



# UNIDO'S INTEGRATED APPROACH



**GOVERNANCE**



**COMPETITIVENESS**



**QUALITY & ORIGIN**



**NETWORKS**



**MARKETING**



**DIVERSIFICATION**



**LINKAGES**



## An Integrated Approach for the Valorisation of Origin-linked Products

Consumers are increasingly interested in traditional products that are deeply rooted in their territory of origin. This trend is a major opportunity for producers, especially small-scale and rural producers in the agri-food and creative industries sectors, as they need not compete with the prices of generic and standardized products. On the contrary, this trend rewards them for excelling in what, in a way, they have always done: producing traditional products, whose specific quality, attributes or reputation are linked to ancestral know-how and the place where they are produced.

### What are origin-linked products?

Origin-linked products can be defined as local products based on a territorial identity and reputation, and/or products based on specific modes of production and whose quality, reputation or any other characteristics are attributable essentially to their geographical origin. Examples include Italy's famous Parmigiano-Reggiano cheese, Argan oil from Morocco and Chulucana pottery from Peru.

In the market place, these origin-linked products can secure price premiums, provided they are clearly differentiated and identifiable to consumers. Geographical Indications (GIs), quality labels and origin consortia are tools that can help producers to access the added value of origin-linked products.

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations that promotes industrial development for poverty reduction,

inclusive globalization and environmental sustainability. We have over two decades of experience implementing technical assistance projects in value chain development: fostering business linkages, improving quality compliance, enhancing productivity and promoting market access.

Since 2010, we have been drawing on our experiences in more than 20 countries including Ecuador, Côte d'Ivoire, Montenegro, Morocco, Peru and Tunisia to develop tools and methodologies for preserving and promoting origin-linked products. Our integrated approach ensures that local communities can maximize the potential of origin-linked products and that benefits are fairly distributed along the value chain. With the support of our donors, and working in close partnership with our national counterparts, we can demonstrate the positive impact that origin-linked products have towards achieving sustainable and inclusive development. Not only through improved income opportunities, but also through the empowerment of women, job creation and the preservation of local resources and cultural heritage.

### What is an Origin Consortium?

Origin Consortia can be defined as formal voluntary alliances of individual producers, companies or cooperatives that are involved in the production of the same traditional agro-food or artisan products. The main objectives of the origin consortium are to define and support members in respecting product technical specifications and to increase the reputation of the typical product on local and international markets.



## GOVERNANCE

Strengthening the capacity of public and private actors. Bringing together key actors in the value chain to develop a shared vision and joint action plan.



*Better mobilization and engagement of stakeholders in order to achieve collective efficiency.*



## Protecting and promoting Harissa, Tunisia's flagship product, with a quality label

The production of harissa in Tunisia dates back to the seventeenth century. Today the spicy chilli paste provides employment to an estimated 25,000 Tunisian people and has become the second most important export product of the canned food sector, both in terms of value and quantity. To protect harissa from foreign imitations, which call their hot sauces “harissa” despite having little in common with the original Tunisian recipe, the Tunisian Ministry of Industry established the “Food Quality Label (FQL) Tunisia.”

In 2013, UNIDO launched the “Project for Market Access of Typical Food Products” (French acronym PAMPAT), which is financed by the Swiss State Secretariat of Economic Affairs (SECO). Since its launch, the project has assisted the Tunisian Ministry of Industry and the public-private Tunisian Group for Canned Food Products (GICA) to set-up the certification and control system of the voluntary labelling standard “Food Quality Label Tunisia”. UNIDO also established a taskforce, bringing the Ministry of Industry, GICA and the harissa companies together to develop a shared vision and joint action plan for the promotion of FQL harissa in international markets.

UNIDO is also providing technical assistance to harissa companies to set-up the required traceability system along the supply chain and to comply with the food quality label's product specifications. Seven companies, accounting for more than one third of total industrial harissa production in Tunisia, are now producing certified harissa. The export competitiveness of the certified companies has also improved thanks to ongoing support to position the new label in international markets through a collective marketing approach and participation in several international trade fairs and events.

