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A GUIDE TO

ECOLOGICAL LABELS IN GEORGIA

2021



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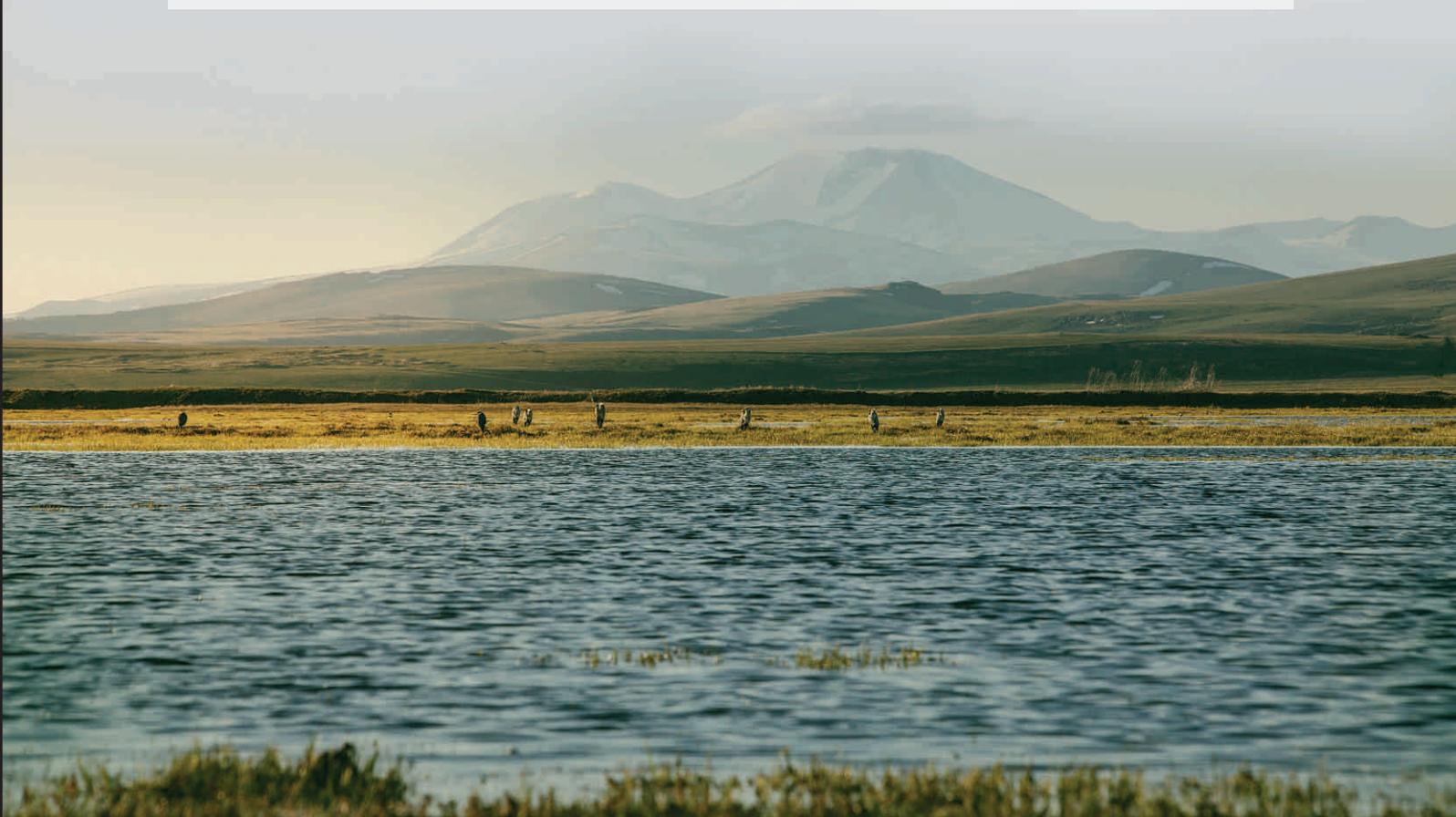


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LIST OF ACRONYMS

B2B	Business to Business
B2C	Business to Consumer
Centre	Environmental Information and Education Centre
DCFTA	Agreement on Deep and Comprehensive Free Trade Areas
EC	European Community
ECAT	Ecolabel product and service catalogue
EU	European Union
EUR	Currency EURO
FOAG	Swiss Federal Office for Agriculture
GMO	Genetically Modified Organisms
IEC	International Electrotechnical Commission
ISO	International Organization for Standardization
LLC	Limited Liability Company
NFA	National Food Agency
NGO	Non-governmental organization
OECD	The Organization for Economic Co-operation and Development
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
SDG	Sustainable Development Goal
SME	Small and Medium Enterprises
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environmental Programme
UNIDO	United Nations Industrial Development Organization



WHAT IS AN ECO-LABEL?

