



**Feasibility Study for the project:**  
**“Support to the definition of a Legal framework  
for Geographical Indications in Ethiopia  
and Implementation on a Value Chain ”**

**Phase 1: Opportunity Study**

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## Abbreviations

|        |   |
|--------|---|
| ABs    | Accreditation bodies  |
| AFD    | Agence Française de Développement   |
| ATA    | Agricultural Transformation Agency  |
| CBs    | Certification bodies  |
| ECAE   | Ethiopian Conformity Assessment Enterprise                                    |
| ECC    | Ethiopian Chamber of Commerce and Sectorial Associations                      |
| ECTDMA | Ethiopian Coffee and Tea Development and Marketing Authority                  |
| ECX    | Ethiopian Commodity Exchange  |
| EIAR   | Ethiopian Institute Agricultural Research                                     |
| EIPO   | Ethiopian Intellectual Property Office  |
| ESA    | Ethiopian Standards Agency  |
| FMHACA | Ethiopian Food, Medicine and Health Care Administration and Control Authority |
| GI     | Geographical Indication   |
| MoANR  | Ministry of Agriculture and Natural Resources                                 |
| MoLF   | Ministry of Livestock and Fisheries   |
| MoT    | Ministry of Trade   |
| NAO    | National accreditation Office   |
| PRCC   | Programme for Strengthening of Trade Capacities                               |
| SMEs   | Small and Medium Enterprises  |
| WIPO   | World Intellectual Property Organization                                      |
| WTO    | World Trade Organization  |

## I. BACKGROUND, OBJECTIVES AND METHODOLOGY

This report brings the preliminary results of the Phase 1 of the Feasibility Study for a Project to **“Support the definition of a Legal Framework for Geographical Indications in Ethiopia and implementation on a Value Chain”**. The project idea originated from contacts held between the Ethiopian Intellectual Property Office (EIPO) and Agence Française de Développement (AFD) which conducted identification missions in 2017. The initiative receives support from AFD and the French Embassy through the French government’s PRCC programme on supporting the Strengthening of Trade Capacities. AFD has called upon Cirad (Centre de coopération internationale en recherche agronomique pour le développement) and Ecocert (Certification body), together with Ethiopian experts, to implement the project’s feasibility study.

The feasibility study started in the first days of April 2018. It is phased in two steps. Phase 1, under focus in this report here, is an Opportunity study. Phase 2, to be implemented until July, will be dedicated to Project design.

Over recent years, the legal protection and market implementation of Geographical Indications (GIs) have received increasing attention worldwide, both as a mechanism to sustain economic activities based on the nations’ natural and cultural heritage, and as a way forwards to rural development. The World Trade Organization’s 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights recognized GIs as a full-fledged intellectual property right. Geographical Indications are defined by WTO as [...] *“indications which identify a good as originating in the territory of a Member [=country], 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»* (WTO/ TRIPS, Article 22). While Ethiopia is not currently a member of WTO, it is actively engaged in the process of accession.

Besides being one of the world’s original centers for the domestication of food crops, Ethiopia is richly endowed in climate, altitude, soil and cultural diversity, and its economy and trade are largely based on agriculture. Geographical Indications appear therefore to hold strong prospects for Ethiopia, especially in the agri-food sector.

The objective of Phase 1 is to verify the opportunity to conduct the project. This includes two dimensions. First, conducting an institutional analysis of the main organizations that may play a role in implementing the project: The aim is to know about their interest in Geographical indications and to assess their attributes, skills, experience and needs relative to the Legal component and to the Value chain component. Second, conducting a rapid assessment on five value chains, identified in the Terms of Reference, which have potential for a pilot implementation of a Geographical Indication approach. These five products are: butter; coffee; honey; sesame; and teff. The aim 1 is to select, from these 5 products, the two value chains with highest pilot GI potential. It should be noted that Phase 2 will later make a choice between these two products in order to prioritize only one value chain.

The methodology of the study combined documentary analysis, stakeholders' meetings and bilateral interviews on specific topics. On April 3<sup>rd</sup> 2018, Phase 1 started with a Launch meeting hosted by EIPO with the participation of several competent institutions such as the Ministry of Agriculture and Natural Resources, the Ministry of Livestock and Fisheries, the Agricultural Transformation Agency, the Ethiopian Commodity Exchange and the Ethiopian Chamber of Commerce. On May 16<sup>th</sup>, a second, intermediate meeting took place at EIPO with invited institutions, with focus on the selection of the two most promising products for GI implementation on a value chain.

Bilateral meetings were held with each institution listed above, as well as with the Ministry of Trade, with national institutions in charge of food regulations and controls, and with some donor institutions (see complete list in Annex 1). Contributions were as follows. The Ethiopian Intellectual Property Office was designated as the national reference institution to facilitate this feasibility study, and fully supported the information and the organisation of meetings. M. Denis Sautier, GI economist at CIRAD and team leader, carried out a mission in Addis-Ababa from April 3<sup>rd</sup> to 5<sup>th</sup> in the Launch meeting and subsequent bilateral meetings with relevant institutions, and from May 14<sup>th</sup> to 16<sup>th</sup> for the Intermediate meeting. M. Getachew Mengistie, Intellectual Property consultant with wide experience in IP in general and with GIs and specialty coffees in particular, carried out a mission in Addis-Ababa during the month of May for bilateral interviews with competent institutions and participation in the Intermediate meeting. M. Antoine Faure, senior Regulatory expert at ECOCERT, performed a mission in Addis-Ababa from May 2<sup>nd</sup> to May 4<sup>th</sup> to meet specifically institutions in charge of official controls systems and related food regulations. M. Degefie Tibebe, researcher at the Ethiopian Agricultural Research Institute, conducted analysis on the potential GI value chains and participated in the Launch and Intermediate meetings. Mrs. Delphine Marie-Vivien, GI Law specialist at CIRAD, contributed to the analysis of Legal documents. The mission wishes to thank AFD and Mrs. Anne Lauthère Vigneau for excellent support and follow-up, as well as Mr. Wendwossen Hirpo for his logistic backing.

Limitations met by the study were linked to the short duration of on-site missions which did not allow the European experts to meet all the stakeholders.

This report below is organized in two parts. First the institutional analysis, comprising of three chapters:

- 1) the analysis of the legal framework;
- 2) the analysis of the key players that may be involved in the development of a GI system
- 3) the certification and control system in place and its implications for an official framework for Geographical Indications in Ethiopia

Second the analysis of the potential value chains for pilot implementation. This part comprises 5 chapters, on butter, coffee, honey, sesame and teff.

## II. INSTITUTIONAL ANALYSIS

### 1. LEGAL FRAMEWORK

#### 1.1. Existing Legal Framework

The protection of intellectual property is recognized by the 1994 Constitution of the Federal Democratic Republic of Ethiopia (FDRE). Article 40 recognizes the right to property over intangible assets. Moreover, Articles 51 (19) and 77 (6) expressly require the Federal Government to protect intellectual property. Accordingly, a number of intellectual property (IP) laws including Trademark Registration and Protection Proclamation No.501/2006 were enacted and the Trademark Protection and Registration Regulation No. 273/2012 were issued. However, the existing IP legal framework is inadequate. There is no law for protection of geographical indications. The existing trademark law is also inadequate to protect geographical indications. The trademark law lists trademarks that may not be registered as a trademark. This includes a trademark, which “consists exclusively of signs or indications, which designate the kind, quality, quantity, intended purpose, value, geographical origin of goods or services, the time of production of the goods or rendering of the services, or other characteristics of the goods or services unless it becomes a well known mark as a result of its use in Ethiopia”.<sup>1</sup> A geographical indication, which is not well known as a result of use, may not thus be protected as a trademark. The law also does not provide for certification mark that could be used to protect geographical indications. The only tool that is available in the trademark law, which may be used to protect geographical indications is collective mark. Officials of the Ethiopian Intellectual Property Office expressed that the tool has been used to accord protection for brands involving geographical indications. The limitation of the existing legal framework and the need for protection of geographical indications is well recognized. The draft National IP policy provides for enactment of a *suigeneris* law for protection of geographical indications. Moreover, efforts have been made by different government institutions to develop a law governing the protection of geographical indications.

#### 1.2 Draft GI law

Three draft laws one made in Amharic and the other two prepared in English were collected during the field visit.

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<sup>1</sup> See Article 35 of the Trade mark Registration and Protection Proclamation No.501/2006

These were:

- a) The draft Proclamation On The Registration And Protection Of An Appellation Of Origin prepared as part of the “Gardens of Ethiopia” project supported by the government of France around 2007 and made available by the Ethiopian Environmental Protection Authority (year of the draft not indicated);
- b) Geographical indications draft proclamation No.../ 2015 (This is a draft made in Amharic); and
- c) Draft Proclamation on geographical indications (year of the draft not indicated).

The two English draft laws are attached to this report as Annex 2. Attempt was made to learn how the drafts were prepared and why certain positions were reflected in the draft. However, no one was in a position to explain. Officials of EIPO indicated that they do not know how and when the drafts were prepared and by whom and warned that the drafts should not be considered as official drafts. This problem may be due to a number of reasons including the absence of a back ground study that would serve as a basis to draft the law and explain the positions taken in choice of a specific approach as well as changes in officials and experts that were involved in the drafting of the law. Of the three unofficial draft GI laws, the draft Proclamation on Geographical Indications looks a better draft. This draft may be used as a basis in the development of the law under the GI project.

Issues that should be considered in developing the GI law are identified by the comments made by D.Marie-Vivien, which is attached to as Annex 3 to this report. These issues include :

1. Applicant
2. Products covered
3. Contents of GI application
4. GI Examination
5. Procedure for registration
6. Rights Conferred by Registration
7. Control of Geographical Indications
8. Protection
9. Enforcement of rights.

The current non-official drafts are limited to the law and does not include regulations. The experience in Ethiopia and else where show that drafting and issuing of regulations after the enactment of the law takes time preventing the implementation of the law. There is thus need to prepare both the draft law and the implementing regulation at the same time. This will enable to

make the few changes, if any, during the approval process and get both instruments put in place at around the same time. In Ethiopia laws are enacted by the House of Peoples Representatives and regulations issued by the Council of Ministers based on the power that will be given to it in the law. The implementing regulations will thus be issued after the enactment of the law. The time gap between the enactment of the law and the issuance of the regulations may not be big if both the law and the regulations are prepared at the same time. The regulation can be submitted to the council of the Ministers as soon as the House of Peoples Representatives enacts the law.

The DG of EIPO indicated the urgency of the need for such law as parliamentarians have requested protection of agricultural products to prevent misappropriation and maximize benefits. Having the GI law and implementing the law as soon as possible can partly meet this need.

Effective implementation of the law requires knowledge and understanding of the GI by different stakeholders including those that will implement the law. There is thus need to organize forums to create and strengthen awareness of geographical indications in general as well as the GI law during the process of development and approval of the law as well as after the enactment of the law.

### **1.3 Recommendations**

We recommend that:

- a) A back ground study dealing with issues that should be addressed in a geographical indication law and the approach taken by different countries be made with a view to facilitate the choice of the approach by the competent authority in consultation with relevant stakeholders
- b) Review the existing draft GI laws and prepare a new comprehensive draft GI law based on the approved background study involving the legal department of EIPO
- c) Draft regulation that will facilitate the implementation of the draft GI law and be submitted to the Council of Ministers as soon the draft law is enacted.
- d) Organize forums to create awareness and understanding of geographical indications as well as the geographical indications law.

## **2. KEY PLAYERS THAT MAY BE INVOLVED IN THE DEVELOPMENT AND IMPLEMENTATION OF A GI SYSTEM**

## 2.1 Introduction

There are a number of institutions and actors that may be involved and contribute in the development and implementation of the GI system in Ethiopia. These include relevant Federal and Regional Government bodies and actors in the value Chain.

The relevant Federal and government bodies include:

- a) Ethiopian Intellectual Property Office
- b) Ministry of Agriculture & Livestock
- c) Agricultural Transformation Agency (ATA)
- d) Ministry of Trade
- e) Regional States Agriculture & Livestock, Trade and ATA bureaus
- f) Ethiopian ECX
- g) Standard, Accreditation and certification bodies.

The actors in the value chain will include:

- a) Producers,
- b) Processers, and
- c) Suppliers and Traders.

In addition to the above, there are Chambers of Commerce and Sectoral associations organized at different levels. These bodies consist of producers, business and industrial establishments as members and promote and defend the interest of their members. The powers and duties of the Ethiopian, Regional and City Chambers and Associations include:

- i. Finding local and foreign market to products and services;
- ii. Participating with the concerned organs in identifying export products, improving their quality and quantity and in finding solutions to problems pertaining to trade activities;
- iii. Issuing certificate of country of origin upon delegation by the government
- iv. Preparing commercial gazettes, bulletins, reports, commercial statistical information and providing training at different levels<sup>2</sup>

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<sup>2</sup> See articles 5, 15 and 19 of the Chambers of Commerce and Sectorial' Association Establishment Proclamation No. 341/2003.

The Chamber of commerce and sectoral associations may play a role in the implementation of the pilot project to demonstrate the significance of the GI system.

The role of the actors in the value chain will be defined after the selection of the single product for the pilot purpose. Examination of the role and needs of relevant key actors in this report is limited to relevant government bodies.

## **2.2 Relevant Government Bodies**

The relevant government bodies include relevant federal and regional government organs. The discussion in this section will be limited to the government bodies at the federal level. This is due to two reasons. First consultation is made only with the Federal government bodies due to constraints of time and the nature and purpose of the feasibility study. Second, the relevant regional government bodies will be identified and their role will be defined once the pilot product is identified.

The mandates and role of the identified federal government bodies is discussed under each of the government organs below.

### **2.2.1 Ethiopian Intellectual Property Office**

The Ethiopian Intellectual Property Office (EIPO) was established as an autonomous government body by law in 2003.<sup>3</sup> The Government established EIPO to:

- a) facilitate the provision of adequate legal protection for and exploitation of intellectual property in the country;
- b) collect, organize and disseminate technological information contained in patent documents and encourage its utilization;
- c) study, analyze and recommend policies and legislation on intellectual property to the Government, and
- d) promote knowledge and understanding of intellectual property among the general public.<sup>4</sup>

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<sup>3</sup> Ethiopian Intellectual Property Office Establishment Proclamation No.320/2003 (hereinafter referred to as the EIPO Establishment Proclamation).

<sup>4</sup> Article 5, the EIPO Establishment Proclamation

The Office is vested with multiple powers and duties including:

- a) administration and protection of intellectual property rights based on IP laws and policies;
- b) provision of an IP information and advisory service to researchers, individual users, academic and research institutions, public and private enterprises;
- c) increasing understanding of intellectual property among the general public and potential users through print and electronic media, seminars and workshops as well as IP days;
- d) promotion of the commercialization of IP assets protected by IP titles;
- e) supporting and facilitating the establishment and strengthening of associations of inventors, authors, musicians and others engaged in IP-related fields, and
- f) establishment of relations and cooperation with foreign national, regional and international IP offices as well as other relevant organizations to facilitate Ethiopia's integration in the global IP system. <sup>5</sup>

The office has departments that may be entrusted with the responsibility of implementation of the GI law. However, the office lacks staff that is exposed to and trained in geographical indications. There is a need to build capacity of the staff that may be designated by the office on the administration of the GI system including processing of applications and registration of GI, and creation and strengthening of awareness of GI as well as promotion of the use of the GI system. These issues were discussed during the management committee meeting<sup>6</sup> held on 21 May 2010 where the consultant took part. The Management committee:

- a) designated the Trademark Directorate and the body responsible for IP asset development to be responsible for the implementation of the GI law. Application for registration of GI will be handled by the Trademark Directorate while the IP asset development body will be responsible in the identification of potential GIs;
- b) highlighted that there is inadequate capacity to implement the GI law and requested for training of 20 of its staff through in depth training, attachment, study tour and on the job training.

### **2.2.2. Ministry of Agriculture & Livestock**

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<sup>5</sup> *ibid* Article 6.

<sup>6</sup> The Directors of the Trademark, Patent and Copyright Directorates as well as heads of Communication, Regional States Coordination and intellectual property assets development departments attended the meeting.

The Ministry of Agriculture and Livestock is recently established after merging the two Ministries- The Ministry of Agriculture and Natural Resources as well as The Ministry of Livestock and Fisheries. The proclamation that defines the powers and duties of the Executive Organs of the Federal Government is not yet issued. However, examination of the “Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 916/2015” that defines the powers and duties of the merged two Ministries reveal that the Ministry may have the following powers and duties:

- a) Promote the expansion of extension and training services provided to farmers, pastoralists, private investors and urban communities engaged in urban agriculture to improve the production and productivity of crops;
- b) Establish a system to ensure that any crop product supplied to the market maintains its quality standard; and follow up the implementation of same;
- c) Promote sustainable natural resources development and protection and, expansion of agro-forestry;
- d) Build capacity for supplying, distributing and marketing of crop production inputs to ensure the reliability of their supply; establish and follow up the implementation of a system for quality control;
- e) Promote the expansion of effective technologies to ensure crop productivity and quality; facilitate the domestic production capacity of the technologies;
- f) Ensure the proper execution of functions relating to coffee and tea development and marketing activities;
- g) Promote the expansion of cooperative societies;
- h) Establish and direct training centers that contribute to the enhancement of agricultural development and the improvement of rural technologies;
- i) Coordinate activities relating to food security and job creation in the rural settings;<sup>7</sup>
- j) Promote the expansion of extension and training services provided to farmers, pastoralists, private investors and urban communities engaged in livestock and fish farming to improve the productivity of the sector;
- k) Establish a system that ensures quality standard of any livestock or livestock product supplied to the market; and follow up implementation of same;
- l) Build capacity for supplying, distributing and marketing of inputs for livestock and fisheries to ensure the reliability of their supply; establish and follow up the implementation of a system

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<sup>7</sup> See Article 19 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 916/2015

- for quality control;
- m) Establish and follow up the implementation of marketing system for livestock and fish and products of same.

The Ministry has programs related to the productivity and marketing of the identified products- teff, sesame, coffee, butter and honey. These activities coupled with the works of the Ministry involving training, quality control, organization of producers under groups consisting of five to ten producers as well as cooperatives of producers and the monitoring and evaluation activities will support the development and implementation of the GI system. The discussion with the officials of the Ministry revealed that they have little knowledge and understanding of geographical indications. There is thus need to organize workshops aiming at creating awareness of GI amongst the staff of the Ministry.

### **2.2.3 Agricultural Transformation Agency**

The Agricultural Transformation Council and Agency was established by a regulation issued by the Council of Ministers in 2018.<sup>8</sup>

The Council is headed by the Prime Minister and consists of the Minister of Agriculture, Ministers heading relevant Ministries and relevant regional government officials, to be designated by the chairperson as members and the Director General of the Agency as the secretary of the Council.<sup>9</sup>

The Agricultural Transformation Agency, which is accountable to the Ministry of Agriculture and Livestock, is established as an autonomous federal organ having its own legal personality<sup>10</sup>.

The Agency has the objectives to:

- a) identify systemic constraints of agricultural development, through conducting studies, and recommend solutions in order to ensure sustainability and structural transformation, and support the application of same; and

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<sup>8</sup> See Council of Ministers Regulation No.198/2010.

<sup>9</sup> Ibid, Article 4 (1).

<sup>10</sup> Ibid Article 7.

- b) support the establishment of strong linkages among agricultural and related institutions and projects in order to ensure the effectiveness of agricultural development activities.

In order to meet the above objectives, the Agency is entrusted, *interalia*, with the powers and duties to:

- a) identify, through study, the basic systemic constraints of input supply and distribution; recommend and follow up implementation of solutions thereof;
- b) conduct studies on input supply system to ensure fundamental improvement in the rapid multiplication and timely supply of proven technologies to farmers in the required quantity and quality; and provide support for implementation of same;
- c) establish effective technology scanning system and facilitate importation, adaptation, verification and multiplication of proven agricultural technologies;
- d) conduct studies to ensure that the agricultural extension system is restructured and provided with capable manpower so that it could support the agricultural transformation; and facilitate implementation of same;
- e) study constraints and means on how modern agricultural marketing system can be established through bringing all actors from primary market up to the Ethiopia Commodity Exchange, and support in implementing recommended solutions; and
- f) devise means on how to enhance the role of cooperatives in agricultural marketing so that they play pivotal role in input and output marketing, and provide support in the implementation of same.<sup>11</sup>

The objectives, power and duties of the Agency will make it a relevant institution that may contribute in the development and implementation of a GI system in Ethiopia as well as support the GI system that may be developed for the product that may be selected as a pilot to demonstrate the significance of geographical indications.

The agency is currently involved in the development of effective branding and promotion strategies with the support of a French consulting company. The strategy is developed for three products, namely; tef, honey and sesame. The limitation of this strategy includes lack of the development of an IP strategy that will enable the protection, use and management of brands. If any

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<sup>11</sup> See Article 10 of the "Agricultural Transformation Council and Agency Establishment Council of Ministers Regulation No. 198/2010".

of the three products will be selected as a pilot in the GI project then the problem may be addressed to a certain extent.

The Agency is implementing a number of projects including market information system, Agricultural Commercialization Cluster initiative and the Ethiopian Agribusiness Accelerator Platform. Each of these projects involves honey. If the Selected pilot product will be honey then the GI system may benefit from the ongoing projects The GI system may also complement the ATA projects.

#### **2.2.4 Ministry of Trade**

The Ministry of Trade has, amongst others, the powers and duties to:

- a) Promote the expansion of domestic trade and take appropriate measures to maintain lawful trade practices;
- b) Create conducive conditions for the promotion and development of the country's export trade and extend support to exporters;
- c) Establish a system that enable to ascertain that export or import goods are sold or bought at the appropriate price; make follow ups in collaboration with the concerned executive bodies, and take measures in accordance with the law against those who export by under invoicing as well as import under or over invoicing;
- d) Establish foreign trade relations, coordinate trade negotiations, sign trade agreements in accordance with Law and implementing same;
- e) Provide commercial registration and business licensing services in accordance with the relevant Laws and control the use of business licenses for unauthorized purposes;
- f) Control the qualities of export and import goods; prohibit the importation and exportation of goods that do not conform with the required standards, and work in collaboration with the concerned organs;
- g) Control the compliance of goods and services with the requirements of mandatory Ethiopian standards, and take measure against those found to be below the standards set for them;
- h) Cause the coordinated enforcement of standards applied by other enforcement bodies, organize and direct implementation review conferences; and
- i) Organize the trade data of the country, and disseminate same to the concerned bodies.<sup>12</sup>

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<sup>12</sup> See Article 22 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 916/2015.

The Ministry of Trade is involved in the promotion of the export and quality of sesame, facilitation of participation in international trade exhibitions and trade fairs as well as negotiating trade agreements including accession to the WTO. The development and implementation of a GI system in Ethiopia may support the WTO accession process. This will enable to meet the requirements of the protection of geographical indications under the Agreement on Trade Related Aspects of Intellectual Property (TRIPS agreement).<sup>13</sup> The GI system may also contribute in dealing with challenges associated with export products such as price fluctuation. The official that was consulted indicated that there is little knowledge and understanding of geographical indications and highlighted the need for creation and strengthening of awareness on the importance and significance of the intellectual property tool.

### **2.2.5 Ethiopia Commodity Exchange**

The Ethiopia Commodity Exchange was established by law, on September 4, 2007 in order to:

- a) Create an efficient, transparent, and orderly marketing system that serves the needs of buyers, sellers and intermediaries, and that promotes increased market participation by Ethiopian small-scale producers;
- b) Provide a centralized trading mechanism in which offers to sell and bids to buy are coordinated on a physical trading floor with open outcry bidding or an electronic order-matching system, or both;
- c) Provide automated back office operations to record, monitor, and publicly disseminate information on exchange transactions;
- d) Provide standardized grade-specific contracts as the basis of exchange trading;
- e) Conduct trading on the basis of product grade certificates and guaranteed warehouse receipts;
- f) Clear and settle all transactions conducted on the Exchange to minimize risk of default;
- g) Provide a mechanism for dispute resolution through arbitration;
- h) Provide timely market information to the public;
- i) Carry out market surveillance to ensure the integrity of the members and of the market, and
- j) Avoid contingent risk to the market through implementing risk management by employing

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<sup>13</sup> See Articles 22- 24 of the TRIPS Agreement.

proper management mechanisms.<sup>14</sup>

The Exchange started operating as a coffee transaction center in November 2008 and since then it has served as a market place for coffee, sesame and other cereals where transactions are conducted in a transparent manner. The products that are traded in the platform of Ethiopia Commodity Exchange (ECX) are often identified by designations including names of their geographical origin.

