

Lebanon: geographical indications support

Project document

1. Summary

The project will assist the Lebanese Authorities to define an adequate system for geographical indications (GIs), given the country's economic and social conditions, to carry out an inventory of Lebanese products with a potential for GIs and to draft the necessary regulatory framework for the setting up of the system.

Given the increased world trade in agricultural products, GIs provide a useful marketing tool to producers (both on the national market and abroad), while at the same time being a vehicle for rural development.

The project will imply intensive consultations among all stakeholders in Lebanon (Ministries, farmers, processors, retailers, exporters etc). To carry out this project, IDEAS Centre will hire external experts. First, we will hire an international high level expert on GIs who will have the task to define the overall strategy for GIs in Lebanon and to ensure that work proceeds satisfactorily. Second, we will work with a local team of Lebanese persons (two to three persons, depending on the stage of the project's implementation). The hiring of local personnel will ensure that the capacity built and developed during the project lasts after its completion.

2. Background

Memorandum of Understanding on technical assistance

In the context of the conclusion of the Free Trade Agreement between EFTA States and Lebanon, Switzerland and Lebanon have signed a Memorandum of Understanding in February 2004 defining a bilateral programme on technical assistance to be implemented during a period of three years following the signature of the EFTA-Lebanon Free Trade Agreement.

This Memorandum of Understanding includes several components under the following categories: investment promotion, trade-related capacity building and other areas of cooperation. Under the trade-related capacity building component, it is foreseen that Switzerland will support Lebanon in defining and in assisting in the implementation of a strategy for the protection of Lebanese GIs. For this purpose, an amount of CHF 250'000. – was first planned. This amount has been re-assessed to a higher amount according to the needs of this project.

Importance of GIs

GIs are defined as “indications which 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” (article 22.1 of the TRIPS Agreement). Agricultural products typically have qualities that derive from their place of production, are influenced by specific local factors, such as climate and soil and production methods. Whether a sign functions as a GI is a matter of national law and consumer perception.

GIs play an increasingly important role in a globalized world economy where food markets are more and more internationalized. They offer to producers a useful marketing tool as their products' obtain market recognition and often a higher price.

Lack of adequate protection for GIs is not only detrimental to producers as it affects the reputation of their products and may nullify the investments made to build up and maintain this reputation, but also to consumers who are deceived as to the quality standard and the origin that they expect.

GIs can play a significant role in the rural development of developing countries as they are likely to increase the revenues of farmers and contribute to employment. More and more developing countries express a strong interest for GIs (cf Darjeeling tea in India, nuoc mam in Vietnam). Further, GIs are also often linked to non-commercial considerations, such as the protection and transfer of particular production knowledge, the protection of the environment and landscapes.

Interest of the Lebanese government

Lebanon has numerous high quality agricultural products, such as olive oil, fruits, wine and milk products, as well as handicrafts. In order to take full benefit of these products' reputation, Lebanon has expressed a strong interest to receive support in order to develop a strategy in this field with a view to elaborating the necessary legislation and ensuring an effective protection of its GIs. This is timely as Lebanon is in the process of drafting intellectual property legislation in the context of its accession to the WTO.

The Lebanese Ministry of Trade and Economic (MOET) established 18 months ago the **GIs Committee** (MOET serves as the secretariat of the Committee). This committee includes representatives not only of several ministries or governmental bodies, but also of the Chamber of Commerce. It is expected to function as a national coordination body for GIs. Part of the expert's work will be to ensure that MOET organize this body in an efficient manner.

3. Project content

The project aims at contributing to the definition of a strategy for an adequate protection of GIs in Lebanon. It will involve the following components:

In the first phase of the project (inventory of potential GIs in Lebanon; provision of information to and contacts with stakeholders), it is planned to have a team of two junior professionals (with legal and technical backgrounds). The high level expert will establish a reasonable training program for them. After being trained, they will define, together with the international expert, the methodology to elaborate a preliminary inventory of potential GIs in Lebanon. They will then draw up the inventory using all available information and traveling extensively throughout the country. They will have to identify partners and stakeholders in the producers' communities. They will also identify relevant existing studies, as well as all existing projects in Lebanon that could integrate a product quality component (for example the EU project on fruits and vegetables "filières"). They will be responsible for administrative issues (organization of meetings, book-keeping, etc).

