



**Food and Agriculture  
Organization of the  
United Nations**



## **Geographical indication schemes in Croatia, Hungary and Poland**

**Synthesis report**

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Food and Agriculture Organization of the United Nations

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The following experts prepared country reports:

- Jelena Dugum – Technical report on Croatian experiences of work done to introduce geographical indications (quality policy)
- Ágnes Szegedyné Fricz – Technical report on Hungarian experiences of work done to introduce geographical indications (quality policy)
- Jakub Jasiński – Technical report on Polish experiences of work done to introduce geographical indications (quality policy)

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# Abstract

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

General rules concerning geographical indications (for food products) are the same in all European Union countries. In light of this, the aim of the report is not to focus on the solutions of the community; rather, the report attempts to answer the question of how and for what purpose European quality policy tools are used in these countries. The report covers lessons learned from GI-system implementation and from the perspective for this sector, including the role of GIs in agriculture and rural development policy. The report also contains recommendations for the future.

This report was prepared from three comprehensive reports on the implementation of food quality policies in Croatia, Hungary and Poland. It highlights issues that were (or still are) key points in creating an effective system for protecting geographical indications and promoting quality food in these countries. As such, it can be treated as a benchmark for countries that intend to prepare, implement or reform their national food quality policies.



# Background

At the Twenty-ninth Session of the FAO European Regional Conference in Bucharest in April 2014, a number of ad-hoc requests were received asking for technical support in relation to local traditional products. Building on countries' experience in the region regarding geographical indications, FAO launched a project titled "Support to Sustainable Geographical Indications development in Europe and Central Asia region". The aim of the project was to strengthen the capacities of the ministries in charge of agriculture and intellectual property and to support more inclusive and efficient agricultural and food systems in the REU region through the development of sustainable geographical indications (GIs) within an integrated regional approach. The project was built on (i) a review of existing legal and institutional frameworks on GI products in a number of countries (Armenia, Georgia, Kyrgyzstan, the Republic of Moldova and the Russian Federation), (ii) a study on how GI policies have been implemented in newer European Union countries (Croatia, Hungary and Poland) and (iii) a regional workshop to share experiences and discuss perspectives in the region.

This report was prepared from three comprehensive reports on the implementation of food quality policies in Croatia, Hungary and Poland. It highlights issues that were (or still are) key points in creating an effective system for protecting geographical indications and promoting quality food in these countries. As such, it can be treated as a benchmark for countries that intend to prepare, implement or reform their national food quality policies.

General rules concerning geographical indications (for food products) are the same in all European Union countries. In light of this, the aim of the report is not to focus on the solutions of the community; rather, the report attempts to answer the question of how and for what purpose European quality policy tools are used in these countries. Hungary and Poland have been members of the European Union since 2004, and Croatia joined in 2013. Each of these countries has rich experiences in the implementation of food quality policy.<sup>1</sup> It is interesting to see whether additional instruments to support the development and promotion of regional, traditional and specific products have been created in these countries

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<sup>1</sup> In all three countries, many geographical indications for agricultural products, foodstuffs and spirit drinks have been registered, while – because of very limited wine production in Poland – geographical indications for wines have been registered only in Croatia and Hungary.

(e.g. national or regional quality schemes) and what changes need to be made in the countries to fulfill the requirements of the European quality policy. Last but not least, the report covers lessons learned from GI-system implementation and from the perspective for this sector, including the role of GIs in agriculture and rural development policy. The report also contains recommendations for the future.

# 1. Implementation of European GI system (quality policy)

## 1.1. Situation before EU accession

In Croatia, Hungary and Poland, national patent offices were responsible for the GI system before EU accession. The scope of GI protection before accession was primarily limited to intellectual property protection; that is, protection of registered names from misuse and unauthorized use that would undermine the reputation of those products. However, the ministries of agriculture that were responsible for rural development have gradually taken over responsibility for GI protection from the patent offices in all of these countries (with the exception of geographical indications for industrial products, or handicrafts, which are still dealt with by the patent offices even though geographical indications for non-food products are not popular in any of these countries). Now, in all three countries, the ministries of agriculture have become the competent authority for protection of designations of origin and geographical indications for agricultural products and foodstuffs.<sup>2</sup>

## 1.2. Main steps and difficulties in implementing GI policy

In the three countries, GI was a new concept for both public and private stakeholders. From an operational point of view, the development of GIs has moved from raising awareness and identifying potentialities to certification and

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<sup>2</sup> After taking over the competences from patent offices, the main tasks of the ministries of agriculture in all three countries were:

- set up the department/unit in the ministry of agriculture responsible for the adaptation of the European Union quality policy;
- make the national legal background of the applications for the protection of geographical indications;
- provide assistance to applicants;
- set up the control system for geographical indication products within the food control authority; and
- propagate the EU quality policy.

marketing after registration. The process has needed some specific support to address the gaps.