Ecological label or eco-label is a mark, which is acknowledged and experienced to be a tool for increasing sales, as it grants competitive advantage on the market. More and more consumers respect the products and services, which follow environmental standards and requirements. For them, it is essential to have an easy choice on a highly competitive market. Eco-labels are clear signs for consumers that give them the possibility to make decisions simply, without much effort.

Eco-labels reduce additional marketing efforts for the business operators, as the label itself is a marketing tool. Getting eco-labels, usually, are related to high costs and comprehensive procedures, though, in the long-term, this gains more credibility, more incomes, and loyalty from the consumers. Having comprehensive licensing procedures ensure improvement of products and processing within the company.

Basically, an eco-label is a label which identifies the overall environmental preference of a product (i.e. good or service) within a product category based on life cycle considerations. In contrast to a self-styled environmental symbol or claim statement developed by a manufacturer or service provider, an eco-label is awarded by an impartial third party to products that meet established environmental leadership criteria. Therefore, an eco-label is a tool that helps buyers juggle among a number of products and services, often accompanied by unverified claims about their supposed ecological advantages and recognize those that actually offer a better environmental performance.

As it has been identified by the International Organization for Standardization (ISO), the overall goal of these labels and declarations is:

"...through communication of verifiable and accurate information, that is not misleading, on environmental aspects of products and services, to encourage the demand for and supply of those products and services that cause less stress on the environment, thereby stimulating the potential for market-driven continuous environmental improvement".



Eco-labelling has become a useful tool for governments in encouraging sound environmental practices, and for businesses in identifying and establishing markets (i.e. domestic and sometimes international) for their environmentally preferable products. Many countries now have some form of eco-labelling in place, while others are considering program development. Commitment to clear objectives has been critical to the success of eco-labelling programs around the world. While program officials

may express them differently, **three core objectives are generally established and pursued:**



ECO-LABEL TYPES

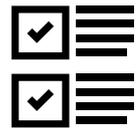
In general, there are three main types of eco-labels defined by ISO:



A voluntary, multiple-criteria based, third party program that awards a license which authorizes the use of environmental labels on products indicating overall environmental preference of a product within a product category based on life cycle considerations;



Informative environmental self-declaration claims;