In the later stage of the project, work on the legislative front will start. Senior experts will be involved, both for their technical and political knowledge of the country. They will raise awareness on GIs at a higher and political level with relevant stakeholders and work on the legislative project. At this stage, and for sensitive political considerations in Lebanon, it has been decided to have recourse to two different experts whose knowledge and contacts' with key stakeholders are complementary.

4. Project Objectives, Results and Activities

The **development objective** is that a number of agricultural products has obtained a GI.

The **objective** of the project is to contribute to the definition of a strategy for an adequate protection of GIs in Lebanon. In order to achieve it, the project has four outputs (results to be achieved (R)):

- R1 **Identification of Lebanese products** with a strong geographical reputation and export potential, as well as products with traditional denominations
- R2 **Information of Stakeholders** about the concept and implications of GIs
- R3 **Capacity building** in Lebanon
- R4 Proposal for an adequate **regulatory framework**

Activities according to Results

R1. Identification of Lebanese products

- A11 Definition of a methodology
- A12 Meetings with farmers and producers throughout the country
- A13 Carry out a survey to confirm the supposed reputation of the identified products.

R2. Information of Stakeholders

- A21 Meetings, consultation and provision of information to all stakeholders in Lebanon. Stakeholders will include the GI Committee, producers, retailers, exporters, importers.
- A22 Coordination with projects relevant for GIs, in particular the EU project on fruits and vegetables' sectors and use these other projects as a vehicle to disseminate information on GIs and foster interest of producers.

R3. Capacity building

- A3 Provide necessary training, guidance and monitoring to two Lebanese junior professionals

R4 Regulatory framework

- A41 Examination and advice on the different approaches and options as to how to protect GIs
- A42 Drafting of the legislation
- A43 Consultations to ensure a broad support for the law

Work plan and Milestones

The results and recommendations resulting from the elaboration of the inventory and the consultations with the stakeholders will be submitted to the Lebanese. This will constitute the **first milestone** of the project (8-12 months after the beginning of the project). After validation, the project will also focus on legislative drafting. The **second milestone** will be the submission of the proposal for a regulatory framework to the MOET.

Logframe, including the indicators

You will find in annex the summary table (logframe) including the performance indicators.

5. Beneficiaries

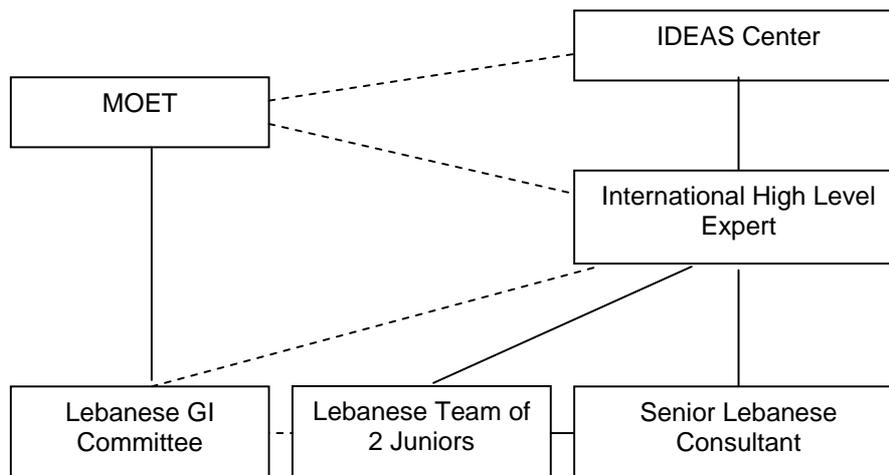
The direct beneficiaries will include inter alia domestic producers, processors and retailers who can take advantage of a higher value and recognition of the products accepted as GIs.

The indirect beneficiary of the project is the Ministry of Economy and Trade (coordinator of trade-related aspects of intellectual property rights) and the Ministry of Agriculture as the project will enhance the capacity of the Ministry of Economy and Trade to implement an effective and useful system for GIs in Lebanon, and the Ministry of Agriculture to foster rural development and enhance rural revenues.