- I. **Lack of awareness among producers.** One of the main difficulties in the implementation of the GI systems in Hungary and Poland has been the lack of interest that producers showed in cooperating with each other and associating into groups. It has been important to convince producers of the benefits of participating in the system; it is crucial that producers are aware of the following benefits of GI systems:
  - protection of the reputation of genuine products against counterfeits available on the market; and
  - financial support from public funds.<sup>3</sup>

An example of this is how Polish producers were made aware of the benefits of protected geographical indication (PGI), protected designation of origin (PDO) or traditional speciality guaranteed (TSG) registration<sup>4</sup> through hundreds of training courses about European quality policy, which were organized by the central government, local authorities, and by the Polish Chamber of Regional and Local Products (mostly in 2004–2006). Initially, the trainings were conducted by officials from the Ministry of Agriculture. As a result, the number of people with knowledge on the geographical indications scheme has gradually increased. This was possible thanks to the Ministry of Agriculture cooperating closely with the regional authorities that were interested in the identification, registration and promotion of high-quality products from their areas. Also, the information campaign about the PDO, PGI and TSG system was very successful, allowing both consumers and producers to become familiar with the system of geographical indications.

- II. **Identification of (potential) GI products.** The first stage of implementation of the system of geographical indications in Hungary and Poland was to identify regional and traditional products. In Poland, the solution was to create the List of Traditional Products (LTP), while

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<sup>3</sup> See more in Chapter 5, “Quality policy as a part of rural development policy.”

<sup>4</sup> Traditional speciality guaranteed (TSG) products are not geographical indications; rather, they focus on tradition. TSGs are part of European Union quality schemes for agricultural products, identifying products of a traditional character – either in composition or means of production – without a specific link to a particular geographical area.

in Hungary the HÍR Program (in English, HÍR stands for traditions, flavours and regions) was implemented. In Poland, regional authorities were included in the process of creating the LTP and thus were able to discover their own potential in regional (i.e. origin-linked) and traditional products.

**III. Preparation of specifications and applications.** In Hungary and Poland, one of the challenges for producers has been to properly prepare applications for GI registration. Even if producers are knowledgeable about the production methods and characteristics of their product, it is not always easy to provide evidence on the scientific background and historic origin and to understand the legislation in enough detail. It is important, therefore, to provide opportunities for experts to collaborate on these topics. The struggles in these countries also shows how important it was to transfer GI competences from the patent offices to the ministries of agriculture, which are more competent on the above issues, especially regarding issues of production and of proving the quality link between products and their places of origin. In Croatia, various projects helped provide support and expertise to producers.<sup>5</sup> International experts have directly helped some producers' groups in their preparation of GI specifications and have trained national experts to do these tasks in the future. Additionally, before they began with GI registrations, ministry of agriculture staff were provided with the knowledge needed to evaluate GI requests.

**IV. Food safety requirements for traditional production.** In Croatia and Poland, some regional and traditional products have not been marketed in accordance with current food standards.<sup>6</sup> This is because traditional methods of production include activities not allowed by sanitary and veterinary regulations, such as the use of wooden containers and tools in the case of some mountain cheeses. To allow for traditional methods of production, derogations were introduced for traditional products (both animal and non-animal in origin), and this has

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<sup>5</sup> In the activities of providing expert assistance, significant help in terms of knowledge, experience and establishment came through various EU and international projects and cooperation. One example is the projects implemented in cooperation with FAO, the German Society for International Cooperation (GIZ) and Community Assistance for Reconstruction, Development and Stabilization (CARDS). Here, GI experts and producers shared their experience and knowledge for the sake of establishing an efficient GI system in Croatia.

<sup>6</sup> The problems were in the food safety regulations that do not allow traditional products to be registered as GIs because their methods of production do not fulfill the requirements/standards of food processing in the EU.

positively impacted the implementation of the system of geographical indications.

- V. **Certification system.** In Croatia, the main challenge has been to establish official controls for GI products. There had not been any bodies in Croatia that were accredited in accordance with the relevant standards to carry out certification. Because the authorized control bodies did not have accreditation, they were conditionally authorized and given a year, at most, to become properly accredited. The Ministry of Agriculture co-financed the accreditation programme, and inspectors were trained through programmes funded by the European Commission: the Technical Assistance and Information Exchange instrument (TAIEX) and Better Training for Safer Food (BTSF).
- VI. **Promotion and visibility of GI products.** In Croatia and Poland, one issue has been making designations recognizable to consumers. The ministries of agriculture still need to cooperate with producers in the field through various promotional activities. In Hungary, marketing is another key issue related to GI products. Cooperation with retailers is essential for mass commercialization of quality products, and in light of this, the Ministry of Agriculture has been working on food marketing actions with the Hungary's association of retailers. One result of this work is that the PGIs for Szentesi paprika, a fresh vegetable, and Gyulai kolbász, a sausage, are being marketed by large retailers across the country.

## 2. The GI system today: National rules on registration and registered GIs

In all of the countries, according to EU rules, the national procedure of registering PGIs and PDOs has two parts: scrutiny and opposition. This helps to eliminate conflicts in the management of geographical indications, and it strengthens the sector of high-quality products. It is important to note that each country decided to establish institutional solutions for scrutinizing and evaluating applications for PDO, PGI and TSG products, usually as a council or group of advisors to the ministry of agriculture.<sup>7</sup> In Croatia, the responsible institution is the Operative Working Group of Experts. In Hungary, it is the Hungarian Council of Origin Protection, and in Poland, this body is the Council for Regional and Traditional Products.