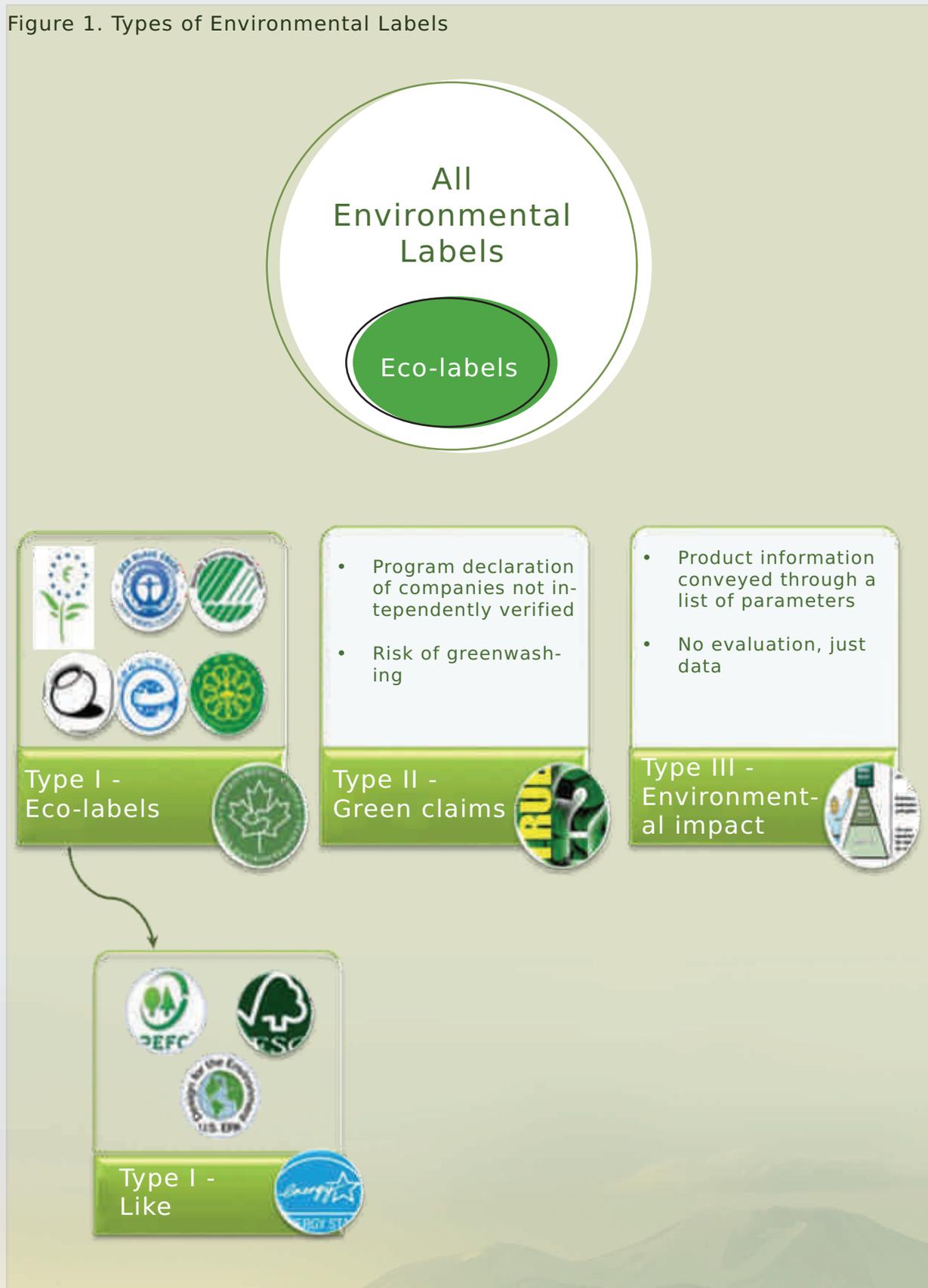


Voluntary programs that provide quantified environmental data of a product, under pre-set categories of parameters set by a qualified third party and based on life cycle assessment and verified by that or another qualified third party; they are usually referred to as Environmental Declarations.