The Ethiopia Commodity Exchange is involved in a number of activities that may support the development and implementation of the GI system in Ethiopia. These include the quality assurance system such as grading and testing, the marketing infrastructure that link producers to buyers as well as the initiatives made to facilitate traceability of products. ECX had implemented the use of barcoding to facilitate traceability of products mainly coffee. This had helped to increase the price of coffee products. However, the program could not continue for being labor intensive and due to inefficiency of scanners. Currently ECX is implementing a system that will enable to identify individual products in its warehouses. It has a plan to strengthen such a system using technology. According to the officials the technology supported system will enable any one to know about the origin and quality of the product, where it was stored, when it was sold, who sold and bought the product using online facilities.

The officials appreciated the significance of the GI system in supporting the ECX trading platform and indicated that there is need to create awareness of GI by the producers and other actors that may be involved in the value chain.

### **2.3 Conclusion and Recommendations**

The identified Federal Government bodies may play a useful role in the development and implementation of a GI legal framework as well as support the management and implementation of the GI system that may be developed for the selected pilot product. However, the level of awareness of GI and its significance is very low. EIPO will have a role in the development and implementation of the GI law. However, it lacks experts that have adequate understanding and knowledge of GI.

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<sup>14</sup> Article 6 of Ethiopia Commodity Exchange Proclamation No. 550/2007.

Implementation of the GI system in Ethiopia requires the establishment of an institutional set up that may involve relevant federal and regional government bodies as well as actors of the product that may be selected as a pilot product.

In order to address the above limitations and needs, we recommend that:

- a) Forums targeting staff of the identified relevant government bodies are organized with a view to create and strengthen awareness of GI;
- b) In depth training including attachments to the French competent Authority that administers GI is given to the staff of EIPO that may be assigned to implement the GI law;
- c) Study visits are organized to staff that may be designated by the relevant Federal Government bodies as well as EIPO to enable them learn how the GI system works and see the benefits that it brings to actors that are involved in the value chain as well as the country; and

Institutional mechanism is designed involving relevant federal and regional government bodies as well as associations of producers and processors of a product that may be selected as a pilot product to ensure adequate implementation of the GI system that may be developed under the GI project

### **3. THE CERTIFICATION AND ACCREDITATION SYSTEM IN ETHIOPIA : IMPLICATIONS FOR THE IMPLEMENTATION OF AN OFFICIAL FRAMEWORK FOR GEOGRAPHICAL INDICATIONS**

#### **1. Introduction**

M. Antoine Faure, Ecocert Senior Regulatory , realized a mission in Addis-Ababa from May 2nd to May 4th to meet the stakeholders that might be involved in the development of the Geographical Indications in Ethiopia, and specifically the persons in charge of official controls systems and related food regulations.

Ecocert Expert Consulting assignment consists in developing a roadmap for the implementation of an official framework for the control and certification of Geographical indication in a timely and effective manner. The first mission aimed at meeting the following objectives:

- 1/ Make a **state of play** of the Ethiopian regulatory environment related to the project
- 2/ **Identify the stakeholders** that might be involved in the development of a legal framework for Geographical Indications.
- 3/ **Propose different options** to integrate the Geographical Indication in the existing regulatory framework.

## **2. Presentation of the Expert**

Antoine Faure joined the Ecocert Group in 2001 and currently works as Senior Adviser in the area of certification systems for organic operators, control bodies and competent authorities (national systems for approving control bodies). Antoine has also developed a specific expertise in the interpretation of regulations and norms. As Ecocert Group representative, he works internationally in relation with several institutions or competent authorities including the European Commission. He is in charge of the coordination of the Working Group Imports within EOCC (European Organic Certifiers Council) and in consequence has to manage daily import issues.

## **3. Limits of the assessment**

Limitation has been faced by the fact that the first mission didn't allow the Expert to meet all the stakeholders (3 days onsite and not enough support to organize the meeting beforehand). For such short mission it is recommended to have access to the stakeholders list in advance and to be able to do some distance interviews.

## **4. General methodology**

A three-steps approach was planned to assess the existing legal framework for Geographical Indications:

- **Questionnaire:** A questionnaire, available in Annex 4, has been developed by M. FAURE to gather information during the first mission of M. Sautier.
- **Interviews:** Prior to the mission, meetings with relevant stakeholders were organized both by Ecocert and the national consultants, M. Getachew Mengistie and Wendwossen Hirpo. The list of interviews that were conducted are available in Annex 1

**Analysis:** Based on the interviews results and available documents, the existing framework concerning official controls have been drawn up and general recommendations are proposed to integrate Geographical Indications within the existing regulatory environment.

### 5. Insights on the system of control and certification in Ethiopia

When we talk about control and certification, it is necessary to distinguish the nature of the requirements to be assessed. Indeed, these requirements can be either **private standards requirement** based on the voluntary commitment of the certified company or **regulatory requirements** related to a legal text that can be mandatory or voluntary.

When the requirements are regulatory ones, we have to study the **official control system** existing in the country. In the case of the implementation of Geographical Indication in Ethiopia, we evolve in this context of regulatory requirements.

In Ethiopia, **an official control system for food** currently exists but it only applies for compulsory regulations. Concerning voluntary regulations, such as Geographical Indications, Organic Farming, GAP standard, ... no official control system is implemented yet and or applied.

#### 5.1. State of play of the Ethiopian regulatory environment

The 1st step of the regulatory state of play consists in setting up a regulatory pyramid detailing the different types of documents and their hierarchy in the national regulatory structure.

Example of a regulatory pyramid:



In this example Laws prevail on all others types of documents, Decrees prevail on Circular and Guidelines and so on.

For a same type of document (same level in the pyramid), the most specific document prevails on the most generic one.

Based on the interviews conducted with the representants of the different ministries (Agriculture, Trade and Health), it appears that the regulatory pyramid could be drawn as follows:



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Phase 1: Opportunity Study

Federal proclamations are represented at the top of the pyramid because they prevail on all other documents. For the purpose of the study, several federal proclamations and regulations have been studied (detailed in the documentary corpus here after).

## **5.2. Documentary corpus**

For the purpose of this study the following documents have been analysed:

- Federal Proclamation n° 661/2009: Food Medicine and Health Care Administration and Control
- Federal Proclamation n° 488/2006: Ethiopian Organic Agriculture System
- Federal Proclamation n°660/2009: Apiculture Resources Development and Protection
- Regulation n°372/2016: Apiculture Resources Development and Protection
- Federal Proclamation n° 481/2006: Plant Breeders' Right
- Federal Proclamation n° 482/2006: Access to Genetic Resources and Community Knowledge, and Community Rights
- Regulation n°189/2010: Ethiopian Food Medicine and Health Care Administration and Control Authority Establishment
- Regulation n° 299/2013: Food Medicine and Health Care Administration and Control

The main existing requirements on food are related to **quality, traceability and safety**.

Most of the existing regulatory documents are sectoral, .it means covering only a product and / or a production, as for example: coffee, apiculture, seeds, ...

The two only counter examples we are aware of are the two proclamations listed above (n° 661/2009 and 488/2006).

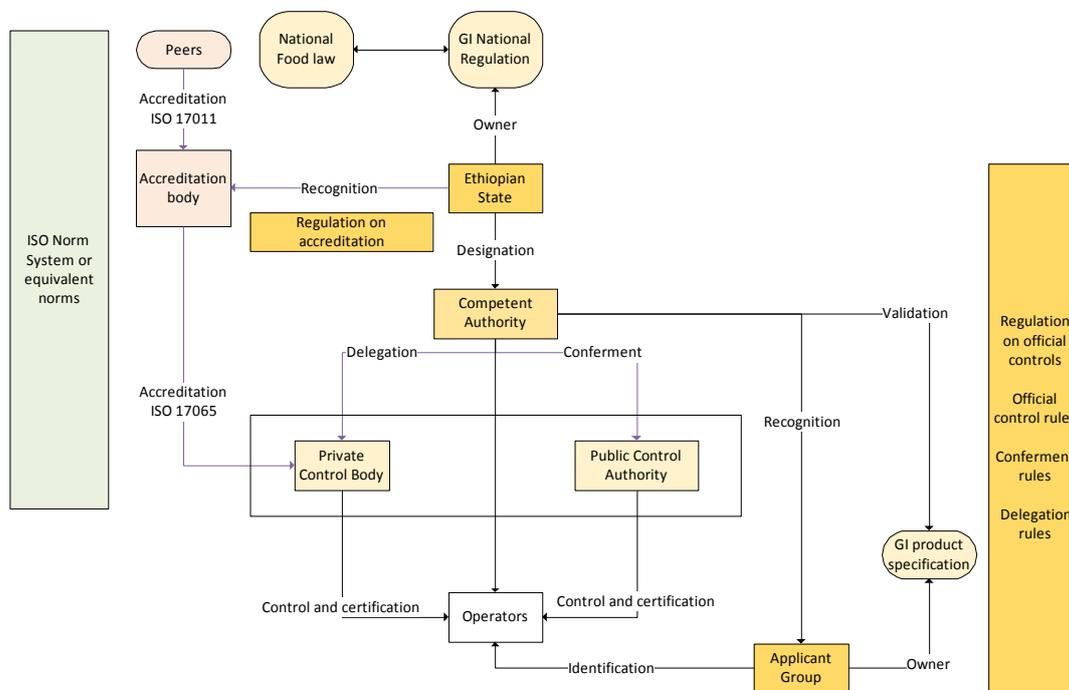
## **5.3. Key Stakeholders of the Official Control Process and their responsibilities**

The entities in charge of control and certification depend on the nature of the regulatory document containing the requirements to be assessed.

For example, the official controls of requirements contained in a Federal Proclamation or Regulation are under the responsibility of the corresponding ministries. While the requirements contained in standards are under the responsibility of the Ethiopian Conformity Assessment Enterprise.

But in general, the responsibilities are atomised between several ministries and several departments inside ministries.

The following diagram details the possible organisation encountered for the purpose of implementation of an official control system as regard to Geographical Indication certification at a national level with the aim to reach regional and international markets.



The Ethiopian State develops a GI National Regulation (Federal proclamation) compatible with the existing national Food Laws including the Federal Proclamation n° 661/2009 (no contradictory provisions). The Ethiopian State designates a competent authority and a control authority. Through regulations, the Ethiopian State or its competent authority is in charge of laying down rules for the performance of official controls including the establishment of specific rules for the purpose of delegation of certain official control tasks to private control bodies if needed.

The control bodies can be accredited (according to ISO 17065) either by a national accreditation body or by a recognized international accreditation body. In case accreditation is managed by a national accreditation body, there should be a national regulation that designates the national body responsible for accreditation and describes its relations to the competent authorities.

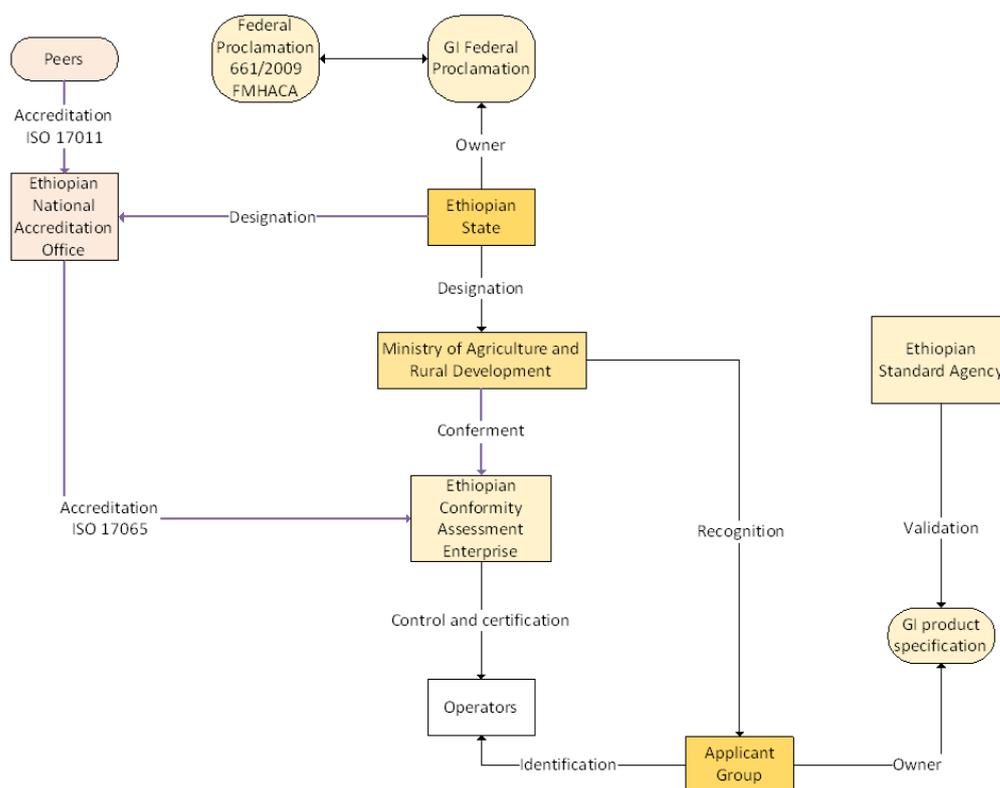
The Competent Authority (or any delegated entity) is in also in charge of recognising the applicant groups and validating their product book of specifications. The role of groups has to be defined in the regulation, so as the minimum contents of the product books of specifications.

## 6. Conclusions and recommendations

In view of the diagram above and the information collected during the mission, institutional entities necessary to apply an official control system for GI already exist in Ethiopia.

Two options are possible to integrate provisions relative to GI into the existing regulatory framework:

- Inclusion in an existing Federal Proclamation (amendment of the Federal Proclamation n° 661/2009: Food Medicine and Health Care Administration and Control or amendment of the Federal Proclamation n° 488/2006: Ethiopian Organic Agriculture System very similar to the GI certification scheme)
- Creation a specific GI Federal Proclamation. We recommend to create a specific GI Federal Proclamation. The Ethiopian GI Official Control Diagram could be as follows :



First, inspection and control measures must be implemented. The simplest way to cover GI inspection and control measures is to introduce them in the specific GI Federal Proclamation. At this regulatory level, only objectives and principles could be introduced. Detailed GI inspection and control rules could be subject to a specific Regulation related to the Federal Proclamation.

In general, all the entities designated in the diagram above will have to be trained on GI approach and to GI inspection and control rules.

The Ethiopian National Accreditation Office is not yet signatory of the IAF MLA (the Multilateral Recognition Arrangement of the International Accreditation Forum). It would contribute to the international recognition of the Ethiopian GI control and certification system.

In the long run, a specific ISO 17065 accreditation scheme for GIs, defining the requirements for certification bodies, will have to be developed.

In the same way, a specific GI certification scheme will have to be developed by the ECAE (Ethiopian conformity assessment enterprise).

In the diagram above, the proposed Competent Authority is the Ministry of Agriculture and Livestock. It is necessary to detail a little bit more by designating a precise entity within the Ministry. However, it should be noted that according to EIPO, the scope of the Geographical Indications Proclamation will include non-agrifood products such as handicrafts. Several ministries will therefore be involved in the design of the GI system, but the proposal at this stage is that the lead be given to the Ministry of Agriculture and Livestock.

## **7. Next steps**

The expert suggested to organize meetings with ECAE (Ethiopian Conformity Assessment Enterprise) and ENAO (Ethiopian National Accreditation Office) in order to confirm their current roles in the Ethiopian official control system, and to be able to validate the GI Official Control Diagram above.

The meeting with ECAE took place on May, 23. The Council of Ministers established the Ethiopian Conformity Assessment Enterprise in 2010 as part of improving the national quality infrastructure. The enterprise was established by organizing robust certification, inspection and testing laboratory service, inter alia to:

- 1) Provide certificates of conformity to production enterprises or service providers by assessing the conformity of their production process or service provisions to the relevant national or international standards and legal requirements;
- 2) Provide certificates of conformity with respect to the country's export products by assessing their conformity to the relevant Ethiopian standards, international standards or standards of other countries; and
- 3) Carry out other related activities necessary for the attainment of its purposes.

Conformity certification presupposes the existence of standards. Currently there are 160 mandatory standards and over 10,000 voluntary standards in Ethiopia. Currently there are no standards for agricultural products except honey. The official, however, made it clear that standards can be formulated for export products upon request of interested parties.

### III. RAPID ASSESSMENT OF FIVE POTENTIAL PILOT GI PRODUCTS

Given the short delays for implementation of the first phase, the objective in this study was not to carry out a thorough investigation on each product. We aimed instead to conduct a quick assessment based on **three key dimensions** for the feasibility of Geographical Indications, which, as we have learned from experience, have profound implications for the effectiveness and field implementation of such quality schemes:

- 1) **The GI technical feasibility** concerns the characterization of the product, the level of understanding and definition of its specific quality, characteristics or reputation, and therefore the capacity to monitor and control this difference;
- 2) **The GI market feasibility** concerns the significance of the value chain, the size and type of the market (national, export, or both) and the existence of current misuses of the name or product counterfeiting ;
- 3) **The GI organizational feasibility** relates to the existence of value chain relations, coordinating entities or organizations and to the presence of other organized quality schemes, as well as the motivation of value chain stakeholders, governments bodies and financial partners.

The five products under scrutiny are presented below in an alphabetical order. At the end of the chapter, a summary table is presented and discussed.

## 4.1 BUTTER

### Introduction

Butter produced from whole milk is estimated to have 65% fat and is the most widely consumed milk product in Ethiopia, of the total milk produced, around 40 percent is allocated for butter while only 9 % is for cheese. Butter was known in the classical Mediterranean civilizations and is a long-standing tradition in Ethiopia for table food, cooking and cosmetics. The potential butter producer nations in the world are, India (620,000 MT), United States (522,000MT), France (466,000MT), Germany (422,000MT), and New Zealand (307,000MT) respectively (Dalby, 2003).

### 1. Technical feasibility of the registration of butter as a GI

#### Characteristics of the butter and tradition butter making in Ethiopia

In Ethiopia, there are three types of butter - fresh, semi-rancid and ripened/rancid butter - locally called *lega kibe*, *mekakelegna kibe* and *besal kibe*, respectively, based on the degree of lipolysis of butter. The peroxide value of fresh butter is under the perception level of 0.3, while the peroxide value of rancid butter averages 0.8 index (Duteurtre, 1998). Butter making and processing is solely done by women in every community in Ethiopia. Like factory processed butter, locally produced butter is semi-solid at room temperature. It has a pleasant odor when fresh, but with an increase in storage time, changes will occur in odor and taste, unless refrigerated or further processed into traditional ghee (*dhadha bakkaa/ nitir kibe*) by boiling with spices. *Dhadha* (Oromo name for butter) is the most stable product of all traditionally processed fermented milk products next to traditional ghee. *Dhadha* has an attractive appearance with a white to light yellowish color. It has relatively good keeping quality of 4-6 weeks at ambient temperature as compared to other dairy products such as cottage type cheese. The storage stability of butter gives it a distinct advantage over fresh milk in terms of more temporal flexibility for household use and marketing. Different *kibe* qualities are used according to different purposes: direct consumption, cosmetics and cooking.

Traditional Ethiopian butter (locally known as *kibe*) prepared by women is made from soured milk (*ergo*); cream is not used. The sour milk is placed in a clay churn or a bottle gourd (calabash). Under normal storage conditions, milk sours within 4–5 hours. The souring retards the growth of undesirable organisms and makes separation of fat easier. Milk is fermented for 3 to 5 days either in a gourd or a clay pot with a capacity of about 10 litres. Prior to use, the gourd or clay pot is smoked using dried branches and barks of *Terminalia browni* and *Olea africana* trees. Besides adding a distinct flavour to the butter, this practice has a bacteriostatic effect and may reduce processing time by heating the churn.

To produce butter, the sour milk (*ergo*) is thoroughly mixed with a wooden stick (locally called *mesbekia*) and is churned in a gourd or clay pot at about 70% of holding capacity. About 7–10 litres of milk is used in a single churn. The churn is stoppered with a plug, a false banana leaf, or a piece of skin or leather stretched over the mouth and securely tied. The churn is then agitated. Different agitation methods exist depending on the location. These include: a) the churn is placed on the floor, on a soft pad of material such as sheep skin or straw, tilted at an angle of 75° to the horizontal, and rocked back and forth; b) the churn is hung on a tripod and swung to and fro; c) the churn is rocked on the lap and d) the churn is shaken with both hands.



Well-renowned Butter production areas

The most famous butter sourcing areas for Addis-Ababa market, according to a random survey of 240 urban households, is Shewa (Sheno) known for its fresh and tasty butter used for table and cooking but not for cosmetics. Welayita region also enjoys good reputation. Butter from Gojam and Welega regions are known as more rancid with with good taste (Duteurtre, 1998).

### Traceability and quality control

There are no formally established standards and grades for butter products in Ethiopia. Both sellers and buyers often use traditional butter quality indicators such as origin, colour, smell, consistency and degree of adulteration with foreign materials. Yellow is preferable to white butter in most of the case. Most buyers suspect that white butter is adulterated with foreign materials. However, butter from cows in some *areas* may take either yellow or white colour depending on the

breed and the feeding system (green feed has high carotene content and hence high vitamin A—resulting in yellow colour of the butter).

Origin of butter is also an important quality indicator. For example, in some areas there is a type of butter known as Hintate butter, which is used as a benchmark to compare quality of other butter in the Dale *woreda*. Hintate butter, which comes from the lowlands of Wolaita Sodo, is considered to be one of the best. The same is true in Alaba *woreda* where butter from Wolaita Sodo serves as a benchmark for quality. It is worth mentioning that well known origins of quality butter are also often most susceptible to adulteration.

## 2. Market Feasibility

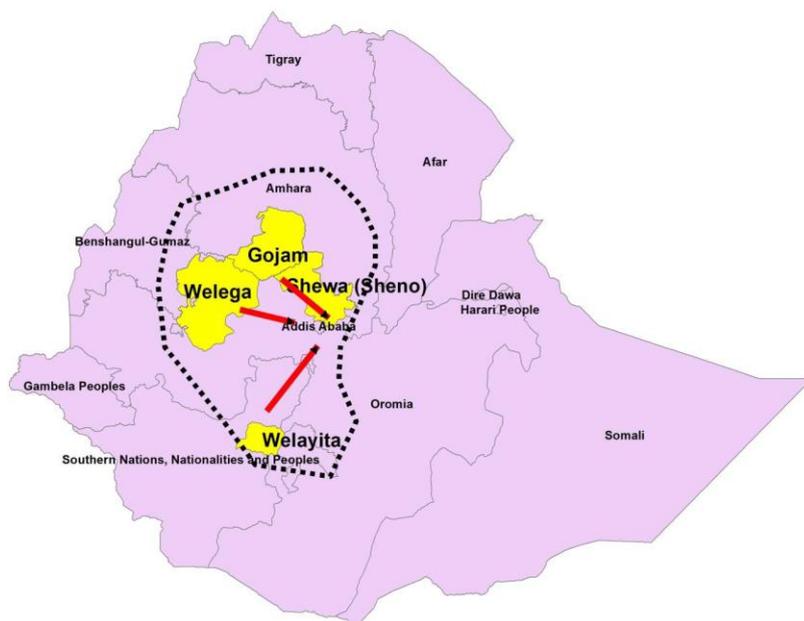
### Volume of production

Butter is an important source of food (cooking oil), cosmetics and common marketable form of dairy product for peri-urban and rural community. Butter produced from whole milk is estimated to have 65% fat and is the most widely consumed milk product in Ethiopia.

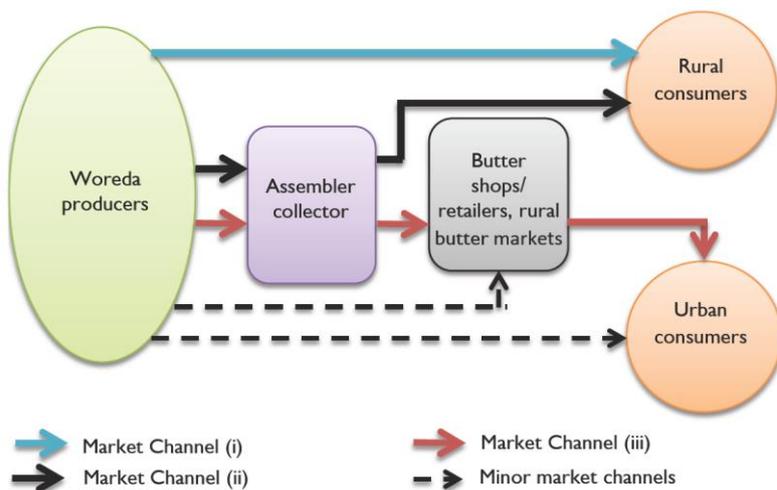
### Butter Marketing system

Butter is sold in rural markets and at the central market in Addis Ababa. In rural markets butter is sold by volume, the weight of which can vary considerably. In Addis Ababa market butter is sold by weight. The retail price in Addis Ababa market for butter is fluctuate depending on its quality and on market demand, which is high during feasts but low during fasting periods. Traders purchase butter from farmers for resale in urban and rural market. They buy butter of better shelf life at farm gate or at market place. No premium is paid for any fat remaining in the main byproduct of butter making the local cottage cheese called *ayib*.

