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# ASSESSMENT OF EXISTING ECO-LABELLING SYSTEMS IN GEORGIA

2021

Action implemented by:













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## List of Acronyms

Centre	Environmental Information and Education Centre
DCFTA	Agreement on Deep and Comprehensive Free Trade Areas
EC	European Community
EU	European Union
FOAG	Swiss Federal Office for Agriculture
GMO	Genetically Modified Organisms
ISO	International Organization for Standardization
LLC	Limited Liability Company
OECD	The Organization for Economic Co-operation and Development
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environmental Programme
UNIDO	United Nations Industrial Development Organization

## Introduction

This report assesses eco-label schemes in Georgia. For that purpose, it analyses past and existing legislation regarding eco-labelling. In addition, it summarizes information about existing labelling principles. The report also reviews certification procedures about bioproduction and provides information about companies issuing bio-certificate. Eco-label schemes are not developed in Georgia. There is no national official eco-label scheme, and the closest procedure is certification for bioproduction. Though, it is essential to set-up such mechanisms for the benefit of consumers and for increasing export potential of Georgian production. Therefore, it is recommended to promote and create such schemes for various types of products.

The following document analyses and assesses existing eco-labelling systems in Georgia. In the first instance, normative acts acting in Georgia will be analysed, which is essential in order to define the legal basis for functioning of eco-labelling systems. It will review the Constitution of Georgia, international treaties, Law of Georgia on Environmental Protection and other national legislation. Besides, it will analyse other systems which are similar to eco-labelling and also, general approach of legislation towards Environment and Economy.

It is important that various labels serve to increase customers' awareness on different products and services. Also, it is internationally acknowledged that labelling systems increase competition of business operators. In that regards, eco-labels have high importance, as product and/or service with such labels have high credibility and better environmental performance.

This report aims to highlight those issues, which are important for setting up efficient eco-labelling processes in Georgia, considering international practice. Such assessment will help state authorities to plan further steps better.

It should be considered that eco-labelling will support Georgian business to increase export potential on international markets. Demand on ecologically clean products is being increased more and more on the world market.

It is obvious that setting up efficient eco-labelling systems is related to various challenges, therefore, it will be important to assess and analyse such challenges, which are needed to set up relevant systems.

## Constitution of Georgia

The Constitution of Georgia guarantees the right to environmental protection, as one of the Fundamental Human Rights. According to the Constitution, the right to environmental protection includes the right to receive full information about the state of the environment in a timely manner.

#### Article 29 – Right to environmental protection

1. Everyone has the right to live in a healthy environment and enjoy the natural environment and public space. Everyone has the right to receive full information about the state of the environment in a timely manner. Everyone has the right to care for the protection of the environment.

State obligation for ensuring access to the information about the state of the environment includes several components. The Constitutional Court of Georgia made significant interpretation about this aspect in its several decisions. By one of the decisions,<sup>1</sup>

"Obligation to collect and ensure accessibility of the information may be fulfilled by different forms, with precondition that public will be fully informed about the state of the environment. This obligation may be completed by the state itself by collecting and ensuring accessibility of the information regarding environmental parameters. At the same time, state may fulfil this positive obligation by setting obligation for the other parties to collect and ensure informing of the public. Requirement of the Constitution {paragraph 5 of the article 37}<sup>2</sup> will be fulfilled, if public gets full information about state of the environment, whether this is collected and provided by state itself, or state will ensure accessibility of the information collected by private persons."

It is important that eco-labelling related issues should be discussed within the framework of the fundamental right on environmental protection as set under the Constitution of Georgia, which will empower efficient setting and implementation process of this system. It is worth mentioning that eco-labelling is linked to the right to get environmental information, which is discussed in more details below, in the part of Aarhus convention.