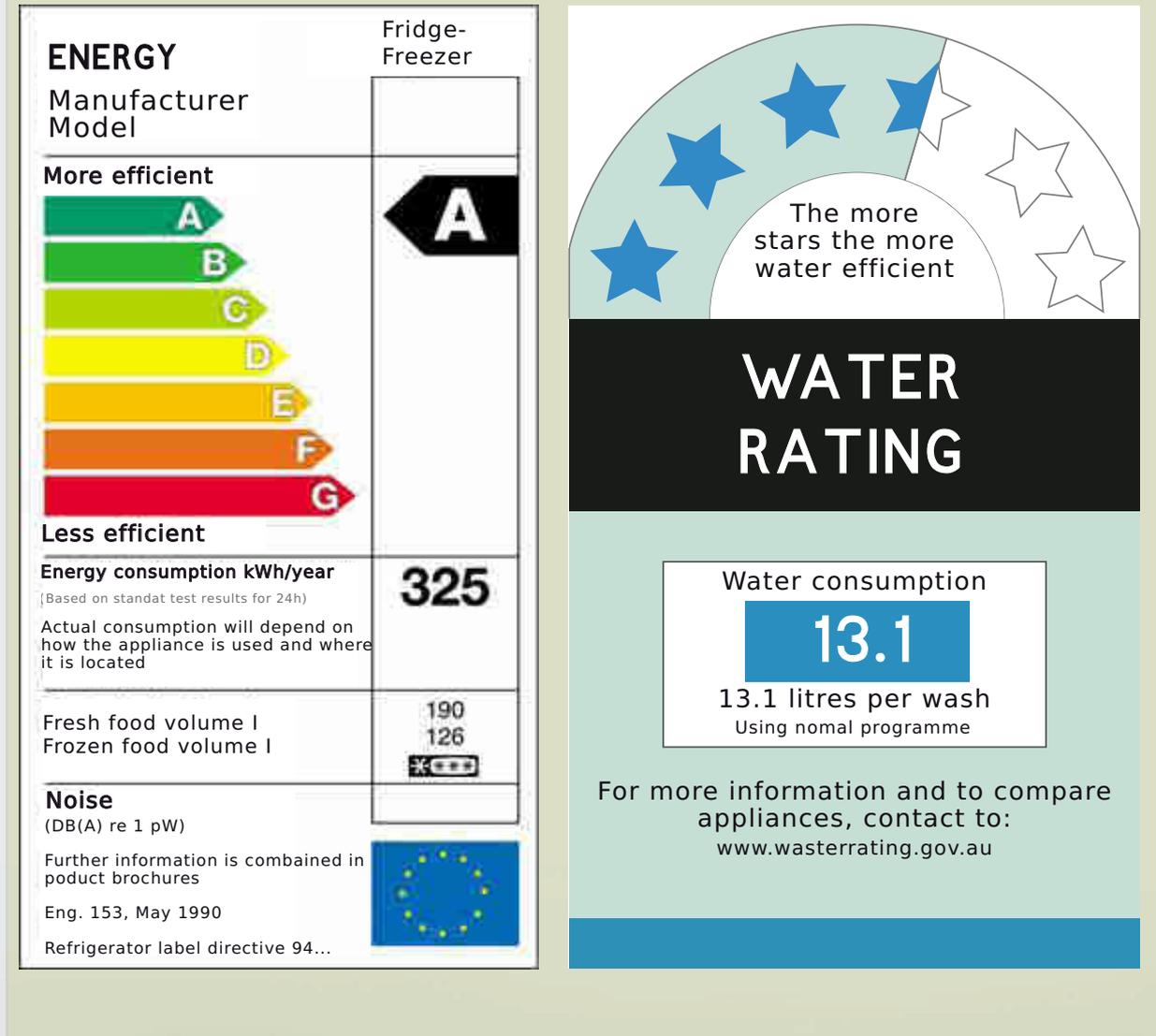
In the everyday language, we tend to call “eco-labels” all labels related to the environment, yet this practice is not always correct. There are many labels and declarations of environmental performance. This large and composite family should be referred to as “environmental labels”; eco-labels are a sub-group, and they respond to special criteria of comprehensiveness, independence and reliability.

Figure 1. Types of Environmental Labels



A special group is that of energy labels or water labels. They are not proper eco-labels because they focus on a single aspect and their use is often mandatory on certain products (like the EU energy label); Furthermore, only the upper classes guarantee a higher environmental performance in energy efficiency.