### 2.1. Hungarian system of applications: Verification and registration

The Ministry of Agriculture (MoA) is responsible for scrutinizing applications. Applications can be submitted by the groups that produce the products. Applications for registration must include the name and address of the applicant group, the product specification,<sup>8</sup> and a short form of the application (a so-called single document). The three-month scrutiny period is essentially a consultation between the applicant and the Ministry. The MoA requests the opinion of the Hungarian Council of Origin Protection during the procedure. The aim of this period is to finalize the product specification in line with the relevant regulations. Sometimes, this does take much longer than three months. The MoA forwards the application to the Patent Office<sup>9</sup> to check whether any of the proposed designations

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<sup>7</sup> EU law lays down only general rules for national procedures of GI verification, examination and registration. Specific rules and solutions remain within the competences of Member States.

<sup>8</sup> Specification – according to EU regulation – consists of:

- the name of the product;
- a description of the product and its characteristics;
- the geographical area of production;
- the method of production; and
- the correlation with the geographical area.

<sup>9</sup> In Poland, one of the members of the Council for Regional and Traditional Products is a representative of the Patent Office.

of products infringe a Hungarian registered national trademark. The revised product specification is published on the official website of the MoA. At this stage, any natural or legal person (in Hungary) who has a legitimate interest may lodge a notice of opposition.<sup>10</sup> If there is no notice of opposition within the given timeframe, the Ministry approves the application and it is forwarded to the European Commission. Hungary grants transitional protection at the national level to designations from the date of forwarding the application to the European Commission until the product is entered into the European Union Register of PDOs and PGIs.<sup>11</sup>

### Registered GIs:

The registered GI products reflect the structure of the Hungarian agro-food sector. Most registered names are for wines, which have geographical indications. Fourteen agro-food products are registered as PDOs or PGIs; five are meats or meat products, three are vegetables, two are ground paprika, one is fruit, one is a medical plant and one is an ornamental plant. There also is one traditional speciality guaranteed product: Tepertő's pogácsa, a bakery product. The national spirit drink in Hungary is the fruit spirit registered as pálinka. Fruit spirits and grape pomace spirit are allowed to bear the designation pálinka, provided that the fruit or grapes were grown in Hungary and the product also was distilled in Hungary. Eight pálinkas are protected as PGIs.

## **2.2. Croatian system of applications: Verification and registration**

The competent authority for the registration of agricultural products and foodstuffs with geographical indications in Croatia is the Ministry of Agriculture. The procedure at the national level is carried out by an operative working group of experts established by the Minister of Agriculture. This group consists of experts who, in accordance with the regulations, evaluate the product specifications and other documentation submitted with the application for registration. The Ministry of Agriculture is also responsible for sending the application for registration at the European Union level.

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<sup>10</sup> To date in Hungary, a notice of opposition has never been lodged.

<sup>11</sup> <http://ec.europa.eu/agriculture/quality/door/list.html?locale=en>

In Croatia, the duration of the registration process for names of agricultural products and foodstuffs is regulated by the Act on Agriculture, according to which applications can take between nine months and a year.<sup>12</sup>

#### Registered GIs:

Fifteen Croatian agricultural products and foodstuffs are registered at the EU level. Additionally, seven Croatian products are at different stages of registration at EU level, and one product is in the process of being protected at the national level. An additional 23 products are in the process of having their specifications prepared, which suggests the great potential and interest of Croatian producers. At the EU level there are six registered geographical indications for spirit drinks. According to Regulation (EU) No. 1308/2013, 16 protected designations of origin for wine are registered at the EU level. Croatian and Slovenian common cross-border application-protection is an interesting aspect. After unsuccessful applications for the protection of Istarski pršut as a PDO due to complaints received from Slovenia, the European Commission called for the two parties to come to an agreement. After six months, both parties came up with the solution of preparing a joint specification for Istarski pršut.

## **2.3. Polish system of applications: Verification and registration<sup>13</sup>**

#### Registered GIs:

A number of Polish products have been registered in the European system of geographical indications (for agricultural products and foodstuffs):

- nine protected designations of origin (including honey from Sejny in Poland and Lazdijai in Lithuania, the first product from two countries registered in the EU)<sup>14</sup>;
- 20 protected geographical indications; and
- nine traditional speciality guaranteed products.