Farmers are also benefiting from the higher prices the harissa companies can charge for their certified products. Over 70 chilli pepper farmers and collection centres have been directly supported by UNIDO and GICA to comply with the quality and traceability requirements of the food quality label. In 2016, farmers producing chillies for the labelled harissa received 17% higher prices.



Besides UNIDO's targeted support around the “Food Quality Label Tunisia”, within the harissa value chain, the PAMPAT project has also assisted a cooperative of 164 rural women (the only female cooperative in Tunisia) to become operational. Currently, UNIDO is supporting the cooperative in gaining access to niche markets by producing high-quality traditional harissa made of sun-dried chilli peppers according to an ancestral recipe. While in 2014 the cooperative's members were producing harissa at home for family consumption, today they have professionalized production and have started exporting to the Swiss market under the cooperative's registered trademark “ERRIM”.



## COMPETITIVENESS

Upgrading different links in the value chain (e.g. farmers, collection centers, laboratories, packing houses and manufacturers):

- Improving Quality
- Optimizing the use of resources
- Increasing productivity and production capacity



- *Increased production volumes*
- *Reduction of production costs*
- *Increased opportunity to sell at more competitive prices and / or increase the profit margin*
- *Value addition at each stage of production*
- *Increased bargaining power of each actor of the value chain through quality improvement*
- *Reduction of environmental impact*



## Strengthening the competitiveness of SMEs in Côte d'Ivoire

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Funded by the European Union, between 2010 and 2015, UNIDO implemented the project "Improvement of the Competitiveness and Market Access of Ivorian Enterprises in the textile garment, cassava-cereals and cashew sectors (French Acronym PACIR)" in Côte d'Ivoire.

In order to increase the capacity of the firms to access new markets and compete internationally, UNIDO created 7 consortia that helped stimulate knowledge-sharing and reduce the costs and the risks of accessing new markets. It also provided the consortia members with technical trainings and assistance to strengthen their overall competitiveness. Activities included supporting consortia member firms to reorganize human resources, rearranging the layout of equipment, improving storage management and production processes, as well as providing business planning for access to credit. As a result consortia member firms have increased their efficiency, recruited new skilled employees and are already beginning to export to West Africa, Egypt, France and the USA.

UNIDO elaborated 246 standards for the SMEs in the three priority value chains in collaboration with the national body for standardization and certification in Côte d'Ivoire and supported 3 laboratories in preparing to obtain international accreditation for specific tests. It also undertook a study to assess the potential for protecting Attiéké, a traditional Ivorian product made from cassava, with a Geographical Indication.

Throughout the project UNIDO conducted a total of 43 training courses for over 1,300 beneficiaries, representing firms, laboratories, institutions and business development service providers. These efforts helped the country to strengthen its capacity for competing in international markets.





## QUALITY & ORIGIN

Ensuring compliance with quality, safety and origin labels.  
Promoting labels among different actors in the value chain, as well as buyers and consumers.



- *Improved traceability and food safety*
- *Penetration of high-end markets and improved livelihoods of value chain actors*
- *Reduced exposure of the value chain to price changes in mass markets*
- *Informal sector reduced*



## Promoting food safety and supporting Moroccan Argan oil producers to overcome technical barriers to trade

Quality is a prerequisite for successful market access and increasing revenues, but meeting technical requirements is often a challenge for SMEs.

The government of Morocco, recently introduced a new law for all edible products, aiming at promoting food safety, enhancing consumer confidence and strengthening the competitiveness of Moroccan products in international markets. ONSSA, the national office for safety and hygienic standards, is in charge of enforcing the new law. ONSSA verifies that all food products are traceable, hygienic standards are in place and that the production procedures are in line with the law requirements in terms of premises, equipment, staff trainings, etc. The authorization from ONSSA is required in order to sell both in national and export markets.

