographical indications are defined in the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement of the World Trade Organization (WTO) as “indications which identify a good as originating in the territory of a Member [of WTO], or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin” (Article 22.1).

Another international definition, which is similar but more precise with regard to the nature of the link to origin (local natural and human factors) is that of the Lisbon Agreement on **appellations of origin** (AOs): “in this Agreement, ‘appellation of origin’ means the geographical denomination of a country, region or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors The country of origin is the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its reputation” (Article 2).

It should be noted that in the present document “geographical indication” combines GIs as defined by the TRIPS Agreement and AOs as defined in the Lisbon Agreement.

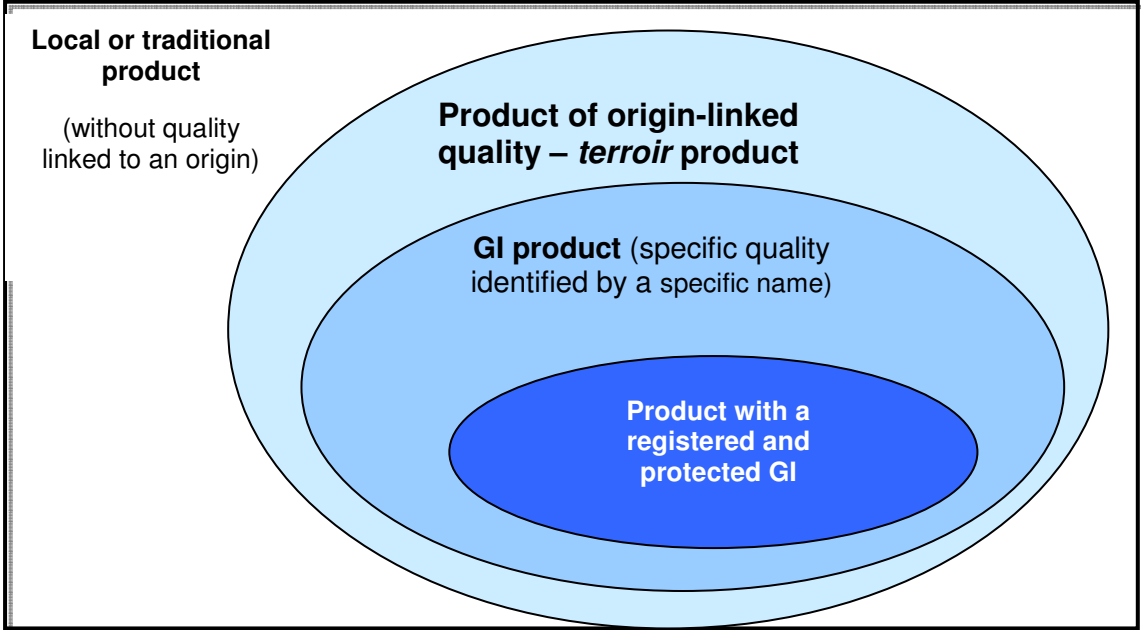
A GI may correspond to a geographical name, either alone (for example, Tequila) or accompanied by a common name (for example, Taliouine saffron), or a name that has

¹ This part is taken out of: Barjolle D., Vandecandelaere E., 2012, Identification of origin-linked products and their potential for development. A methodology for participatory inventories, FAO (AGN).

become associated with the geographical origin of the product over the course of time (for example, Arriba cocoa from Ecuador), in which case it is referred to as a “traditional name”.

For producers, this name represents the uniformity of the production system and confers a special feature, quality or reputation in the eyes of consumers. A GI product is thus a product of origin-linked quality, bearing an identifying name, the GI, in which the producers are recognized, and which has acquired recognition by consumers. This identity and this recognition are based on a certain definition of the specific quality of the product, explicit or not. The **qualification** stage thus corresponds to the explicit definition of the specific quality and the formalization of common rules for producers that enable this specific quality to be obtained. If the local stakeholders consider such a move useful, this formalization can also lead to a request for official recognition of the GI as well as its protection as intellectual property. The product will then be identified as one with a protected GI.

Figure 1: Classification of the various types of product



A product of origin-linked quality can become the pivotal point of a specific-quality virtuous circle, meaning that its promotion as a GI product can have positive effects that are reinforced over time, thus allowing preservation of the agrifood system and related social networks, which can in turn contribute to sustainable development.

The definition of **sustainable development** adopted here, is the one elaborated by the Brundtland Commission² and involves three pillars, social, environmental and economic. The

² “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” United Nations (1987).

social pillar includes the cultural dimension, thus allowing the inclusion of traditional knowledge and ensuring that the “sustainable development approach” is culturally relevant (or acceptable and therefore appropriate) to the local population (Calvo and Arico, 2010). This is one of the major challenges identified by UNESCO, which legitimizes the use of local products as a lever for sustainable development based on four pillars (social, environmental, economic and cultural), allowing long-term preservation of all natural and human resources (including traditional knowledge) with ownership of the process being assumed by local stakeholders.

The approach of the virtuous circle of origin-linked quality defines four major steps in developing a territorial approach to optimize a local product in order to create economic value and preserve the associated natural and cultural heritage (see Figure 1):

1. Identification: awareness raising and mobilization of stakeholders involved with the approach and identification of origin-linked quality;
2. Product qualification: product definition and establishment of rules shared by producers governing value creation and the preservation of local resources;
3. Product remuneration linked to marketing strategy and management of the local guarantee system;
4. Reproduction of local resources, boosting sustainability of the system: this phase corresponds to a regular assessment that local stakeholders must carry out concerning the effects in economic, social and environmental terms, so that the system can be adjusted if necessary.

Throughout this circle, public policies provide an institutional and legal framework (especially when there is a demand for official recognition) and can support certain activities (especially for the enhancement of environmental or social sustainability).

6.3 Examples of products with Geographical Indications

We give here two selected case studies, illustrating the two different aspects where the main focus should be put for the Geographical Indication of the Ceylon Cinnamon: the building up of the producer organization and the traceability and certification system (extracts from the FAO-Guide “Linking people, products and places”).

Case Study

Case Study 2: Building a producer organization KAMPONG SPEU PALM SUGAR (Cambodia)



Palm sugar has been produced for a long time in the Kampong Speu province. In this mountain area, sandy soils and low rainfall combined with the know-how of producers concentrate the aroma and make Kampong Speu Palm Sugar particularly tasty. That’s why this sugar gained a reputation in the market and encouraged the local producers to organize themselves in order to set up and manage a GI. A task force of 14 members has been set up through an election process comprising representatives of producers and representatives of public and scientific support organizations. Among its missions, this task force was responsible for discussing and drafting the statutes of the future GI association (GI organization) After five months of preparation work, the GI association was created. Today the GI association is composed of 142 producers and is proceeding with official registration of Kampong Speu Palm Sugar as a GI product. The association has led the identification phase, together with supportive actors within a national project, and is now setting up the rules for using the GI by elaborating the CoP and the control plan. It will keep coordinating the GI system once the GI is officially recognized.



Source: Sereyvath P, 2009. and Pilot project for geographical indications in Cambodia - Ministry of Commerce of Cambodia / AFD / GRET / CEDAC / Ecocert




Case study 7: Traceability and control system COLOMBIAN COFFEE (COLOMBIA)

Colombian coffee represents approximately 1 480 000 hectares of cultivated land distributed among approximately 590 municipalities. Production is largely from small-scale farmers, with an average of 1.5 hectares to cultivate. The National Federation of Colombian coffee growers (FNC) obtained the registration of the Denomination of Origin in Colombia in 2005 and of the geographical indication as a PGI in the European Union in September 2007.

The FNC established a traceability and quality control system, including mechanisms based on:

- a database (SICA) containing plots, locations, varieties and practices;
- processors and roasters registering and performing technical tests in order to audit information on equipment, processes and capacity;
- the need to obtain a revision certificate and transit guide for transport agents carrying the coffee to the harbour to be exported and;
- registration on exporters at the Ministry for Economy, Industries and Tourism.