Figure 2. Energy and Water sector labels



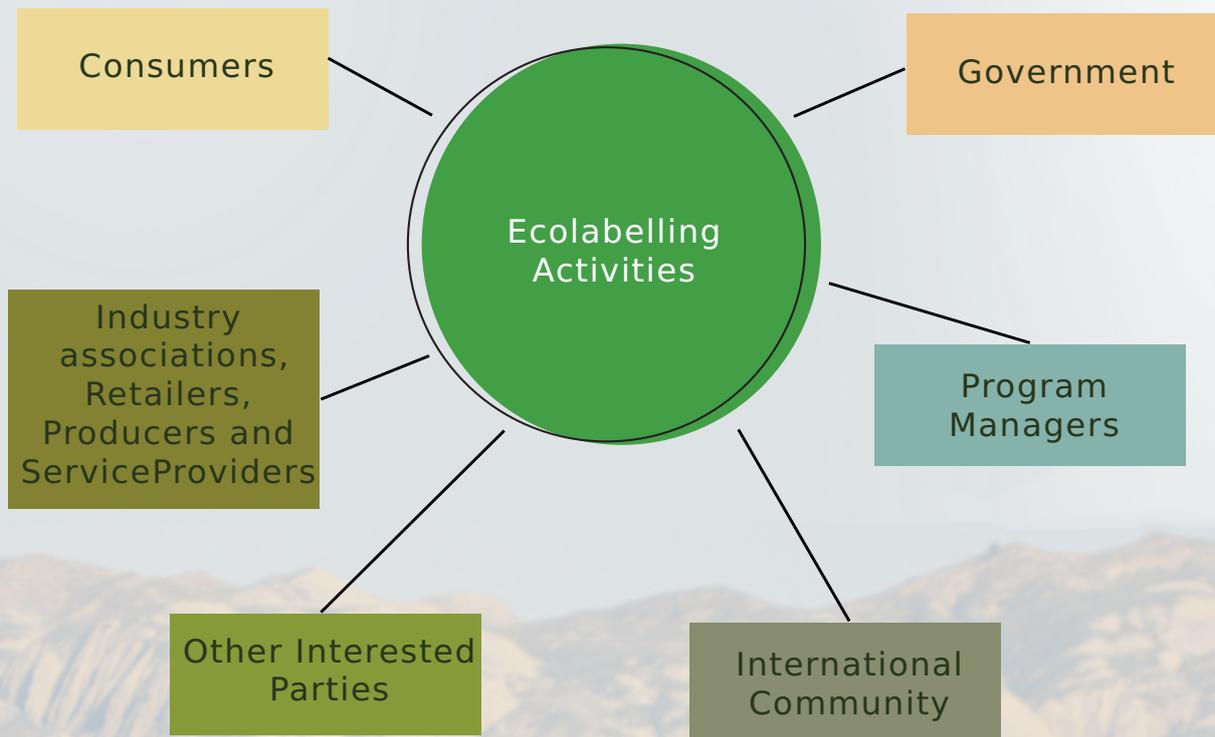


ECO-LABELLING STAKEHOLDERS

The participants of the eco-labelling process are presented below (Figure 3). It is acknowledged that eco-labelling is successful only if all the participants are involved in the process and cooperate with each other. List of stakeholders are: Consumers, Governments, Program Managers, Industry Associations, Retailers, Producers, Service Providers, International Community and other Interested Parties, such as, for example, NGOs. Governments are often involved in the process of establishing Type I and this can help eco-labels to ensure credibility and consumer trust.

Involvement of all stakeholders increases public awareness and finally, success of eco-labelling systems. For example, if a high-level eco-labelling system is managed by Program Managers, but consumers are not well aware about such systems, this won't bring success for Retailers and Producers. Involvement of NGOs, mainly for regular improvement of eco-labelling systems, is essential for acknowledgement of such systems by society.

Figure 3. Actors involved in Ecolabelling Activities





UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Figure 4. UN Sustainable Development Goals



In 2015, the UN adopted 17 world goals and a total of 169 sub-goals, with the objective to solve many of the world's challenges by 2030. To achieve these goals, everyone must contribute: governments, the private sector, the civil society and each individual.



The eco-labels especially contribute to accomplishing the 12th global goal about ensuring sustainable consumption and production. Eco-labels are effective tools for securing sustainable future, and actively contribute to accomplishing goal number 12. The eco-labels work to reduce the total environmental impact from production and consumption - and the entire product life cycle - from raw materials to production, usage, disposal and recycling - is included in the assessment, when the requirements for eco-labelled products are defined. This ensures more environmentally sustainable production and control back in the supply chain, and more environmentally sustainable products for the end user.

Eco-labels contribute for sub-goals of Goal 12, such as:

12.1.

Ensure sustainable consumption and production patterns

The Eco-label strives to reduce the environmental impact of production and consumption. This ensures sustainable production as well as control of the value chain – and provides the end user with sustainable products. Eco-labels are manufactured all over the world. Wherever products are made, strict environmental requirements go beyond legislation.

12.2.

Achieve the sustainable management and efficient use of natural resources

The Eco-label sets requirements for the sustainable use of natural resources, use of raw materials, energy and water in manufacturing processes.

12.3.

Achieve environmentally sound management of chemicals and wastes and reduce their release to air, water and soil

The strict chemical requirements ensure that chemicals at all stages of the life cycle are handled in a way that makes the least possible impact on the environment. In that way, the Eco-label is a strong instrument for phasing out substances that are hazardous to health and the environment in products and manufacturing. This helps to prevent both users and factory workers from being exposed to harmful chemicals – and to reduce contamination of air, water and soil.

12.4.

Reduce waste generation through prevention, reduction, recycling and reuse

The Eco-label strives to reduce waste, for example by promoting reuse of materials, material efficiency and/or setting strict chemical requirements that allow the materials to be recycled. At the same time, eco-labelled products consisting of different materials that can be reused should be easy to dismantle, so that the materials may be used again. Strict quality standards ensure that the product works as desired and has a long lifetime.