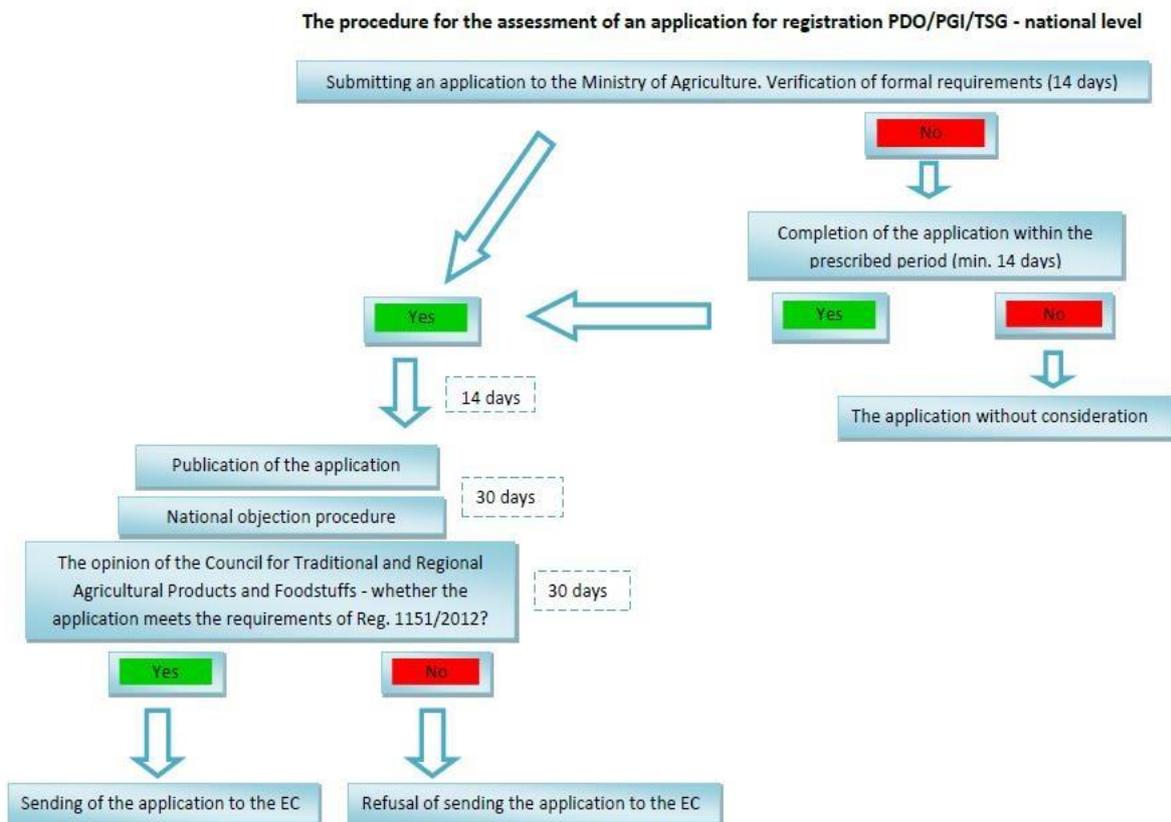
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<sup>12</sup> The registration procedure at the EU level and the deadlines for the procedure are prescribed by Regulation (EU) No. 1151/2012, according to which the registration procedure at the EU level may not exceed 17 months (or more, in exceptional cases). The process takes about two and a half years in total at both national and EU levels.

<sup>13</sup> <http://www.minrol.gov.pl/Jakosc-zywnosci/Produkty-regionalne-i-tradycyjne>

<sup>14</sup> The product is produced in two border regions, on both sides of the Polish-Lithuanian border - in both countries the protected name refers to these two regions.

Fruit and vegetables have the most registrations (nine) in Poland. Among bakery and confectionery products, there are seven registrations, while cheese, meat and meat products, and honey each have five registered products. So far, none of the Polish applications for registration have been rejected by the European Commission (EC). Moreover, registrations are pending for five products, three of which have already been submitted to the European Commission and two of which are in the national procedure before being sent to the EC. Three geographical indications for spirit drinks from Poland are protected under the European Union system, including Polish Vodka.



**Important note:**

Due to the special wine and spirit drink regulations in the European Union, the procedures are different for wine and spirit drink registration than for agricultural products and foodstuffs. There are dedicated wine and spirit drink institutions in all three countries. In Hungary, this is the Wine Origin Protection Council, which is involved in scrutinizing applications. In Croatia, the Ministry of Agriculture is the competent authority for the implementation and registration of wines and spirit drinks with GI labels. Implementation of the registration procedure of products is in the remit of the Directorate of Agriculture and Food Industry, the Department for Wines and Spirit Drinks. The procedure at the national level is

implemented by a permanent committee within the Ministry of Agriculture. The committee is made up of experts who evaluate product specifications and other documents in accordance with the regulations attached to the application for registration. Also, in the wine and spirit drink sectors the very careful verification of applications – including the method of production and product characteristics and origin – is one of two crucial points for the quality of products and the credibility of each quality scheme (the second being a certification and market control system).

### **3. The GI system today: Certification and market control system (preventing the unlawful use of protected geographical indications)**

#### **3.1. Certification – compliance with product specification**

The conformity system for checking that production methods meet specifications is organized somewhat differently in each of the three countries. At the same time – in line with European law – the quality control system for registered products is crucial to the functioning (and credibility) of each food quality scheme, including the GI scheme. The certification and control of high-quality products are provided by independent (accredited) certification bodies (in Croatia and Poland)<sup>15</sup> or public food inspection services (in Croatia, Hungary and Poland).

Poland has a complex mix of private and public bodies for certification and control. PDO and PGI producers choose for themselves which control body will confirm that their product is manufactured according to the specifications. Producers have to pay for this. Control can be performed by Voivodship Inspectorates of Agricultural and Food Quality (there are 16 of these state institutions in Poland, one for each region)<sup>16</sup> or by private certification bodies, which are accredited<sup>17</sup> and authorized by the Minister of Agriculture and Rural Development. Currently in

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<sup>15</sup> In Hungary, the public inspectorate is responsible for verifying conformity with GI specifications.

<sup>16</sup> The regional inspectorates also have qualified personnel to assess the conformity of production with the GI product specification. Furthermore, the general inspectorate, which supervises the regional inspectorates, operates a separate department responsible for geographical indications and organic farming.