Switzerland may also be an indirect beneficiary as in the medium run Lebanon will become member of the WTO and will need to adopt a negotiation position on GIs in the TRIPS Council.

6. Project Organisation

The project organisation will have the following set up:



--- coordination

___supervision

IDEAS Centre is responsible for the whole coordination of the project and the monitoring of the progress achieved. It will select the high level expert¹, as well as the junior experts in close collaboration with the Lebanese Authorities. IDEAS

¹ Mr. Frédéric Brand, who carried out the preparatory mission in February 2005, is ready to assume this task.

will consult with MOET and with the international expert on issues raised during the project's implementation.

The high level expert will elaborate the strategy on the protection of GIs for the Lebanese government in collaboration with all interested parties. He will execute several short term missions to Lebanon (five missions are budgeted). He will work in close cooperation with the permanent team in Beirut (during and in between missions). His activities in this regard will include the training of the junior professionals, the establishment of a work plan and related methodology for them, regular guidance and monitoring of their activities. He will also ensure that the GI Committee is organized in an efficient manner.

As the international expert will only carry out short term missions, there is a clear need to have **a permanent team of experts in Beirut**, *composed first of two Lebanese junior professionals, and then in the second phase also of Lebanese senior expert(s)*. This approach will also ensure a lasting **capacity building** within the country.

The Lebanese team will be **responsible** for the day-to-day **implementation** of the project, under the responsibility of the international expert. They will report on a regular basis (monthly) to the high level expert on the work carried out, the progress achieved and the difficulties encountered, and follow his guidance. They will among other things meet with interested parties from the public and the private sectors, organize awareness campaigns, support the setting up of producers' organizations, draft/amend all necessary legislations and regulations. They will be physically located in the premises of the Lebanese Ministry of Economy and Trade and will work on a permanent basis with the MOET.

The high level expert will decide in due time if, and to what extent, the junior professionals will have to follow the instructions of the senior experts. He will be responsible for the substantive implementation of the project.

7. Seco's contribution

Seco agrees to reimburse the costs of the implementation of the project up to a maximum amount of CHF 349'839.-

The project's duration is limited to 18 months, from July 2005 to December 2006. This duration should allow elaborating a strategy for the protection of GIs in Lebanon.

The amount will be transfer to IDEAS Centre, which is responsible for the whole implementation of the project and for its financial management.

Lebanon's contributions

The financial participation of the Lebanese government will include the following in kind contributions:

- Provision to all experts of necessary infrastructure within the Ministry of Economy and Trade to carry out the work (telephone, computer, etc)²;
- When possible, Ministry's car at disposal of experts;
- Designation of and availability of one IP expert part of MOET;
- Meeting and workshops facilities;
- Organization of meetings and events;
- Administrative integration within MOET of the two junior professionals;
- Endeavour to hire the junior professionals at the end of the project in order to staff the structure to be established on GIs in Lebanon.

8. Coordination with other donors involved

The French Government is also in the process of carrying out technical assistance missions in the field of GIs. The detailed scope and content of the missions are not defined yet; however, they will focus on specific "filières" (one of them is likely to be the Hasbaya olive oil). It is expected (but not confirmed) that these missions will lead to a larger project on GIs financed by the World Bank (a workshop on GIs for agro-food products from the Middle East and North Africa was organized in Montpellier in June 2004 in cooperation by the World Bank and the French Ministry of Agriculture).

The Swiss project is different because it aims a general enterprise not limited to a sectoral approach. However it will be important that an optimal coordination of activities be ensured by the high level expert with the existing French project and the possible future program of the World Bank. This will also imply flexibility to adapt our project in the light of future programs that may be launched.

9. Monitoring

After twelve months a progress report will be submitted to seco assessing and identifying:

- the actions taken to implement the project;
- the objectives met;

² This implies provision of the necessary infrastructure during the missions for the international high level expert, 2.5 days a week on average for the senior consultants and on a permanent basis for the junior professionals.

- the difficulties encountered and proposals for solutions to address them;
- any other issue to be tackled for a prompt and successful implementation of the project.

Before implementing the activities a six months work plan will be submitted to seco.