12.5.

Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle

The Eco-label is a third-party certification scheme with absolute and transparent requirements. This makes it easier for companies to document their sustainability work. Accommodation establishments must also report the progress of their sustainability work.

12.6.

Promote sustainable public procurement practices

The Eco-label is a strong tool for ensuring sustainable public procurement. The EU public procurement directive has allowed public procurers to request eco-labels, which allows them to more efficiently prepare and review tender documents.

12.7.

By 2030, ensure that people everywhere have relevant information and awareness for sustainable development and lifestyles in harmony with nature. Using eco-labels will provide credible sustainability information to consumers and help raise awareness on environmental performance of products.



EUROPEAN UNION (EU) ECOLABEL

Established in 1992 and recognized across Europe and worldwide, the EU Ecolabel is a label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life-cycle: from raw material extraction, to production, distribution and disposal. The EU Ecolabel promotes the circular economy by encouraging producers to generate less waste and CO₂ during the manufacturing process. The EU Ecolabel criteria also encourages companies to develop products that are durable, easy to repair and recycle.

The EU Ecolabel criteria provide exigent guidelines for companies looking to lower their environmental impact and guarantee the efficiency of their environmental actions through third party controls. Furthermore, many companies turn to the EU Ecolabel criteria for guidance on eco-friendly best practices when developing their product lines.

Figure 5. EU Ecolabel sign



SIX REASONS

TO OPT FOR THE EU ECOLABEL

- 1 ● On the Business to Consumer (B2C) level, increased awareness about the benefits of environmentally friendly products creates a favorable climate for the green market as consumers are increasingly mindful of purchasing environmentally friendly products. The EU Ecolabel facilitates consumer choice in favor of company product as the EU Ecolabel is a trusted and recognizable label across the EU.
- 2 ● Public procurers on the B2B level are facing increasing pressure to work with manufacturers of products that bear eco-labels in accordance with ISO 14024 (Type I) in order to meet procurement requirements. As the scheme involves compliance checks by independent, qualified certifiers, the EU Ecolabel can be the key to open new business opportunities.
- 3 ● Within the process of checking whether company product(s) comply with the EU Ecolabel criteria, companies can find ways of optimizing their products and production processes. This will increase the company's profitability and reputation, and the brand stands out amongst competitors.
- 4 ● The criteria have been developed to ensure that the most environmentally friendly 10% to 20% of the products currently on the market can meet them. The EU Ecolabel works in accordance with the ISO standard 14024 and is therefore a Type I label, one of the most reliable ways to communicate environmental information to consumers. To help Businesses with their application process, user manuals are provided for most product groups.
- 5 ● Special discounts for SMEs, micro-enterprises, and applicants from developing economies facilitate compliance.
- 6 ● The step-by-step explanation of the application process makes the application as simple as possible. It can be viewed in the "How to Apply" section for the EU Ecolabel¹.

Every product or service supplied for distribution, consumption or use in the European Economic Area market (European Union plus Iceland, Liechtenstein and Norway) and included in one of the established non-food and non-medical product groups, is eligible for the EU Ecolabel.

Producers, manufacturers, importers, service providers, wholesalers and retailers that produce products or provide services that fit within any of the established product and service group criteria are eligible to apply. Retailers can apply for products placed on the market under their own brand name.

¹ <https://ec.europa.eu/environment/ecolabel/how-to-apply-for-eu-ecolabel.html>

THERE ARE SEVEN STEPS FOR GETTING AND USING EU ECOLABEL:

1

Contact Competent Body

As the product or service is made outside the European Economic Area (EU plus Iceland, Lichtenstein, Norway), Georgian business operators should Contact the Competent Body in one of the countries where their product is marketed or will be placed on the market.

2

Product and Service Registration on the Online EU Ecolabel Catalogue, ECAT

The EU Ecolabel product and service catalogue is a database that is designed to provide stakeholders with the lists of valid services or products per producer and retailers, along with its corresponding product or service information. This catalogue is also a marketing tool to promote products and services to consumers.

3

Product and Service testing to build application dossier

An application dossier is required from all applicants in order to assess criteria compliance. The list of relevant declarations, data sheets and test results is laid out in each product or service group User Manual which can be found under the respective tabs in the full list of established product groups. The Competent Body will verify that all submitted information is accurate and substantiated and will carry out any further tests if necessary.