<sup>17</sup> Accreditation confirming the independence of the certification bodies is made by the Polish Centre for Accreditation, which developed document DAC-06: Accreditation of certification bodies for regional and traditional products, available here: <https://www.pca.gov.pl/o-pca/wydarzenia/aktualnosci/komunikat-nr-168-dac-06,107.html>

Poland there are five accredited certification bodies entitled to carry out verification of compliance with the specifications for GI products.<sup>18</sup>

In Croatia, two certification bodies are accredited. Any producer wanting to use a protected GI name must produce the same product in accordance with all of the required product specifications. All specifications are published (in each country) on the website of the Ministry of Agriculture (MoA), while the homogeneity of the products must be confirmed by the selected control body. Each producer must choose the control body (any private certification body chosen must be accredited by the accreditation agency and authorized by the Ministry of Agriculture). After approval by the MoA, the selected control body makes a plan of controls according to which certification is implemented. After determining compliance with the product specification, the control body issues a conformity certificate. From that moment, the producer can use the registered trademark and the associated GI label, if there is one.

## 3.2. Market control system

In Croatia, Hungary and Poland, regardless of the certification system, official controls are carried out on the market (ex-officio controls). In Hungary, the National Food Chain Safety Office (NÉBIH) has been designated as the authority responsible for official controls to verify compliance with the legal requirements related to the quality schemes established by the 1152/2012/EU Regulation. The NÉBIH is responsible for checking the use of names in the marketplace in accordance with the integrated multi-annual national control plan.<sup>19</sup> In Croatia, agricultural inspectorates (depending on the Ministry of Agriculture) implement market control of GI agricultural products and foodstuffs, as well as GI products that are wines, flavored wines and spirit drinks under the current legislation. In Poland, two institutions are responsible for market control of GIs. According to the

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<sup>18</sup> Conditions to be met by the certification body to be authorized are set out in the act on the registration and protection of names and designations of agricultural products and foodstuffs and on traditional products. The main requirement with respect to the certification body is “independence.”

<sup>19</sup> The integrated multi-annual national control plan contains:

- a detailed description of the proposed risk assessment and risk management system;
- a definition of the targets and the risk factors involved;
- a description of the national annual control and inspection plan; and
- a description of the supervisory information system’s working principle, including specifications.

Polish act on the registration and protection of names and designations of agricultural products and foodstuffs and on traditional products, the Trade Inspectorate cooperates with the Agricultural and Food Quality Inspectorate. They cooperate on the supervision of the production and marketing of agricultural products and foodstuffs protected as GIs. Both inspectorates operationally exchange information in this field, including data and information about violations detected during controls and suspected violations of regulations on the use of GIs. The precise scope of cooperation defines the bilateral agreement between the two inspectorates.

## 4. Quality policy as a part of rural development policy

In all three countries, food quality policy has become – especially since European Union accession – a part of rural development policy. Since EU accession, the scope of GI protection has focused on the agricultural policy sphere, in particular on the quality policy and protection of natural products of specific characteristics that are traditionally produced. These products contribute to rural development by creating possibilities for new revenue sources for producers. This, in turn, helps enable people to continue living in rural areas and contributes to the development of culinary tourism and other rural tourism. Even without national or regional strategies on the development of the market for high-quality products, these products have become a useful tool for rural development. They have also become a main target for funds from rural development programmes.<sup>20</sup> See Box 1 for examples of PDO, PGI and TSG products and their main impact on rural development.

Producers of registered GI products can be supported in the preparation of promotional and informational campaigns dedicated to high-quality products. For example, Croatia has a national programme of state support for the preparation of PDO, PGI and TSG product specification. The Croatian Ministry of Agriculture annually conducts a programme called “Support for producers’ groups for the development of the specifications of the agricultural products or foodstuffs to protect with the designation of origin, geographical indication or traditional

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<sup>20</sup> Rural development programmes in 2014–2020, co-financed by European Union, also contain actions dedicated to quality schemes for agricultural products and foodstuffs. Within the rural development programme, the European and national quality schemes, along with the support of their promotion, are one of the priority tasks. By this action, producers are encouraged to join one of the quality schemes. Also by this action the acknowledgement of these schemes within the internal market can be strengthened. When producers join a quality scheme, their viability and competitiveness increases. Therefore, their integration into the agro-food chain becomes more effective. It is also expected that these actions, by way of information and promotional activities, will increase consumer knowledge of quality schemes. The competitiveness of the members of the quality scheme might be strengthened as a result of better organization and increased cooperation. The marketing opportunities for products that have higher added value will increase within the local and short supply chains when products become better known and demanded by consumers due to information and promotion. Information and promotional activities will introduce quality schemes to consumers while also highlighting the products within them and their advantages over other products. As a result, the consumer will have more information on the control of production regarding products within a quality scheme, which might mean they are willing to pay higher prices.

specialty guaranteed.” Through this programme, groups of producers of agricultural products and foodstuffs get resources for co-financing the preparatory phase of the registration of the product in which they must develop a product’s specification for laboratory analysis and survey-based market research. The programme also facilitates the initial phase of the product protection process. Funds for the implementation of this programme are provided in the state budget.