Only about 5.5% of butter reaches the final consumer through itinerate butter traders. Price is used as a sign of quality, at the retail market in Addis Ababa butter is standardized on the basis of quality. Implicitly expensive butter is assumed to be of better quality, while cheaper ones are inferior. Sometimes quality is compromised and tradeoffs are commonly observed between quality and price and for obvious reasons good quality butter fetches higher price (Gizachew, 2005 and Embaye, 2010).



Main butter sourcing regions for Addis Abeba. Source: Duteurtre 1998



Main butter trading channels. Source: Gebremedhin, B. et al 2014

### 3. Organizational feasibility

There are strong stakes in maintaining the presence and strengthening the market access of the different local traditional butter specialties in a rapidly urbanizing country. Butter is estimated to represent 65% of the total dairy incomes of cattle breeders in Ethiopia (Duteurtre, personal communication) and is an important livelihood source for rural areas. However the sector has not been well documented and few recent data is available on the market size and trends, as well as on the possibly changing consumption patterns. We did not succeed to identify significant collective actors advocating for the sector, nor current projects addressing the future of this product. Besides, Ethiopian butter is definitely directed to the national market only. As an animal processed product, it may also face regulatory challenges which may hinder the dynamics of a labeling initiative. This is why, in spite of its extremely significant social and cultural importance, butter does not seem fit to be a proper demonstration product for a time-constrained pilot project on Geographical Indications.

## **4.2 COFFEE**

### **Introduction**

As the country of origin for this crop, Ethiopia produces premium quality coffee. It is the leading producer in Africa, and the 5th in the world, following Brazil, Vietnam, Colombia and Indonesia. If we consider Arabica coffee alone, Ethiopia is the 3rd largest producer after Brazil and Colombia. Ethiopia also has the largest highland area suitable for Arabica production and, hence has the potential to be a leading producer in both quality and quantity.

### **1. Technical feasibility of the registration of coffee as a GI**

#### **Characteristics of the product (variety, shape, organoleptic qualities.)**

There is a high diversity of coffee landraces in Ethiopia. A total of 130 landraces known by local names in different localities. Twenty-two were recorded in the Hararghe region in the East (Teketay and Tigneh 1994; Gole et al. 2001), 33 in Borana and Sidama in the Southern part, and 75 in Assosa, Gambella, Illubabor, Jimma and Wollega coffee growing regions in Western and Southwestern parts of the country (Admasu et al. 1989). The list is not complete since many coffee growing areas were not covered.

**Box 1. Traditional landraces in different coffee growing regions *Italic? See other box***

| <b>Hararghe</b>  | <b>Borana and Sidama</b>  | <b>Jimma, Illubabor, Wollega, Gambella and Asossa</b>   |
|--|---|---|
| Abadiro, Bale Tino, Bukuri (Enkure), Buna Adi, Buna Guracha A, Buna Guracha B, Buna Jima, Buna Kella, Cherchero, Denga, Fendisha, Gamu, Ittu, Kabnya, Muyra, Olaha, Shekhussieno, Shenkuyi, Shimbure, Torbi, Tujar, Wogere | Walancho, Kolisho, Buna Buncha, Legumami, Kurumei, Dega, Setamo, Tils, Gidicho, Dumancho, Terako, Sewa, Wecincho, Gugudamei, Kudume, Galo, Wolisho, Bedesa, Guto, Meke, Welencho, Kolinsho, Deracicho, Ado, Awicho, Shamilei, Bula Bunchu, Wojo, Danchei, Damu, Kunkuwranchisei, Amoler, Ganticho | Mello, Chercherei, Chochie, Mito, Alga, Orommie, Fesfus, Dalecha, Selalei 1, Selalei 2, Shayta, Setea, Wendie, Gota, Kereso, Dirbu, Gedjo, Oshiro (Oromie), Miro, Chakayie, Kabiso, Inaria, Buna guracha, Guna gura, Buna albu, Kubri, Nole Buna, Bokoji, Buna Liketi, Buna Babu, Darimu Buna, Tikur Buna, Yabeshe Buna, Buna adi, Hiromie, Kubri Deme, Buna Bilo, Ale Buna, Chora Buna, Buna Goromiti, Araba, Yeleku Buna, Bisle Buba, Dureni Buna, Kombu, Awer, Buna Saki, Yegeba Buna, Cholu Buna Buna Birbirso, Goma Buna, Bedesa, Chobo Buna, Geleb Buna, Sardo Buna, Urgoftu, Sor Buna, Yeboto Buna, Yembo, Darma Buna, Geri Buna, Yembo Buna, Yekurundusie Buna, Haya Buna, Toluma, Buna, Senbo Buna, Kubur, Syndi, Harar, Buna, Bedesa, Yawane, Aba Bapasa, Gufaro, Mito, Keda Buna, Gadafa |

Source: Tadesse Woldemariam, 2015

Remark: The headers in bold are names of the coffee growing regions and the list below each column are the local names of the traditional landraces, separated from each other by commas, as recorded in respective regions. Hararghe, Borana and Sidama are found east of the GRV those in the 3rd column is in the western part

**Main coffee type by quality and place of origin** (Boot 2011; Ministry of Trade 2012)

In Ethiopia, there are different coffee types recognized by their origin and quality, and used as trade names. These include Bebeke, Harar, Jimma, Kaffa, Lekempti/Wellega, Limmu, Sidama, Teppi and Yirgacheffe. Under each coffee type, 2-5 different local types are recognized. Such high level of diversity is partly attributed to the presence of indigenous traditional production systems of coffee in the country. There are four major categories of production systems namely: forest, semi-forest, garden and plantation coffee production systems. The first three are traditional systems by small scale subsistent farmers, and account for over 95% of the coffee produced in Ethiopia. The different production systems are discussed in detail in the next section, under coffee production systems.

| <b>Type</b> | <b>Characteristics</b>   |
|-------------|--|
| Yirgacheffe | Internationally known and recognized as Yirgachaffe Brand Name. It is highland grown coffee and has intense flavor known as flora. Top grade Yirgacheffe coffees share many characteristics with the best Sidama coffees. Fruit flavors, a bright acidity, and a silky mouthfeel are some of its hallmarks. It has fine acidity and rich |

|           |  |
|-----------|--|
|           | body. Many roasters are attracted to its fine and fruit flavor and are willing to pay a premium price for it.  |
| Harar     | Quality Harrar coffees are notable for a fruity characteristic and a creamy body. The finest Harrar coffees have a distinct note of blueberry, though many other fruity and fruit-like aromatic flavors can occur. It has medium sized beans with greenish-yellow color, medium acidity and full body, and a distinctive mocha flavor. Internationally known and recognized as Harar Trade Brand Name and highest premium coffee in the world. |
| Sidama    | Medium-sized bean, greenish-greyish in color. Due to balanced tests and good flavor called sweet coffee, has fine acidity and good body. High grade unwashed Sidama coffees are known for their intense fruity characteristics, while being of somewhat lighter body than unwashed Harrar coffees, for example. It is always blended for gourmet or specialty coffee.  |
| Limmu     | Limu coffee (all washed) generally has a milder acidity than Sidama and Yirgacheffe; the flavor is generally characterized by a balanced and clean cup-spicy and winy flavor. Washed Limmu is one of premium coffee, medium sized bean and greenish bluish in color mostly round in shape.   |
| Jimma     | Jimma coffee encompasses Ethiopia's largest basket of unwashed coffees which included all unwashed coffee produced in the southwestern region of Ethiopia. The area has a multitude of different indigenous varieties that can be quite diverse in quality. It is heavy bodied cup with winy after taste, and can be prepared as washed sun-dried.   |
| Tepi      | Low acidity but better body than Bebeka, commercially important and used for special blend.  |
| Bebeka    | Medium-to-bold bean and known for its fruity taste, has greenish- brownish in color with good acidity and body. There are many roasters who put his flavor in their blends, but it can also be sold as an original gourmet or special origin flavor.   |
| Leke mpti | Highland grown, known for its large bean size, and the flavor can have a pronounced perfume-like aftertaste. Nekempti coffee export designations include: Kelem Wollega, East Wollega and Gimbi coffees are coffee mostly sun-dried.   |

Source: Boot 2011; Ministry of Trade 2012

The coffee plants are also mainly either local varieties/ land races or of wild origin. The chemical inputs for production are very low, and even non-existence in most cases, while processing involves both the wet and dry methods. The dominant method, however is the dry (natural) method, with low environmental impact.

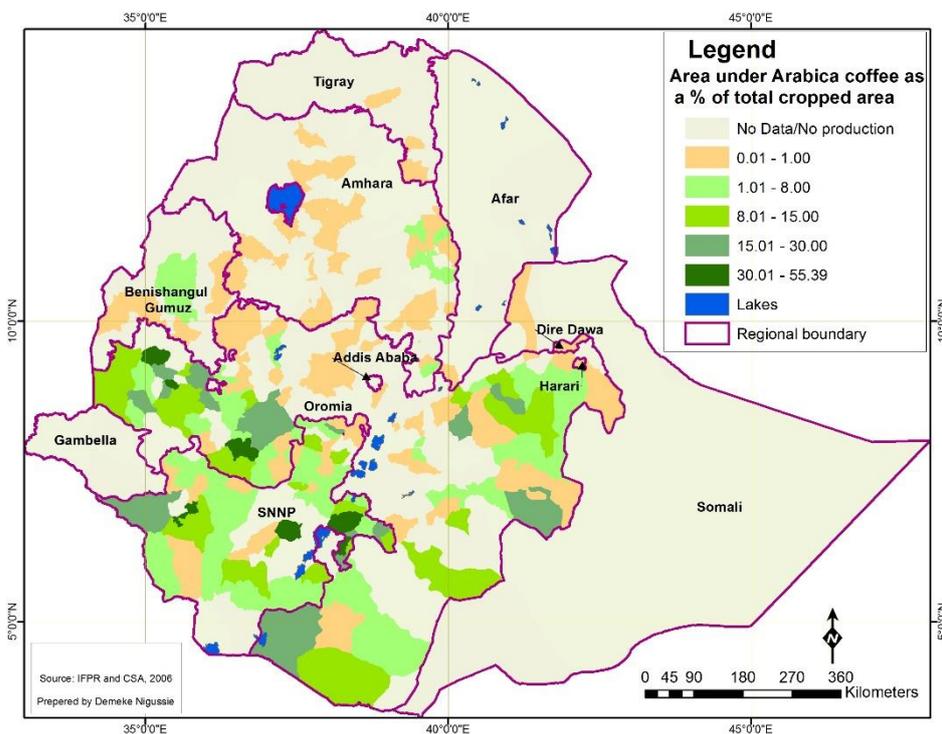


Figure 1. Coffee production areas (Source: EIAR)

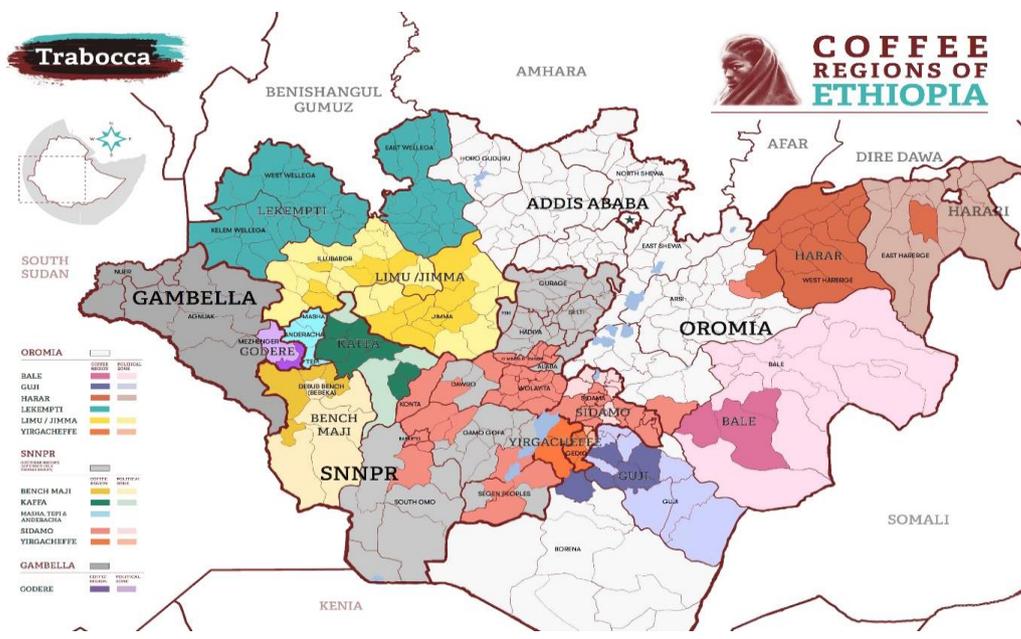


Figure 2. Coffee Regions of Ethiopia. Source: Trabocca (Dutch specialty Coffee trading company)

### **Traceability and Control System**

Ethiopian Commodity Exchange who is the largest coffee trader of the country recently developing a traceability program to track coffee from its origin of production to export. At this time, with the exception of the larger commercial coffee farms, traceability can only be done down to the washing station. Tracing back to individual smallholder farms is not practical given their small volumes of production. This traceability system is also expected to help improve export prices. The coffee bean export business is reserved for Ethiopian citizens. Out of the total number of coffee exporting companies, 93 percent are private companies, 5 percent are coffee growing farmers' cooperatives, and 2 percent are governmental enterprises (GIAN, 2016).

Ethiopia Commodity Exchange (ECX), a modern trading system based on standard coffee contracts establishes standard parameters for coffee grades, transaction size, payment and delivery, and trading order matching, while, at the same time, preserving the origins and types of coffee as distinct. Unlike the existing auction trading system, quality control is undertaken in liquoring and inspection units located in the major coffee producing areas and the coffee is then weighed and inventoried in ECX operated warehouses. Trade is thus on the basis of warehouse receipts issued to the depositor rather than on sample basis. ECX manages a Central Depository of electronic warehouse receipts, removing the risks of paper loss or fraud.

There is a certification process at ECX quality certification based on coffee classes, types, and grades. The two processing classes are washed and unwashed (wet and dry process). The types are determined according to regional and sub-regional origins. Nine grades are used for grading coffee. ECX inventory management used to be based on a non-identity preserved, first-in-first-out system, in which coffee is stocked by classification rather than by identity of the depositor. Moreover, quality and quantity are certified both at initial deposit by the depositor and at delivery (pick-up) by the buyer.

## **2. Market Feasibility**

Coffee farmers in Ethiopia are estimated in about 1.3 million. With an assumed family size of six to seven people, the number of Ethiopians associated with coffee growing can be as large as 7–8 million (USAID, 2010). Moreover, coffee is labor-intensive during harvesting and processing, and provides an important source of income from casual labor for poor, rural populations. Adding those employed in transporting coffee and ancillary activities, it is estimated that 15 million people are involved in the industry in one way or the other.

Coffee production is concentrated mainly in the Oromiya and the Southern Nations, Nationalities and People 's Region (SNNPR). Major and medium growing *woredas* contain an estimated 800,000 coffee farmers with approximately 520,000ha under coffee cultivation, of which 63.3 percent is in

Oromiya, 35.9 percent in SNPP and 0.8 per cent in Gambella. Smallholder producers are responsible for about 95 percent of production, while state-owned plantations account for 4.4 percent and private investor plantations 0.6 per cent (FDRE, 2003a).

### Market system

There are three interrelated marketing channels through which coffee moves before reaching its final destination. The three channels are: (1) village-level trading that occurs between growers, collectors, and cooperative unions; (2) Ethiopia Commodity Exchange (ECX) in Addis Ababa where exporting companies purchase coffee that was originally collected at the village; and (3) cooperative unions and large commercial farms which sell coffee to the international market without passing through ECX.

### Coffee export volume

| Ethiopia's Coffee Export by Value/Volume |         |                  |             |             |
|--|---------|------------------|-------------|-------------|
| No                                       | Year    | 1000, 60-kg bags | Metric Tons | Value (USD) |
| 1  | 2010/11 | 2,988            | 179,256     | 878,919,927 |
| 2  | 2011/12 | 2,964            | 177,831     | 818,654,520 |
| 3  | 2012/13 | 3,224            | 193,459     | 694,617,826 |
| 4  | 2013/14 | 3,179            | 190,734     | 749,014,000 |
| 5  | 2014/15 | 3,445            | 206,700     | 811,710,000 |

Source: GAIN, 2016.

Note: Volume includes both official and post-estimated informal coffee trade. Value is the officially-reported figure given by the Ethiopia Revenue & Customs Authority.

| Coffee Exports by Destination (2012/13-2014/15) (1,000 60-kg bags) |         |         |         |               |
|--|---------|---------|---------|---------------|
| Destination  | 2012/13 | 2013/14 | 2014/15 | 2014/15 Share |
| Germany  | 853     | 685     | 666     | 19%           |
| Saudi Arabia   | 462     | 525     | 634     | 18%           |
| Japan  | 392     | 349     | 326     | 9%            |
| USA  | 231     | 292     | 332     | 10%           |
| Belgium  | 256     | 235     | 175     | 5%            |
| France   | 162     | 190     | 137     | 4%            |
| Italy  | 146     | 163     | 128     | 4%            |
| Sudan  | 147     | 141     | 174     | 5%            |
| S. Korea   | 80      | 102     | 104     | 3%            |
| UK   | 67      | 83      | 81      | 2%            |
| Australia  | 51      | 72      | 62      | 2%            |
| Sweden   | 75      | 57      | 58      | 2%            |

|        |       |       |       |     |
|--------|-------|-------|-------|-----|
| Jordan | 20    | 45    | 37    | 1%  |
| Russia | 35    | 35    | 32    | 1%  |
| Canada | 27    | 28    | 8     | 0%  |
| Spain  | 27    | 27    | 42    | 1%  |
| Israel | 19    | 11    | 16    | 0%  |
| Others | 174   | 139   | 433   | 13% |
| Total  | 3,224 | 3,179 | 3,445 | 100 |

Source: GAIN, 2016.

Note: These figures include both official and post-estimated informal coffee trade.

| Ethiopia's Share of the World Coffee Market (1000, 60-kg bag) |         |         |         |         |
|---|---------|---------|---------|---------|
|   | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Ethiopia's coffee production                                  | 6,325   | 6,345   | 6,508   | 6,515   |
| World coffee production <sup>1</sup>                          | 154,933 | 155,671 | 149,535 | 150,122 |
| Ethiopia's contribution to world coffee market                | 4.1%    | 4.1%    | 4.4%    | 4.3%    |

Source: GAIN, 2016

### 3. Organizational feasibility

The structure of organizations in the coffee value chain can be summarized in the following way.

**Primary coffee collectors** (*sebsabies*) are locally licensed coffee traders that purchase coffee from individual farmers. They play an essential role of bringing coffee from very remote areas to the market. They have no warehouses of their own and therefore immediately transfer the coffee to suppliers/ wholesalers (*akrabies*). There are currently over 2,291 legal collectors in Ethiopia.

Suppliers/wholesalers acquire red coffee cherries from collectors or producers and process their coffee before bringing it to auction. They are not allowed to export on their own account. Some have storage facilities as well as their own hullers or pulperies. Currently there are over 1,068 *akrabies* in the country.

**Service Cooperatives (primary societies)** made up of different local peasant associations play an important role in organizing farmers. Many cooperatives own washing stations and warehouses. Currently, there are four cooperative unions (Oromia, Yirgacheffe, Sidama and Kaffa Coffee Farmers' Cooperative Unions). From 2001, they obtained a concession to bypass the auction and export coffee directly to overseas buyers. Their main functions are to assist in developing producer/buyer linkages (by facilitating organic and fair trade certification, for example), to export members 'coffee directly,

provide warehouse and transport services, promote high-quality coffee production, and provide saving and credit services as well as training and education programs for members.

Several cooperatives unions have major role in the coffee value chain :

**Oromia Coffee Farmers' Cooperative Union (OCFCU)** represents 22,734 farmers from 34 cooperatives that produce around 16,000 tons of coffee. Infrastructure includes 32, pulperies, 3 hulleries, and a warehouse capacity of 9,550 tons.

**Sidama Coffee Farmers' Cooperative Union (SCFCU)**, founded in July 2001, comprises 39 primary cooperatives representing 82,275 farmers producing around 35,000 tons of coffee (60% washed). SCFCU owns 89 pulperies, one huller and has a warehouse capacity of 5,000 tons. **Yirgacheffe Coffee Farmers' Cooperative Union (YCFCU)** was founded in July 2002 by 21 primary cooperative members representing 42,065 coffee farmers and has 46 pulperies, 4 coffee hullers and warehouse space for 4,600 tons. **Kaffa Forest Coffee Farmers' Cooperative Union (KFCFCU)**, founded in March 2004 by 26 primary cooperative members, represents 6,032 coffee farmers.

**Ethiopian Commodity Exchange (ECX)** is the largest trader organization in the value chain who export coffee to the international market, together with some grower direct exports. The steps are: small farmers sell to local merchants, who in turn sell to distributors and collectors, who export through the ECX. Cooperative farms sell directly to the ECX and capture margins that would otherwise be captured by merchants and collectors. Prior to listing on the exchange, coffee producers must submit coffee to the coffee inspection centers for grading and consolidation through mills/warehouses. The government's goal is to regulate coffee by region (Harar, Sidamo) and grade (1-9) rather than locally specialized produce. This enables buyers to source a standard region at a standard grade, and trade for a set price on the ECX.

Since July, 2017, ECX started working on a new model for coffee marketing called "Identity preservation model". Besides the two coffee processing classes (washed and unwashed), the different types determined according to regional and sub-regional origins, and the nine grade distinctions, emphasis will be put on traçability back to the individual producer.

With a track record and database of one decade coffee cup testing from different origins all over Ethiopia, ECX has the capacity to identify, according to Ato Mekonen Hailemichael, Chief Quality officer at ECX, more than 100 localities with consistently different coffee characteristics. Some of these "micro-profiles" are characterized by specific environmental conditions and crop practices. If buyers' interest is confirmed, the Geographical Indication approach might then give room to pilot-test this new marketing model which ECX is implementing.

## 4.3 HONEY

### Introduction

Ethiopia has about 10 million bee colonies which make it the nation with the highest bee density country in Africa. Ethiopia is a major producer of beeswax, only surpassed by Mexico and China, with more than 2000 tons per annum and is one of the five biggest wax exporters to the world market. Total honey production in the country is estimated to be more than 43,000 tons per year. With this, Ethiopia is the largest honey producing country in Africa and stands in 10th place worldwide. Honey is the most important primary product of beekeeping both from a quantitative and economic point of view. About 80% of the total honey produced goes into "tej" making, a local beverage, also known as honey wine or honey beer, that is made in the homes of farmers or in urban area. Only a very small quantity currently goes for export mainly to Saudi Arabia and Yemen.