The high level expert's reports will also be sent to seco for information.

An annual detailed financial report will be submitted to seco .

A final report including a final financial report will be submitted at the end of the program.

A Joint Committee shall meet once a year, supervise the implementation of the project and review its orientation, as necessary.

10. Project's opportunities and risks

The following factors are considered to be “**opportunities**” in support of successful project implementation:

- IDEAS Centre has been working for several years with Lebanon's team on WTO accession. It has witnessed the high dedication of this team to accession process. The same team will also be IDEAS Centre's counterpart for the implementation of the project on GIs. As it has been the case in the past, a solid and fruitful cooperation between the Lebanese Authorities and IDEAS Centre can be expected.
- Given the commitments that Lebanon will have to implement in the agricultural sector in order to be able to join the WTO (lowering of duties), it is important for the Government to address the increased competition of foreign imports by new means. A strong GIs' regime can contribute to a better recognition of the quality of Lebanese products both by domestic consumers and foreign importers. This element can play an important role in the international competitiveness of Lebanese agricultural products, and thus in the Government's commitment in the project on GIs.

The main **risks** of the project are linked to the very tense political situation in Lebanon. The assassination of former Prime Minister Rafik Hariri on February 14, 2005 and the political crises that followed has revived the fear of a civil war in the country. For several weeks, the country has experienced massive street protests,

no working government and a series of bomb attacks in predominantly Christian neighborhoods. Yet, a Cabinet was formed mid-April and elections should be held at the end of May, as expected. Only after a transition period after the elections will it be possible to assess whether political stability is restored. The project takes this risk under consideration by foreseeing a first phase devoted to an important and necessary fact-finding exercise that should less be influenced by a difficult political environment.

It is clear also that frequent political changes may also affect the work of the Parliament and may render the adoption of new laws and/or revisions of existing laws more difficult or even impossible.

A further risk factor is due to the likely opposition of (some) exporters and importers who may see reluctantly the development and imposition of product specifications and quality standards.

A final risk identified is the very low level of organization among producers. This risk must be mentioned as the protection of GIs implies a collective approach of interested producers.

Annex: logframe

Strategy of Intervention	Key Performance Indicators	Means of Verification	External Factors (risks/assumptions)
Development Objective	Impact Indicators		
D: a number of agricultural have obtained a GI.			Assumptions: political stability (not existing currently); working government; peaceful regional environment.
Project objective	Outcome Indicators		
O1: A national strategy for the protection of GIs in Lebanon is defined	National strategy submitted to the Parliament by the end of December 2006	Submission	MOET gives political validation of the results after each step of the project; MOET implements recommendations of high level expert to ensure that the GI Committee becomes a coordination body on GIs
Project Results (Outputs)	Output Indicators		
R1: Identification of products with GIs potential R2: Stakeholders are informed about the meaning and implications of GIs R3: Two local junior professionals are trained and have the knowledge to work on the implementation of the legislation R4: Proposal for a legal framework	I1: Inventory is available I21: At least 5 articles on GIs are published I22: Producers are interested in GIs I23: One or two other projects relevant for GIs integrate an awareness raising part on GI in their activities I3: Extent of knowledge on GIs I4: Draft legislation submitted to MOET	M1: Inventory M21: Publications in local press M22: Survey, experts' reports M23: Confirmation by these other projects' coordinators M3: Questionnaire M4: Draft legislation	
Activities (by IDEAS, international expert, local experts)	Means: inputs/budget		
A11: Elaboration of a methodology to define potential products A12: Meetings with producers throughout the country A13: search for and analysis of existing papers on production of agricultural products in Lebanon A21: Regular missions A22: Definition of a methodology for the provision of information (objectives, means, etc) A23: Organization of workshops, meetings and conferences A24: Coordination with relevant projects active in Lebanon A3: Selection, preliminary training, supervision and guidance of local staff A41: Meetings and consultations with stakeholders A42: Proposals are made on different approaches towards GIs A43: Drafting of legislative framework A1-4: coordination with future projects planned on GIs (in particular French project)	For all activities: Consultants + secretariat + office facilities + travel costs + prints Domestic travel costs for experts + survey's costs + training costs		