<sup>&</sup>lt;sup>1</sup> See Decision of Constitutional Court of Georgia, dated December 14<sup>th</sup>, 2018, N3/1/752, Georgian version https://www.matsne.gov.ge/ka/document/view/4415525?publication=0

<sup>&</sup>lt;sup>2</sup> At the time of the decision made by Constitutional Court of Georgia, paragraph 5 of article 37 of the Constitution of Georgia was regulating the right on the Environmental protection.

## International Treaties regarding eco-labelling

Georgia is a part of a number of significant international treaties in environmental direction. Based on international treaties, Georgia has chosen the road, which moves to the approximation of Georgian legislation to the international environmental standards and approaches. In addition to the various agreements, Georgia has different obligations under the international community specifically related to the eco-labelling.

It should highlight the will of Georgia regarding the eco-labelling under EU Association Agreement.<sup>3</sup> Namely, Association Agreement, article 239, underlines the importance of working together on trade related aspects within environmental policy.

Article 239 - Working together on trade and sustainable development

The Parties recognise the importance of working together on trade-related aspects of environmental and labour policies in order to achieve the objectives of Title IV (Trade and Trade-related Matters) of this Agreement. They may cooperate in, inter alia, the following areas:

*f*) promoting private and public certification, traceability and labelling schemes, including eco-labelling;

It should be noted that advantages which are result of the Association Agreement and specifically, Agreement on the Deep and Comprehensive Free Trade Areas (DCFTA) will be reached in higher level, if business operators start procedures for getting EU Ecolabel<sup>4</sup>. It is important, that in case of granting EU Ecolabel, Georgian production will be acknowledged not only on the EU market, but, as a high quality product, will be accepted in all international markets, as there is high level of trust and credibility to EU Ecolabel through international markets.

Apart the Association Agreement, eco-labelling related obligations are indicated in other international treaties. This is the Convention on access to information, public participation in decision-making and access to justice in environmental matters (Aarhus Convention), which sets obligations of member states regarding eco-labelling. <sup>5</sup>

The Aarhus convention is one of the most important international agreements for ensuring information accessibility. Georgia ratified the agreement on 11 February 2000. Aarhus convention sets specific requirements regarding eco-labelling.

**Article 5** - COLLECTION AND DISSEMINATION OF ENVIRONMENTAL INFORMATION 6. Each Party shall encourage operators whose activities have a significant impact on the environment to inform the public regularly of the environmental impact of their activities and products, where appropriate within the framework of voluntary eco-labelling or ecoauditing schemes or by other means.

Accordingly, the Aarhus convention highlights that eco-labelling is part of environmental information collecting and processing.

<sup>&</sup>lt;sup>3</sup> See the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part

https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830(02)

<sup>&</sup>lt;sup>4</sup> <u>https://ec.europa.eu/environment/ecolabel/</u>

<sup>&</sup>lt;sup>5</sup> See Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the Aarhus convention), Aarhus, Denmark, June 23-25, 1998.

https://www.unece.org/fileadmin/DAM/env/pp/documents/cep43e.pdf

## National legislation regarding eco-labelling

Normative acts related to eco-labelling are quite limited. Legislation does not actively regulate this issue. It should be noted that legislation was regulating eco-labelling aspects differently in different times. This chapter will review the sequence of legislation regarding eco-labelling.

#### The Law of Georgia on Environmental Protection

The Law of Georgia on Environmental Protection was adopted on 10 December 1996. Under the original edition of the law, which is abolished now, eco-labelling aspects were regulated by a separate article.

#### Article 19. Eco-labelling

1. Eco-label is a mark, which is granted to the production produced in Georgia, which is ecologically clean, for better orientation of consumers and stimulation of such production. 2. Eco-label is granted to the ecologically clean production by inter-governmental commission for eco-labelling existing within the Ministry, which is composed of the representatives of the Ministry of Health and Social Affairs, other interested entities and public organizations.

3. Eco-labelling rules and composition of inter-governmental commission are defined by the regulation on Eco-Labelling, which is prepared and approved by the Ministry.