### 1. Technical feasibility of the registration of Honey as a GI

#### Honey types, distribution, specific characteristics

Many different types of honey in Ethiopia are associated with their places of origin. Regional states like SNNP, Gambella, Benshangul Gumz, Amhara, Tigray and Oromia have big apicultural potential. In this report, we focus on some of the major honey producing areas which are well characterized and with distinct features as shown in Table below.

| N° | Description  |
|----|--|
| 1  | <p><b><i>Tigray White Honey</i></b></p> <p>Wukro is in the heart of the Tigray region, in the far north of Ethiopia. One of the country's most prized honeys is made here. Honey is collected twice a year there: The primary harvest is at the end of the rainy season (from September to December), while the second is only possible in rainier years and takes place from May to June. Three main types of honey are produced: red, yellow and white. The bright white honey makes up 90% of production. Coarse-grained, with an uneven texture, it has a delicate scent, not too sweet a flavor and a lingering aftertaste. This honey is made from specific flowers, mostly from the Lamiaceae family, and to a lesser extent, prickly pear and euphorbia.</p> |
| 2  | <p><b><i>Wenchi Volcano Honey</i></b></p> <p>The Wenchi volcano's magnificent crater, two hours' drive from Addis Ababa, is ringed by</p>  |

|   |   |
|---|---|
|   | <p>steep green slopes surrounding a deep, bright-blue lake. The honey in the area is characterized as yellow-amber in color and has a very fine, smooth grain. The scent is intense, with hints of flowers and slightly toasted caramel. Creamy on the palate, it has a medium acidity level and is soft and refreshing, thanks to the balsamic notes. The main flowers that have been identified so far are <i>Hagenia abyssinica</i> (kosso) and <i>Erica arborea</i> (hasta). The honey is made partly in traditional hives (large woven cylinders of bamboo, covered in false banana leaves, closed at one end with straw and at the other with a circular piece of wood) and partly in modern hives. Production area: Wenchi volcano, southwestern Oromia region</p>   |
| 3 | <p><b><i>Dawro Konta Honey</i></b></p> <p>Thanks to the variety of plants in its forests, Dawro, a mountainous province southwest of Addis Ababa, is an ideal area for producing quality honey. Beekeeping is an important source of income for the Kullu Konta, who belong to the larger Welayta ethnic group. The traditional hives (kafò), made from woven bamboo, are dried over a fire of aromatic shrubs, acquiring an intense aroma that attracts the bees. The hives are covered with false banana bark placed in the trees. When the honey is ready, the hives are closed and taken to the beekeepers' houses. The first harvest, in November and December, is the most abundant and is obtained from a range of flowers, including wanza (<i>Cordia africana</i>) and coffee (<i>Coffea arabica</i>). The second harvest, in April and May, is mostly from eucalyptus and fruit trees, such as docoma (wild plum).</p> <p>Production area: Gassa Chare, Dawro Konta, Southern Nations, Nationalities, and People's Region (SNNPR)</p> |
| 4 | <p><b><i>Wolisso Honey</i></b></p> <p>In Wolisso, 120 kilometers southwest of Addis Ababa, at an altitude of 1,800 meters above sea level, honey was traditionally only used an ingredient in a typical fermented drink called tej, or as a medicine. The beekeepers used only traditional techniques and hives formed of cylinders woven from bamboo and covered in leaves. The hive was cleared of bees using a large amount of smoke, often to the detriment of the honey's quality. To improve the purity of the honey and diversify production (making not just tej, but also honey, propolis and beeswax). Between June and November, the Wolisso community collects honey made from eucalyptus and other local species like wanza (<i>Cordia africana</i>).</p> <p>Production area: Wolisso, southeastern Oromia region</p>  |
| 5 | <p><b><i>Shalala Honey</i></b></p> <p>The village of Shalala is located at an altitude of 2,277 meters above sea level in the heart of the Southern Nations, Nationalities and People's Region. Beekeeping has ancient roots here, and is widely practiced among the Hadiya, the local ethnic group. Their honey is reddish-yellow, thick and very sweet, and comes from range of local flowers and trees including sunflowers, legumes like <i>Vicia sinensis</i>, senafitch (<i>Brassica nigra</i>), and common fruit trees like papaya and mango. The honey is harvested in June and November, and the honeycombs are kept in woven</p>  |

|   |   |
|---|---|
|   | <p>bamboo covered with leaves. The Shalala community also produces beeswax and propolis.</p> <p>Production area: Shalala, Hadiya zone, Southern Nations, Nationalities, and People's Region (SNNPR)</p>   |
| 6 | <p><b><i>Horde Honey</i></b></p> <p>Horde lies about 2,000 meters above sea level, in highlands covered in natural forest. Each producer has a number of kafò (traditional hives) and the first modern hives have been introduced only recently. Honey is harvested from September to November and from March to June, and comes from a variety of local plants: wanza (<i>Cordia africana</i>), coffee (<i>Coffea arabica</i>), tikur inchet (<i>Prunus africana</i>) and a local variety of <i>Olinia rochetiana</i>. In the past the honey was used for blessings and to show honor and respect, as well as for therapeutic purposes. The red honey has a liquid consistency, with a very sweet scent and flavor. It is sold in the nearby towns of Osanna and Gombora to tej producers or traders, and in a shop in Shalala set up by the association Modena per Gli Altri.</p> <p>Production area: Horde, Southern Nations, Nationalities, and People's Region (SNNPR)</p> |
| 7 | <p><b><i>Getche Honey</i></b></p> <p>Getche honey is collected at altitudes between 2,000 and 2,500 meters, in an area populated by the Gurage, an ethnic-linguistic group who are mostly traders and beekeepers. Until recently only traditional collection methods were used, with hives made from logs, bark and clay, hung from trees to attract the bees. The first modern hives were introduced in 2008. The honey harvested in October is pale and produced from a number of different flowers.</p> <p>In the spring it is redder and comes from other flowers, from eucalyptus, nug (yellow daisy-like flowers), avocado and other forest trees. The honey is stored in terracotta containers and sold in local shops and markets.</p> <p>Production area: Getche, Gurage zone, Southern Nations, Nationalities, and People's Region (SNNPR)</p>  |
| 8 | <p><b><i>Badogo Honey</i></b></p> <p>Badogo honey is typical of the southern Ethiopian region of Hadiya, between the Omo and Billate rivers. It is collected at an altitude of 1,800 meters above sea level. The honey is collected from April to June and again from November to December. Badogo honey is amber, almost reddish in color, and shortly after harvest it crystallizes and solidifies. The honey is made from nectar from the tree <i>Apodytes dimidiata</i>, known as white pear, native to the area.</p> <p>Production area: Southern Nations, Nationalities and People's Region (SNNPR)</p>   |
| 9 | <p><b><i>Wondo Honey</i></b></p> <p>Wondo honey comes from southern Ethiopia and is collected at 2,000 meters above sea level in an area between the Omo and Billate rivers, inhabited by the Hadiya, about 11 kilometers from Shellala. The reddish-amber honey is collected between April and June and between November and December. A viscous liquid when harvested, about a month after</p>  |

|    |   |
|----|---|
|    | <p>extraction it crystallizes and solidifies. The honey comes from the flowers of several different species: <i>Syzygium guineense</i> (a temperate forest plant from the myrtle family), red eucalyptus, <i>Rhamnus prinoides</i> (an African shrub from the Rhamnaceae family), <i>Grevillea robusta</i> (southern silky oak), <i>Dovyalis caffra</i> (a small evergreen tree) and <i>Cordia africana</i>, from the borage family.</p> <p>Production area: Southern Nations, Nationalities and Peoples' Region (SNNPR)</p>  |
| 10 | <p><b><i>Wassarà Honey</i></b></p> <p>The Wassarà community's 13 beekeepers belong to the Kambaata ethnic group. They produce honey at an altitude of 2,400 meters above sea level. The harvest is in January and between May and June, when the honey is made from <i>Eucayptus camaldulensis</i> flowers. The honey is dark in color, almost brown, and liquid immediately after extraction. It later solidifies, crystallizing with a fine grain. It has a very dense texture and a woody scent.</p> <p>Production area: Southern Nations, Nationalities and Peoples' Region (SNNPR)</p> |

Source: SlowFood

### **Traceability and quality control**

Honey quality is the major problem with which the sector is grappling as it develops. Adulteration, premature harvest, and bad processing practices all contribute to the decline of honey quality. Even though the government provides some guidelines on standards of honey, there is no enforcement. License requirements for selling honey are lax and annual inspections very weak. Some middlemen, who are only selling in local markets, are often unaccountable due to their lack of long term customer relationships and traceability, which incentivizes them to sell low quality adulterated honey. As quality issues become rampant in the market, consumers may lose trust and decrease their demand for honey. This lack of quality control can deter the overall health and growth of the honey sector.

## **2. Market Feasibility**

Production and export potential are high. The diversified agro climatic conditions of the country create environmental conditions conducive for the growth of over 7000 species of flowering plants of which most are bee plants. It has the largest bee population in Africa with over 10 million bee colonies, out of which about 5 to 7.5 million are estimated to be hived while the remaining exist in the wild. The annual honey production of Ethiopia is estimated to be 45,300 metric tons which makes the country to rank first honey producing country in Africa and ninth in the world. The total beeswax production estimates about 3,800 tons per year. Such an amount puts the country 4th in beeswax production worldwide. Moreover, Ethiopia has the potential to produce up to 500,000 tons of honey

and 50,000 tons of beeswax per year. Ethiopia is leading in Africa in honey production and in beeswax production.

Ethiopia earns an average of 35 million USD annually from the sale of honey. Indeed, in 2011, the European Court of Justice ruled that honey containing pollen from genetically modified plants could not be sold in the European Union which gives Ethiopia an advantage over other major honey-exporting countries since most Ethiopian honey is free of genetically modified plants as well as pesticides and other agrochemicals (Demisew Wakjira, 2016).

The beekeeping industry is flourishing in the country. In the last 15 years (2001-2015), Ethiopia's honey production increased from 28,000 tons to 54,000 tons.

Exports volume fluctuate according to yearly climatic conditions, as well as market access conditions (quality control issues, international price), as shown in Table below.

Honey and Beeswax exports- For the period 2011-2016 (tons)

| Type of product | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | Total in last six years |
|-----------------|-------|-------|-------|-------|-------|-------|-------------------------|
| Honey (ton)     | 520.3 | 876.7 | 839.6 | 742.4 | 681.2 | 592.6 | 4252.8                  |
| Beewax(ton)     | 380   | 367.1 | 385.0 | 334.7 | 520.4 | 267.7 | 2255.4                  |

Source: Akessa, 2016

### Marketing of honey and beeswax

About 95% of the honey produced goes to domestic market, with more than 60% of the honey being used for making honey wine (locally called Tej). An estimated 30% of the honey produced annually is illegally smuggled across different corners of the country. The remaining is sold as table honey and also for different purposes. Local price of honey is high in towns (range from USD 6 to 10 per kg) and relatively low in remote rural areas (range from USD 1.4 to 5 per kg) (Akessa, 2016).

Despite potential and opportunity to sell honey in EU and other markets, Ethiopia exports very small quantity legally to the international honey market. Currently, only 2-3% of Ethiopia's honey is officially directed to international markets. Main buyers of Ethiopia's honey include: Sudan, Norway, S/Arabia, UK, Yemen, Japan, and USA.

Similarly, only a small fraction of produced beeswax is exported to the global market and majority is consumed locally. The price of 1kg of beeswax is in the range of USD 6.5 (2011) to 10.9 (2016) under local condition. External market Price for beeswax per kg ranges from USD 4.9 (2011) to 9.2 (2016). Main buyers of beeswax from Ethiopia: Japan, USA, Germany, United Kingdom, Italy and Sudan (Demisew Wakjira, 2016).

The honey market in Ethiopia can be classified into different categories based on location or end use of the honey sold. Features of each market vary as well as the target customers served whose preferences may vary. There are a number of players involved in the honey production and

distribution process. Due to available resources, players have developed different business models to share profits in the market. For example, producers in urban areas (e.g. Addis Ababa) with sufficient initial capital and distribution channels can afford to acquire modern beehives and sell directly to supermarkets in big cities at premium prices. Beekeepers in rural areas with weaker market linkage, on the other hand, may only use traditional beehives to produce limited quantities of honey and sell locally at a lower price.

### **3. Organizational Feasibility**

Beekeepers often organize themselves into an association which collects honey and supplies it to markets. There are a number of associations. For instance, the Selam association of beekeepers in Wukro, Eastern Tigray region, has 16 members who collect honey from modern hives located in communal apiaries. The Wenchi Beekeepers' association established by a group of 40 beekeepers, the Dawro community association with 26 beekeepers, the Shalala association with 22 beekeepers formed the Shalala Beekeepers' association. The horde association with 20 beekeepers, the Geteche association is made up of 10 beekeepers, the Wondo association with 34 beekeepers belong to this community and the Wassarà community's 13 beekeepers belong to the Kambaata ethnic group who are major beekeepers in the country.

Ethiopian Apiculture Board (EAB) was created as an Apex body to coordinate professional Associations and other stockholders in different Regions, towards the implementation of policies and development activities. Other facilitating institutions include the Ethiopian Society of Apiculture Science (ESAS) and the Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA).

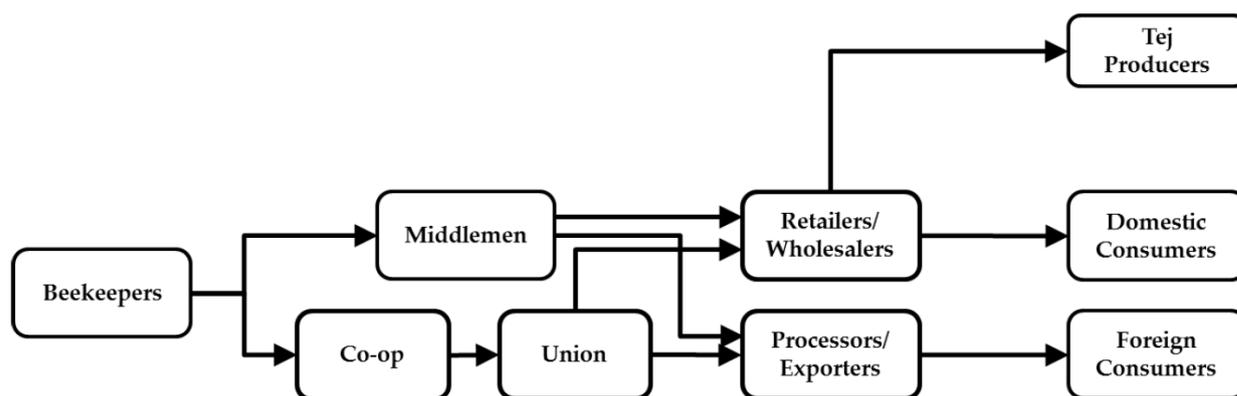
The sector also counts with the facilitation of synergic public and private stakeholders, NGOs and projects (SNV, ACDI/VOCA, GIZ, ICIPE and others).

#### **Value chain structure**

In the first value chain, beekeepers are responsible for honey production. Once they harvest, they sell honey to middlemen in local markets (markets such as in Mudula or Hadero). Some middlemen process honey before selling, while others sell raw honey. Depending on the quality and quantity of honey purchased, retailers/wholesalers would determine whether to sell the raw honey to tej houses or further process it and sell to retail customers in markets like Mercato in Addis Ababa. As for the transactions with processors/exporters (mainly international trading companies), instead of processing raw honey themselves, middlemen would sell fresh honey collected from beekeepers in bulk to processors/exporters directly. Processors/exporters then process the raw honey with reference to international standards and export to foreign countries, such as the United States, European countries, and the Middle East.

In the sub-value chain with retailers/wholesalers, retailers and wholesalers sell directly to end customers, thereby determining the price while reaping high profits. Normally, retailers or wholesalers maintain a long-term relationship with certain middlemen from different areas across Ethiopia to ensure continuous supply of honey to diversify the risk of buying solely from one location. Similarly, processors/exporters also keep closed relationships with certain middlemen who help them source honey on a regular basis and beekeepers do not have much bargaining power to negotiate the selling prices.

Even though processors/exporters determine the purchase price from middlemen, they also face fierce competition in international markets and are generally price-takers. Beekeepers, however, generally do not develop relationships with middlemen and sell to customers in local markets as honey is currently in high demand (convenience). On the other hand, middlemen, who are usually from large cities source from several markets to take advantage of better prices and thus are not very committed to one specific market. Such lack of mutual commitment between beekeepers and middlemen shape the interactions between the two in low-level honey markets.



Honey value chain (Yiyi Dong et al, 2016)

### Major Actors in the Honey Sector

**Cooperative Agency of Ethiopia (FCA)** Through local and regional offices, the Cooperative Agency of Ethiopia has a mandate to assist individuals to form cooperatives and link them to buyers at regional and national levels. The agency assists groups in establishing cooperatives and further development through marketing and market linkages. The agency is part of the government's initiative to increase agricultural outputs to reduce poverty in rural areas.

**Ministry of Agriculture and Livestock** (previously Ministry of Livestock and Fisheries) also encourages through its local offices in the regions, the formation of cooperatives and assist in the process. Livestock offices teach cooperatives about the different types of honey qualities per market demand. In addition, they help facilitate credit from microfinance institutions while offering technical assistance.

**Research Centers:** Bee and honey research centers, which are part of the larger, government-run Ethiopian Institute of Agricultural Research, such as the Holeta Beekeeping Research center (Holeta, Ethiopia), have played a significant role in improving honey production, identifying natural constraints and opportunities throughout Ethiopia. Holeta Research Center teams are currently working on mechanisms to mitigate the effects of climate change, which is resulting in disruption of honey production throughout the country. During our interview with Gemechis Lagasa from the research center, he demonstrated willingness to work with WEEMA to provide drought resistant seeds suited for Kembata Tembaro Zone. Additionally, the center has a team of dedicated scientists studying bees to better understand their patterns and increase production.

**Ethiopian Apiculture Board (EAB):** Ethiopian Apiculture Board plays a unique role of bringing different stakeholders from the honey sector of Ethiopia on one platform. The multi-stakeholder platform includes government offices, unions, cooperatives, NGOs and private companies. The platform helps each stakeholder identify constraints and work in coherence with one another to improve quantity and quality of honey. Additionally, the board explores potential international markets for promising producers. With continued financial and technical support from donor agencies, most government initiatives such as the Ethiopian Apiculture Board have continued providing services to multiple stakeholders.

**Non-Governmental Organizations (NGOs)** NGOs are mainly focused on capacity building. They primarily work to fill in gaps along the honey value chain. Some organizations focus on training and supplying materials needed for beekeeping while others focus on market linkages and provision of information, which is needed to improve both quality and quantity of production. Due to government regulations, NGOs are expected to file reports and renew their licenses at the end of each fiscal year, which can relocate time and resources needed to provide essential services. Nevertheless, this mandatory regulation is in line with the government's broader economic development Agenda-Growth and Transformation Plan. They contribute to the expansion of a small business model in the dynamisation of the quality honey value chain.

**Honey appears overall** to combine technical, market and organizational assets. Ethiopia rich flora and diverse environments deliver a number of numerous local-specific quality products, which could enable a spillover effect from a pilot project in one region to other

regions. The product has a tradition of being marketed by smallholder families for a long time on the national market, and has a vibrant international market appeal with important positive social and environmental side effects. Finally, the value chain counts with dynamic organizations and supporting government and non-government initiatives.

## **4.4 SESAME**

### **Introduction**

The oilseeds sector is one of Ethiopia's fastest-growing and important sectors, both in terms of its foreign exchange earnings and as a main source of income for over three million Ethiopians. It is the second largest source of foreign exchange earnings after coffee. Study reports indicate that Ethiopia is among the top-five producers of sesame seed, linseed and Niger seed. In addition to these, Ethiopian mustard (rapeseed), castor bean, safflower and jatropha have also become important oilseeds in the country for some years now. The potential for further growth, both in terms of quantity and quality, through improved production techniques and productivity factors is considered to be great.

### **1. Technical feasibility of the registration Sesame as a GI**

#### **Sesame types and geographic distribution**

| <b>Sesame type</b>                  | <b>Characteristics</b>  |
|-------------------------------------|---|
| <b><i>Whitish Humera sesame</i></b> | has good aroma, sweet taste, and high oil content; and good demand in the world market & known for its top quality. It is also used as a reference for grading in the international market. Main applications are Bakery, Tahini (sesame pasta) and Confectionery |
| <b><i>Wollega sesame</i></b>        | is mixed /brownish, has high oil content and is used for crushing. Main application is for oil  |

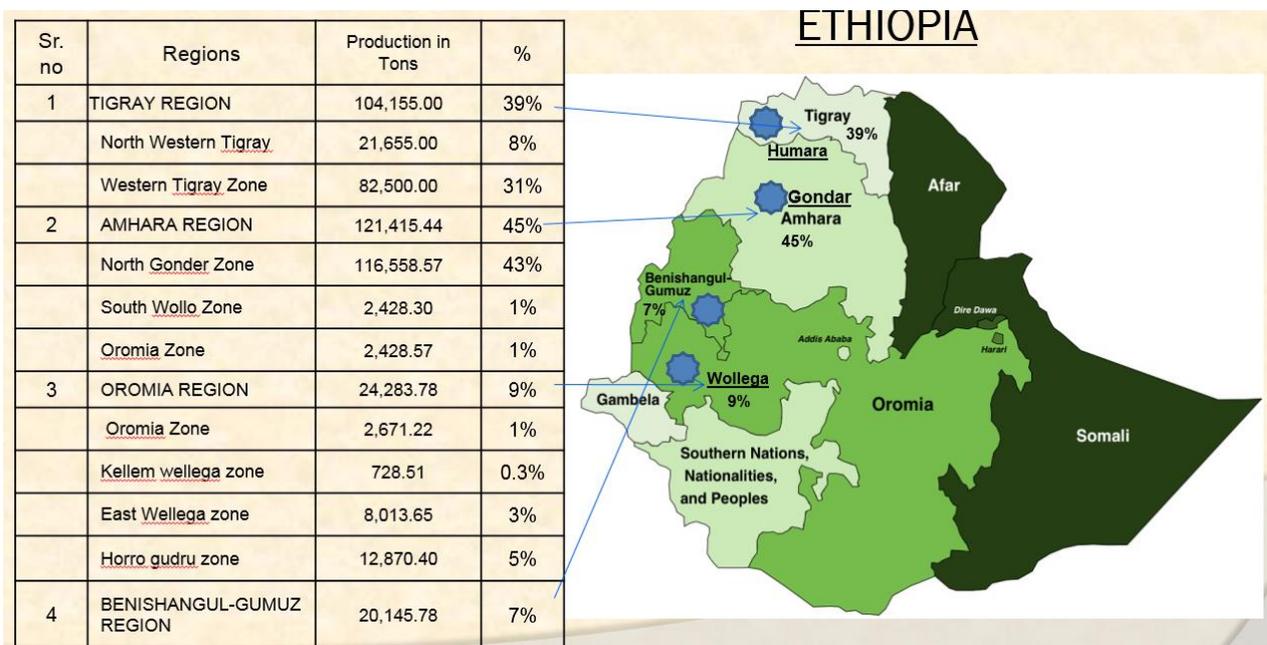
|               |   |
|---------------|---|
| <b>Gonder</b> | White, good uniformity of seed. Main application is for bakery. |
|---------------|---|

Source: Negash Geleta, 2016

### Production areas

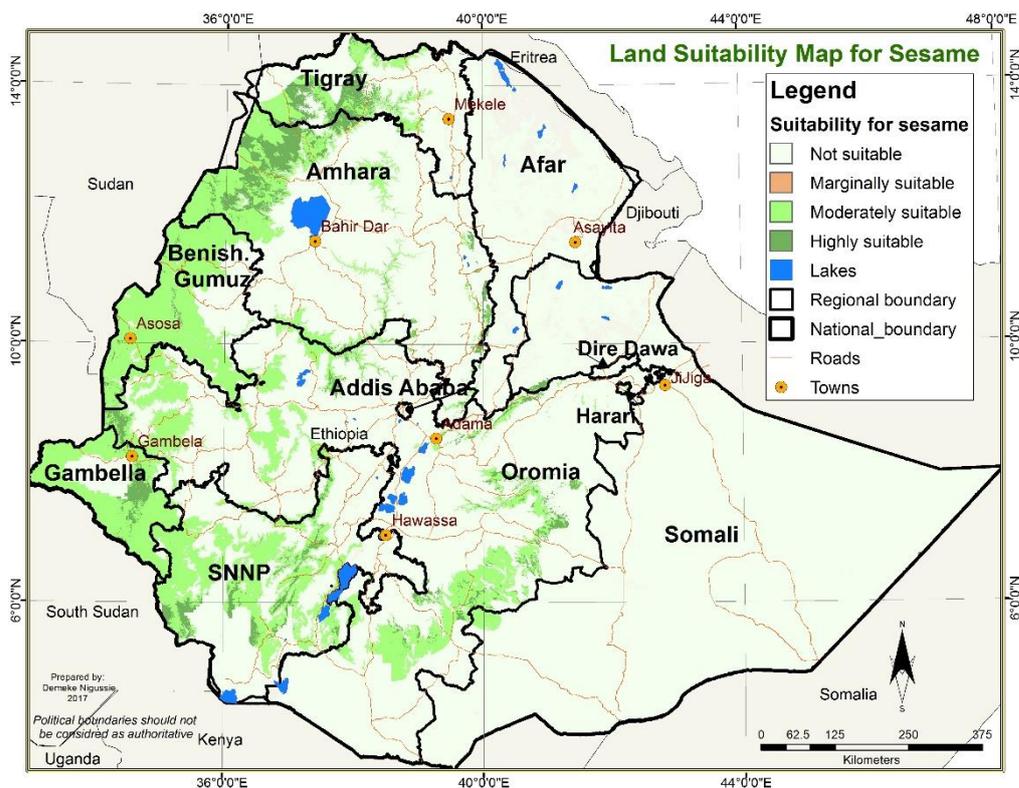
In Ethiopia, the production of sesame is both by small and large scale farmers; and it is an important crop and export commodity.

