

**ASSOCIATION OF CARIBBEAN STATES -ACS**

**ACS PROJECT CONCEPT DOCUMENT**

**PROJECT: Opportunities for the Caribbean to Capitalise on Regional  
Branding through Geographical Indications.**

## ABBREVIATIONS AND ACRONYMS

**ACS:** Association of Caribbean States

**GI:** Geographical Indications

**TRIPS:** Trade-Related Aspects of Intellectual Property Rights

**WIPO:** World Intellectual Property Organisation

<b>I. PROJECT OVERVIEW</b>	
<b>A. PROJECT DESCRIPTION</b>	
<b>1.1 Project name / number</b>	<b>Opportunities for the Caribbean to Capitalise on Regional Branding through Geographical Indications.</b>
<b>1.2 ACS Focal Area</b>	<b>Trade Development and External Economic Relations Directorate</b>
<b>1.3 Objectives</b>	<p><b>General Objective:</b> To further goals for export diversification and intra-regional and extra-regional trade for the ACS Members by capitalising on regional branding through the utilisation of geographical indications. The project utilises a two-prong approach which takes into account firstly, the individual Member States and their unique products to capitalise on geographical indications; and secondly, on a regional scale where commonalities exist.</p> <p><b>Specific Objectives:</b></p> <ul style="list-style-type: none"> <li>▪ To develop commodities of export interest for individual Member States,</li> <li>▪ To identify commonalities amongst the region's products to be considered for regional branding.</li> <li>▪ To better exploit opportunities of export interest through the untapped potential of geographical indications</li> <li>▪ To incentivise growth in infant industries with export potential</li> <li>▪ To strengthen cooperation between the private and public sectors</li> <li>▪ To reduce production costs through local sourcing.</li> <li>▪ To facilitate greater cooperation and collaboration among Member States to identify these opportunities where commonalities are found.</li> <li>▪ To promote on a reciprocal basis the development and sale of local products in all the markets of ACS countries</li> <li>▪ Promote cultural development through trade and</li> </ul>

	<p>economic integration</p> <ul style="list-style-type: none"><li>▪ Support Small and Medium-Sized Enterprises (SMEs) in the quest for new markets and trading partners</li><li>▪ Boost the Greater Caribbean economy.</li><li>▪ To increase national production as a result of increased demand from the ACS</li></ul>
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<p><b>1.4 Justification</b></p>	<p>The investment and focus on intellectual property rights, especially Geographical Indications (GIs) in the Caribbean is of great importance to the future economic development and innovation of the region. The Caribbean can benefit from the use of GIs since it allows for stronger brand recognition than trademarks. It also allows rights holders to charge a premium above the margin price.</p>
<p><b>1.5 Components/ Expected Results</b></p>	<p><b><u>Components</u></b></p> <p><u>Phase 1:</u> Conduct a regional assessment in order to identify/select potential products for geographical indications and regional branding to be the proposed "Champions Products." Results from this assessment will be presented in a special ACS meeting, which will approve proposals. During meeting technical assistance could indicate new trade possibilities that would arise after GI procedure.</p> <p><u>Phase 2:</u> Implement internal and/or regional consultation with producers and private sector organizations, in order to proceed to next step of each GI selected by Member States. ACS could invite Member States to meetings that would be needed, in order to facilitate procedure. WIPO will guide ACS and countries through entire process.</p> <p>Phase 3 Formalization of GI registration an regional / international level. WIPO and its specialized consultants will guide ACS and countries through entire process.</p> <p>Phase 4. Presentation of new GI proposal to each potential market, in order to receive preferential treatments in terms of tariffs, promotion and facilitation of distribution on a reciprocal basis. With assistance from the WIPO, the ACS may promote the development of geographical indications in the region furthering innovative practices and new economic possibilities. Examples of activities to be undertaken include:</p> <ul style="list-style-type: none"> <li>▪ Organisation of Regional Fairs showcasing the Champion Products of the ACS Member States ;</li> <li>▪ Signing of preferential agreements to benefit the Champion Products of ACS Member States;</li> <li>▪ Updating and renewal of information pertaining to the Special Committee on the ACS website.</li> <li>▪ Establishment of criteria for the selection of the flagship product and the characteristics of the Programme;</li> <li>▪ Creation of the Caribbean Selection Committee to</li> </ul>