Source: Gallego Gómez, J. C. 2007

Publication of the application in the EU, Official Journal of the European Union, 2006, extract:

Traceability of the product is carried out in the following stages:

- Monitoring of producers; This is carried out using the Sistema de Información Cafetero (SICA) database and every single coffee plantation of the Colombian Coffee Growing Area and respective plots is supervised. This information gathering system is part of the Plantation Administration database.
- Monitoring of parchment coffee and hulling; This is carried out by means of legal documents such as the 'Gulas de Tránsito' and checking of purchases at the storage or hulling plants, which are subject to registration and operation requirements.
- Monitoring of green coffee; Once it has gone through the hulling plants, which are duly registered in accordance with Decision No 1 of 2002 of the National Committee of Coffee Growers. The 'Gula de Tránsito', provided for in Colombian Decree 2685 of 1999, is still the legal document, which must accompany each lot of coffee for export.
- Monitoring of exports; Exporters are monitored, by means of the Gula de Tránsito, by both the customs authorities and ALMACAFÉ, the organization entrusted to carry out such checks by the National Federation of Coffee Growers. The Ministry of Foreign Trade Decision No 355 of 2002 governs a register of exporters who meet the conditions laid down in National Committee of Coffee Growers Decision No 3 of 2002. Likewise, ALMACAFÉ carries out final checks at port to ensure that the "Café de Colombia" quality criteria are met.
- Monitoring of roasted coffee; Roasting plants located in Colombia apply National Committee of Coffee Growers Decision No 1 of 2002 to the traceability of "Café de Colombia". Roasted coffee is traced outside Colombia by means of best practice agreements with foreign roasters and by various monitoring mechanisms such as the quality testing by checking and sampling from undertakings.
- Inspection body: ALMACAFÉ, fulfilling the requirements and technical specifications laid down in the norm ISO 65.

Source: Publication of the application in the EU, Official Journal of the European Union, 2006



6.4 Concerned Parties

During the preliminary study, the Prodoc development phase and the inception phase, the UNIDO-staff, with support of experts from the TSC and consultants, identified all concerned stakeholders for conduction the STDF-UNIDO-TSC project on Cinnamon. Among the complete list of stakeholders, the project chairman and manager selected a short-list of the key stakeholders to be involved in the roadmap.

Public sector	Sri Lankan NIPO (under Ministry of Industry and Commerce)
	EDB Export Development Board (under of Industry and Commerce)
	SLSI Sri Lanka Standards Institute (under Ministry of Science and Technology)
	DEA Department of Export Agriculture (Ministry of Minor Export Crop Promotion)
	DOC Department of Commerce (Ministry of Industry and Commerce)
	SLAB Sri Lanka Accreditation Body (under Ministry of Science)
PPP	TSC Spice Council
Private sector	Producers (70 000) –around 80% small holders
	Exporters (200 among them 10 make 80% of the sales)
	Processors (value added products)
	Dealers and Balers (collectors in the villages)
	Brokers (-wholesalers) who are both in contact with the dealers and the exporters
	Service providers (inputs, advisors, etc.)
	Peelers
Technical and financial partners	UNIDO, STDF, WIPO, FAO, Japan ICA
	ITI, other research centers and Universities
	Royal Botanical Garden
	REDD (CH) and other consultants

6.5 Tasks and activities

For each step of the roadmap, are described:

- The concerned parties.
- The objectives and the outputs.
- The milestones, activities and achievements and among them as the first described the training component to meet the identified objectives (trainings to be considered during the project and training to be included in the Academy in the long run).

6.5.1 Defining and Applying

Concerned parties

- Stakeholders involved in the supply chain as producers, peelers, dealers (balers), traders (wholesalers), exporters. The selection criteria are: private actors active to elaborate the product before retail (all research and extension or other public actors are for example not in this group, what is called “producers group” according to EU-

regulation). Their role in the process is to be actively involved, as the definition process is a unique occasion to be informed, aware and concerned. This process of involvement will support strongly the implementation after the step of registration.

- TSC and all associations representing the interests of the stakeholders: technical requirements are their competence, as they have the technical and practical knowledge at every stage in the supply chain.
- EDB, as owner of the CTM and as public entity designated by government to take lead position for trademark and geographical indication for Ceylon Cinnamon. For Ceylon Tea, it was the Tea Board, as public body, which entitled by government to act as owner.
- The institutes involved in the standard elaboration (SLSI) or in the analytical controls of the product (chemical content for ex.) (ITI) are as well concerned parties at this early stage.
- Technical and financial partners could be involved, as they could support the process through bringing resources to bridge knowledge and experience gaps in this field.

Objectives

1. Ensure the ownership of the participative process of registration as GI
 - Especially the 10 top-exporters should be involved from the beginning
 - “Working group CC” as part of the TSC, acting as respondent in the registration process as Geographical Indication according to EU-principles (producers group)
2. Raising awareness / Information and involvement all actors in the value chain
 - Enhance competencies and knowledge (EDB, TSC, DEA, DOC, NIPO)
3. Identifying / negotiating and deciding on crucial points (mostly based on existing documents)
 - What are the specific characteristics?
 - What are the main differences in the practices?
4. Delimitation of the area of production (according to history and natural factors)
5. Establishing “Product Specification” (=Defining the requirements, which will then be controlled)
 - GAP / GMP for Ceylon Cinnamon / ISO Standard for Ceylon Cinnamon
 - Standard for the “Ceylon Cinnamon” Certification Trademark
 - All sources of proving the history / the reputation / the link between product and origin

Outputs

- Study tour documentation, with answer to all questions related to EU-requirements for GI-registration at EU-level.
- Seminar documentation.
- Meeting minutes of participative workshops about crucial points.
- Product specifications as to be sent to NIPO for national procedure of registration.

Proposed trainings

Type of activity	Activity	Concerned parties	Gap to bridge	Outputs	Resources / Sinergies
Training	4-days training on Geographical Indication based on FAO approach and tools, focused on economic, marketing and organizational issues	Project team EDB TSC DEA DOC SLSI SLAB	Information and involvement all actors in the value chain. Enhance competencies and knowledge.	Training documentation	Financing to be determined In collaboration with FAO
Study tour	Trip to Brussels and Geneva + 3-days study tour to visit GI in Switzerland/France	EDB TSC Project team	Precise knowledge on GI registration at international level (WIPO+EU)	Study tour report	Financing to be determined In collaboration with FAO

Proposed milestones, activities and achievements

Workshop	Participatory workshop among 10-top-exporters	TSC Project team 10-top-exporters	Involvement of the leaders since the beginning	Meeting minutes	STDF-UNIDO-TSC Project
Working group (over several months)	Representative working group for deciding on crucial points and the product specification (=GI-wg)	Max. 10 persons representing all stakeholders in the value chain	Establishing the producers group as requested by EU-legislation Discussing crucial points Deciding on product specifications	Product specification	STDF-UNIDO-TSC Project
Information day	Regional information days	TSC All stakeholders in the PPC value chain	Lack of information among the stakeholders	Information material (leaflet for ex.)	To be determined (Project? FAO?)
Coaching	Coaching for the identification of the crucial points and the elaboration of the product specification	TSC Project team FAO programme "Quality and Origin" REDD	To facilitate the process	File ready for application	To be determined (Project? FAO?)
Document	General technical aspects of the preparation of the	GI-wg TSC Project team	To identify the core technical elements,	Reference document	TSC EDB STDF-UNIDO-

	file to apply as GI	ITI SLSI EDB	which give the specificity to the Ceylon Cinnamon		TSC Project With expertise of Paul&Partners And GI experts
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6.5.2 Registering (GI)

Concerned parties

At national level:

- Competent Authorities, i.e: for the formal examination: NIPO and for the substantial examination: ITI and SLSI, both under Ministry of Science and Technology. Their role is central, as they are responsible to amend the laws, in order to fit with all requirements for becoming a member in Lisbon Agreement and Madrid.

At international level:

- WIPO for Lisbon Agreement.
- European Commission for EU.
- NIPO for Trademarks registration, for expanding protection to other countries (through the Madrid Agreement but as well in the countries, which are not parties to the Madrid Agreement).

Objectives

- Ceylon Cinnamon is registered at national level as geographical indication, in a way that renders the international registration through Lisbon agreement and through the European procedure possible.
- All stakeholders have up-graded their knowledge and capacities in order to perform the registration according to the relevant international requirements.

Outputs

- Laws and by-laws as required for Lisbon and Madrid agreements membership, and EU-registration.
- Procedures of registration are defined and implemented.
- All concerned persons in charge of implementation in the concerned public administrations are trained.
- Registration of CC as Geographical indication is made at national level, according to international requirement for further international registration (Lisbon and EU).
- Application files are sent to WIPO (Lisbon Agreement) and European Commission (Reg. 1151/2012 on Geographical Indications).
- Consider protecting the GI in the countries where the product is sold (export markets), and in the major countries producing the competing products.