Amhara (45% of national production), Tigray (39%), Oromia (9%), and Benshangul Gumuz (7%) are the major producing regions in Ethiopia. Due to its importance as a major export commodity the area coverage and production has increased in the last consecutive years in Ethiopia.



2016/17 Sesame production area. Source: CSA, 2017; IAR

There is an enormous potential to expand sesame seed production in Ethiopia through cultivation of additional new land.



Sesame potential areas. Source: EIAR

### Quality and Traceability of Sesame

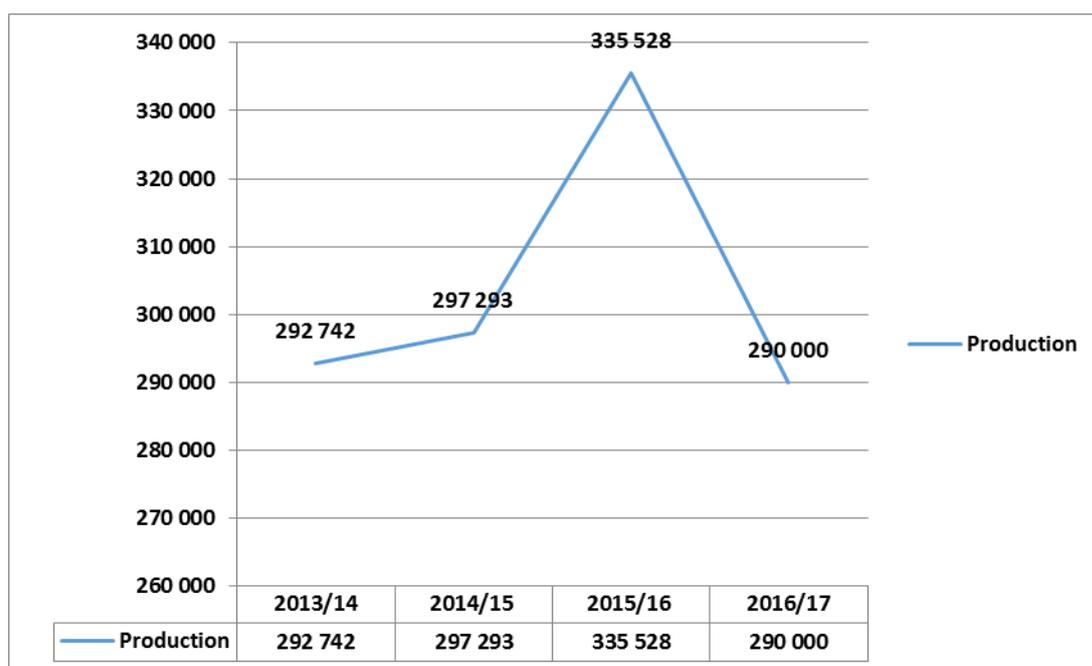
Producers of different sesame types globally face marketing constraints and hence, lose opportunities to obtain higher prices. Ethiopian sesame is seldom selected and graded according to its quality and characteristics, nor is it well traced, although the new ECX system has been set up to improve this. Cross border trade with South Sudan can be a traceability issue in border areas such as Humera. Thus, Ethiopian sesame quality remains low owing to the mixing of sesame seeds of various qualities, and the adulteration of sesame with foreign materials.

Currently ECX does the following quality control based on visual inspection. ECX grades the product and issues a printed copy of Goods Received Note (GRN) for wholesalers. An electronic copy of the GRN is sent to the ECX trading floor at Addis Ababa. Wholesalers then unload their product at the closest ECX warehouse and move to the ECX trading floor at Addis Ababa, where they meet with exporters.

## 2. Marketing Feasibility

### Production volume

Sesame production is dominated by more than 760 000 small-scale farmers, cultivating approximately 380 000 hectares of land. It is mainly cultivated as a cash crop. Sesame production has grown tremendously over the 2000-2012 period, at an annual average growth rate of 34 percent (FAOSTAT, 2012). This growth in production is mainly explained by extension although there has also been intensification. The total area harvested increased by more than 900 percent between 2000 and 2010. It reached a peak of 384 680 ha in 2010, before decreasing to 239 532 ha in 2012. The average growth over the 2005-2012 period was about 76 percent. Yields went from 0.4 tonnes/ha in 2000 to 1.0 tonnes/ha in 2008, finally reaching almost 0.8 tonnes/ha in 2012. The decrease was of -10 percent from 2005 to 2012 (FAOSTAT, 2013). Although there was an increase in average yields from 2000 to 2012, they are still considered low compared to the full potential sesame production.

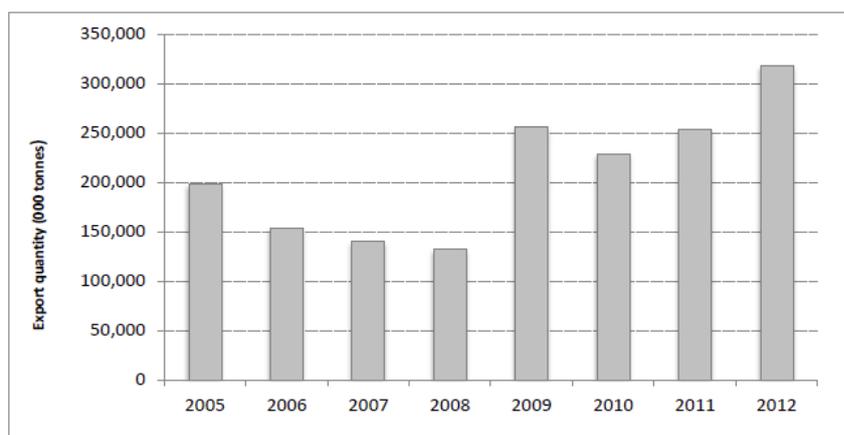


Source: Tadesse Ayenew, 2017. ECX traded data

Sesame seed is Ethiopia's main exported product after coffee. From 2000 to 2012, the total quantity exported annually increased from 31 thousand tonnes to about 317 thousand tonnes, an increase of more than tenfold (ERCA, 2013). Over the 2005-2012 period, exports increased by 61 percent in volume and 178 percent in value (US\$), enabling the country to increase its global market share (Figure 7). Over the 1990-2011 period, Ethiopia ranked in the market share behind India, Sudan and China (Ministry of Trade, 2011). However, sesame exports decreased from 2005 to 2008, and

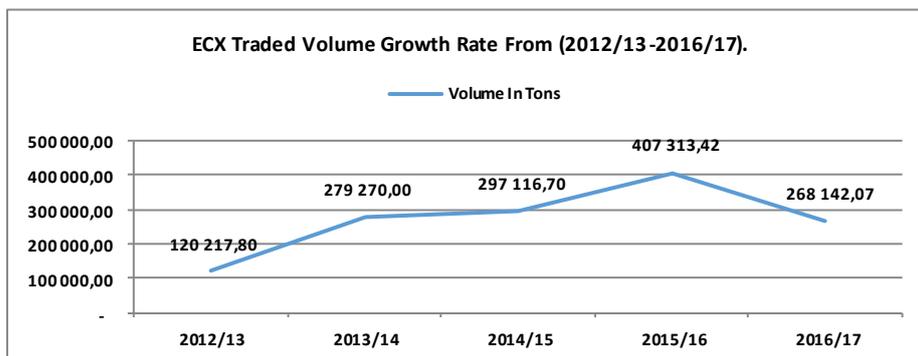
recorded a bumper in 2009 (an increase of 94 percent). Since 2010, exports increased substantially (about 40 percent until 2012) to more than 317 thousand tonnes, the biggest volume over the whole period.

Export Quantity ('000 Tonnes) for Sesame Seed in Ethiopia, 2005-2012 (Source: FAO, 2015)



|                                  | 2005      | 2006      | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Export Volumes (tonnes)          | 197 987,8 | 153 661,2 | 139 653,0 | 131 688,7 | 255 782,8 | 228 038,7 | 253 747,0 | 317 652,6 |
| Exports Value (*1 000 000 ETB)   | 1 345,54  | 1 018,65  | 1 187,94  | 2 019,37  | 3 885,53  | 4 275,61  | 5 907,14  | 7 626,74  |
| Exports Value (* 1 000 000 US\$) | 153,73    | 115,96    | 131,30    | 208,46    | 327,26    | 293,56    | 346,16    | 426,90    |
| Import Volumes (tonnes)          | 0         | 0         | 0,47      | 0,40      | 0,25      | 0,39      | 0,29      | 0,10      |
| Imports Value (ETB)              | 0         | 0         | 5 397,99  | 18 072,22 | 10 275,95 | 4 484,41  | 27 190,84 | 4 864,76  |
| Imports Value (US\$)             | 0         | 0         | 596,61    | 1 865,57  | 865,50    | 307,90    | 1 593,39  | 272,30    |

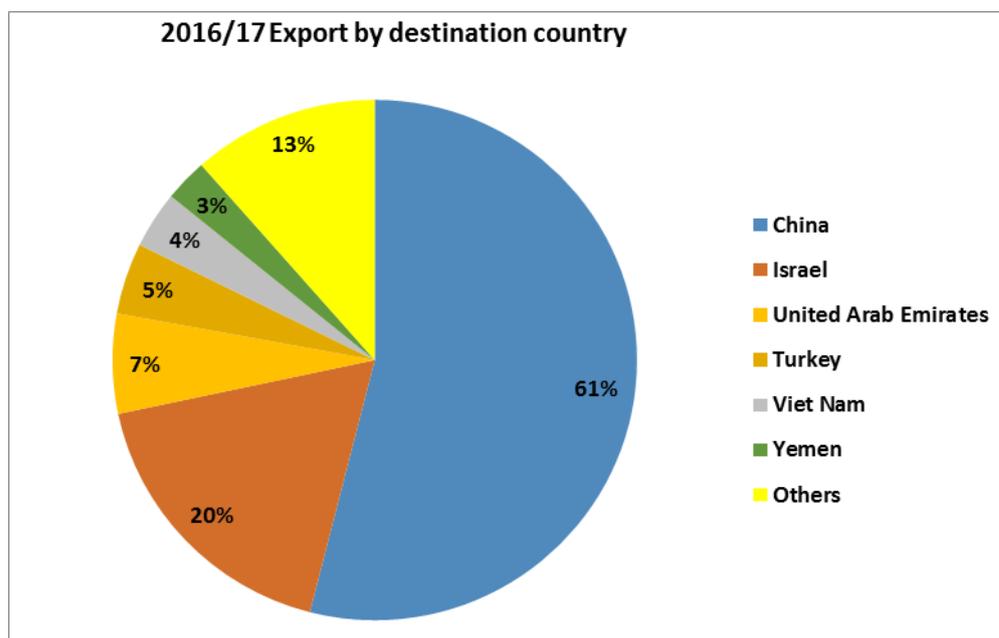
Source: FAO, 2015



Source: Tadesse Ayenew, 2017. ECX data

China is by far the first market for Ethiopian sesame (61%), followed by Israel (20%).

Sesame Seed Exports Partners for Ethiopia, 2016/2017



Source: Tadesse Ayenew, 2017; ECX

### Sesame Marketing Chain in Ethiopia

The main actors in the Sesame marketing chain are producers/suppliers, collectors, wholesalers, brokers, farmer's associations, the auction market (Ethiopian Commodity Exchange, ECX) and exporters. Other important actors are transporters, agricultural input suppliers, consumers and retailers.

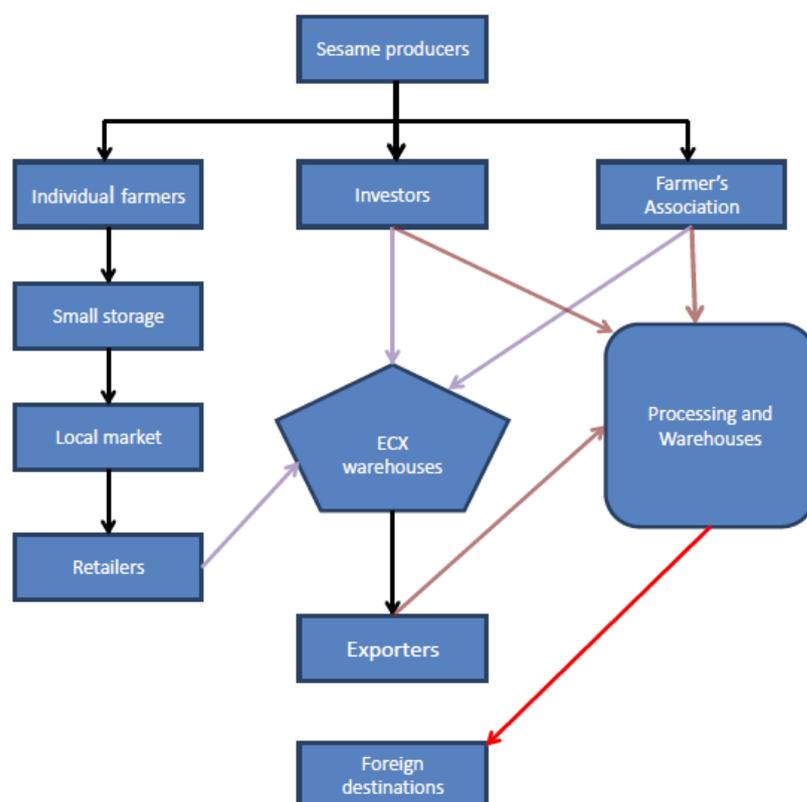
Producers are mostly individual farmers, with a few large-scale farmers/investors and farmers' associations at the top of the chain. They sell their product:

- To collectors, who are either independent or work for wholesalers. They sell most of the sesame to wholesalers, and a minor part to local processors or retailers.

- Directly to wholesalers, who are the main actors of the value chain and the link between producers and exporters or local retailers.

- To farmer cooperatives, which do not play a major role in the sesame value chain. Despite their capacity to bulk sesame from many producers, they do not seem to offer benefits to them, neither through good prices nor through input credit (Coates et al. 2011). Cooperatives sell most of the sesame to wholesalers, and a minor part directly to foreign buyers.

The sesame marketing chain involves large and small producers, as well as investors, wholesalers and brokers. ECX is a major actor in trading and warehousing. The chain can be visualized as follows:



Sesame market value chain

Source: Shkur, 2011

### 3. Organizational Feasibility

Before 2010, all wholesalers would store sesame in their own warehouses, close to the production area, and then sell the sesame to exporters and sometimes through brokers mainly based in Humera, Addis-Ababa or Gondar. The wholesalers and brokers have built personal relationships, which make it possible for the broker to arrange the contract with the exporter without the physical presence of the wholesaler.

Since 2008, however, the Ethiopian Government introduced ECX, an auction market based in Addis-Ababa, destined to centralize and render more efficient the trade of Ethiopia's main export commodities. Sesame was included as an ECX commodity in late 2009 but few traders and exporters decided to go through the ECX system. Thus, this system became compulsory by law in 2010, but only for exporters. Wholesalers and farmer cooperatives can still trade outside of ECX, but they have to use their own network and bypass exporters. As a consequence, a large part of sesame trade has gone through ECX since 2010.

Through the ECX system, sesame traders buy and aggregate seeds in the designated primary markets and deliver to ECX regional warehouses at Humera and Matama, with a capacity of 50 000 quintals each (Alemu & Meijerink, 2010). At the beginning of 2010, there were about 100 registered members of the ECX for sesame trade with buying and/or selling licenses. Most of these members were large traders or farm owners in the major sesame production areas (Humera, Metema and Wellega). There were also some members in Gonder and Addis Ababa.

Ethiopian Pulses, Oilseeds and Spices Processors-Exporters Association (EPOSPEA) was established in 1998 and currently counts with more than 130 active members.

**Sesame is a dynamic export product**, which area of production is undergoing a quick process of expansion and is not yet stabilized. The geographical names used for the denomination of the three main sesame types designate different product profiles, rather than a specific area of production: Under the present marketing scheme, mixing is common, and the geography of the product is lost. Sesame is mostly exported and mainly directed to China (61%) and for oil processing; its different quality profiles are oriented to inform the processing industry rather than the final consumers. The confirmation of “white Humera type” sesame as a high industrial grade with price premium would be interesting, but because of its large and expanding volume, a strict delimitation and traceability of the production area may not be supported by international traders. As national consumption of sesame is limited, this product would not have a big contribution to build national awareness of GIs among Ethiopian consumers.

## 4.5 **TEFF**

### Introduction

Teff (*Eragrostis tef*) is a major staple food crop in Ethiopia. Teff is grown at middle elevations between 1,800 and 2,200 meters above sea level and in regions that have adequate rainfall. Compared to other cereals, teff is considered a lower risk crop as it can withstand adverse weather conditions. Its grain is mainly used for making *enjera*, a spongy flatbread, the main national dish in Ethiopia (as well as Eritrea). Teff is also valued for its fine straw, which is used for animal feed as well as mixed with mud for building purposes.

### 1. Technical feasibility of the registration of Teff as a GI

#### Teff types and characteristics

Teff is one of the smallest-sized grains, and is both a staple food and a cash crop in Ethiopia. It is a commercial crop mainly because of the high price it fetches and the absence of alternative cash crops (such as coffee, tea or cotton) in the major teff producing areas of **Gojam (Amhara)** and **Shoa (Oromiya)**. Assemblers in village markets and wholesalers in regional markets pay close attention to the quality of teff. There are three general color-based grades for teff: **white, mixed and red**; white fetches the highest price and red the lowest. There are also important sub-grades, such as **magna** (very white), which is grown in East Shoa and sold at a premium price. Production area is an important indicator of quality for each color, and Ada and Oloncomy (particular districts in East Shoa) teff types are often considered the best quality white teff.

An important factor in any food market is quality. The most widespread distinction used in the teff value chain in Ethiopia relates to the color of the grain. The distinction between **magna** (“superwhite”), white, mixed, and red teff is widely used and well known by farmers as well as traders. Teff quality is also often evaluated by origin. Finally the quality of teff is also judged by a number of other factors, such as physical appearance, impurities, aroma, texture, and nutritional quality, but these are often difficult to measure objectively.

#### Traceability and quality control

Small-scale traders dominate the regional and central teff markets because there are no large traders with bigger storage and trucking capacities. Significant price differences between different grades of teff have not encouraged bulking and large-scale operations. Grades and quality have to be

checked visually throughout the supply chain every time the commodity changes hands. Like other cereals, high marketing costs and risk have contributed to inefficient teff markets. The market is affected by lack of formal grades and standards, lack of adequate warehouse facilities, lack of reliable market information and inadequate contract enforcement mechanisms.

Traceability is hampered by the fact that five or more handovers take place between producers and consumers in the teff market, with each trader or broker taking a profit margin as well as incurring in transport and storage costs. Uncertainty exists as to quality rewards for producers as well as to quality demands on the part of buyers. The absence of formal grades and standards in the teff market has resulted in several problems: (i) mistrust between farmers and traders; (ii) difficulty in finding quality teff in urban areas unless retailers go to teff production zones themselves and link directly with producers; and (iii) consumers are often unaware of teff being mixed with other cereals. Consumers spend a lot of time and incur in additional costs trying to verify the quality of teff they buy. In contrast with other countries, the direct sale of cereal flour is limited in Ethiopia. The common practice for consumers is to buy teff directly from a nearby cereal retailer or a miller, and then to have it cleaned and milled at their own expense before the flour is brought home, which is often an amount expected to meet the household's requirement for a month. The cost of verification to consumers has gone up in recent times, as the practice of mixing teff with cheaper cereals has increased and consumers find it difficult to trust millers.

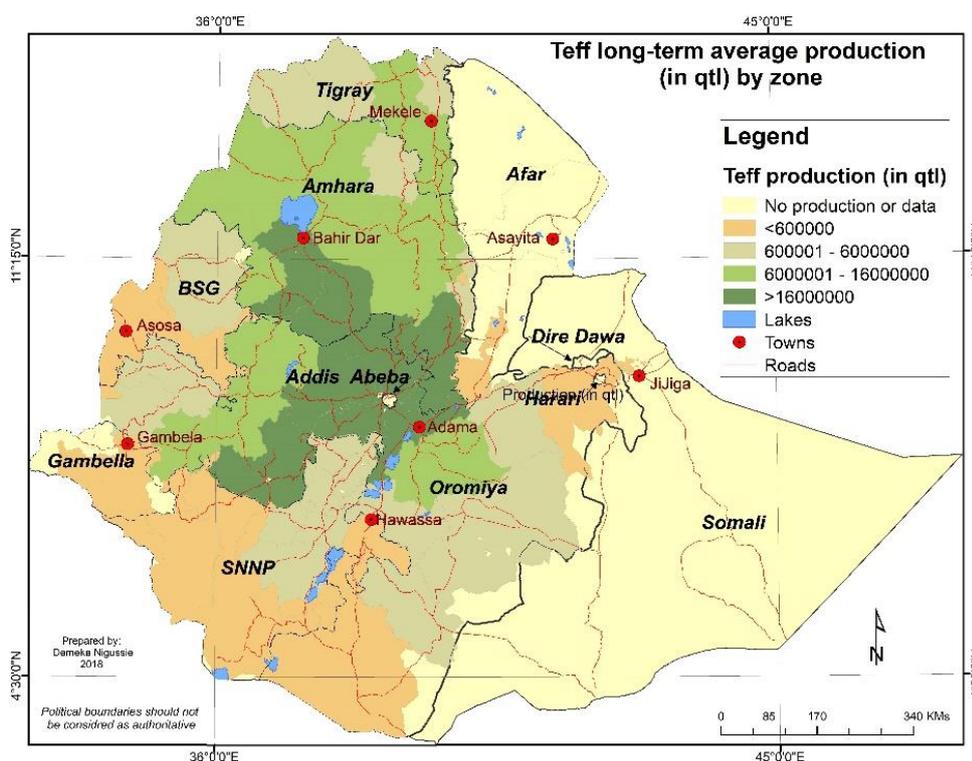
## **2. Market Feasibility**

### **Production volume**

Teff is an important crop for food security as well as farm income. Among cereals, teff is second to maize in production volume, but ranks first in terms of cultivated area. Because its market price is often two or more times higher than maize, teff accounts for the largest value in cereal production in Ethiopia. This higher and relatively more stable price is one of the main reasons that teff is grown by a total of 6.2 million farmers, both as a food security crop and as a cash crop for the urban markets. Since teff farm operations, such as land preparation, weeding and harvesting are highly labour-intensive with limited availability of suitable mechanical technology, there are no large-scale teff producers in the country (FAO, 2015).

Overall teff production in 2012 was valued at 1.6 billion USD, including value of home consumption (Minten et al 2013). Marketed teff (commercial surplus data) for the period 2011/12 was estimated in 464 million USD –only 25% lower than coffee (599 million USD) which is Ethiopia's most important export product.

As stated by Minten (2012), on the consumption side, teff is more readily eaten by urban households than by rural households. The national household consumption data shows that urban consumption per capita is as high as 61 kg per year (Berhane G., et al, 2011). This compares to 20 kg per capita per year for rural areas. Teff is therefore relatively more consumed by the rich than by the poor. The lower consumption by the poor is also partly explained by the high prices of teff which are typically twice as high as the cheapest cereal, i.e. maize (Minten et al., 2012).



Teff production areas . Source: EIAR

### Teff Market

On one hand, teff is largely sold on the national urban market, mainly because of its high price and absence of alternative cash crops (such as coffee, tea or cotton) in the major teff producing areas of the country. The description of the national value chain and the relationships within the chain, is provided below in the section on “Organizational feasibility”. On the other hand, the international trade of teff is limited by a ban on exports of the non- processed product.

### Teff international trade policy

Teff was initially exported to supply Ethiopians diasporas living abroad: in Israel, the Arab world, North America or Europe. But more recently, as a gluten-free cereal, it has caught the interest of many consumers and traders worldwide in search of healthy bakery, cereal and snack products, while remaining a key national urban staple and rural food security crop for Ethiopia. This situation has generated two concerns, which are presently two restrictions for external trade of teff : a **food security concern**, and an **intellectual property issue**.