### **Box 1**

**Lički krumpir (PGI – Croatia)** is a potato tuber intended for human consumption. The shape is an elongated oval, with smooth to rough-shelled skin, yellow to brown or reddish in colour with pale to bright yellow flesh. The taste is starchy, fluffy or dry due to a high starch content, while consumption itself leaves a feeling of fullness in the mouth. The area of cultivation is the geographical area of Lika, a high mountainous area (with Velebit to the south and west, Plješevica to the east, and Chapel to the north) with numerous karst areas. This potato is the most important product in Lika, and not only in terms of agriculture. Producers are now striving to revitalize production of this potato. Whole families are involved in potato production, and potatoes are now the most significant source of income for lot of people in Lika. Consequently, cultivation of this potato helps reduce depopulation in this already sparsely inhabited area of Croatia and, in turn, contributes to the development of the area.

Registering **pierekaczewnika (TSG – Poland)** has reminded people of the traditions of Tatars who live in some regions of Poland. Tatar rural tourism is now common. Tourists can explore Tatar customs and have the opportunity to try pierekaczewnika and other dishes from the Tatar cuisine. **Cebularz Lubelski (PGI – Poland)** has done for the Jewish tradition what pierekaczewnika has done for the Tatar. It is flat bread of wheat flour with onion, derived directly from the Jewish tradition. The registration of Cebularz Lubelski as a PGI has contributed to reminding people of this tradition and to the promotion of the city of Lublin.

**Alföldi kamillavirágzat (PDO – Hungary)** is a dried, selected flower from wild chamomile (*Matricaria chamomilla L.*), hand-picked from the saline soils of the Great Hungarian Plain. This dried product, Chamomillae anthodium – commonly known as wild chamomile – is listed as an official medicinal product in the up-to-date version of the Hungarian Pharmacopoeia and the European Pharmacopoeia. It is used as basic material in sachets and teabags prepared from the chamomile flower. The development, gathering, processing and sale of wild chamomile is a valuable model example for the regional use of flora. The Alföldi kamillavirágzat owes its unique characteristics to the soil it grows in and the number of hours of sunshine and annual precipitation it receives. Its origin is established by organoleptic and technical tests and by using a tracing system. The majority of Alföldi kamillavirágzat is sold in Italy and Germany. In both countries, consumers have more confidence in products bearing indications of union protection. Products with the union logo can be sold at a higher price than those without protection.

Another important element for the development of GI, especially for small-holders and products with highly traditional methods, is the implementation of the regulation of flexibility for food safety. This makes it possible to obtain derogations; for example, traditional wooden tools can be used to make mountain cheeses registered as PDOs in Poland. The national study reports on the three countries illustrate specific examples of products that have had a significant impact on rural development by providing public goods and that have economic, social, cultural and environmental influence (see Box 1).

## 5. National (regional) quality schemes

In Hungary and Poland, national quality schemes play an important role in the development of food quality policy. They allow producers who do not meet EU registration requirements for GIs to participate in food quality schemes. Very often, producers participating in national quality schemes finally decide to register their products as PDOs, PGIs or TSGs and – thanks to the experiences gained in national quality schemes – are able to increase the scale of their production, cooperate with other producers, agree on common methods of production and prepare common applications for GI registration. It can therefore be said that in many cases, national food quality schemes constitute an informal (and optional) first stage of product registration as a PDO, PGI or TSG. In Hungary and Poland, national food quality schemes have been recognized by the European Commission. Producers' associations and local authorities are involved in the organization of these systems. Often, the purpose of these schemes is not to protect the names but to confirm, through a certification system and dedicated labeling, the quality of the product.

### 5.1. Hungarian case:

In Hungary, a national scheme referred to as *Hagyományok-Ízek-Régiók* (Traditions-Tastes-Regions) was initiated in 1998. The requirements of the scheme<sup>21</sup> were defined by the Scientific Commission of the *Hagyományok-Ízek-Régiók* (HÍR) programme. When defining the range of products for competition, reference was made to the European Union regulation on geographical indications. However, there is one big difference between the requirements of the HÍR programme and those of PDOs and PGIs: single producers can apply to HÍR (as in the case of the Polish Quality Scheme “Quality Tradition”), and this is not treated as a derogation from standard rules, unlike with GIs.<sup>22</sup> The HÍR programme is also called – both by authorities and by producers – the “doorstep to the EU

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<sup>21</sup> In HÍR, the following points were kept in focus:

- Traditions related to food, the landscape and culture are all important quality parameters of the product.
- Traditional and provincial foods are part of the national cultural heritage.

<sup>22</sup> Where registration is required to be done by a group, even if by exception, registration by a single producer is also possible.

register.” The aim of the programme between 1993 and 1997 was to collect traditional products in Hungary. For example, the Gyulai sausage PGI and the Alföldi chamomile PDO were first described in the HÍR collection as traditional Hungarian products. In 2008, a programme was started that aimed at updating and extending the HÍR collection to help producers meet GI requirements. The Ministry of Agriculture first announced the tender on the use of the HÍR brand in 2009, setting two goals:

- providing technical support to the producers of products covered by the HÍR collection; and
- extending the collection of Hungarian traditional products.

Producers that win tenders on the HÍR brand are entitled to show the HÍR brand on their products and in their marketing publications.<sup>23</sup> Together, the ministry and the Agrármarketing Centrum created and operate joint promotion programmes. The aim of these programmes is to familiarize the widest range of consumers with HÍR products and their producers.