4. Illegal use of eco-label is subject to punishment under the rules set by Georgian legislation.

This article has been modified during the time. Though, all these changes were related to the change of the name of the ministry and other content-wise amendments have not been placed there.<sup>6</sup>

Based on the amendment to the law of 11 March 2011, Article 19 related to eco-labelling has been removed from the law. In the explanatory note of the law, it is mentioned that the purpose of the changes is to harmonize legislation with the new structure of the Government, namely, national resources direction was split from the Ministry of Environmental Protection and Natural Resources. Although, there is no explanation of the reason for removing eco-labelling related functions. Structure of the Government of Georgia was changed in a way that eco-labelling related functions were distributed neither to the Ministry of Environmental Protection, nor to the Ministry of Energy and Natural Resources.

As a result, the Law of Georgia on Environmental Protection does not regulate anything regarding ecolabelling.

#### III.2. By-laws regarding eco-labelling

Besides the Law, various by-laws and regulations in the area of environmental protection and labelling were adopted in different times.

#### III.2.1. Regulation

First of all, it should be noted that the regulation regarding eco-labelling was approved by an Order N3 of the Minister of Environmental Protection and Natural Resources, dated 15 January 1999. By this regulation, an inter-governmental steering committee has been created, with the composition of 15 members, specific persons to be indicated by an individual order of the Minister.

<sup>6</sup> See amendments to the law, Georgian versions

https://www.matsne.gov.ge/ka/document/view/16654?publication=0 https://www.matsne.gov.ge/ka/document/view/17248?publication=0 https://www.matsne.gov.ge/ka/document/view/1366?publication=0

The regulation was setting rules for defining products, validity of eco-label, use of eco-label, documentation for granting eco-label. In addition, expert group creation was considered under the order.

It should be mentioned that the regulation stated that the purpose of the regulation was to be in compliance with Article 19 of the Law on Environmental Protection. Though, after amendments to the law and removal of Article 19, the regulation has not been abolished by a separate normative act.

#### III.2.2. Biodiversity Protection Strategy

The Government of Georgia has approved Biodiversity Protection Strategy by the Decree N27, dated 19 February 2005. By this decree, an Action Plan for biodiversity protection has been also defined. Regarding eco-labelling, financial-economical program of the document states:

1. "In reality, economical mechanisms set by the law on Environmental Protection have not been created. The issues on mandatory ecological insurance of extremely dangerous activities, economic stimulations and eco-labelling are not being solved."

Accordingly, by official document approved by the Government of Georgia in 2005, it is confirmed that eco-labelling aspects are not addressed in practice despite the provisions in the law and regulation. In addition, according to the action plan set under the document, various activities should have been executed within 2005-2010, out of which, major tasks were planned for the years 2005-2006. It should be noted that the action plan did not include specific activity for eco-labelling. As a result, eco-labelling issues were not settled during these years.

#### III.2.3. Role of the Environmental Information and Education Centre for setting up eco-labelling system

In the system of the Ministry of Environmental Protection and Agriculture of Georgia, there is Legal Entity of Public Law – Environmental Information and Education Centre (hereinafter – Centre). Current version of the Charter of the centre is approved by an Order of the Minister N2-742, dated 6 September 2018. Some functions related to eco-labelling are transferred to that Centre. Particularly, according to the Charter:

Article 2. Scope and Objectives of the Activities of the Centre

3. Functions and Objectives of the Centre are:

*I)* To support setting up eco-labelling systems and eco-standards.

For the fulfilment of those functions, eco-labelling related tasks are the responsibility of a structural unit – Environmental Information Service:

Article 9. Competences and Management of the Structural Units of the Centre

2. Environmental Information Service:

*j)* coordinates implementation of the projects related to the setting up of eco-labelling systems and eco-standards, for the purposes of increasing awareness.