Proposed trainings

Type of activity	Activity	Concerned parties	Gap to bridge	Outputs	Resources / Sinergies
Training	Training on legal and technical aspects of Geographical Indications	NIPO ITI SLSI TSC Project team FAO-Sri Lanka FAO-HQ	Lack of knowledge regarding the legal aspects of GI	Draft laws and by-laws	Internal resources of the NIPO Public funds for ITI and SLSI (if necessary) Project funds and other funds (to be asked to WIPO and FAO) to cover the costs of training organization and attendance

Proposed milestones, activities and achievements

Working group (over several months)	Coordination group among the concerned public administrations	NIPO ITI SLSI DEA	Lack of coordination regarding registration of GI between formal and substantial examinations	Files are examined and approved	Internal resources of the NIPO If necessary, TSC should pay for registration in order to cover the possible costs of ITI / SLSI for performing the technical examination of the application
Guide	Procedure Guide on "how to apply for being registered as GI"	Government of Sri Lanka NIPO	No procedure exist No guide exist	Guide	Internal resources of Ministries and Government FAO experts
Document	Application of Sri Lanka to be member in the Lisbon and Madrid agreement	Government of Sri Lanka NIPO WIPO	Sri Lanka is not member to Lisbon neither to Madrid Agreements for the moment	Letters of application	Internal resources of Ministries and Government
Document	Application of the TSC to protect "Ceylon Cinnamon" as GI through	EDB	Ceylon Cinnamon is not protected through international	Registration should be made first at national level Then,	Internal resources of EDB

	Lisbon (as GI) and Madrid (as TM) Agreements		agreements, which are reducing much the costs of protection	application file sent by EDB	
Document	Application of the TSC to protect "Ceylon Cinnamon" according to GI EU-legislation	TSC Project team	Ceylon Cinnamon is not protected through international agreements, which are reducing much the costs of protection	Registration should be made first at national level Then, application file should be sent by TSC	STDF-UNIDO-TSC Project

6.5.3 Using

Concerned parties

- TSC, as main organization in charge of informing and supporting the final users and all stakeholders in the Ceylon Cinnamon value chain.
- Stakeholders involved in the supply chain as producers, peelers, dealers (balers), traders (wholesalers), exporters. They are all concerned by implementing the product specifications in practice, and passing through related controls and certification procedure.

Objectives

- Linking with other projects components and other donors' projects.
- Building-up capacities for supporting all actors in the value chain to meet the requirements (defined in the product specification).
- Informing the producers / intermediaries / processors / other stakeholders on the rules regarding:
 - o quality and good practices
 - o traceability and controls
- Upgrading producer facilities to meet the requirements, especially GAP and GMP which have to be implemented and traceability should be introduced along the Value Chain (traceability marks and protocols of records).

Proposed trainings

Type of activity	Activity	Concerned parties	Gap to bridge	Outputs	Resources / Synergies
Training	Training of the agricultural advisors on Geographical Indications	Agricultural Advisors	Lack of knowledge among facilitators and advisors	Training material	FAO Other donors

Training	Training of the trainers of the Ceylon Cinnamon Training Academy on how to support producers in their respect of the CoP	Project Team Training academy	about GI-registration and its technical and practical implications	Training material	Project FAO Other donors
Training	Training of the diverse stakeholders in the frame of the training academy on GI and how to respect the CoP	Project Team Training academy		Training material	Project FAO Other donors

Proposed milestones, activities and achievements

Working group	Working group on defining the collective branding and marketing strategy (GI and CTM)	EDB TCS GI-wg Project team	Risk to split the efforts between CTM and GI	Common branding strategy and rules of use	Internal resources
Information Days	Regional information days	All Value Chain stakeholders TSC Project team EDB	Knowledge about GI among stakeholders is inexistent	Information days have taken place	FAO Other donors
Leaflet	Preparation of an extension leaflet to explain the stakeholders the technical content and practical consequences of the GI registration	Project team	Knowledge about GI among stakeholders is inexistent	Extension leaflet	Project

6.5.4 Controlling

Concerned parties

- TSC and all associations representing the interests of the stakeholders: they have to define and implement the use and the internal controls for the Ceylon Cinnamon as a Geographical indication.
- Stakeholders involved in the supply chain as producers, peelers, dealers (balers), traders (wholesalers), exporters. They are all concerned by passing through related controls and certification procedure.
- EDB should especially define and carry on, together with TSC, the internal controls and support the external controls and the certification procedure. The coordination

with the controls and certification of the certification trademark should be very strict, in order to avoid duplication of same work.

- SLSI, acting as the control and certification body, since they already have experience for performing very similar activities for Ceylon Tea.
- SLAB, the accreditation body of Sri Lanka, who should accredit any control or certification body who asks for being officially recognized to perform controls and certification for geographical indications.

Objectives

- According to the system of protection (national / Lisbon / EU / etc.), establishing the special provisions which are required
- Control / certification is linked with additional costs
- Implementing key-controls at the bottlenecks in the VC
- Other certifications schemes should be combined in order to reduce costs
- Defining and implementing the relevant controls and certifications procedures
- Internal / External and Public / Private

Outputs

- Accreditation of the control and certification bodies

Proposed trainings

Activity	Concerned parties	Gap to bridge	Outputs	Resources / Sinergies
Training of the controllers on the controls and certification of the GI	SLSI Other certification bodies SLAB	Lack of specific knowledge about the GI control and certification processes	Training documentation	To be determined
Training of the certification bodies	SLSI Other certification bodies	Lack of specific knowledge about the GI control and certification processes	Training documentation	To be determined
GI certification training and coaching for the lead and technical assessors of the SLAB	Lead and technical assessors SLAB	Lack of specific knowledge about the GI control and certification processes	Training documentation	To be determined

Proposed milestones, activities and achievements

Elaboration of the control plan	EDB TSC SLSI Other certification bodies SLAB	Lack of specific knowledge about the GI control and certification processes	Control Plan for Ceylon Cinnamon Geographical Indication, according to EN 45011 and CoP	To be determined
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6.5.5 Remunerating and Promoting

Concerned parties

- TSC and all associations representing the interests of the stakeholders: they have to define and implement the financial rules for sharing the benefits of a better protection, and conducting the activities of promotion.
- Stakeholders involved in the supply chain as producers, peelers, dealers (balers), traders (wholesalers), exporters. The selection criteria are: private actors active to elaborate the product before its entry into retail (all research and extension or other public actors are for example not in this group, what is called “producers group” according to EU-regulation). Their role in the process is to take promotion initiatives to benefit from the registration and the better protection.
- EDB, as owner of the CTM and as public entity designated by government to take lead position for trademark and geographical indication for Ceylon Cinnamon. They should especially define and fund any promotion campaign in order to maximize the return of investments made for the registration and the better protection of the Ceylon Cinnamon as Geographical Indication. Especially, they should implement active promotion campaign of the Ceylon Cinnamon accepted registration on every export market.

Objectives

- Defining a remuneration system for rewarding the quality.
- Defining the promotion strategy.
- Where to promote CTM and GI:
 - o On domestic market (incl. tourism) with synergies with other products (e.g. Tea)
 - o On priority markets (Mexico, Peru, Columbia, USA) – On secondary markets.
 - o To buyers / To final consumers
- Mobilizing resources: public and private Funds / human and other resources.

Outputs

- Rules about the sharing of the financial benefits and costs of the registration as a GI.
- Implementation of the promotion strategy (action plan with: who / what / when / where).

Proposed trainings

<i>Activity</i>	<i>Concerned parties</i>	<i>Gap to bridge</i>	<i>Outputs</i>	<i>Resources / Sinergies</i>
Study tour	EDB TSC Other key-players for the promotion	No experience with specific promotion of GI	Study tour report	To be determined
Presence at	EDB	No benchmarking	Lessons learnt	To be determined

Salone del Gusto in 2014 + study tour Tuscany (link to the tourism)	TSC Other key-players for the promotion	for GI-promotion strategies over the world	from presence at Salone del Gusto Study tour report	
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Proposed milestones, activities and achievements

Communication strategy to make consumers aware about GI registration	EDB TSC Other key-players for the promotion	Lack of strategy about GI-registration	Document about strategy	To be determined
Elaborate a concept of strategy of partnership with other GI in Sri Lanka	EDB TSC Other key-players for the promotion	Lack of strategy about GI-registration	Common document with other GI	To be determined
Elaborate a concept and offer of touristic activities related to the Ceylon Cinnamon GI	EDB TSC Other key-players for the promotion Sri Lankan Tourism office	Lack of strategy and coordination between GI-registration and touristic promotion	Common document with tourism promotion organisation	To be determined
Make a film related to the GI-registration process of Ceylon Cinnamon	EDB TSC Other key-players for the promotion	Lack of strategy between GI-registration and touristic promotion	Short film	To be determined

6.5.6 Fighting against misuses

Concerned parties

- NIPO
- Food safety Sri Lankan authority
- Sri Lankan public authority in charge of the consumers' protection
- Controls at the borders (imports and exports)

Objectives

- Establishing the competencies of the corresponding authorities.
- Amend the law on Geographical Indications in order to foresee the necessary measures to fight against infringements, i.e. definition of the infringements and the unauthorized use of the GI.
- Procedure of recording the infringements is defined and implemented.