	<p>approve the flagship products per country;</p> <ul style="list-style-type: none"> <li>▪ Definition and adoption of elements of a special provisional regime for the implementation of a free-trade agreement among participating countries;</li> <li>▪ Consensual preparation of benefits to be offered in terms of facilitating and promoting flagship products;</li> <li>▪ Development of appropriate structures for the promotion of flagship products;</li> </ul> <p><b><u>Expected Results</u></b></p> <p><u>Phase 1:</u> Report/ Assessment to be delivered making the case for the selection of the potential Champion products identified. A special presentation to Member States will be held after finalization of Assessment for Member States approval.</p> <p><u>Phase 2:</u> Local and Regional meetings with representatives of GI producers from Members States. Special approval document could be required from Members States producers, which could support regional intervention.</p> <p>Phase 3. Geographical Indications Registration.</p> <p>Phase 4. GI potential benefits presentations, which could include some of following interventions:</p> <ul style="list-style-type: none"> <li>▪ Organisation of Regional Fairs showcasing the Champion Products of the ACS Member States ;</li> <li>▪ Signing of preferential agreements to benefit the Champion Products of ACS Member States;</li> <li>▪ Updating and renewal of information pertaining to the Special Committee on the ACS website.</li> <li>▪ Establishment of criteria for the selection of the flagship product and the characteristics of the Programme;</li> <li>▪ Creation of the Caribbean Selection Committee to approve the flagship products per country;</li> <li>▪ Definition and adoption of elements of a special provisional regime for the implementation of a free-trade agreement among participating countries;</li> <li>▪ Consensual preparation of benefits to be offered in terms of facilitating and promoting flagship products;</li> <li>▪ Development of appropriate structures for the</li> </ul>
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	promotion of flagship products;
<b>1.6 Estimated Costs and Duration</b>	<b>Budget to be Determined</b> Ongoing (Duration depends on progress research and feedback from Member States)
<b>1.7 Project current status</b>	To be presented to the XXVIII Meeting of Special Committee on Trade Development and External Economic Relations
<b>B. STAKEHOLDERS</b>	
<b>1.8 Entity responsible</b>	Association of Caribbean States ( Directorate of Trade Development and External Economic Relations)
<b>1.9 Beneficiaries</b>	ACS Member States and Associate Members Countries of the Greater Caribbean Economic Entities of the Greater Caribbean Business Owners and Entrepreneurs Regional/International Institutions Trade Promotion Organizations Ministries of Trade and Industry Ministries of Agriculture
<b>1.10 Collaborating institutions</b>	UNCTAD, Inter-American Development Bank, Ministries of Trade and Industry of the Region, Chambers of Commerce of the Region, ACS Member, ACS Associate Members (Proposed)
<b>1.11 Executing Institutions</b>	Association of Caribbean States (ACS)
<b>1.12 Financing Institutions</b>	Funding Agencies, Funding Country ( To Be identified)

## II. PROJECT INTERVENTION LOGIC

### A. CONTEXT AND BACKGROUND

#### 2.1 Geographical Indications

The investment and focus on intellectual property rights (IPR), especially Geographical Indications, in the Greater Caribbean is of great importance to the future economic development and innovation of the Region. The Greater Caribbean is host to diverse cultures and is rich with traditional knowledge which can be marketed to the wider world given the appropriate protection and know-how provided for in the TRIPS Agreement. It offers new branding strategies for the differentiation of products originating from the ACS region.

According to the World Intellectual Property Organisation (WIPO), Trade-Related Aspects of Intellectual Property Rights (TRIPS) Articles 22 and 23, defines geographical indications (GIs) as indications that identify a good as originating in the territory of a Member, 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.”<sup>1</sup> Geographical origin typically makes reference to agricultural products and also takes into account the use of traditional extraction and processing methods, which offers the possibility of product branding and presents unique marketing opportunities. It allows rights holders to charge a premium above the margin price.