Application Submission and fees

There are two types of fees – one-off application fee and annual fee. Exact fees are defined by competent bodies, though, the range is presented hereby:

4

- One-off fee for Micro-enterprises: EUR 200-350;
- One-off fee for SMEs and firms from developing countries – EUR 200-600;
- One-off fee for all other companies – EUR 200-2 000;
- Annual fees can be a flat fee, or a fee based on the annual value of sales within the EU for the product awarded the EU Ecolabel. Where the annual fee is calculated as a percentage of the annual sales value, it will not be more than 0.15 % of that value. In the case of SMEs, micro-enterprises or applicants from developing countries, the annual fee is reduced by at least 25%.

Assessment

5

After receiving the application, the Competent Body examines all submitted documentation, including any material sent directly by the suppliers and gives initial feedback within a two-month period. At this stage, additional documentation may be requested. Competent Bodies can reject an application if sufficient documentation is not received within 6 months of any request for further information. After all documentation has been approved, the Competent Body may carry out an on-site visit to the company or its suppliers' sites. The Competent Body judges the necessity of this on-site visit on a case-by-case basis and may charge a fee for it.

Application Approval and license award

6

As a license holder, it is the company's responsibility to ensure the criteria compliance throughout the entire validity of its license(s). The Competent Body will explain how often test samples of the product should be conducted in order to proactively verify criteria compliance. Based on the discretion of the Competent Body, they may carry out factory inspections and product tests or visit the service. These inspections are intended to ensure that the environmental excellence is maintained for consumers.

Communicate about EU Ecolabel products and services

7

A license holder can use official logo on its production or services. Additionally, digital presence is another marketing advantage. Product or service will be also entered in product and service catalogue. Besides, it is possible to be featured on official EU Ecolabel publications and website.



CERTIFICATION OF BIO-PRODUCTION IN GEORGIA

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 bio-production 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 Bio-production, approved by Government Decree N198, dated 30 July 2013. This regulation states that certificates 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 Bio-production is Caucascert LLC, which issues Green Caucasus Label based on International Accreditation. Georgian Accreditation Centre has not issued national accreditation for any other inspection body.

Green Caucasus label is created by Georgian and Armenian companies (relatively, Caucascert and Eco-Globe).

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 (30.01.2020) 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) - **A**
- Live animals or unprocessed animal products (including honey) - **B**
- Processed agricultural products for use as food (including organic wine) - **D**
- Vegetative propagating material and seeds for cultivation - **F**

Figure 6. Labels from Caucascert LLC



QUALITY MARK

In 2019, the Ministry of Environmental Protection and Agriculture of Georgia presented a new mark – Quality Mark. This is a new mark for various products and aims to create new signs for quality production.

List of quality marks are following:

- **PROTECTED GEOGRAPHICAL INDICATION – PGI**
- **PROTECTED DESIGNATION OF ORIGIN – PDO**
- **MOUNTAIN PRODUCT**
- **GRASSFED**
- **IN-CONVERSION TO ORGANIC OR IN-CONVERSION TO BIO**
- **TRADITIONAL PRODUCT**
- **GEORGIAN QUALITY**
- **FOREST FED OR FOREST FATTENED**
- **BIO-PRODUCT**

Georgian Business operators can apply to the National Food Agency (NFA). Getting Quality Mark is a competitive advantage on the market and additional acknowledgement of the quality officially by the state. Products which comply with official technical regulations and requirements are eligible for submission and getting Quality Mark. It is important that getting a Quality Mark is free of charge.

Applicant shall submit the following documents to the NFA: Application Form, Internal Control and Laboratory Testing document, List of Ingredients of the Product, Certificates and/or Laboratory Tests of accredited laboratories for the ingredients and packaging used; for the ready product – laboratory test, state inspection act (if applicable), description of technological processing and conditions, used standards, sample of food etiquette; for Bio-production – certificate issued by accredited body. Application is reviewed by NFA within 20 working days and final decision is made by Marketing Council based on proposal by NFA.

After granting relevant Quality Mark, state authorities have the right to execute control regularly and Quality Mark is subject to cancellation in case of non-conformity of relevant requirements.

Quality Mark is a voluntary based mark, though, it is only allowed to use such mark if approved procedures are met by Business Operators. Otherwise, it is considered to be illegal to use a mark.