Proposed trainings

Activity	Concerned parties	Gap to bridge	Outputs	Resources / Sinergies
Workshop/training on means to verify conformity on the markets With special distance learning modules	IPO TSC EDB Exporters Representatives of DOC in foreign countries	Lack of knowledge about the protection measures to take	Training documentation On-line modules	To be determined

Proposed milestones, activities and achievements

Information leaflet for the Embassies of Sri-Lanka	Representatives of DOC in foreign countries	Lack of knowledge about the protection measures to take	Leaflets	To be determined
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7 Conclusion

Ceylon Cinnamon is a product, which has a great potential as Geographical Indication.

The producers are highly motivated to get the best protection in order to enhance the market value of the final product.

Challenges are big, and the proposed roadmap strives to comprehensively consider all gaps and obstacles, in order to make the registration process as GI and to make it work for all stakeholders.

TSC should consider being in touch with other producer groups in other countries and becoming member of OriGI in the international lobby for GI producers group, in order to find sufficient support and information along the process.

8 Annexes

8.1 Agenda of the mission

GENERAL INFORMATION

Country:	SRI LANKA	Dates:	27 th November - 01 st December 2012
FAO Representative: - Dr Dominique Barjolle			
Mission Objectives	<ul style="list-style-type: none">- Meet and discuss with the stakeholders- Obtain a clear understanding about Ceylon Cinnamon mark- Develop a roadmap to upgrade Ceylon Cinnamon mark as Geographical Indication		

MISSION PLAN

Day I: Tuesday 27 th November 2012		
Time	Activity / Location	Parties involved
15:55	Arrival at BIA	Dominique Driver
19:00	Meeting counterpart and NPC-UNIDO at Galle Face Hotel Lobby to discuss about the mission plan, meetings, etc	Dominique Sarada Roshini
Logistics: Airport pick up is arranged and accommodation is at Galle Face Hotel		

Day II: Wednesday 28 th November 2012		
Time	Activity / Location	Parties involved
08:30	Pickup from Galle Face Hotel to go to Foundation Institute	Dominique Driver
09:00 - 15:45	Attend WIPO workshop with the counterpart and UNIDO project staff at Foundation Institute	Dominique

		Sarada Roshini Shanka
16:00 - 17:45	Meeting all the stakeholders at Foundation Institute to discuss and understand the Ceylon Cinnamon Mark and update the present status of work being done on GI	Dominique Sarada Shanka Nilanthi Roshini NIPO DG - Ms. Geethajali Ranawaka DEA Deputy Director Sector 3 - Mr. Wasantha Garihagama
18:30 - 20:00	Meeting with Project team and counterpart to discuss the road map	Dominique Roshini Sarada Shanka
Logistics: - UNIDO vehicle will be arranged for necessary travel		

Day III: Thursday 29th November 2012		
Time	Activity / Location	Parties involved
08:15	Pickup from Galle Face Hotel to go to Foundation Institute	Dominique Driver
09:00 - 11:00	Attend WIPO workshop with the counterpart and UNIDO project staff at Foundation Institute	Dominique Sarada Roshini Shanka
11:30 - 12:30	Meeting with Mr. P. D. Fernando, Director General, Department of Commerce	Dominique Roshini

13:30 - 14:15	Discussion with Technical Analyst about the technical matter with related to cinnamon production and clarification of points in project document	Dominique Roshini Shanka
14:30 - 15:15	Security Briefing at UNDSS	Dominique
15:30 - 16:00	Meeting with FAO Programme Associate, Mr. Nalin Munasinghe	Dominique Roshini
16:30 - 17:00	Meeting with WIPO team to obtain future support and cooperation for the NIPO and project related to GI	Dominique Sarada Shanka Roshini NIPO DG - Ms. Geethanjali Ranawaka WIPO team
Logistics: UNIDO vehicle will be arranged for necessary travel		
Day IV: Friday 30th November 2012		
Time	Activity / Location	Parties involved
09:00 - 10:00	Meeting with Dr. Lalani Samarappuli, Director, Export Agricuglure and Ms. Thakshila Wijeratne, Legal Officer, EDB to discuss about GI and support for the road map	Dominique Sarada Nilanthi Roshini
10:30 - 11:00	Visiting Project office to collect supportive documents	Dominique Roshini Sarada
11:00 - 11:30	Meeting with FPO - National Coordinator to brief about the mission	Dominique Roshini

11:45 - 12:15	Meeting with Mr. Thilak Wickramasinghe, Director/CEO, Sri Lanka Accreditation Board	Dominique Roshini
13:30 - 14:30	Meeting with Ms. Deepika Munaweera, Senior Deputy Director, SLSI to discuss the role of standards in cinnamon industry	Dominique Roshini Sarada
15:30 - 16:30	Meeting with TSC members to get their views on GI and road map	Dominique Roshini Sarada Nilanthi Tharaka
16:30 - 17:30	Presentation of the draft road map to stakeholders for their feedback ²⁵	Dominique Roshini Shanka Nilanthi Sarada Tharaka TSC members DG, DOC DG, NIPO
18:00 - 18:30	Meeting with Secretary, Ministry of Industry and Commerce to debriefing and obtaining necessary government support for GI	Dominique Roshini Sarada
Logistics: UNIDO vehicle will be arranged for necessary travel, Meetings could be held at relevant institutions and project office		

Day V: Saturday 01st December 2012		
Time	Activity / Location	Parties involved
08:30	Leaving to Kosgoda	Dominique Sarada

		Roshini
09:50 - 13:45	Field visit to cinnamon plantations and cinnamon processing factory of Dassanayake Waluwa Plantations, owned by Mr. Wijitha de Zoysa Jayatilleke.	Dominique Roshini
13:45	Leaving Kosgoda back to Colombo - Departure from BIA	
Logistics: UNIDO Vehicle will be arranged for necessary travel		

8.2 Key elements of the interviews

8.2.1 TSC

Meeting on Nov. 27 with Sarada Da Silva, chairman of TSC and deputy president of the steering committee of the UNIDO-TSC-WTO-Cinnamon project. TSC has already made lobby to Ministry of Industry and Commerce to get Sri Lanka member of Lisbon Agreement. Their objective is to get the best global protection for Ceylon Cinnamon, and other Ceylon spices. Sri Lanka is producing and trading spices for more than 2000 years. Competition is strong, especially for Cinnamon, due to production of another specie of Cinnamon (*Cassia*), which is less tasty and contents more Coumarine (mostly produced and trade in China). For the moment, prices of Cinnamon are ok. Germany was suffering from some scandal about Coumarine content in Cassia, with positive effects on demand for original Ceylon Cinnamon.

Key-objective is to get better protection on some target markets, such as Mexico. As Mexico is member of Lisbon Agreement, there is a need for TSC that Sri Lanka becomes part of the Lisbon Agreement very soon. To enhance the wide protection of the Certification Mark Ceylon Cinnamon, there is as well a need for Sri Lanka to become member of the Madrid Treaty.

This should be complemented by a registration in the EU-system for AO-GI.

And more generally, better protection should be achieved on all major markets for Ceylon Cinnamon.

TCS has contact with the lawyer who did GI application for Tequila to European Union to prepare the file of application.

8.2.2 Ministry of Industry and Commerce

Discussion during WIPO-Seminar 28 nov.-12 Introduction is done by Minister of Industry.

The objective of Ministry is to introduce special regime for GI, and to become member both of Lisbon and Madrid Agreement. The objective is to have global protection for Sri Lankan trademarks. It is important to sustain the trust of foreign investors. Ceylon Cinnamon and Ceylon Tea are the two leading products, which are seeking for better protection on global markets. WIPO is assisting Sri Lanka with training to build capacities in order to introduce Lisbon Agreement into Sri Lankan laws.