## **5.2. Polish case:**

The first step towards creating a national quality scheme for traditional and regional products in Poland was to establish a List of Traditional Products (LTP), managed by the Ministry of Agriculture and regional authorities. There are more than 1 600 products on this list. Products on the list do not receive any protection; rather, the list is a type of national inventory of regional and national potential for origin-linked and traditional products. There is also no common logo for the products on the list, but on their packaging, producers often mention that their product is on the LTP. The list also serves to stimulate the activity of local and regional authorities in promoting and supporting local, regional and traditional products. The LTP is not a food quality scheme per se (there is no certification system and product quality guarantee), but many of the products on the list are

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<sup>23</sup> The requirements and results of the HÍR tender: Producer and groups (communities, civil organizations, professional organizations, etc., regardless of their legal form or composition) can apply to use the HÍR brand, provided their members produce a product in accordance with the HÍR requirements. The product must have at least two generations (50 years) of documented past. It must relate to at least one regional unit of Hungary (settlement, region, etc.). Traditional methods of production are important, although this does not mean that all tools and equipment used in production must have been used for two generations. A fundamental requirement is that at least one step of production must be based on local, special knowledge. The renown of the product is also an important factor, at least in the production region. Last but not least, the product must be produced and distributed regularly or periodically.

now in national food quality schemes or have been registered as PDOs, PGIs or TSGs.

According to Polish law, the national food quality scheme must be recognized by the minister responsible for agriculture. The system can be recognized if the following criteria are met:

- 1) The specificity of the product stems from the following items:
  - specific product characteristics;
  - certain methods of cultivation or production; or
  - the quality of the final product goes significantly beyond the marketing standards for the product in terms of public health, animal or plant health, animal welfare or environmental protection.
- 2) The system is open to all producers.
- 3) The system involves binding product specifications and compliance with those specifications that are verified by public authorities or by an independent inspection body.
- 4) The system is transparent and provides full traceability of products.

So far in Poland, seven national food quality schemes have been recognized.<sup>24</sup> One of the schemes includes strictly traditional and regional products and can be treated – as in the Hungarian case – as a “doorstep to the EU register,”<sup>25</sup> as it seems to be very similar to Hungarian HÍR Scheme:

*“Quality Tradition”<sup>26</sup> is a scheme developed by the Polish Chamber of Regional and Local Products in cooperation with the Association of Polish Regions. Only products characterized by traditional composition, by a traditional production method, or by a specific quality resulting from its traditional character can belong to this scheme. Traditional breeds and varieties are considered those in use before 1956. In addition, products that have at least a 50-year history of production are considered traditional products. By October 2016, the scheme “Quality Tradition” included 214 products.*

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<sup>24</sup> National quality schemes recognized in Poland (with the date of the scheme’s recognition in parentheses):

- 1) Quality Tradition - Jakość Tradycja (12 June 2007).
- 2) Integrated Production - Plants (14 June 2007).
- 3) Quality Meat Program (20 October 2008).
- 4) Pork Quality Program (11 December 2009).
- 5) Food Quality Guaranteed System (QAFP) - Culinary pork (11 December 2009).
- 6) Food Quality Guaranteed System (QAFP) - Poultry (13 January 2011).
- 7) Food Quality Guaranteed System (QAFP) - Meat products (18 January 2012).

<sup>25</sup> Even if participation in the national quality scheme is not an obligatory step for applying for PDO/PGI/TSG registration.

<sup>26</sup> The main differences between the scheme “Quality Tradition” and TSG rely on:

- product registration in “Quality Tradition” can be made by a single producer; and
- the time of registration in “Quality Tradition” does not exceed three months (TSG registration takes much longer).

# Advice, suggestions or recommendations to improve the GI system

Based on the Croatian, Hungarian and Polish experiences, some recommendations can be made regarding the implementation of systems of registration and protection of geographical indications, understood as the implementation of food quality policy:

- A. All public authorities and institutions concerned should be involved to generate synergies for rural and quality policies.**
  - I. Institutional cooperation:** All institutions operating in the field of rural development (and quality policy) should contribute to promoting GI systems. Geographical indications can be treated as an important indicator of rural area development. The establishment and implementation of quality schemes can be successful only with the participation of all responsible institutions. If the system of geographical indications (quality schemes) is to serve not only as an instrument for the protection of intellectual property rights but also as an effective tool for rural development, all institutions dealing with rural development policy should be responsible (or at least included) in its implementation. As marketing is one of the key issues related to GI products, cooperation with retailers is essential for mass commercialization of quality products, and in light of this, public institutions (e.g. ministries of agriculture) also can be involved in work on food marketing actions.
  - II. Role of regional and local authorities:** Regional and local authorities, in cooperation with groups of producers and associations, are the backbone for recognition of products that deserve protection as a GI. To facilitate the implementation of food quality policy and to make it more efficient, regional and local authorities should be included in this process. Regional and local authorities cooperating with local non-governmental organizations represent a huge potential and source of information about local initiatives. They also possess the best information about the needs and possibilities of local society. Regional and local governments can also directly reach and cooperate with local producers and processors.

III. **Procedures of GI registration:** It is also important to establish an institutional solution for scrutinizing and evaluating applications for GI products in a collective manner with representatives of different sectors with different expertise (possibly as a council or group of advisors to the MoA, as a commission combining different types of expertise and specific expertise on the product).<sup>27</sup> It is also good to split GI registration into two parts: reliable scrutiny and opposition procedures. The latter helps at the registration stage to eliminate conflicts between producers and interested parties in the management of geographical indications, and it strengthens the whole sector of high quality products in the country.