Figure 7. Quality Marks in Georgia





GENETICALLY MODIFIED ORGANISMS (GMOS) AND OTHER TYPES OF PRODUCT LABELLING

National eco-labelling system is not set up in Georgia efficiently. Though, there is a similar national system - which is product labelling.

The purpose of product labelling is to inform consumers. In that direction, one of the most important is to regulate etiquette 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 etiquette and main principles for that, whereas details are provided in by-law. Based on the principles under this law, a business operator shall put product labelling to its production. Failing to fulfil this obligation is subject to legal liability.

Figure 8. Marks for GMO free products



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 and wine. In addition, there are requirements for product labelling of dangerous chemical substances.

According to the Product Safety and Free Movement Code, for assessment of product safety, etiquette 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. Though, the code sets required standard for technical regulation, namely, article 55 states:

“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”.

OTHER INTERNATIONAL ECO-LABELS

Companies which plan or already export their products/services to the international market, should try to get an eco-label of that country in order to increase export potential for specific countries. If the product is targeted on a specific market, companies can apply relevant authorities to obtain national eco-labels. Below are listed eco-labels of potential markets for Georgian products.

 <p>Australia</p> <p>https://geca.eco/</p>	
 <p>USA</p> <p>https://www.greenseal.org/</p>	
 <p>New Zealand</p> <p>https://www.environmentalchoice.org.nz/</p>	

 <p>Brazil</p> <p>https://www.abntonline.com.br/sustentabilidade/</p>	
 <p>Germany TUV Germany</p> <p>https://www.tuv.com/world/en/green-product-mark.html https://www.blauer-engel.de/en</p>	
 <p>Japan</p> <p>https://www.ecomark.jp/english/</p>	
 <p>India</p> <p>https://igbc.in/igbc/redirectHtml.htm?redVal=show-GreenPronosign</p>	
 <p>Indonesia</p> <p>http://www.menlh.go.id/</p>	
 <p>Israel</p> <p>https://www.sii.org.il/</p>	

 <p>Korea</p> <p>http://el.keiti.re.kr/enservice/enindex.do</p>	
 <p>Malaysia</p> <p>https://www.sirim-qas.com.my/</p>	
 <p>Russia</p> <p>https://ecounion.ru/en/</p>	
 <p>Singapore</p> <p>http://sec.org.sg/</p>	
 <p>Nordic Countries</p> <p>http://sec.org.sg/</p>	
 <p>Thailand</p> <p>http://www.tei.or.th/greenlabel/</p>	
 <p>Ukraine</p> <p>https://www.ecolabel.org.ua/</p>	

 <p>Philippines</p> <p>https://www.pcepsdi.org.ph/</p>	
 <p>Kazakhstan</p> <p>http://eko-kaz.kz/</p>	
 <p>Sweden SSNC Sweden</p> <p>https://www.naturskyddsforeningen.se/in-english https://tcocertified.com/</p>	  <p>Bra Miljöval</p>
 <p>China China (CEC) Chinese (Taipei)</p> <p>https://www.cqc.com.cn/www/english/index.shtml http://www.mepcec.com/ https://greenliving.epa.gov.tw/newPublic/Eng</p>	  
 <p>North America</p> <p>https://spot.ul.com/</p>	
 <p>Hong-Kong</p> <p>https://www.greencouncil.org/</p>	



SUMMARY

This Guide summarizes information on ecological labels. It should be used as a guide for Georgian entrepreneurs who plan to activate ecological processes in their business activities. Document provides description on eco-labels, which will be served as a tool for raising awareness on eco-labels.

Document also presents an overview of existing labels in Georgia such as quality mark, label on bio-production, GMO label. The guide describes the steps for obtaining EU Eco-label, which will help business operators to study more for applying for that specific label. This information should be especially important for those companies, which plan to expand their business to the EU market.

It's worth saying that eco-labels are introduced in different countries. Information on such labels is included in the document, which will be additional source for business operators to reach specific markets.

This Guide aims to increase public awareness on eco-labels. It describes the importance of involvement of all stakeholders in the process in order to get successful labelling schemes in Georgia. Accordingly, the document should be served as a guide not only for business operators, but for other interested groups, such as government authorities, civil society, and consumers.

This Guide is the basis for further discussions and research on this topic.