8.2.3 NIPO-WIPO joint seminar on Lisbon Agreement

WIPO: presentation of Florence Rojal, responsible for Madrid Register at WIPO.

The basic global protection is given by the system of protection of GI both under TRIPS and Lisbon Agreement. As Ceylon Cinnamon is already registered as a certification TM, this condition is fulfilled. But protection is weak and very demanding to be effective. Previous Trademarks are difficult to attack. If the products are sold under a name, which is not registered as TM, to prevent misuse of geographical names is almost impossible.

Lisbon Agreement represents a better protection, but concern only few Member States, and is more demanding (names are protected not only based on reputation, but need to give some proofs of a special quality linked with geographical origin due to natural or human factors). Worldwide, systems are diverse, and every country is responsible to set up a national system. Lisbon Agreement prevents prevents any **usurpation** (even if true origin is indicated) or **imitation** (even is used in translated form) in the other Lisbon Members States, which results in better protecting and prevention of the name becoming generic, and provides standing for taking legal action (legal basis to fight against misuses and counterfeiters).

There is a double strategic objective for WIPO concerning Lisbon Agreement:

- To become the international reference system (alternative to WTO system under TRIPS) for registration of both AO and GI.
- To increase dramatically the number of Member states to the Lisbon Agreement, in order to enhance the attractiveness to become part of it for UN-member states.

Appellation of Origin (Lisbon Agreement): establish the protection of a geographical name, for which a specific character is linked to a due origin, through natural and human factors. AO: is a sub-category of Geographical Indication.

Geographical Indication (TRIPS Agreement): establish the protection of a geographical name, for which **reputation or** specific character are linked to a due origin.

Sri Lanka is asked to set up a national law to register Appellation of Origin under Lisbon Agreement definition. The national registration has to be made on behalf of the owners of the right to use the name (authorized users). Then, the Sri Lankan AO will be protected in all Lisbon Member States. The new law should give definitions.

WIPO is working on several topics: definitions of GI and AO, procedures for international applications and registration, scope of protection (single/dual), prior rights and use, applications for trans-border areas, accession criteria for inter-governmental denominations, notification or invalidation, international application.

Experience from benefiting of Lisbon Agreement - Hungarian IPO Deputy Director, Imre Gonda.

The conditions and situation in Hungary are similar, as well as the importance of agricultural sector and number of inhabitants.

According to him, the main advantage of Lisbon Agreement is that the users are all producers located in the geographical area. Trademark is much more restrictive in delimitating the users through a procedure of formal authorization.

Presentation of the International Protection of the Trademark through the Madrid System by Antonina Stoyanova, Counsellor, WIPO, Geneva.

Madrid system is optimal to better protect at lower cost any trademark in all member states. Registration and renewal are made only once instead of proceeding with several national routes towards the registration and renewal.

Short meeting with Imre Gonda (Hungarian IPO) and A. Stoyanova (WIPO).

Imre Gonda suggest to protect "Ceylon Cinnamon" as verbal (and not only figurative) CTM or TM (according to best option in each country).

He suggests as well examining the possibility to sign bilateral agreement with key-countries (Mexico, Peru, Columbia) on Geographical Indication mutual recognition.

To be clarified for the purpose of global protection for Ceylon Cinnamon:

- Protection of geographical name of a specific variety. To be clarified: is “Ceylon Cinnamon” the name of a variety? The cinnamon is produced in other parts of the world, for ex. Madagascar?
- Protection at EU-level: what are the specific requirements? Who is entitled to apply (Producers group, national authorities)?
- Use of the geographical name for designation of other products and the use of the GI or AO for derived products (AO-GI as ingredient).

8.2.4 NIPO

National Intellectual Property Office - Mrs. G. R. Ranawaka, Acting Director General - nipos@sltnet.lk

Section 161 of the IP Act provides the legal protection of GI in Sri Lanka.

Protection is done through the registration of a TM: individual, collective and certification marks.

The logo is protected. *To be clarified if any individual TM holding the same geographic designation is registered..*

Ceylon Cinnamon and Ceylon Tea are certification marks registered by the Export Marketing Board, as public owner of the marks.

Enforcement: Civil action and criminal sanctions. Amends of 500 000 SLRoupies.

NIPO estimates that the potential of GI is important, as there are a lot of traditional products in Sri Lanka. GI products can be sold at high price thank to reputation effect.

Note: According to Florence Rojal (personal discussion), there is need to amend the section 161 slightly, in order to introduce the definition of Appellation of Origin in the IP Act. The registration of AO can occur currently, through TM registration.

NIPO is a modest institute, with only 40 permanent staff members. There is currently a serious problem in management as every deputy and second level management position are vacant. There is a lack of competence regarding the geographical indications. Acting Director asks for more staff (around 10 persons) to be able to extend the activities of her Institute. As well, performing compliance to Madrid and Lisbon Agreements would require more staff. She would be happy, if more staff, would benefit from trainings in order to be competent for any new activity like international compliance with treaties and protocols, and with introduction of the geographical indications as a separate law in the Sri Lanka legislative framework. But for the moment, there is no decision taken by government concerning this very important issue, so Director cannot take any commitment to activities in the project.

8.2.5 DEA

Department of Export Agriculture - Mr. Lionel Gunaratne, Director General - direxag@sltnet.lk: not met. Mr Wasantha Girihaagama . Deputy Director Sector 3, DEA, Ministry of Minor Export Crop Promotion. Meeting on Nov. 28, 4.00 pm.

The mission of the Department of Export Agriculture is mainly to make research, development and extension. They can support investment in plantations, renewal of plantations, seedlings, planting and introduction of G.A.P. They have technical staffs in 7 regional research stations. They are close to producers and can support smallholders in up-grading their knowledge and capacities towards a more qualitative and quantitative production. They will play a key-role in the defining of the geographical indication.

8.2.6 FAOR

FAO Local Representation. Meeting with programme responsible.

Have been asked by “Ministry of Minor Export Crop” to develop a TCP for improving capacities of the producers related to quality management, renewal of plantations, harvesting period.

This new project could be linked with the UNIDO-TCS-STDF project on Cinnamon, and could notably enhance capacities of producers to implement G.A.P. as a basis to increase basic food safety law implementation for Cinnamon as well as better use of pesticides, better preservation of natural resources and use of fertilizers.

Link should be made with Ministry of Minor Export Crop, or Export Agriculture (to be defined) in order not to double controls made on farm. Competent section/division in Ministry should have an extended mandate: not only controlling use of pesticides, but as well all compliance with G.A.P. Link should as well be made with extension, because first step is to make the producers aware about the standard, before controlling them.

8.2.7 DOC

Meeting with DOC (Department of Commerce) - Mr. P. D. Fernando, Director General - pdf@doc.gov.lk; (not met: Ms. Ruwanthi Ariyaratne, Assistant Director of Commerce - ruwanthi@doc.gov.lk).

DOC is in charge of any international negotiation.

They have officers in 22 countries, among them in Rome, Brussels and Mexico.

Mr Fernando is aware that national authorities have to develop a system of national registration for Geographical Indication, before being able to register at European level. Many Sri Lankan products can register, not only Ceylon Cinnamon. Ceylon Tea is making some similar reflections. Blue Saphirs producers are on the way. Mr Fernando is convinced that other food and non-food products should be interested in registering as GI, to be better protected and to develop more active branding strategy.

Discussion was made about 2 main points:

- to organise visit to Brussels to make stakeholders aware about the procedure and advantages of registration as geographical indication
- to organize some study tour in India, or to invite Indian people to share experience of introducing a national law on geographical indication, registering products and applying for recognition at European level, as India succeed in registering Darjeeling Tea at EU level.

8.2.8 UNIDO-R

Meeting with Director of UNIDO in Sri Lanka

This was a short meeting, where the main point was to inform the Director about the objective of the mission. UNIDO intends to develop a next project to broaden the scope of the current project to other spices.

I made the point about the advantages to link the current project with the on-going TCP of FAO on Spices, arguing that FAO is competent to up-grade the competencies of the producers, in making them more familiar with the G.A.P. FAO could have interest in up-grading the production of Cinnamon to basic food standards, and in improving the working conditions of the peelers (which are not all decent for the moment). Fair (or at least better) remuneration of the rural population for their contribution to the improvement in quality should raise interest of the FAO as well.