As part of the Moroccan “Project for Market Access of Typical Food Products” (French acronym PAMPAT), which is financed by the Swiss State Secretariat of Economic Affairs (SECO), UNIDO is supporting argan oil producers to comply with the recently introduced legislation. UNIDO has already completed diagnostic studies for 55 argan oil producers, identifying discrepancies between the law and their production processes. 30 producers are also receiving direct technical assistance to adapt their premises, technical specifications and equipment in order to become compliant with the law.

UNIDO is also supporting the argan producers association in elaborating a reference guide in order to standardize processes and responsibilities within the argan oil value chain. Key staff are being trained in quality management, to ensure compliance and

that argan oil producers integrate quality standards in their daily production process as a way to improve their competitiveness in international markets.

Long valued for its nutritive, cosmetic, and medicinal properties, argan oil from Morocco was protected with a Geographical Indication (GI) in 2010. The GI signals to consumers that the argan oil comes from this specific region, has unique properties and meets stringent standards. It also helps protect traditional knowledge and promote producers’ collective rights.



Through PAMPAT, UNIDO has supported 21 producers and cooperatives, representing more than 700 people, to become compliant with the argan GI technical specifications. Thanks to UNIDO’s technical assistance, the number of producers certified has increased 35%, in turn improving market access for the producers and awareness of the GI among consumers.



## NETWORKS

Strengthening networks (e.g. cooperatives, consortia) and formalizing alliances between the different actors in the value chain (e.g. supply contracts).



- *Reduction of transaction costs*
- *Improved traceability*
- *Optimization of the quantities offered upstream and assurance of the regularity and quality of supply according to the market demand*
- *Better redistribution of risks and profits throughout the value chain*
- *Increased bargaining power for the weaker actors in the value chain*



## Strengthening networks and promoting typical products to improve livelihoods in Peru

Cooperation among enterprises within origin consortia can help firms to effectively enter new markets at reduced cost and risk. At the same time, members can improve their profitability, achieve efficiency gains and accumulate knowledge.

Between 2011 and 2014, with funding from the Italian Development Cooperation, UNIDO implemented a project for the promotion and development of origin consortia and collective marks in 8 of the poorest regions of Peru. Working in partnership with the Peruvian government, represented by the Agro Rural (a national rural development programme) and the National Institute for the Defense of Competition and Intellectual Property (INDECOPI), UNIDO fostered rural development through the valorization of Peru's typical products.

Several networks representing a number of typical products received support, including native cotton handicrafts, honey from Lambayeque, Huancavelica potatoes and a unique spaghetti from Apurimac. UNIDO provided technical assistance in defining product specifications, quality improvement, packaging rules, logo and brand designs as well as legal assistance for the registration of collective marks. Training was also given to more than 350 local professionals from the public and private sectors to improve their ability to promote and register collective marks and to enhance their capacity to provide assistance to producers.

Dedicated to the processing of Andean Trout, ACUJUNIN was one of the origin consortia established and supported through the programme. Based in Junin, in the central highlands of Peru, the consortium unites four Andean trout breeding firms and one processing factory.

Through the programme, producers of the ACUJUNIN consortium standardized their fish breeding processes and registered their own collective mark to improve market access and differentiate themselves from competitors. A joint promotion strategy increased the visibility of Andean trout from Junin, highlighting that the delicate flavor and unique characteristics of the fish is due to the high altitude and freshness of the local water, as well as the know-how of the people who breed them. It also raised awareness of the enhanced quality offered by the collective mark among consumers.



Thanks to the linkages among producers established through the consortium, the collective competitiveness of the member firms was enhanced six fold. The consortium is now selling through new marketing channels including local supermarkets using a modernized, food safety and traceability system that meets international standards.