The food security concern volume of export has fluctuated and relatively a larger quantity was exported in 1995-97, 2001 and 2005 (see Figure below). But export has declined since January 2006, mainly due to high domestic prices and **government export ban on unprocessed teff grain**.

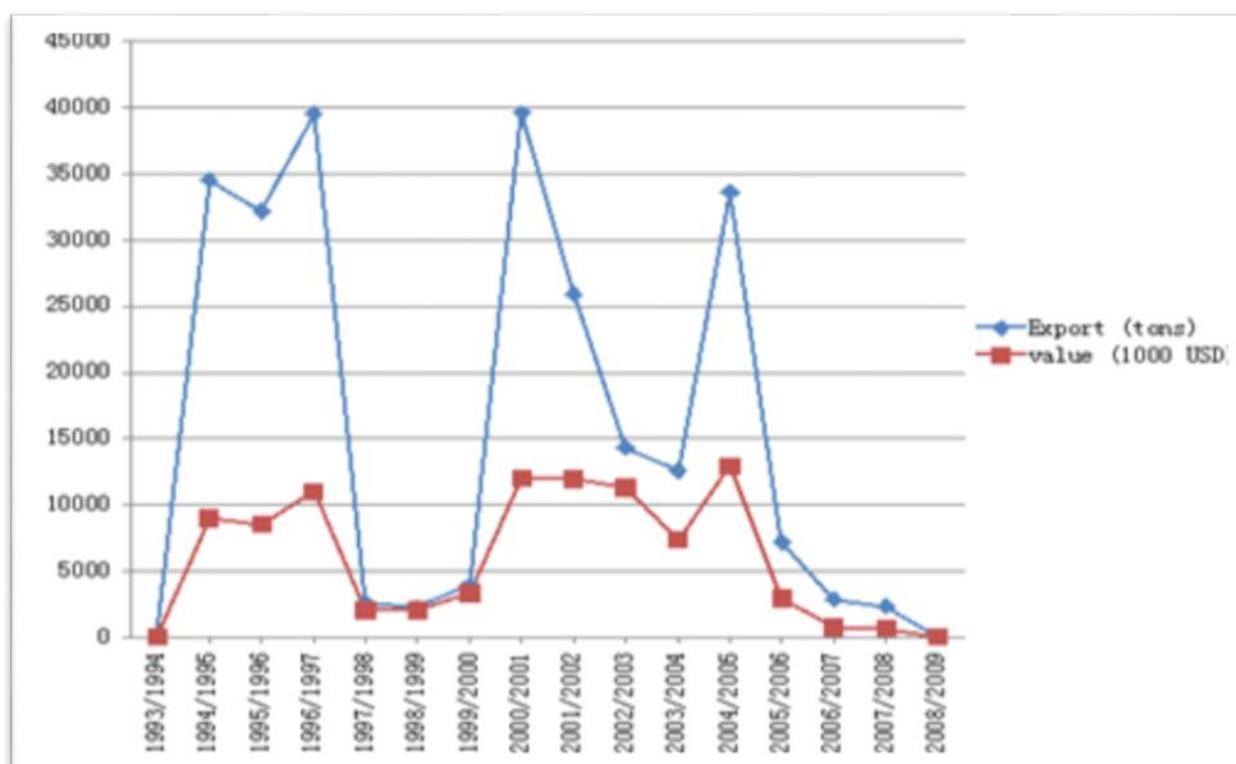


Figure : Trend of teff export in Ethiopia. Source: FAOSTAT

Indeed in 2006, the Ethiopian government sought to improve domestic food security in a country that, years before, had been plagued by severe famine. It placed an embargo on the exportation of teff grain and teff flour, both of which played an important role in the overall diet quality of the Nation. Only cooked teff products (such as injera) could be exported. The government wanted Ethiopia to avoid suffering a situation such as Bolivia during the “quinoa

fever". After being branded a superfood, demand for this Andean grain skyrocketed, increasing its price tenfold between 2009 and 2013, with some claiming this affected food security in the Andes. In Ethiopia, despite the ban, production could hardly meet the demands of the growing population and prices continued to increase.

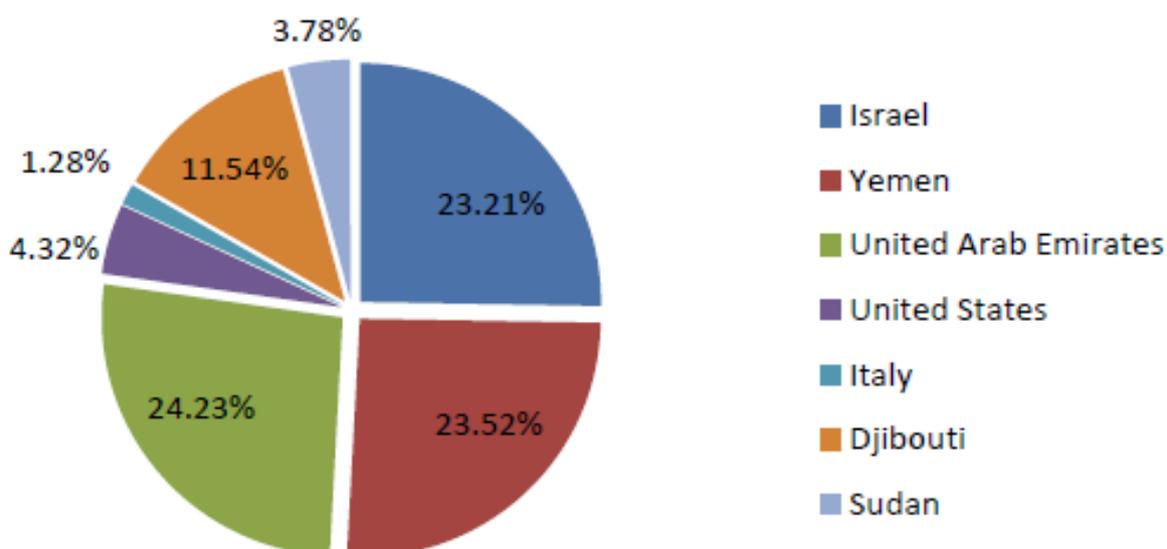
The drastic reduction of teff trade volumes and the repartition of demand among partner countries are shown in the following Table and Figure. As there is no specific international statistical trade code for teff, data refers to "Other cereals" category (code 1008.90.00, which also includes wild rice, buckwheat, millet and canary seeds).

Table : Teff (Other Cereals) Trade in Ethiopia, 2000-2012

|                          | 2000  | 2001   | 2002   | 2003   | 2004   | 2005  | 2006  | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|-------|--------|--------|--------|--------|-------|-------|------|------|------|------|------|------|
| Export (tonnes)          | 2,885 | 9,981  | 16,605 | 12,912 | 10,849 | 2512  | 2727  | 69   | 40   | 16   | 18   | 34   | 15   |
| Export values (1000 USD) | 3,073 | 17,961 | 11,681 | 10,930 | 7,078  | 9,419 | 2,657 | 259  | 39   | 33   | 429  | 63   | 11   |

Source: Global Trade Atlas. Teff considered as Other Cereals .

Share of Ethiopian Teff Exports by Destination, 2000 to 2012



Source: Global Trade Atlas

The objective of the export ban is to bring domestic inflation price into consumers' affordable level and meet local food security. However, the imposed ban on teff grain and flour averts the Ethiopia government particularly farmers from engaging and benefiting in the raising world trade on gluten-free and low glycemic index products, which could increase GDP and change the livelihood of growers. Demand is thought to be very high in the USA and in Europe where healthy food is in the mood and a large number of Ethiopians and people of Ethiopian origin live. There is report that suggests that teff is being smuggled (after the ban) through the port of Djibouti to the port of Ashdod in Israel, where some 80,000 Ethiopian Jews live. Taking into account this international demand, the ban on non-cooked teff products has been partly lifted in 2015 to allow a limited number of commercial farmers to grow the crop with modern farming techniques and export it under international standards. However the volumes will remain limited. Teff was not well known as food crop outside Ethiopia and Eritrea previously, but this trend has changed. Out of its original cultivation area several countries are involved in the production and marketing of teff, including South Africa, Cameroon, Canada, Netherlands, UK, India, USA, China and Uganda.

#### **The Intellectual Property issue**

In 2004 a ten-year access and benefit-sharing (ABS) agreement was concluded for the breeding and development of teff between the Institute of Biodiversity Conservation in Ethiopia, the Ethiopian Agriculture Research Organization (EARO), and a small Dutch company called 'Health and Performance Food International' (HPFI). The detailed agreement was signed in 2008. The Institute of Biodiversity Conservation agreed to provide the company access to Teff to develop new applications of Teff. The Company agreed to share benefits arising out of the use to the Provider. Any intellectual property right over existing Teff varieties and any related traditional knowledge to the Teff-farming would be reserved to local communities of Ethiopia. According to Section 5 of the Agreement, the company may not claim or obtain any intellectual property rights of the genetic resources of tef, but can obtain plant variety protection over tef varieties. These varieties are to be co-owned by the company and EARO (Wynberg 2009). The company agreed to pay royalties and license fees, to establish teff businesses in Ethiopia, and to acknowledge Ethiopia as source of teff.

While the goal was to develop the market of teff throughout the European and U.S. markets the only people who benefited were the Dutch company. HPFI paid Ethiopia only 4000 dollars for their teff when they were supposed to split the money earned from this grain (Andersen and Winge, 2012). In 2018, Ethiopia is considering suing the Dutch company and nullify the patent rights over Teff grain that the company registered in Italy, England, Germany and Austria.

The protection of such national heritage is definitely important and relevant. But from a market feasibility point of view, it is important to remind that the registration of teff as a

Geographical indication cannot be the solution to protect teff genetics : Geographical Indication registration protects the name of a region or territory associated with specific characteristics, reputation or quality of a product. It is a tool to protect from infringements in the use of this name. But it cannot protect the genetic resource by itself, because the genetic resource by definition can be grown under different contexts and circumstances. In other words, GI could protect the use of "Adda teff" or "Gojam teff" or "East Shoa" teff, but not avoid teff being produced under other names in other countries.

GIs cannot be used to manage a genetic patent issue. Complementary initiatives that can be used to protection the use of the genetic resource include: the request of cancellation of undue patenting, as Ethiopia is planning to do; the recognition of Proprietary Variety Certificates (PVC) for newly created varieties; or the access and benefit-sharing (ABS) agreement (in this case, the ABS was the tool originally put into place, but with no good results). A precise description of the crop cultivation conditions (natural environment and farmers' know-how) and of their relation with characteristics of the product may be useful to challenge in court the use of teff for products used elsewhere. But Geographical Indication is a marketing protection and development tool. The context may change in the future, but the fact that an export ban is currently in place for raw products and that there is an on-going legal dispute on the genetic patents, does not currently support the choice of teff to launch a Geographical Indication pilot initiative.

### **3. Organizational feasibility**

#### **Actors in the teff value chain**

Based on literature sources as well as expert and stakeholder interviews, the most important actors of the teff value chain were identified. For each process, the major players, their number, main functions and their approximate market share were compiled. The market share refers to the estimated percentage of the total turnover volume in a specific market (e.g. tef market, inorganic fertilizer market) captured by one player (respectively group of players). The number of players combined with the market share gives an indication on the specific market power of the different actors. However, the list is only a brief overview over the different actors in the tef value chain and in fact there are many more actors involved in the different processes.

| Process             | Player                 | Number of actors | Tasks/Function  | Market share                    |                          |
|---------------------|------------------------|------------------|---|---------------------------------|--------------------------|
| Production          | Smallholder Farmers    | 6,530,000        | Production  | 100% of tef production          |                          |
|                     | Primary Co-operatives  | ca. 65,000       | Fertilizer, pesticide and seed storage and distribution, issue credits and collect loans, organize farmers, tef marketing | 5% of tef sales                 |                          |
|                     | Cooperative Unions     | ca. 330          |   | 100% of fertilizer distribution |                          |
|                     | Agricultural Laborers  | ca. 1,000,000    | Day laborers mostly for weeding and harvesting tef  |                                 |                          |
| Trade               | Local assemblers       | ca. 5,000        | Collect tef at farm gate and sell it to traders   | 8%                              | Of total tef trade       |
|                     | Rural traders          | ca. 10,000       | Buy tef from farmers and assemblers and sell it to urban traders  | 52%                             |                          |
|                     | Brokers                | ca. 10,000       | Connect rural with urban traders  |                                 |                          |
|                     | Urban traders          | ca. 5,000        | Buy tef from rural traders, sell it to mills, big scale and individual consumers  | 40%                             |                          |
| Processing & retail | Urban millers          | ca. 1,000        | Buy tef from traders, mill it and sell flour to customers   | 40%                             | Of tef milling           |
|                     | Rural millers          | ca. 10,000       | Usually only give milling service (customers bring their own tef)   | 60%                             |                          |
|                     | Enjera Companies       | 10-20            | Produce enjera for export or domestic big scale consumers   | 1%                              | Of enjera production     |
|                     | Enjera Microprocessors | ca. 100,000      | Mostly single women producing small amounts for big scale consumers, special events or sale at small shops                | 10%                             |                          |
| Consumption         | Individual consumers   | ca. 50,000,000   | Buy tef and produce own enjera (89 % of total enjera production)  | 97%                             | Of total tef consumption |
|                     | Big scale consumers    | ca. 50,000       | Restaurants, Hotels, Colleges, etc. Purchase tef but also enjera  | 2%                              |                          |
|                     | Consumer cooperatives  | ca. 300          | Purchase big amounts of tef and distribute it to members at better price.   | 2%                              |                          |

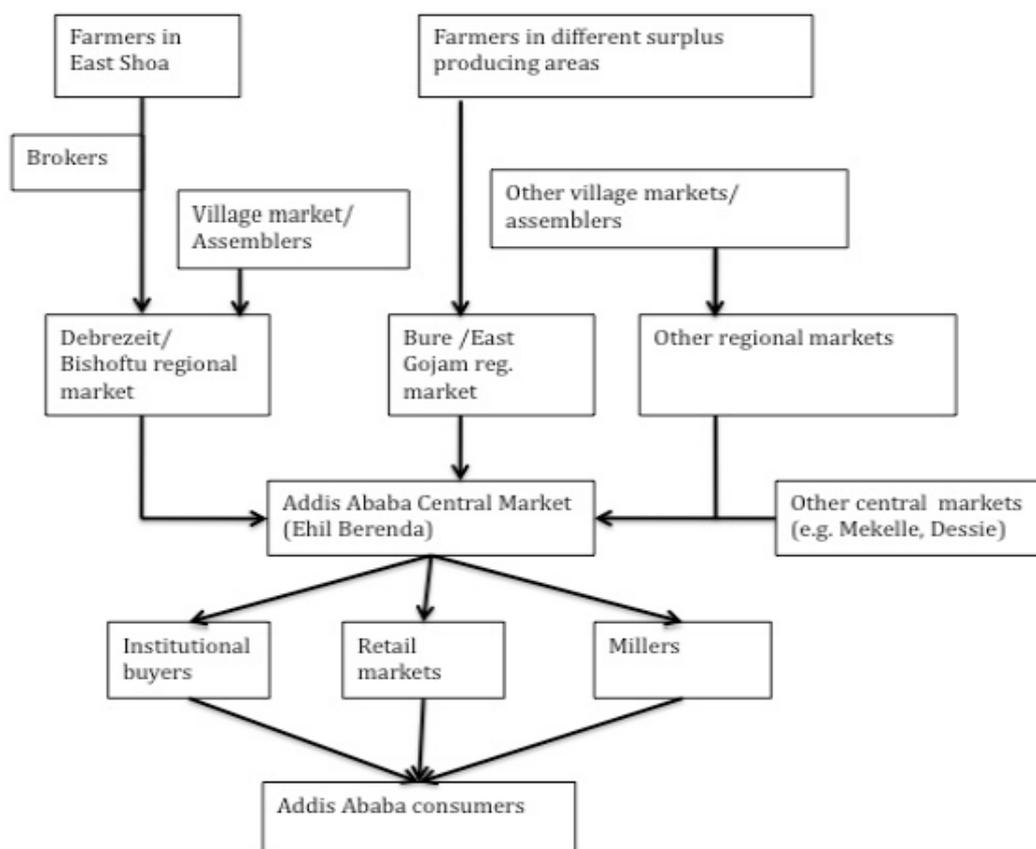
Source: Samuel H., 2015

### Organisation of the Teff national value chain within Ethiopia

Teff supply chains are long and complex. The regional markets in surplus-producing areas receive their supplies from farmers and assemblers. Farmers often use animals (e.g. donkeys) to transport grain to villages or regional markets. They also sell to rural assemblers who transport the grain using small trucks to sell in the regional markets such as Debre Zeit / Bishoftu in East Shoa. Brokers in regional markets work as agents of traders and negotiate prices and grade levels with farmers who often have limited bargaining power.

Major wholesale markets in surplus-producing regions of Shoa and Gojam supply the central market in Addis Ababa (Ehil Berenda). Brokers at the central market play an important role in linking the regional sellers to buyers at the central market and are paid fees, ranging from one to three Birr

per 100 kg. In the absence of large-scale teff milling firms, the main buyers in the central markets are small retailers and millers. The number of small flour mills that retail teff has increased substantially in recent years and most consumers in Addis Ababa nowadays buy teff from these millers. Some regional traders in deficit areas also buy from the central market.



Teff Value Chain, Ethiopia.

Source: Fufa et al., 2011

## **IV – CONCLUSIONS**

### ***4.1 RANKING AND SELECTION OF PROMISSORY PILOT GI CANDIDATE PRODUCTS***

The Table below summarizes the results of the quick assessment of the GI feasibility for the five products under scrutiny. To this effect, three dimensions were considered: the technical feasibility, the market feasibility and the organizational feasibility.

The first result to emphasize is that each of the five products under scrutiny - butter, coffee, honey, sesame and teff - have strong reputation, qualities or characteristics for which consumers or traders identify a link to their place of origin. This good technical feasibility is encouraging for the future of a GI registration scheme in Ethiopia, even though much remains to be done. In particular, traceability and controls are seldom in place and most value chains and the marketing processes are often characterized by a mixing of qualities and origins.

Results are more contrasted when it comes to the dimensions of market feasibility and organizational feasibility. Butter indeed lacks value chain coordination or supporting institutions and has a weak GI organizational feasibility. Teff is a dynamic and promising product for the future, but because of its current status of food security crop under a partial export ban and of the on-going intellectual property dispute about the genetic resource, it does not seem the best fit as a pilot product for a project focused on strengthening trade capacities. Coffee, honey and sesame have strong international markets and dynamic value chains. Sesame however has recently expanded into new production areas and has a predominantly export-oriented market. Coffee and honey have been widely distributed throughout the country for a long time, and their specific regional quality and characteristics are highly relevant up to the final consumers, on both national and export markets. Coffee and honey in Ethiopia count in particular with some smaller high-quality production areas, which may be appropriate for the implementation of a pilot project aiming at a well-operated traceability system within a limited time and budget. The value chain would then become a showcase for other regions and products. Thanks to their combination of vibrant national and international markets, these two products can generate awareness on GIs also among Ethiopian consumers. For

the pilot implementation of Geographical Indication on a value chain, honey and coffee appear therefore as the two most promissory products.

Comparing now between these two products, differences can be observed, especially in terms of Organizational feasibility. The coffee value chain is by far much bigger and more complex, but its size and high number of operators with different strategies and attitudes relative to quality may hamper the implementation of full-fledged traceability. Besides, some confusion may arise between the Geographical Indication approach and the existing coffee regional names trademarked under the Ethiopian Fine Coffee Trademarking and Licensing initiative (Ygarcheffe, Sidamo and Harrar). On the other hand, Ethiopian honey value chains are mostly linked to smaller-scale processing and trading companies, mostly SMEs; the volumes are limited and probably easier to organize and control, and exports are directly managed by these companies. Value chain coordination and support bodies are dynamic. A national branding strategy is under preparation and there may be a good complementarity with a GI initiative focusing on a premium regional quality. Quality schemes are more recent for honey than for coffee and the impact of a Geographical Initiative may therefore be higher.

| Feasibility criteria      | Butter | Coffee | Honey | Sesame | Teff |
|---------------------------|--------|--------|-------|--------|------|
| <b>Technical:</b>         |        |        |       |        |      |
| Quality                   |        |        |       |        |      |
| Link to origin            |        |        |       |        |      |
| Traceability/controls     |        |        |       |        |      |
| <b>Commercial:</b>        |        |        |       |        |      |
| Premium price             |        |        |       |        |      |
| Market size               |        |        |       |        |      |
| Market Type               |        |        |       |        |      |
| <b>Organizational:</b>    |        |        |       |        |      |
| Smallholder farmers       |        |        |       |        |      |
| Value chain organizations |        |        |       |        |      |
| Public & private support  | +      | +++    | ++    | ++     | +    |
| Impact of GI registration |        |        |       |        |      |

**Table N° - Comparative analysis of 5 potential value chains for implementation of a pilot project on Geographical Indications in Ethiopia**

For these different reasons, honey is the most appropriate choice for a pilot product in the framework of this project. During Phase 2 of the feasibility study, more thorough investigation will therefore be conducted on this potential product, in view of the project design.

The value chain selected for the project will however serve as a showcase for the implementation of a Geographical Indication. Lessons learned from this pilot experience must be taken and shared with other regions and other potential products, starting early during the project life.

## ***4.2 INPUTS FOR PROJECT DESIGN: KEY ACTIVITIES AND INSTITUTIONAL SET-UP***

In this section, we highlight some key results from Phase 1 which can be taken as inputs and guidelines for the Phase 2 on the design and institutional set-up of the project on “the definition of a Legal framework for Geographical Indications in Ethiopia, and Implementation on a Value Chain”.

Ethiopia has a huge and diverse potential for Geographical Indications, based on history, geography, culture and markets. The preparation of a specific legal framework for Geographical Indications is fully justified and is supported by the key competent authorities.

The project will be structured in two main components which are two legs ensuring sound foundations for the development of GIs: legal framework and value chain implementation.

On one side, the project will support a complete roadmap towards the establishment of the legal framework on Geographical Indications in Ethiopia. Experience shows that both the draft law and the implementing regulation should be prepared at the same time, in order to ensure agile and consistent implementation of the law. This component will include several activities, such as :

- A background study dealing with key issues that should be addressed in a geographical indication law (some of which are listed in this report) and the approaches taken by different countries: This will facilitate the choice of the approach by the competent authority, in consultation with relevant stakeholders.
- A review of the existing draft GI laws and the preparation a new comprehensive draft GI law based on the approved background study, involving the legal department of EIPO.
- The drafting of a GI regulation that will facilitate the implementation of the draft GI law and that can be submitted to the Council of Ministers as soon the draft law is enacted.

- The organization of forums and consultations at National and Regional levels, to create awareness and understanding of geographical indications in general, as well as of the geographical indications law in particular.

On the other side, the implementation of GI on a pilot value chain will create a showcase for GI set-up and management. The objective is to be both efficient locally and to extract experience and lessons for future GIs in Ethiopia, in other regions or for other products. Based on the result of the screening of the five potential products, the selected pilot product will be one regional quality honey. The roadmap for this component includes, *inter alia* :

- Establishing linkages with regional government, value chain actors, and quality assessment bodies;
- the identification of the GI product's precise characteristics, quality or reputation, in relation with a market study;
- the delimitation of its production area;
- the organization of, and support to, a GI value chain professional body;
- the agreement on a book of practices and control plan;
- the application of the GI Registration request;
- marketing and promotion activities, including participation in fairs;
- and after registration, the support to GI implementation and management in general, including the adaptation of control and conformity assessment procedures.

Although the national GI legal framework is not yet in place, and will probably be fully complete and operational only about two years after starting the project, this value chain component can start as soon as possible in order to develop different activities, GI application being only one of the steps.

A strong programme to strengthen capacities and build public and private awareness on Geographical Indications will also be necessary, and could constitute a key cross-cutting activity of the project, supporting the two components above. It should include a significant part of on-the-job training. It will be directed to EIPO and other key staff for implementation of the GI law, including the Ministry of Agriculture and Livestock, and should target also well the value chain actors and the Regional governments.

For its institutional set up, this project on Implementation of the GI system in Ethiopia requires the involvement of relevant federal and regional government bodies as well as actors of the product that may be selected as a pilot product.

At the project steering level, EIPO has the mandate for intellectual property and for the legal component. The Ministry of Agriculture and Livestock has a national mandate for agricultural production and extension, with a long-reaching and permanent presence in all woredas. The regional government of the selected region should take an active role in the project. ATA has a national mandate on improving effectiveness of agricultural development activities and is involved in the

design of national marketing strategies for key agricultural commodities, including honey. These four institutions may therefore be part in a Steering group of the future project, in order to mobilize resources and coordinate efforts towards the project's objectives, and monitoring the project's outputs and outcomes.