As STDF is main funder of the Cinnamon project, and as FAO is first partner in STDF, any further project development in that matter should go through this important channel of communication.

8.2.9 EDB

Meeting with EDB : Dr. (Mrs) Lalani Samarappuli, Director, Export Agriculture - lalani@edb.tradenets.lk and Mrs. Thakshila Wijayaratne, legal officer.

Not met: - Ms. Sujatha Weerakoon, Director General - sujatha@edb.tradenets.lk and Inoka Nilmini Wanasinghe, Export Promotion Assistant - inoka@edb.tradenets.lk.

EDB is a public authority entitled to register the PPC as Certification Trademark, collective or individual (depending of the countries), and even as Geographical Indication, depending of the country where the protection is necessary and feasible.

EDB has made already the description of the guidelines for users of the certification trademark Ceylon Cinnamon, but this document has not been shared with the FAO.

CTM PPC is registered in Sri Lanka, but as well in the USA. EDB has a contract with an attorney in law in Germany to be registered as trademark as well as geographical indication in the European Union.

The two ladies were open to send the guidelines, but have to get permission to do it. They were not able to communicate on the exact terms of references of the German attorney (Paul and Partners, Germany) in charge of registering the CTM and the GI in European Union. They were open to learn more on GI, but were unable to communicate on a precise agenda of the implementation of the CTM in Sri Lanka (how will be the controls organized for example). They have no experience in all these (new) topics. At the same time, it was clear that they have no doubt about it.

They will participate in the trainings to better understand legal aspects and implementation aspects of the Geographical Indications. At the same time, there is a need to give all technical responsibilities of the implementation to the Spice Council (equivalent to the Tea Board for their technical competences and proximity to the value chain). Historically, it was chosen to give right to register the Ceylon Cinnamon trademark of the EDB because the Spice Council has a PPP character, and government wants to keep ownership of the trademark in public hands. A way to solve that situation is to consider the possibility for EDB to delimitate technical tasks and responsibilities (especially for informing the producers, coordinating the technical aspects of the setting-up of the control plan, and organisation of all quality control) to TSC.

8.2.10 SLAB

Meeting with SLAB Director.

SLAB will be internationally recognised very soon (2013). They have already experience in accrediting certification bodies according to the organic standards, and in accrediting the Ceylon Tea Board for their CTM.

They are very interested in training for lead and technical assessors regarding Geographical Indications.

8.2.11 SLSI

Sri Lanka Standards Institute – R Deepika Munaweera, Senior Deputy Director.

Not met: Dr. Lalith Senaweera, Director General - dg@slsi.slt.lk, Ministry of Industry and Commerce, Secretary - secretarymid@gmail.com

The lady we met was not in charge of certification, only in charge of elaborating the Sri Lankan standards. For Cinnamon, the Sri Lankan standard is valid as ISO standard as well. Cinnamon is certified under this standard by the division in charge of the product certification.

SLSI is semi-governmental organisation, but must self-finance all its activities. It is competent for any official control and measure, as for elaborating the national standards, negotiating the international standards and training the users.

It has permanent staff of around 250 employees, among of them 100 graduate persons.

SLSI is competent for the certification of the Ceylon Tea as contracted by the Tea Board to perform both control and certification. For this activity, SLSI is accredited by SLAB.

The certification product team consists in 5 persons. They are already active in performing organic certification, product certification for Cinnamon according to SLSI and ISO-corresponding standard, as well as enterprise certification according to GMP and HACCP, or ISO 9001.

8.2.12 Closing meeting (wrap-up) and final discussion with State Secretary

Closing Meeting with TSC members / DOC / NIPO – 30 Nov. 16:30-18:00 with the main stakeholders at STDF-UNIDO-TSC-Cinnamon Project Office.

This meeting was held at the end of the third day, in order to get the opinion and feedbacks of the TSC members about the draft of the roadmap. The TSC members asked questions about the benefits of registering as Geographical Indications. They were aware about certain advantages, but wanted to be sure that the level of protection will be better than the present situation. Generally speaking, they gave a global positive feedback, but the discussion was really short.

There is a need to start the roadmap in raising awareness and involvement of key-actors of the Cinnamon VC, especially the 10-biggest exporters, to ensure the success of the use of the Geographical Indication at the long term. Their commitment is important since their active participation will be key to develop jointly the quality and the branding strategies.

Closing meeting with state secretary in charge of Ministry of Industry and Trade.

During this short debriefing, besides mutual thanks that were expressed. I insisted mainly on two points: (1) the necessity to get EBD more involved for the further development of the Geographical Indication. As EBD is owner of the CTM and has worked in that matter, they are really the key-actor for the success of the Roadmap. The persons in charge of the implementation of the CTM and the further development of the GI should be trained at first, and specially coached on regular basis, in order to achieve most during the project duration; (2) the urgency to get in touch with both FAOR and its counterpart in Ministry of agriculture, to develop with them a project devoted to the upstreaming of the supply chain (awareness campaign and technical information to producers and peelers, elaboration of product specifications, elaboration of the control plan, trainings of certification and accreditation bodies, implementation of GAP and of GMP).

8.3 Mission report in Brussels (1-2 July 2013) - Specific questions to prepare EU-registration for Ceylon Cinnamon as Geographical Indication

8.3.1 Introduction

A Sri-Lankan delegation visited several EU-offices in July 2013, in order to answer some key-questions, identified in the first mission of the FAO-consultant in November 2012. This short report summarizes the answers as given by the EU-officers. The names of the persons met and their professional data are in section 8.3.5.

The main objective of this visit was to collect all the relevant information to register the Ceylon Cinnamon as a Geographical Indication in the European Union (as well as Lisbon agreement and Madrid agreement registries), and facilitate its export in Europe.

The questions were the following:

Questions in relation with GI registration of Ceylon cinnamon (DG AGRI):

- Whether registration of Certification Mark in Sri Lanka can be considered as a GI in order to apply for GI in EU.
- Requirements, especially the ones related to the applicant itself; the application fees; duration of the registration, and the process for registration.
- Scope of protection. Procedure to complain against misuses.
- Duration of procedure of registration.
- Technical dossier of Ceylon cinnamon. How prove the link between the product and the origin.
- Application files (template). Guide for applicants / special advises to elaborate a normative framework in the country.
- Certification bodies, which are recognized by the EC, and who are supporting the efforts to be certified according to European rules.

Questions in relation with health and consumer protection (DG SANCO):

- The right to use Sulfur Dioxide (So₂) in the processing of Cinnamon.
- Other food safety requirements (for pesticide residues in particular).
- Updates on the regulation about labeling (health and nutrition claims, repression of fraud, rules of provenance).
- Need for Import certifications.

Questions in relation with support (DG DEVCO):

- Support for institutional capacity building in developing countries.
- Support to encourage the applicants from Third-Countries.
- Requirements, especially the ones related to the applicant itself; the application fees; duration of the registration, and the process for registration.

8.3.2 Questions in relation with GI registration of Ceylon cinnamon (DG AGRI)

8.3.2.1 Legislation (Whether registration of Certification Mark in Sri Lanka can be considered as a GI in order to apply for GI in EU?)

Regulation EC 1151/2012 is the basis for registration.

For third-countries (non EU-Member States), there is no need to pass through official *sui registration* in the country. For the applications coming from these countries, the European Commission makes only two checks:

1. Prove of registration of the name as Geographical indication in the country, according to TRIPS agreement. It can be as Certification Trade Mark (CTM) if the national regulation define the possibility of registering the geographical indications a CTM.
2. Assessment of the product specifications in order to check if the conditions of registration are fulfilled. A single document must be provided, proving that every element of the application file is documented.

The proof of an existing legal protection as geographical indication according to the Sri-Lankan legislation is requested. This should be in compliance with the TRIPS agreement.

As “Pure Ceylon Cinnamon” is protected as CTM in European Union, and in the US, the point to know if the Certification Trademark document could be used as an equivalent for being registered as Geographical indication was addressed.

DG AGRI clearly set that the registration, as a geographical indication according to the TRIPS in the country of origin, is necessary, but not sufficient to register as Geographical Indication in the European Union. It means that all requirements as set in the regulation EC 1151/2012 will be checked. In particular, the exclusive character of the product, in relation to its origin, will be checked.

First regulation on the protection for geographical indication was introduced in the European Union in 1992. At this time,

The name to be protected has been clarified and it should be “Ceylon Cinnamon” only.

