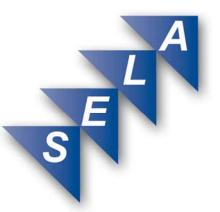


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Sistema Económico Latinoamericano y del Caribe

Latin American and Caribbean Economic System

Sistema Econômico Latino-Americano e do Caribe

Système Economique Latinoaméricain et Caribéen

#### Setting up an Origin Consortium

#### Alejandro Siles Consultor ONUDI

#### **Relaciones Intrarregionales**

Encuentro sobre Consorcios de Exportación para el Caribe Piura y Lima, Perú 6 y 7 de mayo/ 8 de mayo de 2014 SP/ECEC-Pymes Di N° 2-14

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### Setting up an Origin Consortium

Workshop on Export and Origin Consortia Peru 06th-8th of May 2014

> *Alejandro Siles* Piura, 6th of October 2012



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

# **Creation of a Consortium – Methodology**

Phase I	ANALYSIS OF POTENTIAL OF THE TRADITIONAL PRODUC
Phase II	PROMOTION OF THE INITIATIVE AT A REGIONAL LEVEL
Phase III	CREATION OF INITIAL GROUP & DEFINITION OF OBJECTIVES
Phase IV	INITIAL STRUCTURING AND FIRST BASE OF TRUST
Phase V	FIRST PILOT ACTIONS
Phase VI	LONG-TERM STRATEGY
Phase VII	TERRITORIAL MARKETING, QUALITY AND VISIBILITY
Phase VIII	LEGAL CONSTITUTION, APPOINTMENT OF MANAGER
Phase IX	OBTAINING COLLECTIVE LABEL AND CERTIFICATION
Phase X	GROWTH OF CONSORTIUM; MONITORING & EVALUATION







## "Easy" origin consortia – criteria (Peru)

	Criteria - Experience in Peru	0 (no) - 10 (yes)
1	Traditional, special product with strong territorial link that is barely known, but has market potential and can be produced in sufficiently high quantities	
2	Small homogenous producers with low income operating in a remote small region that have a strong socioeconomic need to add value to their product	
3	Producers of the region already know each other well (same small village) and/or are organized in associations	
4	Producers are receiving much support from different NGOs and other support institutions to improve product quality and production techniques!	
5	(Some) producers belong to the formal sector	

#### BUT ... Producers have big problems to access markets!

### First awareness raising seminar

- Explanation of advantages of a joint valorization strategy around the typical product (all producers are invited; approval of municipality).
  - Small producers in rural areas generally have problems to access demanding markets. They depend on middle-men and get low income for their product
  - To increase their bargaining power vis-à-vis middle-men (and to be eventually able to access directly demanding markets), producers need to:
    - Produce a special, unique, appealing product !!!
    - o Get organized and collaborate
    - Ensure that the end client asks the middle-men for their product; which means that the end client needs to know the product, like it and be able to clearly recognize it on the markets
  - Producers already have their special, unique product, so they just need to get organized, register a collective mark and do marketing!





## **First working meeting**

- All interested producers are invited.
- Participatory definition of "<u>why is our product so special</u>"?
- The aim of this meeting is to promote the development of pride for the product among producers to
  - motivate producers to get involved in the initiative
  - make producers aware that they have something good to sell
  - set the very initial basis for a good marketing
  - set the very initial basis for later developing the rules of production





# Second, third, forth, fifth working meetings

- Participatory definition of the vision of the group
- Definition of the short term <u>market objective</u> (participation at a fair in the capital)
- (Participatory definition of the <u>obstacles</u> (organized by groups of problems and in detail) that the group faces to access markets and improve income)
- Participatory definition of <u>basic production rules</u> that will be guaranteed by the collective mark (in line with basic sanitary requirements)





### **Next activities**

- Training on-the-job to support the producers to meet the rules of production
- Participatory definition of packaging standards
- Participatory definition of the name of the collective mark, and commercial slogan and brainstorming about the design of the logo (graphic designer prepares the final design)
- Participatory approval of the final collective mark incl. design
- Legal establishment of the consortium (participatory discussions and approval of the statutes)
- Registration of the collective mark by the consortium
- Soft controls on **product compliance** (i.e. by the promoter)
- Preparation of marketing materials incl. the collective mark





# Pilot Projects – Origin Consortium

Participate jointly at a local fair/ celebration to promote the product Develop small quality improvement activities Publish an article in the local press on the valorization initiative Publish information about the product on Wikipedia/You Tube Prepare a brochure on the typical product for clients Invite students to do their thesis on the typical product Organize a small quality contest around the typical product Speeches at schools or local events on the cultural heritage of the product





# Strategic Projects – Origin Consortium

- Establishment of a specialized shop around the typical product
- Establishment of a processing plant
- Organization of a local fair around the product
- Organization of a gastronomic route
- Projects to export the product





# **THANKS FOR YOUR ATTENTION**