#### **B. Support to producers in the preparation and development of GIs**

IV. **Cooperation among producers:** It is of utmost importance to clearly explain to producers what cooperation – which is strongly needed in any GI scheme – really means. Producers often connect cooperation with cooperatives (as under the communist time), and thus they are often afraid to cooperate. Most transition countries are facing this problem. It is important to introduce a supportive and encouraging programme for producers to associate and cooperate in groups. It could be effective, for example, to subsidize the statutory activities of the secretariats of groups and organizations associating producers of quality products.

V. **Preparation of specification:** This should be led by producers in a participative manner with representation from all types of producers, with support from experts provided when necessary (more examples are available in FAO guidelines).<sup>28</sup> For such processes and external support, it is important that financial resources are sufficient. Producers incur a number of expenses when preparing specifications, such as the costs of retrieval of historical information and evidence on the product, on physical-chemical characteristics and on other elements that are necessary to apply for the scheme. Here, one consideration might be the implementation of a support programme to help producers' groups develop the specifications of agricultural products or foodstuffs to be protected with PDO, PGI or TSG registration. Through this programme, groups of producers could receive resources for co-financing the preparatory phase of the registration of their products. Financial resources must remain within the parameters of the state budget.

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<sup>27</sup> In Croatia, it is an operative working group of experts. In Hungary, it is the Hungarian Council of Origin Protection. In Poland, it is the Council for Regional and Traditional Products.

<sup>28</sup> For example: <http://www.fao.org/docrep/013/i1760e/i1760e00.htm>.

VI. **Consideration of cross-border cases:** The approach to promoting cross-border GIs is also important. Regarding the registration of products from border regions, it is necessary to seek the interest of the neighbouring country and, if possible, to cooperate on the preparation of the application. Examples include the collaboration of Croatia and Slovenia on a GI for ham from Istria and the joint efforts of Poland and Lithuania on honey from Sejny and Lazdijaj, respectively.

### C. Ensure guarantees and visibility on the market side

VII. **Information and promotion:** Products within GI schemes must be promoted while consumers and producers have to be informed on PGI, PGI and TSG products. Specifically, they need to know what the protection brings in terms of quality and specificity, and they need to know why such products are more expensive.<sup>29</sup> The key tasks of local and national authorities and other stakeholders (e.g. chambers of commerce) should include support for creating a “new trend” in society for regional and traditional products. It is important to include the largest possible range of institutions and organizations in dealing with the subject of GIs, including those institutions that are preparing tourist offers and culinary guides, so as to create interest in regional products for both domestic and foreign tourists. The role of public authorities in supporting education, information and promotion of quality labels and their meaning is crucial. These actions will not be able to help build a market for quality products; this remains the domain of producers. Often, however, the authorities are the first to give impetus to action, especially if there is uncertainty and lack of trust among producers about the new solutions for GI and national quality schemes.

VIII. **Effective controls:** Due to the specificity and significance of protected products, it is important to establish efficient official controls of registered PDO, PGI and TSG products, with particular emphasis on the misuse of names. It is necessary to establish a sound system for enforcement of GI

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<sup>29</sup> Awareness campaigns should cover all stakeholders, but awareness-raising activities should be designed for each target group individually: producers, local communities, public institutions and consumers. Different communication and promotion tools should be used especially for the two most important target groups:

- for producers and farmers, providing potential users with consultancy and support for GI registration, as well as sharing best practices and experiences of using the GI system, its advantages and benefits and existing support instruments; and
- for the general public, information campaigns aimed at raising the awareness and confidence of consumers for GIs as quality schemes and logos (if they exist).

protection, including certification (adapted to local contexts, e.g. for institutional solutions and costs) and market surveillance. When implementing a system of geographical indications, attention should be also paid to the creation of an effective system of penalties for the unauthorized use of protected names. Penalties should be handed down quickly and should be appropriate to the offense.

#### **D. Associate to create other supportive and complementary regulations and policies**

- IX. **Food safety flexibility:** In some cases, the traditional methods of producing GI and local products include activities not allowed by sanitary and veterinary regulations (e.g. the use of wooden containers or tools). The introduction of derogations for traditional products of both animal and non-animal origin to allow traditional methods of production has positively impacted the implementation of the system of geographical indications. In the case of small food-processing plants, a flexible approach to sanitary and veterinary requirements is required, proportionate to potential hazards and production risks in small-scale production.
- X. **Benefits of national quality schemes:** National schemes and programmes aimed at collecting traditional and regional or local agricultural products and foodstuffs might be important for understanding the potential of countries in this matter. The aim of the schemes is to identify products and groups that produce traditional and regional products. Participation in quality schemes can also serve to prepare producers for further registration of their products as GIs. Therefore, the requirements for product registration in national quality schemes should be easier to meet than for GI products.<sup>30</sup> However, if possible, they should include the key GI scheme requirements, such as *(i)* reliable product specifications (including the method of production), *(ii)* institutions responsible for applications verification, and *(iii)* a certification system.

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<sup>30</sup> The establishment of the collection of traditional and regional/provincial/local agricultural products and foods should be done by respecting several elements, including:

- the traditional name of the product, supported by literature data;
- the description of the agricultural product or food;
- the identification of the geographic area of the production;
- the discovery of producers and enterprises producing the products; and
- the description of the traditional production method and technology.

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