It is essential, that despite removal of Article 19 from the Law on Environmental Protection, eco-labelling issues are not withdrawn from the responsibility of Government authorities. Accordingly, the Centre is the entity which should support setting eco-labelling systems and implement projects in that direction, which will aim to increase public awareness.

As it is known, eco-labelling is a voluntary instrument. At the first stage, it is important to increase awareness of business operators on the positive aspects of eco-labelling. As a result, it is foreseen that interest will increase from the private sector in order to have labels on various products, which will increase their competition. Besides, it is important to increase awareness on labelling schemes on the EU and other

international markets that will give business operators the possibility to execute relevant procedures on targeted markets.

It should be highlighted that public awareness and informative campaigns can be based on success cases and best practices. Main persuasive argument is that labelling supports an increase of revenues. For example, in Denmark, there was a campaign on eco-labelling which caused a 600% increase of the production which had eco-label.<sup>7</sup> Production with eco-label has trust and companies will not need additional marketing activities to persuade their customers on their production. Usually, eco-label is granted to a product, which follows various criteria in Environmental, Healthcare and Quality Standards. Thus, for consumers it is obvious and clear that if a product and/or service has eco-label, it follows these standards.

In order to have organized character of these campaigns, it is possible to have awareness campaigns for specific products at the first stage, for example, for child-care production. Such thematic campaigns will simplify the planning process and will help increase awareness of customers step-by-step. During awareness campaigns, companies should be provided with information about what an eco-label is, what benefits it has on local and international markets, how to settle eco-label systems, how to get existing eco-labels. After such campaigns, it will be possible to activate these issues by companies themselves before having official national or certified eco-labels.

It is important that eco-labels are not only for products, but also for services. Service providers which have eco-labels have more trust. In case this direction is activated, it will be possible that various target groups, such as hotels<sup>8</sup>, restaurants, educational centers, cleaning services, etc. will be more interested. In case they have eco-labels, it will increase their competition and they will also attract more international visitors.

For example, one of the international eco-labels – Green Key<sup>9</sup>, which is set for hotels, includes 13 criteria – employment, environmental management, guest awareness, water consumption, energy consumption, cleaning, food, waste, administration, internal environment, green areas, green activities, corporate social responsibility. Apart hotels, this label is granted in various categories: conference centers, small accommodations, camping, etc. Though, the main challenge is that getting such labels is related to high costs, for setting and for further maintenance costs.

<sup>&</sup>lt;sup>7</sup> See <u>https://ec.europa.eu/environment/ecolabel/documents/marketing\_guide\_en.pdf p12</u>, article on Danish campaign.

<sup>&</sup>lt;sup>8</sup> For example, Radisson hotels in Tbilisi and Batumi have an international label - Green Key, which is created by Environmental Education Fund. Such label is granted to 3200 hotels in 65 countries. Other hotels do not have such label in Georgia.
<sup>9</sup> For more details, see <u>www.greenkey.global</u>

## Similar systems of eco-labelling, i.e. product labelling

As indicated above, the eco-labelling system is not set in Georgia efficiently. Though, it is important to review the similar system which is product labelling of production.

The purpose of product labelling is to inform consumers. In that direction, one of the most important steps is to regulate product labelling requirements for Genetically Modified Organism (GMO) products. For that purpose, there is a law "On Labelling of Genetically Modified Organisms Designated for Food Products/Fodder and Genetically Modified Products Produced from them". This law sets requirements when GMO products shall have relevant GMO labels and main principles for that, whereas details are provided in by-law.<sup>10</sup> Based on the principles under this law, a business operator shall put a label to its production. Failing to fulfil this obligation is subject to legal liability.