At the project implementation level, a project Technical group could be set up. It would count with the participation of several public and private agencies with relevant capacities and mandates (on extension, training, value chain support, promotion and marketing..): for example EIPO, ATA, NGOs with experience on the product, Ethiopian conformity assessment enterprise, external technical assistance, etc.

At the overall project decision-making and reporting level, there could be either one unique contracting Authority for the whole project; or one prime contracting authority and one delegated contracting authority in charge of manage each of one the two main project components. Contracting authority, and , or technical bodies decision-making The project contracting authority could either be given to one of these institutions, or be shared according to the 2 main project components (legal framework and value chain implementation).

These first elements on the project design will now be detailed further during Phase 2 of the Feasibility study, focused on project design.

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# ANNEXES

### ***ANNEX 1 : List of Stakeholders met***

| <b>Institution</b>   | <b>Name</b>                         | <b>Position</b>                                     | <b>Email</b>   |
|--|-------------------------------------|---|--|
| Ethiopian Intellectual Property Office (EIPO)              | Ato Ermias YEMANEHIRHAN HAILEMARIAM | Director General                                    | <a href="mailto:yermyasemane@gmail.com">yermyasemane@gmail.com</a>           |
| Ethiopian Intellectual Property Office (EIPO)              | Ato Tadesse WORKU                   | GI Team leader                                      | <a href="mailto:hementadesse@gmail.com">hementadesse@gmail.com</a>           |
| Ministry of Livestock and Fisheries (MoLF)                 | Ato Sagni CHEMEDA WOLLE             | Honey bee expert                                    |  |
| Ministry of Livestock and Fisheries (MoLF)                 | Ato Yeneneh ASSEFA                  | Apiculture directorate                              | <a href="mailto:yenenehassefa2016@gmail.com">yenenehassefa2016@gmail.com</a> |
| Ministry of Agriculture and Natural Resources (MoANR)      | Ato Esayas Lemma Hayi               | Director, Crop Production Directorate,              | nebyuesayas@gmail.com<br>esayaslh@hotmail.com                                |
| Agricultural Transformation Agency (ATA)<br>www.ata.gov.et | Ato Yifru Tafesse                   | Director, Private Sector Development in Agriculture | <a href="mailto:yifru.tafesse@ata.gov.net">yifru.tafesse@ata.gov.net</a>     |
| Agricultural Transformation Agency (ATA)<br>www.ata.gov.et | Ato BisratERMIAS                    | Project officer, Market Development                 | <a href="mailto:Bisrat.Ermias@ata.gov.et">Bisrat.Ermias@ata.gov.et</a> >     |
| Agricultural Transformation Agency (ATA)<br>www.ata.gov.et | Pavlos Troulis                      |   | <a href="mailto:pavlos.troulis@ata.gov.et">pavlos.troulis@ata.gov.et</a> >   |
| Ethiopian Chamber of Commerce                              | Ato Wubie Mengestu                  | Deputy Director General (operations)                | <a href="mailto:wubiem@ethiopianchamber.com">wubiem@ethiopianchamber.com</a> |

|                                   |                            |   |  |
|-----------------------------------|----------------------------|---|--|
| European Union                    | Alex CARRASCO              | Programme manager, Rrual developmeent and food security           | <a href="mailto:alex.carrasco@eeas.europa.eu">alex.carrasco@eeas.europa.eu</a>   |
| European Union                    | Eleshu ESHETU              | Programme Leader  | Eshetu.MULATU@eeas.europa.eu   |
| Ethiopian Comodity Exchange (ECX) | Ato Mekonen HAILEMICHAEL   | Chief Quality Operations Officer                                  | <a href="mailto:mekonen.h-michael@ecx.com.et">mekonen.h-michael@ecx.com.et</a>   |
| Ethiopian Comodity Exchange (ECX) | Ato Hailemichael HAILU     | Manager, research and business development                        | <a href="mailto:hailemichael.hailu@ecx.com.et">hailemichael.hailu@ecx.com.et</a> |
| Ministry of Trade                 | Ato Assefa Mulugeta KONDAL | Director General, Export Promotion Directorate                    |  |
| Ministry of Agriculture           | Mr Esayas Hayé             | Senior Crop Expert  |  |
| Ministry of Trade                 | Mr Assefa Mulugeta         | Export Promotion Directoral General                               |  |
| Ethiopian Standard Agency         | Mr Gemechis                | Food and Agriculture Project Manager                              |  |
| Ministry of Agriculture           | Mr Segné                   | Honey Expert  |  |
| Ministry of Agriculture           | Mr Zerihun Mesfin          | Quaritine import, export inspection and certification Directorate |  |
| Ethiopian Standard Agency         | Mr Tesfaye Yacob           | Environmental Safety Standard Expert                              |  |

|  |                           |   |
|--|---------------------------|---|
| FMHACA Ministry of Health                          | Mr Abenet Lalondumu       | Food Health Related Inspection Directorate Director                       |
| Ministry of Agriculture                            | Mr Zelalem Getachew       | Legal Directorate Director  |
| Delegation of the European Union to French Embassy | Mr Dominique Davoux       | Team Leader RDFS Cooperation  |
| Agence Française de Developpement                  | M. Ignace Monkam          | Director of AFD Agency in Ethiopia  |
| Agence Française de Developpement                  | Mrs. Anne Lauhère Vigneau | Project Officer   |
| Ministry of Trade                                  | Haimanot Tibebu           | Director, Export Research and Promotion Directorate, esayaslh@hotmail.com |
| Ministry of Agriculture and Livestock              | Astede Zewdie             | Honey and Silk Product Small Scale Technology Expansion Expert,           |
| Ethiopian Conformity Assessment Enterprise         | Amsalu Enyew              | Quality Manager Representative,   |
| EIPO   | Girma Bejiga              | Special adviser to the Director General                                   |
| EIPO   | Fikre Tesfaye             | Director, Patent and Technology Transfer, Directorate                     |
| EIPO   | Tigist Bogale             | Director, Trademark and Industrial Design Directorate                     |
| EIPO   | Firew Hailu               | Head, legal department  |

## ***ANNEX 2 : Unofficial draft Laws***

**Text 1 - Drafted around 2007 by the Ethiopian Environment Protection Office**

### **PROCLAMATION ON THE REGISTRATION AND PROTECTION OF AN APPELLATION OF ORIGIN**

#### **Preamble**

**WHEREAS**, improved stewardship of the natural resource bases creates income for rural local communities and improves the resilience of their environment to better endure potential future impacts;

**NOW, THEREFORE**, in accordance with Article 55 (1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

#### **Article 1 Short Title**

This proclamation may be cited as the "Registration and Protection of Appellation of Origin Proclamation No.../....."

#### **Article 2 Definition**

Unless expressed otherwise, in this Proclamation,

**"Appellation of origin"** means the name of a place used to describe a unique product;

**"Association of a local community"** means a group of farmers and/or pastoralists who live in a specified Kebele and have agreed to coordinate their respective activities, traditional community knowledge and technology to jointly manage, protect and use their land the name of which their unique product bears as an appellation;

**"Federal Competent Agency"** means

**"Mark"** means the Mark of Appellation of Origin specified under Article --- of this Proclamation;

**"Regional competent agency"** means

**"Register"** means the registration of an appellation of a geographical area established pursuant to Article ----- of this Proclamation;

**"Traditional Knowledge"** means knowledge, practices and norms of local communities that have been developed and accumulated through the years and that are essential for the production and/or processing of a unique product as well as for the conservation and sustainable use of their land the name of which the unique product bears.

### **Article 3 Objective**

The objective of this section of the Proclamation is to protect the reputation of a unique product of local communities through encouraging measures aimed at safeguarding the traditional knowledge, technology and practices of local communities that are essential for its production and for the conservation and sustainable use of the land the name of which the unique product bears.

### **Article 4 Scope**

This section of the Proclamation lays down the rules for the protection of appellations of origin of processed or unprocessed unique products and shall be applicable to:

1. home garden plant and animal products,
2. mineral and spring waters,
3. gums and resins,
4. plant and animal products from a sustainably managed farmland, and
5. plant and animal products from a sustainably managed forest.

### **Article 5 Eligibility criteria**

Any association is entitled to register an appellation of origin of its unique product in the Register and use the Mark on the package of its unique product in any commercial transaction if:

1. the product originates in a specific place within the boundaries of the proposed appellation of a geographical area,
2. the unique characteristics of the product are essentially or exclusively due to the ecosystem services of that precisely defined geographical area, the collective knowledge, techniques and skills of production or processing of the local community in that geographical area, and,
3. the production and processing of the product takes place within the boundaries of the geographical area the name of which the unique product bears.

#### **Article 6 Rights of association of a local community**

1. The right to use the Mark and an appellation of origin registered according to the relevant provisions of this Proclamation in any commercial transaction shall be a collective and exclusive right of an association of local community recognized pursuant to this Proclamation; and shall not be subject to sale or other means of exchange.
2. The publication of a written or oral description of a unique product or the associated traditional knowledge or technology of a local community or the presence of such a unique product in a gene bank or any other collection shall not preclude an association of a local community from exercising its rights that are provided under this Proclamation and the guidelines issued by the federal competent agency
3. Notwithstanding sub-article one of this Article, an association of a local community is entitled to authorize any national or foreign processor, retailer, wholesaler or exporter to exercise its rights stipulated under this Proclamation in its name and on its behalf.

#### **Article 7 Duties of an association of a local community**

2. Any association of a local community that has been authorized by the federal competent agency to register an appellation of a geographical area and use the Mark shall develop and implement its own local environmental management for sustainable development plan.
3. The local environmental management for sustainable development plan of an association of a local community shall adopt measures for the ex-situ conservation of its unique products, the recovery and rehabilitation of threatened ecosystems within the boundaries of the registered appellation of the geographical area.

4. An association of a local community shall develop its own environmental management for sustainable development plan through the participatory discussion of its members to clearly define and carry out activities required to develop sustainably.
5. Any association that has been allowed to register an appellation of a geographical area and use the Mark on the package of a unique product in connection with any commercial transaction shall produce, process and prepare its unique product only within the boundaries of the registered appellation of a geographical area.

#### **Article 8 Roles of a woreda/district administration**

1. The woreda administrations shall:
  - a. enhance the capacity of the local communities under its jurisdiction to produce and protect its own unique products,
  - b. facilitate the demarcation of the boundaries of the geographical area,
  - c. promote eligible unique products for acquiring a status of appellation of origin, and
  - d. assist associations of local communities in preparing and submitting applications for the registration of its unique product appellations of origin, and,
  - e. grant legal recognition to an association of a local community pursuant to the provisions of this Proclamation and the guidelines issued by the federal competent agency .
2. The woreda administration shall receive and evaluate periodic performance reports of an association of a local community on the implementation of its local environmental management for sustainable development plan and forward its opinion for the consideration of the regional competent agency.
3. The Woreda administration shall prohibit the exploitation of soil or subsoil by quarrying or gravel extraction operations or the undertaking of any other similar harmful activity likely to entail irreversible damage to the appellation area that has been registered pursuant to this Proclamation and the guidelines issued by the federal competent agency.

**Article 9 Recognition of legal personality of an association of a local community**

3. An association of a local community that wants to carry out activities that is provided for under this Proclamation shall submit an application to the concerned woreda administration together with a memorandum of association using the form prepared by the competent agency.
4. The woreda administration shall conclude all the investigation needed to determine whether the information contained in the application and accompanying memorandum of association is accurate, reliable and whether it complies in all particulars with the requirements specified under this Proclamation and the guidelines issued by the federal competent agency.
5. Upon verification of the application and the accompanying memorandum of association, the woreda administration shall register the association and issue a certificate of registration to the applicant association of a local community.
6. The woreda administration shall reject any application, when following the appropriate investigation, it determines that the particulars contained in the application or accompanying memorandum of association are misleading and the purposes of the association are unlawful or immoral.
7. The decision made pursuant to sub-article 4 of this Article shall be made in writing and specifically state the reasons and any facts revealed in the course of investigation as the cause of rejection of the application.

**Article 10 Submission of an application to register a geographical appellation of origin**

7. Any association that intends to register a geographical area as an appellation of origin and use the Mark on the package of the unique product shall submit to the concerned wereda administration an application together with the documents determined as necessary by the wereda administration.
8. In making an application to register a geographical appellation and use the Mark, the following information shall be provided by the association of a local community:
  - a. identity of the association and evidence of its legal capacity to contract,
  - b. whether the source of the proposed unique product is plant or animal,
  - c. description of the proposed unique product together with its appellation of origin,
  - d. physical, chemical, microbiological, biological or organoleptic characteristics of the proposed unique product;

- e. boundaries of the proposed appellation where the production and processing of the product is carried out,
  - f. description of the traditional knowledge, technology or practices applied to grow, harvest, process or prepare and safeguard the quality of the unique product, and
  - g. description of its local environmental management for sustainable development plan.
1. The woreda administration shall examine and forward to the competent regional agency the application submitted to it pursuant to subarticle two of this Article together with a statement signed by its head stating that the information provided by the association is correct and complete.
  2. Without prejudice to the above subarticle four of this Article, the competent regional agency may request for any other information that it may deem necessary to ensure compliance with this Proclamation and the guidelines issued by the federal competent agency.

**Article 11 Preliminary examination by the regional competent agency**

1. Each regional competent agency shall undertake a preliminary examination of the application submitted to it pursuant to subarticle 4 of the above Article ---- in order to check that the particulars contained in the application are correct and meet the requirements specified under this Proclamation and the guidelines issued by the federal competent agency.
2. Each regional competent agency is entitled to designate a multi-disciplinary regional panel of experts drawn from public agencies, research institutions, universities or other institutions as deemed appropriate that examines applications that would be submitted pursuant to this Proclamation and gives it advice.
3. The regional competent agency shall provide opportunity for a reasonable period within which any person having a legitimate interest may lodge an objection to the application.
4. After undertaking a preliminary examination, if the regional competent agency considers that the requirements of this Proclamation have been met, it shall give its recommendation whether the federal competent agency should grant or refuse registration of a geographical area as an appellation of origin and the use of the mark.

**Article 12 Final evaluation by the federal competent agency**

- i. The federal competent agency shall, upon receipt of the recommendation of the regional competent agency, appoint an inquiry panel composed of members drawn from federal public agencies, research organization, universities, or other institutions as deemed appropriate.
- ii. The inquiry panel shall give its opinion to the federal competent agency on the correctness of the detailed particulars contained in the application after investigating the claim submitted by the applicant and the recommendation of the regional competent agency.
- iii. The federal competent agency shall disclose to the public the proposal of the inquiry panel through the mass media and accept written comments for a period of 2 months.
- iv. The federal competent agency may, prior to taking decision, request for further information as it may deem necessary; and any applicant association of a local community who fails to supply the required further information shall be deemed to have withdrawn the application.

#### **Article 13 Decision to enter into the Register and allow the use of the Mark**

1. The federal competent agency shall make its decision on the application submitted to it for the registration of an appellation of a geographical area and authorization to use the Mark by taking into account the information presented by the applicant association of a local community, the opinion of the inquiry panel and stakeholders and shall decide to:
  1. permit the registration of the proposed appellation of geographical area into the Register and authorize the use of the Mark,
  2. set the conditions that must be fulfilled for it to register the proposed appellation of a geographical area and to use the Mark; or
  3. deny registration of the proposed appellation of a geographical area in to the Register and the use of the Mark.
2. The decision of the federal competent agency made pursuant to sub-article (1) (a) and (1) (b) of this Article shall be publicized through the mass media within 2 weeks of issuing it.
3. Any application to reconsider a refusal to register an appellation of a geographical area into the Register or the use of the Mark shall be treated as a new application if it is accompanied by new information. Otherwise a refusal shall be final.

#### **Article 14 Periodic inspection and verification**

1. The right to use a registered appellation of a geographical area and the Mark in any commercial transaction shall be subject to inspection and verification of continued compliance of the authorized association of a local community with this Proclamation and the guidelines issued by the federal competent agency.
2. The competent regional agency shall assign assessors that shall periodically inspect the continued compliance of an authorized association of a local community with the provisions of this Proclamation and the guidelines issued by the federal competent agency.
3. The assessor assigned pursuant to sub article two of this Article shall exercise due diligence and impartiality in the discharge of his powers and duties under this Proclamation and the guidelines issued by the federal competent agency.
4. The federal competent agency shall initiate the procedure for the cancellation of the registered appellation of a geographical area and withdrawal of authorization issued on the use of the Mark where any person or the regional competent agency or the concerned local administration is of the view that compliance with the conditionalities for registration of the appellation of a geographical area or the use of the Mark are no longer ensured.

#### **Article 15 Marking and labeling**

- a) The granting of a permit to use the Mark and to register an appellation of a geographical area shall be carried out through a signed written agreement between the federal competent agency and the authorized association of a local community and shall last until the right to use the Mark is terminated in accordance with the relevant provisions of this proclamation.
- b) The Mark,  which may be accompanied by the indication "community's unique sustainable product" and other appropriate wording or label as determined by the federal competent agency and inscribed around the Mark, shall be the exclusive property of the federal competent agency.
- c) The authorized association of a local community is entitled to apply the Mark on the package of its unique product specified in the contract concluded pursuant to subarticle one of this Article and in any advertising made by him concerning such a unique product.

**Article 16 Establishment of a register of appellation of a geographical area or origin**

1. A register of an Appellation of a Geographical Area/Origin is hereby established and the Register shall be administered by the Intellectual Property Office and accessible to the public and shall contain information on:
  1. list of unique products entered into the Register of appellation of a geographical area,
  2. list of products refused to enter into the Register of appellation of a geographical area,
  3. applications lodged pursuant to the provisions of this Proclamation,
  4. relevant laws, directives and codes of practice on appellation of geographical areas,
  5. any agreement and arrangement concluded pursuant to this Proclamation; and,
  6. any other information deemed relevant by the competent agency.

**Article 17 Establishment of a Land Product Centre**

1. A national Land Product Centre is hereby established with the prime purpose of providing intermediary support with a view to:
  1. enhancing the capacity of associations of local communities to maintain and improve reputation of their unique product as part of their business model.
  2. enhancing the capacity of associations of local communities to achieve greater efficiency and design a coordinated market-chain approach to production and sale of their unique products through a more-efficient and profitable marketing pathway,
  3. assisting the development of standards and maintaining or improving the quality of their unique products, harvesting practices or manufacturing methods,
  4. assisting associations to federate into larger regional association; and
  5. any other activities deemed relevant
2. The federal competent agency shall submit a proposal to the Environment Council established by Proclamation ----- regarding candidate members of the Land Product Center that are committed to provide voluntary service for its approval.
3. The Land Product Center shall prepare and implement its own rules of procedures.

1. The competent authority shall serve as the secretariat of the Land Product Centre, and shall determine the date, time, venue and agenda of meetings, and prepare recommendation for decisions of the Land Product Centre.

#### **Article 18 Charges and fees**

4. Any association of a local community is entitled to enter an appellation of a geographical area in the Register free of charge.
5. Costs incurred in scrutinizing applications for registration of an appellation of a geographical area or use of the Mark, and periodic inspection and verification of compliance with the specifications shall be borne by the concerned association of a local community.
6. Any association of a local community granted permission to use the Mark in accordance with the provisions of this Proclamation shall pay the unit marking fee as prescribed in the guidelines or directives issued by the federal competent agency.
7. Unless provided otherwise, the marking fee shall be administered by the Land Product Center and used to cover expenses referred in subarticle one of this Article and to finance activities deemed necessary to enhance capacity of associations to effectively engage and implement matters stipulated in this proclamation.

#### **Article 19 Mutual recognition**

An appellation of a geographical origin/area or the Mark that is legally registered or protected in a foreign country shall also be registered and protected in Ethiopia based on the principle of reciprocity.

#### **Article 20 Dispute settlement**

Where conflicts arise in connection with the registration of an appellation of origin or use of the Mark under this Proclamation, they shall be handled administratively through the federal competent agency, an ad hoc tribunal and finally through the court of law.

#### **Article 21 Civil Remedies**

The court that has jurisdiction to try civil matters arising under this proclamation shall the following powers:

4. To grant temporary injunction that prohibits the committing or the continuation of committing an infringement of any right protected under this proclamation.
5. To issue the order of seizure of goods that could be used for the infringement of the protected rights
6. To decide the extent of compensation to be paid for the material and moral damages suffered as well as costs incurred by the victim of the infringement of rights,
7. To decide the amount of compensation for material damage under Sub-Article 3 of this Article, the court shall take into account the extent of material damage suffered by the owner of the right and the amount of profit attributable to the act of infringement.
8. The amount of compensation for moral damage under Sub-Article 3 of this Article shall be determined based on the extent of damage but shall not be more than Birr 50,000.00

#### **Article 22 Criminal Sanctions**

1. Unless otherwise heavier penalty is provided for under the criminal code, whosoever intentionally violates a right protected by this proclamation shall be punished with imprisonment term of not less than 5 years and not more than 10 years; or a fine of not less than Birr 5,000 and not more than Birr 50,000; or with both imprisonment and fine.
2. Unless otherwise heavier penalty is provided for under the Criminal Code, whosoever by negligence violates a right protected by this proclamation shall be punished with imprisonment term of not less than 1 year and not more than 5 years; or a fine of not less than Birr 1,000 and not more than Birr 5,000; or with both imprisonment and fine.
3. Where the provisions of Sub-Article 1 and 2 of this Article are appropriate, the penalty may include the seizure, forfeiture and destruction of goods used to infringe the rights.
4. Unless otherwise heavier penalty is provided for under the Criminal Code, whosoever assigned by either the federal or regional authority, as per the provisions of this Proclamation or its regulations, as an assessor to conduct inspection and compliance activities and who intentionally or negligently fails to execute the provisions of Article 13 of this proclamation shall be punished with imprisonment

term of not less than 3 months and not more than 2 years; or a fine of not less than Birr 3,000 and not more than Birr 30,000; or with both imprisonment and fine.

**Text 2 (2015)**

**PROCLAMATION ON GEOGRPHICAL INDICATIONS**

**WHEREAS**, it is necessary to protect the reputation and good will of a product originating in a specific territory, region or locality, where the quality, status or other characteristic is essentially attributable to the geographical origin of the product;

**WHEREAS**, it is recognized that geographical indications can be valuable marketing symbols to promote economic prosperity for producers of goods in particular geographical areas;

**WHEREAS**, improved stewardship of the natural resource base creates income for rural local communities and improves the resilience of their environment to better endure potential future impacts;

**WHEREAS**, the protection of geographical indication rights will have a positive impact on the economy of the country;

NOW, THEREFORE, in accordance with article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

**PART ONE**

**GENERAL PROVISIONS**

**1. Short Title**

2.

This proclamation may be cited as the “Geographical Indications Proclamation No.../.....”

### 3. Definitions

1. "Applicant" means a natural or legal person who filed an application for the recognition through Geographical Indications of a good;
2. "Competent Federal Authority" means the Ethiopian Intellectual Property Office within the Ministry of Science and Technology, established pursuant to Proclamation No. 320/ 2003.
3. “Competent Regional Authority "means:
  - a. In the case of Agricultural and natural Products; the Bureau of Agriculture and Rural development;
  - b. In the case of industrial products and handicrafts; the Bureau of Trade and Industry;
4. "Director General" means the Director General of the Ethiopian Intellectual Property Office;
5. "Geographical Area" means geographical environment which may include natural or human factors??;
6. "Geographical Indications" means indications which identifies a good originating in a territory, 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 area;
7. “Geographical Indication Society” means a cooperative formed and operating in accordance with Cooperatives Proclamation No. 147/1998 for the purpose of filing applications, follow up registrations and managing products protected by geographical indications, through ensuring the implementation of the book of specifications by its members;
8. "Local Agent" means an agent who is domiciled in Ethiopia for purpose of representing persons in connection with all matters concerning geographical indications;
9. "Producer" means a person who produces, exploits or manufactures products for sale or other commercial purposes;
10. "Registry" means the office register of Registered Geographical Indications kept at the Ethiopian Intellectual Property Office;

### 4. Scope of Application

- 1) This proclamation shall be applicable to:
  - a) Agricultural products,
  - b) Natural products,
  - c) Handicrafts
  - d) Industrial products
- 2) Geographical Indications corresponding to a given area within the territory of Ethiopia; and
- 3) Geographical Indications legally registered or protected in a foreign country.