Several Caribbean countries have recognized the economic and cultural value of GI protection and are currently exploring the potential of this type of IPR protection for various traditional products.<sup>2</sup> The Caribbean can benefit from the use of GIs in various ways because:

- It allows for stronger brand recognition than trademarks. It also allows rights holders to charge a premium above the margin price.
- It guarantees quality and provenance, they thus help to ensure consumer protection.<sup>3</sup>

The region has already enjoyed some substantial success through geographical indications in its rum industry. As a substantial employer and a significant source of government revenue, rum is a product of critical importance to the social and economic well - being of the Caribbean region.<sup>4</sup> As stated previously, the Caribbean has enjoyed extended protection under Article 23 for its rum-producing countries such as Barbados

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<sup>1</sup> Shridath Ramphal Centre. “Geographical Indications In The Caribbean,” Last modified May, 2011.

[http://www.virtualtradeportal.org/cms/index.php?option=com\\_docman&task=doc\\_download&gid=92&Itemid=57](http://www.virtualtradeportal.org/cms/index.php?option=com_docman&task=doc_download&gid=92&Itemid=57)

<sup>2</sup> Shridath Ramphal Centre. “Geographical Indications In The Caribbean,” Last modified May, 2011.

[http://www.virtualtradeportal.org/cms/index.php?option=com\\_docman&task=doc\\_download&gid=92&Itemid=57](http://www.virtualtradeportal.org/cms/index.php?option=com_docman&task=doc_download&gid=92&Itemid=57)

<sup>3</sup> World Trade Organisation. “Background and the current situation,” Accessed June 12<sup>th</sup> 2013.

[http://www.wto.org/english/tratop\\_e/trips\\_e/gi\\_background\\_e.htm#protection](http://www.wto.org/english/tratop_e/trips_e/gi_background_e.htm#protection)

<sup>4</sup> West Indies Rum & Spirits Producers Association Inc. “Aft Case Story – Caribbean Rum Sector Programme,” January 2011. <http://www.oecd.org/aidfortrade/47479535.pdf>

– Mount Gay Rum, Jamaica – Appleton Estate Rum, and Guatemala – Ron Zacapa, to name a few.

Given the benefits mentioned, these are important aspects to be considered if the Greater Caribbean is to fully pursue the creation of geographical indications for select products of particular export interest and regional branding.

### **2.1.1 “Champion Products”**

As mentioned earlier, with regard to exploiting geographical indications, this initiative represents a new avenue for ACS Member States to pursue export diversification, increase trade volumes and improve terms of trade for the region. The initial “Champion Products” initiative, was presented by Haiti, to the XXVII Meeting of Special Committee on Trade Development and External Economic Relations of the ACS on 11<sup>th</sup>-12<sup>th</sup> July 2012. This original concept has been modified in order to expand the scope for the redounding of optimum benefits for ACS Region. Such an effort is supported by regional trade agreements in the LAC region which provide for the development of geographical indications as an effective marketing tool. This initiative should be a successful project in this regard to craft new marketing strategies both for individual Member States and the region on a whole.

#### **2.1.1.1 Unique Geographical Indications**

One arm of the Champion Products initiative will focus on commodities unique to the Member States which could benefit from the protection afforded through the use of geographical indications. Ideally, this should propel untapped/infant industries forward and reap rewards from export diversification. These selected goods or “Champions” will be afforded preferential treatment so that they may benefit from the vast ACS market and promote growth for individual Member States.

#### **2.1.1.2 Regional Branding**

Regional branding represents a profitable opportunity for the ACS Region therefore the second arm of the Champions Products initiative will focus on identifying commonalities amongst ACS Member States best suited for this component. This component will possess an intra-regional and extra-regional focus- “champions” will benefit from preferential treatment within the ACS while also enhancing its capacity as a viable export commodity extra-regionally.

One key concern for establishing regional branding is to take into account the conditions for establishing geographical origin, especially their collective nature, “those who produce and market GIs must engage in collective action with regard to production methods, quality standards and control, as well as product distribution and marketing.”<sup>5</sup> It is noted that technical assistance will required to further this initiative, and offer a real chance for advancement for these underdeveloped industries.

<sup>5</sup> World Intellectual Property Organisation. “Geographical Indications An Introduction,” Accessed 12<sup>th</sup> June, 2013. [http://www.wipo.int/export/sites/www/freepublications/en/geographical/952/wipo\\_pub\\_952.pdf](http://www.wipo.int/export/sites/www/freepublications/en/geographical/952/wipo_pub_952.pdf)

### 2.1.4 Proposal

The Directorate of Trade Development and External Economic Relations considers it vital at this time to propose the undertaking of a project aimed at singling out commodities to capitalise on the use of geographical indications as a value-added, using two distinct approaches: firstly, to seek to develop commodities of export interest for individual Member States, and, another approach is to identify commonalities amongst the region's products to be considered for regional branding. This specific number of products called "champions" selected by each Member of the ACS.