## MARKETING

Improving market access and the Marketing Mix of companies and consortia:

- Product (packaging and presentation of new products)
  - Promotion (communication tools and promotional activities)
  - Place (identification of new distribution channels and new domestic and international markets, negotiating sales contracts with new clients)
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- *Effective positioning in new markets, including high-end markets*
  - *Increased exports and reduced dependency on the local market*
  - *Effective increases in sales and earnings*
  - *Expansion of employment opportunities*



## CREATIVE MEDITERRANEAN - cultivating creativity and cultural heritage to promote market access

Seeing the extensive, yet untapped, potential in the skills, artistry, creativity and cultural heritage of the Southern Mediterranean countries, UNIDO is implementing a project with funding from the European Union and a financial contribution of the Italian Development Cooperation, to harness regional specialties while simultaneously incorporating innovation and design. The project aims to promote clusters in cultural and creative industries in seven countries of the Southern Mediterranean region: Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia. By developing creativity, competitiveness, networks and linkages to new markets the project aims to create new economic opportunities and jobs in a promising sector, especially for youth and women.

Clusters are geographic concentrations of interconnected businesses, suppliers, and associated institutions in a particular sector. By gathering into clusters and undertaking joint actions, companies increase their productivity and competitiveness. Since the project's launch in 2014, 13 clusters have been supported and more than 830 entrepreneurs have received technical assistance to increase their competitiveness. Cluster members have received training in design and product development, business and marketing skills as well as networking and clustering. Over 50 institutions have also been strengthened in terms of cluster development as well as product and service development, business development services and market penetration. Design hubs to promote support services to the clusters have also been established in Lebanon and Palestine and are being established in the other target countries.

Partnering with industrial design experts, 8 clusters have developed new collections and 58 new products have been created. These include Palestinian furniture, inspired by the traditional keffiyeh pattern of embroidery, as well as the Palestinian landscape and culture. As a result of its innovative approach to promoting traditional cultural and creative goods, UNIDO received the prestigious Compasso d'Oro, Europe's oldest and most honored industrial design award.



Through participation in trade fairs and networking events, the project is also facilitating the market access of the firms and their integration into global markets. The clusters have been showcased at more than 20 fairs including Maison&Objet in France, the Arab Fashion Week in Dubai and the European Fair of Strasbourg in France. Linkages with international retailers are also being explored.





## Facilitating market access of Morocco's traditional products through a National Contest

National contests are a powerful tool to foster market access of typical food products by creating linkages between producers and consumers. They also promote quality and encourage healthy competition among producers and products from different regions.

olive and argan oils, dates, figs and cheeses entered the contest, which was judged by more than 100 tasters. 109 products, representing all the 16 regions of the Kingdom of Morocco, were awarded with gold, silver and bronze medals. The winning products are being promoted worldwide.



Inspired by the Swiss Local Food Contest organized by the Fondation Rurale Interjurassienne (FRI), UNIDO with funding from the Swiss State Secretariat of Economic Affairs (SECO), has worked closely with its national counterparts, the Moroccan Ministry of Agriculture and Fisheries, the Agency for Agricultural Development (ADA) and FRI, to adapt the Swiss model to the Moroccan context. By focusing on hedonistic qualities, the contest enables policy makers and those involved in the development of agro-food sectors to focus attention on the know-how of producers, provide constructive feedback and also better tailor training and support to improve product quality.

Based on the Moroccan and Swiss experiences, UNIDO and FRI have published an international guide to standardize the procedure of organizing a national contest for traditional products. The Moroccan Agency for Agricultural Development already used the guide for the organization of its national contest in 2016 and the methodology will also be applied in Tunisia where the country's first contest will take place in 2017 with UNIDO support.

The first Moroccan Contest for Typical Food Products was held in Rabat in November 2014. Over 350 products including honey, couscous,



## DIVERSIFICATION

Diversification and innovation along the value chain (including the creation of new entrepreneurial initiatives, benchmarking, product processing by farmers, and / or new product development)

- *Expansion of employment opportunities*
- *Diversification of beneficiaries' income sources*
- *Better visibility and better positioning in the value chain*



## The Fig of Djebba – promoting Geographical Indications and creating new products to empower women and rural communities

Fig production is an important local tradition and the main source of income for small-scale farmers from the village of Djebba in the Northwestern Tunisia. With its rich soil, warm climate and natural spring water, Djebba has the perfect microclimate for growing top quality figs. In 2012 the Fig of Djebba was protected by Tunisia by a Geographical Indication. The label guarantees consumers of the geographical origin of the figs. It also rewards the farmers for their commitment to traditional farming methods and high quality.