8.3.2.2 Requirements, especially the ones related to the applicant itself; the application fees; duration of the registration, and the process for registration.

Applicant must be clearly only a “group of producers”.

As a consequence, for Ceylon Cinnamon, applicant could be a group with participation of representatives of all stakeholders directly concerned by the production: farmers, peelers, balers, wholesalers, exporters, etc.

Application can be made directly by the producer group, who set-up the application file and can send it directly to the competent authority in the European Commission: the Unit H.2 “Agricultural product quality policy”. This is not the only possibility. The other possibility is that the national competent authority to register the geographical indication of Sri-Lanka could as well send the application file, in the name of the applicant group. This competent authority in Sri-Lanka is the National Intellectual Property Office (NIPO).

The “group of producers” will not be “owner” of the Geographical Indication, but the “manager” of the right to use the denomination. This group will deliver the authorization of the use of the geographical indication to the producers (any actor in the supply chain who want to sell the final product, as sold to the consumers) that want use it. The use of the geographical indication is then linked to the respect of the code of practice (specifications).

The right to use the denomination must be open to any producer, that is the idea behind the protection for geographical indication according to the European regulation.

Regulation 1151/2012: Art.3 Al. (2) ‘group’ means any association, irrespective of its legal form, mainly composed of producers or processors working with the same product;

EDB cannot be considered as the “applicant group” as defined in the article 3, alinea 2 of regulation 1151/2012. Nevertheless, EDB can be member of the “group”.

The Spice Council could be the “group”, but it must be proven that all stakeholders are represented in the decision-making process, especially regarding the decisions related to the specifications and all points related to the geographical indication.

Application is free of charge: no fee is charged to the applicant group for now.

No precise duration of the procedure of registration is given. But 1 year seems to be the minimal duration of the procedure. After receiving the application, the European Commission must proceed with its formal and substantial check. If there is no question, the minimal duration of this first check is approximately 6 months. After the approval, the application is published in the European Gazette for 3 months. If there is no opposition, the registration is done after 2 other months.

If there are open questions, the European Commission send request to the applicant group, who has max. 3 months to provide the new elements. Then, the same delay as for the first examination is foreseen.

Duration is forever, but its cancellation is possible anytime (art. 54 of the EC-regulation 1151/2012).

8.3.2.3 Scope of protection

The scope of the protection is given in article 13 of the regulation.

Protection is strictly equivalent for PDO and PGI.

As soon as the geographical indication is protected in the EU-register, the level of protection is the same for the products of the EU-Member States and the products of the non-EU-Member States.

The names are protected in all EU-Member States, but not in the countries with which the EU has negotiated bilateral agreement for geographical indications. Generally speaking, at the time of concluding the bilateral trade agreement, a list of already protected geographical indications is provided to the counterpart. This is not the exhaustive European list with more than 3 000 products, but a short list with the most trade European Geographical Indications (around 150 names). As reciprocity, the counterpart may ask for protecting a list of geographical indications as well. It was the case for Switzerland for example. This is an alternative way as sending an application directly to the European Union. But with Sri-Lanka, there is no agenda to negotiate any trade agreement for the time being.

European Union has signed bilateral trade agreements, which entail some provisions for bilateral recognition and protection of geographical indications with several countries or groups of countries.

For example, with the Central American countries, the agreement is made. But the level of protection is the minimal one (as foreseen in the TRIPS agreement).

European Union has demanded the extension of protection for agricultural products, to reach the same level of protection as it already exist for wines and spirits. For the moment, this objective was not achieved. But every European Member State enforces the highest level of protection (as exist for wine and spirit in TRIP), as to be in compliance with the EU-regulation.

8.3.2.4 Procedure to complain against misuses

The procedure to complain against misuses of the name (fraud) is different in each EU-Member State, and must be done at the national level in the country where the evidences of the misuse are collected. Such a procedure should exist in every EU-Member State, as set up in the EU-regulation 1151/2012. Nevertheless, the level of implementation of the fighting against the misuses is not the same in every country.

8.3.2.5 Technical dossier of Ceylon cinnamon

There is a need to prove the link between the product and the origin.

It can be based on reputation. In that case, the registration can be as PGI (Protected Geographical Indication) and not as PDO.

It can as well be based, beyond the sole reputation, on concrete evidences of objective factual characteristics of the product due to its geographical origin. These characteristics must be clearly documented. Proves of specificity can be factual or based on reputation.

These elements are checked during the formal examination by the European Commissions.

8.3.2.6 Application files (template). Guide for applicants / special advises to elaborate a normative framework in the country.

Guide for registration: should be sent to the UNIDO by the Embassy, as it is not available on the webpage. Therefore, technical officer of the Sri-Lankan embassy should send this guide to the delegation.

A product specification file should be elaborated and approved by the producers group.

There is no must for national authority in Sri-Lanka to check the file.

The product specification as requested by the EC must be at least equivalent to the ISO standards as adopted by the Codex Alimentarius.

According to information given by the DG AGRI, PDO must prove strong links between objective characteristics of the products and the natural and human factors giving the products those characteristics.

Some facts have to be considered before choosing between PDO and PGI:

- The levels of protection are the same for PDO and PGI.
- The notoriety of some PDO makes the PDO more known and more considered for the connoisseurs in certain countries of the European Union (especially France, Italy, Spain, Greece and Portugal, where the PDO-history and the culinary habits are more developed).
- The use of the official European logo for PDO and PGI is free and authorized for the products from third-countries (non European Union members). It will be the case for Sri-Lankan Cinnamon if registered.
- These logos are known by European consumers and can support the marketing efforts of the Sri-Lankan producers. But PDO has more value for consumer than PGI.

8.3.2.7 Certification bodies, which are recognized by the EC, and who are supporting the efforts to be accredited according to European rules

A recognized certification body or a competent national public authority can do controls and certification.

The controls must be correctly documented.

DG AGRI (Mr. Mesnildrey) informs that there is no check of any document (certificate) proving the controls and certification at the boarder. The list of registered PDO and PGI is the only document that is checked, and the existence of the certification is only checked once when the product is registered.

According to DG AGRI, costs of controls and certification may be more expensive for a PDO than for a PGI, if there are some elements proving specific characteristics linked to the origin.

For example, if the application is done for a PDO arguing that there is a difference of the presence of specific chemical elements, there is a need to check them through controls. This may not be the case for the PGI, where generally, the registration is done based on reputation only.

Regulation 1151/2012. Alinea 2. *In respect of designations of origin, geographical indications and traditional specialities guaranteed that designate products originating in a third country, the verification of compliance with the specifications before placing the product on the market shall be carried out by: (a) one or more of the public authorities designated by the third country; and/or (b) one or more of the product certification bodies.*

8.3.3 Questions in relation with health and consumer protection (DG SANCO):

8.3.3.1 The right to use Sulfur Dioxide (SO₂) in the processing of Cinnamon

A few years ago, Sri-Lankan government has requested to include SO₂ as authorized and safe treatment for Cinnamon. It was included in the provisions for import in the EU-regulation, and there is no issue on that anymore.

8.3.3.2 Other food safety requirements (for pesticide residues in particular)

There is no particular use of pesticide on Cinnamon, so there are not an issue related to pesticide residue on Cinnamon for import in the European Union.

Buyers in Europe are stricter than the food safety regulations, but European Commission cannot prevent these trade practices.

8.3.3.3 Updates on the regulation about labeling (health and nutrition claims, repression of fraud, rules of provenance)

Additional benefit can be made from other possibilities in the food labeling in the European Union. This is linked with health claims.

EC has established a register of authorized health claims.

The delegation received a list of authorized health claim for Cinnamon. These registered claims can be used without any additional request nore authorization. This is what is called “old list”, meaning that “traditional use of some plants” have already been recognized and used in the past, and are automatically authorized in all EU Member States.

In the European Commission files, there is a mistake: the list gives the wrong indication of “*Cinnamomum zeylanicum*. Nees” instead of “*Cinnamomum zeylanicum*. Blum”. SLSI should write an official letter for asking the EC to change this indication in their list.

If a company wants registering a new health claim, she must ask for that, providing the scientific evidences of the health properties of the product.

The authorization procedure is described in the EC-Reg. 1924/2006 on health claims. The scientific assessment of the proofs is made by EC. If the scientific proofs are sufficient, the new health claim is officially approved.

Note that all previous public scientific studies can be used for proving the specific properties.