Besides, there are various technical regulations and requirements for specific production. The purpose of all these regulations is to properly inform consumers. Such requirements are set for groceries <sup>11</sup> and wine. In addition, there are requirements for product labelling of dangerous chemical substances.<sup>12</sup>

According to the Product Safety and Free Movement Code, for assessment of product safety, product labels shall be taken into consideration together with other components. Besides, technical regulations may set specific requirements for various product/process/services and set mandatory symbols, packing, labels, etiquettes, product related processes or production methods.<sup>13</sup> Though, the code sets required standard for technical regulation, namely, article 55 states:

1. Technical regulations should facilitate open market economy and free trade. Adoption or use of technical regulations must not create inadequate technical barriers in trade/commercial activities, including in international trade, and must be proportionate to the safety of human life and health, and to the threat to environmental protection.

It should be noted that complying with these requirements increases competitive advantage of the company, as companies do not need to provide additional proof about the quality of the product and the customers get more reliable information in a simpler way.

<sup>&</sup>lt;sup>10</sup> See Government Decree N320, dated July 7<sup>th</sup>, 2015 on Rules for labelling of Genetically Modified Organisms Designated for Food Products/Fodder and Genetically Modified Products Produced from them. From January 1<sup>st</sup>, 2021, Government Decree N548, dated November 16<sup>th</sup>, 2018 will come into force - Technical Regulation - tracking and rules for etiquettes of Genetically Modified Organisms, tracking Products Produced from Genetically Modified Organisms.

<sup>&</sup>lt;sup>11</sup> See Government Decree N301, dated July 1<sup>st</sup>, 2016.

<sup>&</sup>lt;sup>12</sup> See Government Decree N428, dated December 31<sup>st</sup>, 2013.

<sup>&</sup>lt;sup>13</sup> See Product Safety and Free Movement Code, paragraph 10.1.c and 57.3.d.

## Bioproduction and accreditation

According to the article 18 of the Food/Feed Safety, Veterinary and Plant Protection Code:

"It shall be inadmissible to indicate any combination with terms 'biological', 'ecological', 'eco', 'bio', 'organic' on the label or accompanying documents of food/feed if it does not comply with the bioproduction procedure established by the Government of Georgia and this compliance is not confirmed by a certificate of conformity."

Certification principles are regulated based on the regulation on Bioproduction, approved by Government Decree N198, dated 30 July 2013. This regulation states that a certificate of conformity can be issued only by Certification Body, which is accredited by National Accreditation Body or International Accreditation Body. Currently, such an inspection body for Bioproduction is Caucascert LLC, which issues Green Caucasus Label based on International Accreditation. Georgian Accreditation Centre has not issued national accreditation for the other inspection body.

Green Caucasus label is created by Georgian and Armenian companies (relatively, Caucascert and Eco-Globe).<sup>14</sup>

Caucascert has Accreditation from the Deutsche Akkreditierungsstelle GmbH, based on which, Caucascert is "competent under the terms ISO/IEC 17065:2012 to carry out certifications of products, processes and services in the following fields:

Organic production based on the Green Caucasus standards, Version 11 (30 January2020) equivalent to Regulation (EC) No.834/2007."

In addition, Caucascert has recognition from Swiss Federal Office for Agriculture (FOAG). Caucascert issues certificates for the following categories of the bio-products

- Unprocessed plant products (plant production and wild plant collection) scope A;
- Live animals or unprocessed animal products (including honey) scope B;
- Processed agricultural products for use as food (including organic wine) scope D;
- Vegetative propagating material and seeds for cultivation scope F.

Caucascert has 124 registered products, but not all of them get bio-certificates.

In Georgia, based on Product Safety and Free Movement Code, a state inspection body – Accreditation Centre<sup>15</sup> is created, which is a national united accreditation body. The Accreditation Centre is a body which ensures compliance of various activities to the Georgian legislation requirements. The Accreditation Centre is not a compliance assessment body itself and issues an accreditation for calibration laboratories, certification bodies, inspection bodies, medical laboratories, proficiency testing providers. The Accreditation Centre is controlled and managed by the Ministry of Economy and Sustainable Development.