Launched in 2013 by UNIDO, with funding from Switzerland's State Secretariat for Economic Affairs (SECO), "Project for Market Access of Typical Food Products" (French acronym PAMPAT) aims at improving the performance, market access and socio-economic conditions of selected value chains in Tunisia.

Since its launch, more than 60 fig producers have joined forces in a cooperative to collectively promote the unique 'Fig of Djebba'. Working in close cooperation with Tunisia's Ministry of Agriculture and the Interprofessional Fruits Group (GIFRUIT), UNIDO has been providing technical assistance to help the fig producers improve quality and meet the product technical specifications for the Geographical Indication. A traceability system is in place and a quality control and certification system for the Geographical Indication is being setup. A packing station for the cooperative has also been established, and has obtained the agreement for exporting from the Ministry of Industry.

Thanks to the project, the fig producers are already starting to see the positive impact

of the Geographical Indication. In the summer of 2016, fig producers could sell their labeled flagship product 80% more expensive than standard figs from their region. A large fig producer has also started selling geographical indication figs through the national supermarket chain Magasin General.



Through the project the fig producers are also being supported to diversify their offering. Women from the cooperative are now producing their own branded dried figs and fig jam, which are being sold in local trade fairs and in specialized gourmet shops in the capital, Tunis. UNIDO is also doing research and development for additional products such as chocolate figs and pastes. The sales of these products provide new sources of income and are therefore empowering local women in the Djebba community.



## LINKAGES

Strengthening and creating new linkages within related sectors such as Agri-food, Tourism and Creative Industries.



- *Access to new markets and improved business sustainability*
- *Innovation through integrated cluster approach*



## Delicious Montenegro – promoting linkages between agri-food, tourism and creative industries

Linkages and synergies between local food production, tourism and creative industries offer many opportunities for producers, especially rural producers, and are becoming increasingly significant for the promotion of local socio-economic development. Developing these linkages can strengthen branding and marketing of local destinations, diversify rural economies and provide new sources of income for producers.

This idea is at the heart of 'Delicious Montenegro' a collective brand and web platform developed by UNIDO to promote market access of Montenegro's typical products and improve the visibility of Montenegro as an attractive tourism destination. Working in collaboration with Montenegro's Business University, over 150 producers from the agri-food, tourism and creative industries sectors have been mapped and listings created on the Delicious Montenegro platform.

The initiative is part of a project UNIDO is implementing in Montenegro in partnership with the Ministry of Economy and funding from the European Union and the DRT-Fund. Launched in 2014, "Enhancing the competitiveness of local SMEs in Montenegro through cluster development" aims to strengthen the competitiveness and market access of selected clusters and networks in Montenegro. Through the project, clusters in fresh water fish, wine and olive oil have been provided with direct technical assistance to integrate into domestic and international value chains. Local government staff and business support associations were also trained on the UNIDO cluster development approach and the Ministry of Economy was supported in the development and implementation of Montenegro's National Cluster Strategy.

Cluster firms received marketing and branding training to innovate and jointly develop new product lines, such as the joint olive oil brand 42°N 19°E. Named after the geographic coordinates from where the olive oil originates, 42°N 19°E limited edition olive oil is made exclusively from Montenegro's ancient olive trees; some of which were scientifically verified through the programme to be more than 2000 years old.



Olive oil trails were created to link producers to tourism in the regions of Bar and Ulcinj, and help the cluster tap into the significant competitive advantage of Montenegro's rich olive oil cultural heritage. Wine routes were also created to promote Montenegro's autochthonous wine varieties and sales stands were placed in large shopping malls in order to increase sales and further promote small local wineries.

The Delicious Montenegro concept has already been presented on national and international trade fairs such as the Slow Food Network's 'Terra Madre Salone Del Gusto' in Turin - one of the most important events dedicated to food and gastronomy.



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