For these products, each country will make an exception in terms of tariffs, promotion and facilitation of distribution on a reciprocal basis. It aims to develop new mechanisms for trade among ACS Members and to increase national production as a result of increased demand from the ACS, strengthen cooperation between the private and public sectors, and reduce production costs through local sourcing.

It is hoped that provided the assistance from the World Intellectual Property Rights Organisation, that the ACS may promote the development of geographical indications in the region furthering innovative practices and new economic possibilities.

#### Components:

Phase 1: Conduct a regional assessment in order to identify/select potential products for geographical indications and regional branding to be the proposed "Champions Products." Results from this assessment will be presented in a special ACS meeting, which will approve proposals. During meeting technical assistance could indicate new trade possibilities that would arise after GI procedure.

Phase 2: Implement internal and/or regional consultation with producers and private sector organizations, in order to proceed to next step of each GI selected by Member States. ACS could invite Member States to meetings that would be needed, in order to facilitate procedure. WIPO will guide ACS and countries through entire process.

Phase 3 Formalization of GI registration an regional / international level. WIPO and its specialized consultants will guide ACS and countries through entire process.

Phase 4. Presentation of new GI proposal to each potential market, in order to receive preferential treatments in terms of tariffs, promotion and facilitation of distribution on a reciprocal basis. With assistance from the WIPO, the ACS may promote the development of geographical indications in the region furthering innovative practices and new economic possibilities. Examples of activities to be undertaken include:

- Organisation of Regional Fairs showcasing the Champion Products of the ACS Member States ;
- Signing of preferential agreements to benefit the Champion Products of ACS Member States;

- Updating and renewal of information pertaining to the Special Committee on the ACS website.
- Establishment of criteria for the selection of the flagship product and the characteristics of the Programme;
- Creation of the Caribbean Selection Committee to approve the flagship products per country;
- Definition and adoption of elements of a special provisional regime for the implementation of a free-trade agreement among participating countries;
- Consensual preparation of benefits to be offered in terms of facilitating and promoting flagship products;
- Development of appropriate structures for the promotion of flagship products;

## 2.2 OBJECTIVES

**2.2.1 General Objective:** To further goals for export diversification and intra-regional and extra-regional trade for the ACS Members by capitalising on regional branding through the utilisation of geographical indications. The project utilises a two-prong approach which takes into account firstly, the individual Member States and their unique products to capitalise on geographical indications; and secondly, on a regional scale where commonalities exist.

### 2.2.2 Specific Objectives:

- To develop commodities of export interest for individual Member States and,
- To identify commonalities amongst the region's products to be considered for regional branding.
- To better exploit opportunities of export interest through the untapped potential of geographical indications
- To incentivise growth in infant industries with export potential.
- To strengthen cooperation between the private and public sectors
- To reduce production costs through local sourcing.
- To facilitate greater cooperation and collaboration among Member States to identify these opportunities where commonalities are found.
- To promote on a reciprocal basis the development and sale of local products in all the markets of ACS countries
- Promote cultural development through trade and economic integration
- Support SMEs in the quest for new markets and trading partners
- To increase national production as a result of increased demand from the ACS

## 2.3 EXPECTED RESULTS

Phase 1: Report/ Assessment to be delivered making the case for the selection of the potential Champion products identified. A special presentation to Member States will be held after finalization of Assessment for Member States approval.

Phase 2: Local and Regional meetings with representatives of GI producers from Members States. Special approval document could be required from Members States producers, which could support regional intervention.

Phase 3. Geographical Indications Registration.

Phase 4. GI potential benefits presentations, which could include some of following interventions:

- Organisation of Regional Fairs showcasing the Champion Products of the ACS Member States ;
- Signing of preferential agreements to benefit the Champion Products of ACS Member States;
- Updating and renewal of information pertaining to the Special Committee on the ACS website.
- Establishment of criteria for the selection of the flagship product and the characteristics of the Programme;
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- Development of appropriate structures for the promotion of flagship products;