<sup>&</sup>lt;sup>14</sup> For more information, please, see <u>www.caucascert.ge</u>

<sup>&</sup>lt;sup>15</sup> For more information, see <u>www.gac.gov.ge</u>

## Quality Mark

In 2019, the Ministry of Environmental Protection and Agriculture adopted a new regulation – Rule for Granting Quality Mark. This initiative considered using various marks for agricultural production. Following Quality Marks are set: Protected Geographical Indication – PGI; Protected Designation of Origin – PDO; Mountain Product; Grassfed; Handmade; Traditional Product; Georgian Quality; Forest Fed or Forest Fattened; Bio-Product; In-Conversion to Organic or In-Conversion to Bio.

This rule is approved by the Order of the Minister<sup>16</sup>. Granting this mark is voluntary, though, using this mark is only allowed if relevant procedures are complied. Mark is issued by the National Food Agency based on the Marketing Council created by the Minister Order N2-24, dated 16 February 2017.

It is worth mentioning that since adoption of the marks, approximately 30 marks are issued. Marks were granted in a period when the government had active marketing campaigns on the setting-up stage; after that interest on getting such marks has reduced significantly. This proves once again that for popularization of various marks and labels, it is essential to organize awareness campaigns. In order to have incentives for business operators, it is important to increase popularity of such marks within customers.

<u>%E1%83%92%E1%83%90%E1%83%9B%E1%83%9D%E1%83%A7%E1%83%94%E1%83%9C%E1%83%94%E1%83%94%E1%83%91%E1%83%98%E1%83</u> %A1-%E1%83%A3%E1%83%A4%E1%83%9A%E1%83%94%E1%83%91%E1%83%98%E1%83%A1-

<sup>&</sup>lt;sup>16</sup> Full rule is available in Georgian on the following link <u>http://business.org.ge/wp-</u>

content/uploads/2018/05/%E1%83%AE%E1%83%90%E1%83%A0%E1%83%98%E1%83%A1%E1%83%AE%E1%83%98%E1%83%A1-%E1%83%9C%E1%83%98%E1%83%A8%E1%83%9C%E1%83%98%E1%83%A1-

<sup>&</sup>lt;u>%E1%83%9B%E1%83%98%E1%83%9C%E1%83%98%E1%83%AD%E1%83%94%E1%83%91%E1%83%98%E1%83%A1-</u> <u>%E1%83%AC%E1%83%94%E1%83%A1%E1%83%98.pdf</u>

## Environmental protection and economy development

According to the Law on Environmental Protection, implementation of environmental interests is conducted together with economic interests of the society. One of the main goals of the law is to *ensure* the protection of the environment and the rational use of natural resources by the State and ensure a healthy environment in accordance with the environmental and economic interests of society and taking into account the interests of present and future generations; and one of the most important objectives is to ensure an optimum balance between (or a harmonious combination of) the environmental, economic and social interests of society.

The law also sets mechanisms for economic stimulation of environmental protection.

Article 18 - Economic incentives for environmental protection

1. The purpose of economic incentives for environmental protection is to support the development and implementation of non-waste, environmentally sound, non-polluting and low-waste best technology and best technique, and the use of secondary raw materials and the implementation of efficient environmental projects, which may be carried out through:

a) advertising environmental protection issues;

b) tax benefits;

c) preferential public loans.

It is important to mention that one of the main directions of economic development in Georgia is building an economy based on innovations. For that purpose, there is a law on Innovations.<sup>17</sup> Therefore, for the state it is important to implement environmental activities, on the one hand, and innovation based economic development, on the other hand.