For EU-Member States, national competent authorities have the competence to apply for the recognition of new health claim.

This procedure of examination is done for free.

8.3.3.4 Need for Import certifications

DG SANCO informed that there is no particular additional certificate for proving the compliance to EC-Regulation 1151/2012 at the boarder.

There is no special import food safety certificate to be provided neither, as this product (Cinnamon) is recognized as being safe.

The only control could appear in case of food safety problem. Then, European Commission (through DG SANCO) may ask the competent national authority to provide the proofs of correct controls, according to SPS and other food safety provisions.

8.3.4 Technical Assistance

8.3.4.1 Specific assistance to get registered

DG AGRI pointed out that the PDO and PGI are good tools for rural development in Europe, and there are some good examples of benefits taken from the registration as geographical indications.

DG DEVCO is in negotiation for new support programme for Sri-Lanka. Official discussions are not open yet. Should be the case next months. Some issues are blocking the start of the negotiations.

DG DEVO could consider giving support for technical assistance for protecting the Ceylon Cinnamon, but it is not clear what are the precise conditions to get this financial support. Indeed, the principles for action for DEVCO are to prioritize fields and regions to focus on. In Sri-Lanka, mainly the North and the East of the country benefit from support. This could be a restriction, as Cinnamon is mainly cultivated in the South and West. Some "poor" area in the South could benefit from the aid in the next programme, and the region of Uva has been identified as producing Cinnamon and being "poor" and potentially included in the future support programme. This has to be discussed with the Sri-Lanka government in the coming month.

Fields of support include: general infrastructures, support to the private sector and capacity building for public institutions. These are implemented according to a plan of the use of resources made at the district level.

DG DEVCO agrees that support to private sector, especially Ceylon Cinnamon, may have positive effects on the revenues of the small producers, and therefore induce a benefit for the wellbeing of the poorest population. The European support should not benefit to persons who already got the highest economic and social welfare in the beneficial country.

From DG DEVCO point of view, it seems that it is still not so clear that mostly the poorest part of the population will benefit from GI European registration in the third countries.

8.3.4.2 Promotion linked to the EU registration

As underlined by the technical assistant of the Sri-Lankan Embassy, this is necessary developing a strategy for promotion, including the promotion of the official registration as PDO (or PGI) in the EU registration, and the official controls and certification in order to take benefits from the European protection.

According to DG AGRI, Mexico must give the protection to any geographical indication according the TRIPS agreement. Any country has an obligation to enforce TRIPS.

There is a study on the economic value of PDO and PGI in European Union, this is on the webpage of the EC. This gives interesting indications on the benefits of the protection for the producers. Registration is not a key for success but may induce real benefits, under certain conditions.

8.3.5 Contact details of the European officers met by the Sri-Lankan delegation

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Ghislain Marechal	International questions DG Health & Consumer Rue Froissard, 101 +32 2 29 56804 ghislain.marechal@ec.europa.eu
Simona Mari	DEVCO Sri Lanka desk at DEVCO, rue Joseph II 54 Simona.Mari@ec.europa.eu

Others

	Contact details
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8.4 Mission report in Geneva (10 July 2013) - Specific questions to prepare registration for Ceylon Cinnamon as Geographical Indication according to Lisbon Agreement

Meeting with Matthjis Geuze, Head of Lisbon Registry, WIPO.

Contact details: Matthjis Geuze | Head | Lisbon Registry | Brands and Designs Sector | WIPO | www.wipo.int 34, chemin des Colombettes, 1211 Geneva 20, Switzerland | T: +41 22 338 8946 | M: +41 79 615 6068

The Lisbon Agreement is currently under revision. Matthjis Geuze expects the presentation of the new agreement to be made in 2015. The Members will sign the new agreement as soon as each decides. Sri Lanka is very welcome to join.

It supposes that all conditions are fulfilled. The government should send the request to become part of the agreement and would then officially be invited to sign it. A law in Sri Lanka should be in force, defining the Designation of Origin, and the national process of registering it. All requests for being protected under the Lisbon Agreement must follow a national procedure and be introduced at WIPO through the competent authority in Sri Lanka. Most probably, the competent authority in Sri Lanka will be the NIPO. The law must foresee equivalent protection for all Geographical Indications registered in the Lisbon Register. Nevertheless, every party to the Lisbon agreement may argue and refuse to protect a specific GI, if the name is already registered as trademark for example in the country.

For the first examination of the names already protected according to Lisbon Agreement, a sufficient period of time is given to the new Member to make the necessary examination of all names already being included in the register.

WIPO can offer technical support in form of trainings or technical advices. To benefit from that support, government of Sri Lanka should send an official letter to the Director of WIPO, asking for assistance in order to become member of the Lisbon Agreement. Before sending this letter to Director, informal contact could be taken at regional level with the WIPO-regional office, to indicate that such a letter will be prepared and sent, in order to get more details how the assistance could be provided.

Meeting with Massimo Vittori, Director, and Ida Puzone, Project Manager, in OriGIn.

Contact details: oriGIn | 1, rue de Varembé 1202 | Geneva, Switzerland | Tel: +41 22 755 08 34; Fax: +41 22 755 01 72 | Emails: massimo@origin-gi.org and ida@origin-gi.org

According to Massimo Vittori, the registration in the European Union is very accessible. Already more than 15 products have been registered, among them 10 Chinese (4 PDO and 6 PGI). An important point is to be able to prove the

characteristics linked to the origin. It may be based only on the reputation of the product, and this reputation may be linked to the human factors (skills, know-how). The historical dimension is important as well. The registration is given for a reputation linked to a specific origin.

Important to know is that the name is protected, but not the product itself, nor the process. For similar products, other names should be used.

Here the link to all registered products in the European Union:

<http://ec.europa.eu/agriculture/quality/door/list.html;jsessionid=tZ52RtcMnGX50T1jdXXFypL12Hpsnn23YrbyGLV9V6PL3BZZpWsp!582864668>

He admits that the competent authority has to get more competencies related to Geographical Indications when the country access to Lisbon Agreement.

oriGIn is working for enhancing the awareness of the governments, the United Nations Agencies, the regional authorities (like EU) and the producers themselves for the Geographical Indications and their better protection.

oriGIn published several guides to protect the GI in different parts of the world. A coming guide is describing the process of getting protected at EC level.

A list of a network of lawyers has been set up by origin: they are supposed to discount 5 to 10% of their fees to the members of oriGIn.

oriGIn likes to support the process of increasing the protection of GI in Sri Lanka.

Ceylon Tea Board has been in contact with origin a few months ago.

To become a member costs CHF 280 per year (basic contribution for member from developing country).

All information under: http://www.origin-gi.com/index.php?option=com_content&view=article&id=34&Itemid=35&lang=en

Meeting with Fernando CANO TREVIÑO, Representative for Europe, Tequila Regulatory Council (CRT) Geneva, Switzerland

Avenue Industrielle 4-6 - CH-1227 Carouge Tel: 0041 22 560 6057 www.crt.org.mx

Tequila is one major Geographical Indication in the World. The “Consejo Regulador Tequila” has protected Tequila as trademark and geographical indications in more than 100 countries, in order to reach the best level of protection. The CRT is willing to offer advice and support to every new member of oriGIn. The president of CRT is currently the president of oriGIn. Fernando offers to facilitate meetings in Mexico

country with Mexican officials in order for Ceylon Cinnamon to get every information needed to get protected as GI in Mexico.

Mexican Law foresees protection for GI, and Tequila is registered as GI in Mexico since 1974.

Tequila asked for protection at European level a few months ago. It was not so difficult to set up the application. The procedure is on-going. Tequila is a spirit, and is covered by the regulation on Wines and Spirits, which is different from the regulation 1151/2012.

Meeting with Thu-Lang Tran Wasescha, WTO.

Thu-Lang TRAN WASESCHA (Mrs.) | Counsellor, Intellectual Property Division | Secretary to the Special Session of the Council for TRIPS | World Trade Organization (WTO) | Rue de Lausanne 154 | CH - 1211 Geneva 21 | Tel. +41 (0) 22 739 57 05 Fax +41 (0) 22 739 57 90 | thu-lang.tranwasescha@wto.org

The registering process as a GI at European level does not request that an equivalent registration (*sui generis*) of the GI exist in the country of origin of the product. Nevertheless, the legislation in the country must comply with the TRIPS agreement. The TRIPS establish that the law should establish the principle of the GI (definition and official recognition), and the protection should as well be clearly established.

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