#### **4. Power and Duties of the Competent Federal Authority**

The Competent Federal Authority shall have the following powers and duties:

1. to register Geographical Indications in Ethiopia in accordance with this Proclamation;
2. to refuse to register Geographical Indications that do not satisfy the requirements provided for in this Proclamation;
3. to prepare, maintain and administer a Registry of Geographical Indications as it determines appropriate.

#### **5. Representation and Fees**

- a. Persons with a permanent residence or principal office outside Ethiopia shall take actions concerning Geographical Indications only through a local agent.
- b. Unless otherwise expressly set forth in this Proclamation, applicable fees as well as the amount including the procedures and the time limits for paying fees for the registration of geographical indications shall be prescribed by Directives issued under this Proclamation.
- c. All fees paid for the Competent Federal Authorities shall be non-refundable.

## **PART TWO**

### **Acquisition of Rights and Registration**

## **6. Requirements for Protection**

- a) Geographical Indications that meet the requirements of this proclamation may be registered and legally protected in Ethiopia in accordance with this Proclamation.
- b) A Geographical Indication given protection in a foreign country may be granted legal protection in Ethiopia in accordance with this Proclamation and other applicable laws if the same recognition is granted in the country of origin in accordance with its local laws.

## **7. Persons Entitled to apply for Registration**

An applicant, who applies for registration of a geographical indication, shall be a person representative of a group of producers who work with the same product.

## **8. Application for a Geographical Indications**

1. An application for registration shall be submitted to the regional competent authority.
2. Registration for foreign geographical indications shall be submitted to the Competent Federal Authority.
3. An application to register a Geographical Indications shall cover only one Geographical Indication and shall comply with procedures under the Directives to be issued under this Proclamation.
4. The application for the registration shall include the following:
  - a) a request for recognition of the product through Geographical Indications together with the name of the product;
  - b) information that identifies the applicant, which shall include the applicant's full name, address, country of origin, and shall indicate whether the applicant is a natural or juridical person; see article 7??
  - c) a description of the good, and particularly its physical or chemical characteristics;
  - d) a concise definition of the geographical area;
  - e) a description of the method of production for agricultural products and natural products ; how about handicrafts and industrial products?

- f) description of the link between the product and the production area;
  - g) method of controls;
  - h) elements related to the reputation of the good;
  - i) specific labelling rules, if necessary;?
  - j) in the case of foreign Geographical Indications, the applicant must submit relevant documents proving the protection granted to the product in the country of origin, and
  - k) the signature of the applicant or the applicant's local agent, as the case may be.
5. In addition, if not filed with the items specified under sub-Article (3) of this Article, no later than three months from the application filing date, the applicant shall file;
- a. four copies of documents of application;
  - b. a document designating and giving authority to a local agent to act on behalf of the applicant if this requirement applies to the applicant;
6. If the applicant fails to complete documents under this Article within three months after commencement of the registration process, the application shall be deemed to be withdrawn at the expiration of such period.

### **9. Withdrawal of Application**

- a) An applicant may withdraw application to register a Geographical Indication at any time while the registration process is pending.
- b) Upon withdrawal, the application and the Geographical Indication sought to be secured have no effect.

### **10. Examination of a Geographical Indication**

1. The regional authority shall scrutinize the application by appropriate means to check that it is justified and meets the conditions of this Proclamation.
2. During the period of examination and before a final decision, the applicant shall have the right to supplement or correct elements of the application.

3. The application might be approved, rejected or approved with conditions by the Regional Competent Authority.
4. The regional authority shall, within the earliest time possible, notify the applicant of its decision.
5. In case of a conditional approval, the applicant shall submit a response, within three months from receipt of the notification.
6. In case of rejection, the applicant may appeal to the competent regional authority within three months of receipt of the notice of refusal.
7. Any person aggrieved by the final decision of the Competent Regional Authority shall have the right to appeal to the appropriate court having jurisdiction within 60 days from the date of receipt of notification of the decision.
8. If the application meets all requirements, the regional authority shall issue a certificate of approval and send the application and the certificate to the Competent Federal Authority for registration.
9. Upon receipt of the certificate of approval and the application, the Competent Federal Authority shall send it to the Ministry responsible for Trade and Industry or the Ministry responsible for Agriculture, as the case may be.
10. The competent Ministry under sub-Article 9 of this Article shall give its comments on the registration application of the geographical indication.
11. The Competent Federal Authority shall give its decision based on the comments of the relevant Ministry, the approval certificate of the Regional Competent Authority and the application for registration.

#### **11. Acceptance or Refusal**

1. After examination of the application and soliciting comments from the pertinent Ministry, the Competent Federal Authority shall notify the applicant on the acceptance or refusal of the application for registration of a Geographical Indication.
2. The Competent Federal Authority may require the applicant to furnish such additional information for the proper examination of the application.
3. An application shall be deemed to be refused on expiration of the response period, if before expiration of the response period, the applicant:

- a. fails to respond;

- b. fails to file a request for an extension of time to respond;
  - c. fails to respond within the extended period;
  - d. fails to satisfy all requirements or to overcome refusal to register;
  - e. fails to furnish information and material the Competent Federal Authority requested.
4. The applicant may request for extension time to respond within three months from the expiration of the response period upon payment of the applicable fee. The written request for a time extension shall show to the satisfaction of the Director General good cause for the failure to take the required action. The Director General may, if there is a good cause, grant one month period from the date of the Director General's decision for the applicant to take the required action necessary to overcome a refusal to register.
  5. The Competent Federal Authority shall receive the applicable fee within two months from the date the Authority gives a notice of acceptance of registration.
  6. If the applicant fails to pay the applicable fee with in the two months time, the application shall be deemed to be withdrawn on expiration of the two months period and the Geographical Indication shall not be registered.

## **12. Right of Appeal**

1. The applicant may, before the expiration of three months from the date of notice of the refusal to register, lodge an appeal against the decision of the competent authority.
2. Any person aggrieved by the final decision of the Competent Federal Authority shall have the right to appeal to the appropriate court having jurisdiction.
3. An application for appeal under sub-Article 2 of this Article may be submitted to the court within 60 days from the date of receipt of notification of the decision.

## **13. Publication of Notice for Opposition**

1. When the Competent Federal Authority is convinced that an application to register is acceptable, it shall publish a notice of invitation for opposition regarding registration of the specific Geographical Indication
2. Notice for opposition under this Article shall be published on the Intellectual property Gazette or a news paper having a country wide circulation

3. The cost of publishing opposition under this Article shall be borne by the applicant.

#### **14. Opposition**

1. Any person having an objection to the registration of a geographical indication shall notify the Competent Federal Authority in writing stating the ground for opposition.
2. The person placing an opposition under sub-Article 1 of this Article shall present all its supporting documents together with the opposition letter and pay the applicable fees as prescribed under the Directives issued under this Proclamation.
3. The Competent Federal Authority shall forthwith send a copy of the opposition with the supporting documents to the applicant and to the relevant Ministry within the period and in the manner prescribed by the Directives issued under this Proclamation.
4. The applicant may send, to the Competent Federal Authority, a counter statement within the period and in the manner prescribed by the Directives issued under this Proclamation.
5. If the applicant fails to submit or timely submit the counter statement, the applicant shall be deemed to have abandoned the application.
6. The Competent Federal Authority shall furnish a copy of the counter statement and the supporting documents, of the applicant to the person who placed the opposition, and render its decision within the period prescribed by the Directives issued under this Proclamation.
7. The Competent Federal Authority shall notify the person who placed the opposition and the applicant, of its decision on the opposition.
8. When the decision of the Competent Federal Authority denies the opposition and an appeal is not filed or not filed with in the time allowed for such purpose, the Competent Federal Authority shall register the Geographical Indication in accordance with this Proclamation.

#### **15. Issuance of Registration**

1. The applicant shall pay applicable registration fee and fee for publication, in the intellectual property gazette or in a news paper having country wide circulation, of the final decision.
2. The registration shall show:
  - a. the Geographical Indication

- b. the registration number and date
  - c. the name and address of applicant and applicant's local agent, if applicable;
  - d. the country and territorial unit in that country where the Geographical Indication is located;
  - e. any conditions and limitations that may be imposed upon the registration.
3. The certificate shall be prima facie evidence of the validity and registration of the registered Geographical Indication.
  4. The registration shall be in effect from the notification of the decision of acceptance until it is lapsed, cancelled or revoked.

## **16. Register**

1. Each Geographical Indication registered by the Competent Federal Authority shall be entered in the Register.
2. The register shall be open for public inspection and shall show:
  1. the protected geographical indication;
  2. the name, nationality and address of the registrant;
  3. the registration number and date of registration, including the date on which the application for such registration was filed and granted and the term of such registration,
  4. a list of goods in respect of which each geographical indication is registered; and
  5. such other data as the Competent Federal Authority may determine concerning the Geographical Indication.
6. Information about a registered Geographical Indication shall be the same in content as set forth on the registration certificate.

### **17. Amendment of Registration**

- 1) Upon application of an interested party and payment of the applicable fee prescribed under the Directives issued under this Proclamation, the Competent Federal Authority for good cause shown by the registrant may permit any registration to be amended;
- 2) When amending the registration under this law, the Competent Federal Authority shall ensure that the amendment does not materially alter the character of the geographical indication or the goods covered by the registration.
- 3) An entry of an accepted amendment shall be made in the records of the Competent Federal Authority and consequently on the amended registration certificate.

### **18. Terms of Protection**

1. The term of protection registered Geographical Indications is unlimited.
2. Notwithstanding the provisions of sub-Article 1 of this Article, a registered Geographical Indications may be cancelled according to the conditions set in this Proclamation and Directives issued under it.

### **19. Cancellation of Geographical Indications**

Unless expressly stated otherwise in this Proclamation, cancellation, in whole or in part of the Geographical Indication registration may be initiated at any time by the action of the head of the Competent Federal Authority, or by any person, for the following reasons:

1. The geographical indication was registered contrary to the provisions of this Proclamation;
2. Registration was obtained through deceit or for the purposes of unlawful or unfair gain;
3. The Geographical Indication is being used in a way to mislead the public as to the geographical origin of the goods that was registered as a geographical indication;
4. The characteristics or peculiarities of the goods in connection with the Geographical Indications is used are no longer there due, exclusively or essentially, to the geographical area;
5. A foreign Geographical Indication is not protected anymore in the country of origin;

6. The use of a geographical indication has been discontinued with no intent to resume use by any person which may be inferred from the circumstances, in good faith on a genuine basis in conformity with customary practices for the same or similar goods in the country where they originate;

## **20. Access to Information**

1. Any person may request to have access to the records of the Competent Federal Authority regarding a geographical indication upon the payment of a nominal fee prescribed under the Directive issued under this Proclamation.
2. The Competent Federal Authority may permit, upon payment of the fee prescribed under the Directive issued under this Proclamation, inspection of the registry and may provide a copy of extracts.

## **PART THREE**

### **Protection of Rights and Control**

#### **21. Rights Conferred by Registration**

1. The right to use a Geographical Indication shall belong to each person located in and operates with in the geographical area.
2. The right to use a Geographical Indication is not transferable and shall not be subject to license or sale.

#### **22. Geographical Indications' Societies**

1. The role of the Geographical Indication Society shall be defined in the Directives issued under this Proclamation.
2. Formation, administration and dissolution of a Geographical Indication Society shall be done according to the Cooperatives Proclamation No.147/1998.

#### **23. Control of Geographical Indications**

Depending on the product sought for registration, the relevant governmental body, shall define appropriate Directive for the control and effective protection of registered Geographical Indications.

#### **24. Protection**

A Registered Geographical Indication shall be protected against:

1. any misuse for products not originating from the area and not respecting the Geographical Indication requirements, any indication used in translation or accompanied by terms such as kind, type.
2. any act of unfair competition as defined in the Trade Practice Proclamation No. 329/2003.
3. An application for the registration of a trademark which contains or consists of a Geographical Indication shall be refused.
4. The use of a trademark that has implications on a specific Geographical Indication may continue notwithstanding the registration for a geographical indication of the same product, provided that no grounds for its invalidity or revocation exists as stated under the trademark law No. 501/2006.
5. Any person who has, in good faith, used the name of a geographical area that is identical with, or similar to, a protected geographical indication with in at least six months before the date of its registration shall preserve the right to its further exploitation within a period which shall be specified by the Federal Competent Authority, but which shall not exceed 5 years counting from the date of the said registration.
6. The registration of a geographical indication shall not prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except while such name is used in such a manner as to mislead the public.

### **PART FOUR**

#### **Enforcement of rights**

#### **25. Provisional measures**

1. The competent court shall order prompt and effective provisional measures to prevent an infringement of a right on local products protected under Geographical Indications, and in

particular, as a result of entry into the channels of commerce of import and export, of particular goods;

- a) The competent court shall, without summoning the defendant, take provisional measures where it finds that any delay is likely to cause irreparable harm to the applicant or where there is a demonstrable risk of evidence being destroyed;
- b) In a suit for restraining the defendant from committing an infringement, the plaintiff may apply to the court for a temporary injunction to restrain the infringements until the suit is disposed of.

2. The court, in deciding on an application for injunction submitted to it under sub-Article 1(2) of this Article,

- a. Shall consider if the threatened interest cannot be redressed by awarding damages, whether the threat is imminent, the prima facie strength of the action and the gravity of the prejudices a decision for or against may cause to either of the parties;
- b. May determine the duration of the injunction and the amount of money to be deposited or other security to be furnished by the applicant, as it thinks fit;

3. Where an act that infringes the rights protected under this Proclamation is committed, the provisions of the Civil Procedure Code and the Criminal Procedure Code on search and seizure shall be applicable.

A. Where provisional measures have been adopted without summoning the defendant, he shall be given notice, without delay after the execution of the measures, at the least. A review, including a right to be heard, shall take place upon request of the defendant with a view to improve, revoke or alter the adopted measure.

B. Where provisional measures are revoked due to any act or omission by the applicant or upon subsequently ascertaining that there has been no infringement or threat of infringement of a right of a Geographical Indication, the court shall order the applicant, upon request of the defendant, to provide the defendant with appropriate compensation for any injury caused by such measures.

## **26. Civil Remedies**

1. The court hearing a case of infringement of a user right on a Geographical Indication may:

- a. pass an injunction to stop the defendant from continuing the act of infringement;

and

- b. order the defendant to compensate the damage inflicted on the claimant as a result of the infringement;

- a. The amount of compensation to be awarded pursuant to Sub-Article 1 (b) of this Article shall be equal to the net profit derived by defendant from the use of the appellation of origin or the amount of the royalty the defendant could have been charged had he used the appellation of origin under the terms of a license contract, whichever is higher, plus an amount that shall cover the expenses that shall cover the expenses incurred by the claimant in connection with the suit.
- b. when assessing reparation of damages, the whole of the net profit derived from the sale of the defendant's goods or services in connection with the use of the Geographical Indication shall be attributed to the use of the Geographical Indication unless the defendant proves that part of the profit is attributable to other market factors.

## **27. Criminal Sanctions**

- a. Unless a heavier penalty is provided under the Criminal Code, whosoever intentionally violates a right protected under this Proclamation shall be punished with rigorous imprisonment of a term, not less than 1 year and not more than 10 years.
2. Unless heavier penalty is provided for under the Criminal Code, whosoever, by gross negligence violates a right provided under this Proclamation shall be punished with rigorous imprisonment of a term not less than 1 year and not more than 5 years.

## **28. Measures at customs and ports of entry**

1. The Customs Authority may, on the basis of a written application accompanied by a certificate of registered Geographical Indications, and upon sufficient guarantee provided by the applicant, detain goods which are subject to the alleged infringement of the applicant's right.
2. The Customs Authority shall forthwith inform the applicant and the holder of the goods of the measure taken to seize the detained goods.
3. The Custom Authority shall release the detained goods after crediting the guarantee furnished unless the applicant brings a court injunction within ten working days.

## **PART FIVE**

### **MICELLANEOUS PROVISIONS**

## **29. Jurisdiction of Courts**

Federal Courts shall have jurisdiction to try civil suits arising under this Proclamation, and shall have authority to award adequate compensation for the damage suffered and order an accounting of profits, payment of expenses and granting of injunctive reliefs, as deemed reasonable.

### **30. Power to Issue Regulations and Directives**

1. The Competent Federal Agency shall have the power to issue Directives for the purpose of implementing this Proclamation.
2. The Directives referred to under this Proclamation shall, among other things, cover procedures for record keeping, payment of various fees, and the filing, examination, acceptance, and rejection of applications as well as the renewal, cancellation, and invalidation of Registrations of Geographical indications.

### **31. Inapplicable Laws**

Any other law or customary practice, which is inconsistent with this Proclamation, shall not be applicable in respect of matters provided for under this Proclamation.

### **32. Effective Date**

This Proclamation shall enter into force as of the date of publication in the Negarit Gazette.

GIRMA WOLDE GIORGIS

PRESIDENT OF THE FEDERAL

DEMOCRATIC REPUBLIC OF ETHIOPIA

## ***ANNEX 3 : Comments on the draft of Proclamation on GI protection, by D. Marie-Vivien, CIRAD***

The whole draft is a very good starting document of a sui generis system. There is a need to improve this draft and also to draft the directives of the proclamation with all details. Some inconsistencies within the GI draft should be corrected such as in some parts the use of appellation of origin instead of GI. Below are the points of the GI draft legislation that need some further expertise in the coming project, in particular in view of the international legal framework on GIs such as the recent Geneva Act of the Lisbon Agreement

### 1. Applicant

The definition of the "Applicant" is very general and not consistent along the draft. The principle of a producer group, of representativity should be precised, along with the documents needed to check this representativity (examination of the statutes?). Indeed the draft refers to "Geographical Indication Society" at some point but not in the definition of the applicant which provides that the applicant shall be a person representative of a group of producers who work with the same product. The directives should describe the roles of the GI Society into details. But in other parts of the proclamation, the applicant includes a natural person which raises the issue of individual producer applying for a GI. Definition of "Producer" is also a little weird, a person who produces, exploits or manufactures products for sale or other commercial purposes. No application by local authorities is provided, what should be examined in the context of Ethiopia.

### 2. Products covered

All kind of goods are included, industrial goods are debatable, and good be more precisely defined. No inclusion of services what is good as GIs for services are not really relevant.

### 3. GI application

The content of the GI application covers already all the items that could just be more detailed. A form should be prepared for the GI application.

### 4. Examination

The draft proclamation already provides for a substantive examination by what is called a "regional authority" which is a sectorial authority depending on the nature of the product (agriculture, or industry and trade) but some details are lacking about who are precisely those regional authorities: are they national, local level authorities? Who in this authority is in charge of GI. What are the appropriate means for substantive examination? Need to also think of a substantive examination mechanism involving technical experts from universities/research institutes. There is an interesting collaboration between those regional authorities, the EIPO and the competent Ministry

who gives its comments on the GI application after it has been approved by EIPO. But the validity of this scheme should be assessed.

Another point is that the geographical environment is defined as which may include natural or human factors. This should be clearer amended into and/or.

#### 5. Procedure for registration

All the delays should be checked, some are missing such as the delay for opposition by third parties before registration by EIPO.

It is not clear at which time of the procedure is the procedure of opposition by third party to the GI application. Before transmitting the GI application to the Ministries? After? EIPO alone decides on the opposition, without consultation of the regional authorities, whereas it might be useful to have the comments of the sectorial authorities. The cost of publication for opposition and after registration is borne by the applicant, which is quite unusual in IP. Publication of final certificate does not include the book of specification, what is prejudicial as those who want to access the specification need to pay for it.

#### 6. Rights Conferred by Registration

This part should be improved and amended. For example the right to use a Geographical Indication shall belong to each person located in and operates with in the geographical area. But what about the distributors/packagegers located outside the area but selling authentic GI product?

#### 7. Control of Geographical Indications

All provisions on control of the product before commercialization need to be introduced in the law and in the directives. For this there is a need of a study of the existing control and certifications mechanisms in place in Ethiopia for other standards such as organic agriculture, of in place for food safety controls.

#### 8. Protection

The scope of protection is between the basic and additional protection of TRIPs, which is too weak. It should be aligned to the one of the Geneva Act of the Lisbon Agreement to enable Ethiopia to join the Geneva Act which is very efficient for international protection of GIs.

#### 9. Enforcement of rights

Complete the preventives measures that can be taken by the courts and which are describe in details with other measures that can be taken by other administrative bodies (repression of frauds, customs...) ex officio, i.e. without waiting for any written demand by the applicant to act against frauds and misuses.

## *ANNEX 4. Questionnaire on certification system*



# Questionnaire on certification and accreditation system / official control system

*Support to the definition of a legal framework for Geographical Indications in Ethiopia and implementation on a value chain*



**April 2018**

Authors: Mr. Antoine FAURE

Reviewer: Ms. Emilie CHERHAL

## Introduction

The aim of this questionnaire is to realize a mapping of the existing Ethiopian regulatory structure in listing texts related to Geographical Indications in terms of official or private controls rules, certification rules, accreditation rules... in order to:

- Know if it already exists other regulations covering these items. It can be either generic regulation on food covering or not GIs or specific ones on GIs...
- Be sure that there is no overlap between existing regulations and, most important, that there are not contradictory provisions,
- Determine the order of prevalence of texts between them.

## Definition

‘food law’ means the laws, regulations and administrative provisions governing food in general, and food safety in particular at national level

‘Official controls’ means activities performed by the competent authorities in order to verify compliance by the operators with the national regulation.

‘Competent Authority’ means the central authorities of a Member State responsible for the organisation of official controls and of other official activities, in accordance with the national Regulation (Ministry of agriculture, specific department of the ministry of agriculture...)

‘Control authority’ means a public administrative organisation of a Member State to which the competent authorities have conferred, in whole or in part, their competences in relation to the application of the national regulation

‘Control body’ means an independent third party (private) to which the competent authority has delegated certain official control tasks

‘Accreditation’ means an attestation by a national accreditation body that a control body meets the requirements set by harmonised standards and, where applicable, any additional requirements including those set out in relevant sectoral schemes, to carry out a specific conformity assessment activity

‘National accreditation body’ means the sole body in a Member State that performs accreditation with authority derived from the State

‘scheme owner’ means person or organization responsible for developing and maintaining a specific certification scheme

## Official controls

You will find in annexe a diagram summarizing the official control system possibilities when we talk about GI national regulation. Please read first this diagram before starting to answer this questionnaire.

The following questions are identified according to the number reported on the diagram. Please, click on the selected box to answer the questions (automatic cross box).

⑩ Does it exist a GI national regulation including provisions related to the certification scheme for protected geographical indications?

Yes       No

If yes, do you have an English version?

Yes (please provide)       No

More generally does it exist national regulations (other than GI national regulation) laying down the general principles and requirements of food law, and laying down procedures in matters of food safety including conformity assessment scheme?

Yes       No

⑪ '**Competent Authority**' means the central authorities of a State responsible for the organisation of official controls and of other official activities, in accordance with the national Regulation (Ministry of agriculture, specific department of the ministry of agriculture...)

Have you designated a Competent Authority?

- For GI regulation?  Yes       No

- For other food law?  Yes       No

If yes do you have a Regulation laying down rules for the performance of official controls and other official activities by the competent authorities?

Yes       No

If yes, do you have an English version?

Yes (please provide)       No

② **'control authority'** means a **public** administrative organisation to which the competent authorities have conferred, in whole or in part, their competences in relation to the application of a national regulation.

Have you conferred the products/food control and certification to a control authority?

- For GI regulation?  Yes     No
- For other food law?  Yes     No

If yes do you have a Regulation laying down rules for the conferment of official controls and other official activities to a public control authority?

Yes       No

If yes, do you have an English version?

Yes (please provide)       No

③ **'control body'** means an independent third party (**private**) to which the competent authority has delegated certain official control tasks

Have you delegated the products/food control and certification to a control body?

- For GI regulation?  Yes     No
- For other food law?  Yes     No

If yes have you a Regulation laying down rules for the delegation of official controls and other official activities to a private control body?

- For GI regulation?  Yes     No
- For other food law?  Yes     No

If yes, do you have an English version?

Yes (please provide)     No

④ In case of delegation of official controls to private control bodies, do you require them to be accredited according to ISO 17065 or any other norm?

Yes    (which norm: [Click or press to enter text.](#))     No

⑤ In case of accreditation of private control bodies, have you recognised a national or private accreditation body?

Yes    (National Private)     No

If yes:

- Have you a Regulation laying down rules on the organisation and operation of accreditation including rules for recognition of accreditation bodies?

Yes     No

- ⑥ Are there any requirements for accreditation bodies to be ISO 17011 accredited?

Yes     No

If yes, do you have an English version?

Yes (please provide)     No

**Thank you for your collaboration.**