It should be noted that the state had various initiatives on eco-labelling on different stages. An eco-labelling plan for petrol could be highlighted, which would be defined under European standards. This initiative considered that the Ministry of Environmental Protection and Agriculture (at that time – Ministry of Environment and National Resources Protection) would set-up a new eco-label – Green Mark which would define specific parameters for petrol. This mechanism would be voluntary and would be granted to that importer, which would import European standard petrol and realize it in Georgia. Up to now, this initiative has not been executed, though, at that time, petrol companies were accepting this proposal.<sup>18</sup>

https://www.matsne.gov.ge/en/document/view/3322328?publication=0

http://www.eiec.gov.ge/News/Press-

<sup>&</sup>lt;sup>17</sup> See Law of Georgia on Innovations -

<sup>&</sup>lt;sup>18</sup> Information on this initiative is available on the following links:

Releases/%E1%83%94%E1%83%99%E1%83%9D%E1%83%9B%E1%83%90%E1%83%A0%E1%83%99%E1%83%98%E1%83%A0%E1 %83%94%E1%83%91%E1%83%98%E1%83%A1-

<sup>&</sup>lt;u>%E1%83%A1%E1%83%98%E1%83%A1%E1%83%A2%E1%83%94%E1%83%9B%E1%83%90-</u>

<sup>&</sup>lt;u>%E1%83%A1%E1%83%90%E1%83%A5%E1%83%90%E1%83%A0%E1%83%97%E1%83%95%E1%83%94%E1%83%9A%E1%83%9D</u> <u>%E1%83%A8%E1%83%98.aspx</u>

https://bm.ge/ka/article/quotsawvavis-eko-markireba-zogma-distributorma-kompaniam-shesadzloa-araketilsindisierimimartulebit-gamoiyenosquot/3677

## Conclusion and recommendations

According to the Constitution of Georgia, the accessibility of environmental information is guaranteed. This right is confirmed in international treaties which Georgia is part of. According to the EU Association Agreement, the state should support the setting up of eco-labelling systems.

It should be concluded that the eco-labelling system has not been set up in Georgia, despite indications in the legislation. Under national legislation, actually eco-labelling issues are not regulated, though various acts establish procedures for granting various marks and labels.

Therefore, it is necessary to set up eco-labelling systems based on the Constitution and international treaties' requirements. This should be done by adhering to public, economic and environmental interests.

It should be noted that setting up an eco-label system is not a simple process. This requires, on the one hand, high demand from society on ecologically clean productions and services. At the same time, business operators should have proper information on foreseen benefits, which will be based on international experience. Though, it is also important that granting eco-label considers complying environmental requirements, possibility to collect and recycle waste, compliance with high standards, existence of relevant laboratories, existence of independent evaluation competent body. Thus, granting eco-label, especially, international eco-label is related to comprehensive procedures and high costs, therefore, it has a lot of challenges.

Based on assessment, following could be recommended for setting-up efficient eco-label systems:

- At the first stage, the Government of Georgia should promote existing eco-labelling schemes in Georgia, such as, Quality Mark, label on bio-production. Furthermore, the Government should promote setting-up of new voluntary based labelling mechanisms by private sector involvement. This is possible through organizing campaigns, aiming to increase public awareness, in general, about eco-labels. This will encourage business operators to get their production certified under existing labelling schemes. It is foreseeable that after an increase of awareness, Georgian entrepreneurs will start procedures for getting eco-label on various targeted markets.
- At the next stage, the State should aim to set up a national eco-label. It is not mandatory to have a top level eco-label with all standards. Though, it is desirable to have a scheme which will be close to EU Ecolabel procedures. Setting up a national eco-label will serve two goals: 1) National Eco-Label will cause an increase of competition and individualism on the national market; 2) At the same time, setting up relatively simple standards and accessible procedures will support to meet the challenges, related to eco-labelling. This will also make it easier to approximate EU Ecolabel systems. For this purpose, Parliament should adopt relevant changes in the Law on Environmental Protection.
- Final target of eco-label system set-up should be granting EU Ecolabel for many Georgian products. Increasing export potential for Georgian products is linked to how much products will get the EU Ecolabel. The state should create a group, which will support Georgian business operators to get the EU Ecolabel. It is obvious that this process is hard and long-term, though, it is essential to have specific mechanisms, which will help Georgian entrepreneurs to obtain the EU Ecolabel.