



**FAO-ENPARD programme: Technical capacity development of the Ministry of Agriculture**

**FAO-EBRD project on “support to sustainable value chains through the development of geographical indications in the dairy sector”**

# **Report of the National workshop on the recommendations to improve legal and institutional framework**

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Context ..... 3  
Objectives of the workshop ..... 3  
Presentations and discussions ..... 3  
Conclusions and way forward..... 6

## Context

The vision of the agricultural development of Georgia is to create an environment that will **increase competitiveness** in agro food sector and eliminate poverty through sustainable development of agriculture and rural areas. One of the levers for potential action is **improvement of quality of agricultural products and foodstuffs**. In this framework, the **European Neighbourhood Programme for Agricultural and Rural Development (ENPARD)** supports the implementation of Georgia's agriculture and rural development projects.

As a matter of fact, supporting the further development of geographical indication schemes and appellations of origin is part of the strategic directions of the Ministry of Agriculture within its Agricultural Development Strategy from 2015 to 2020. Consequently, the MoA actively collaborates with the National Intellectual Property Center (Sakpatenti) to protect Georgian geographical indications and appellations of origin in local and international markets and to improve the shortcomings that affects the Georgian strategy of implementation of GIs.

At the end of 2016, two consultants - Pascal Bernardoni and Monique Bagal, have been hired to work out a strategy for the development of quality assurance schemes. One aspect of this task is to assess the existing legal and institutional framework; another aspect is to work on quality control mechanisms. Both aspects are the subject of recommendations that have to be discussed with the national stakeholders.

While ENPARD I is at its ending stage, the European Bank for Reconstruction and Development (EBRD) had planned support in the dairy sector through GIs. The EBRD and the FAO have worked jointly several projects focused on supporting sustainable value chains through the development of geographical indications and other quality labels in several countries.

This workshop was therefore organized by EBRD in order to capitalize on the findings of the recommendations provided through ENPARD with a view to implement FAO-EBRD project : «*Support to sustainable value chains through the development of GIs in the dairy sector*».

## Objectives of the workshop

The objectives of the workshop were **to present and discuss** the analysis and recommendations made by the experts on the legal and institutional framework, based on their field work and discussion with stakeholders (in December 2016).

Representatives of the Ministry of Agriculture, Sakpatenti, oriGI in Georgia, the National Food Agency, Caucasert, the National Wine Agency, FAO and EBRD have participated and contributed to the discussions (see the annex 2 attached)

## Presentations and discussions

### Session 0: Introductory session

A word was given by Nikoloz Gogilidze, Director of Sakpatenti, Kateryna Poberezhna, and Emilie Vandecandelaere (local coordinator and project manager respectively of the FAO-EBD project) on the context and objectives of this workshop.

### Session 1: Analysis and recommendations on institutional and legal aspects

▫ **Presentation 1 The institutional aspects (Pascal Bernardoni)**

*By “institutional”, one should understand the aspects that are subject to capacity building. In his presentation, the expert for quality certification and control mechanisms has raised issues linked to the registration procedure, the formulation of specifications, the importance of the involvement of producers in the implementation of the GI, the importance of consumer awareness on quality signs. Other comments to improve the system were also raised and are contained in a document named: “Recommendations for functioning institutions for quality assurance schemes” (in English).*

▫ **Presentation 2 : The legal implications (Monique Bagal)**

*By “legal” one should understand all the institutional aspects that must be legislated to be set right. Hence, the expert focused on the implications of the above-mentioned institutional issues on the amendments or addendum that needed to be done on the Law on appellations of origin and Geographical Indications of good. Most comments implied the amendment of article 7 and 8 of the law at issue namely the application for the registration of an AO or a GI and the examination procedure. Other comments to improve the law were also raised and are contained in a document named: “Legal recommendations on Geographical indications in Georgia” (in English).*

▫ **Discussion**

The discussion mainly was on the opportunity to have a policy of strong public intervention for the implementation of GIs in Georgia and the importance to build capacity of the stakeholders, especially in the frame of the Marketing council – the commission in charge of the GI request examination that is being established under the Ministry of agriculture. A support to develop its strategy was requested.

Regarding the recommendations made, the following was agreed:

- Roles of producers in developing specifications were recognized to avoid a top down approach; extension services could play a key role in this approach;
- The importance of Institutional setup that will ensure smoothly application for GI using (one-window approach)
- Revision of existing specifications as necessary to facilitate their certification, with direct involvement of producers; and request for support
- Possibility to fight against foreign counterfeiting by protecting the non-certified registered GI under some specific list;
- Importance of consumer awareness and development of an official logo: the draft proposal for the Georgian GI logos was presented and discussed (see annex 3) – it was recommended to revise them to avoid possible conflicts regarding EU property or Georgia borders (see annex);

**Session 2: focus on the enforcement: the certification options**

▫ **Presentation 3: Control and certification (Pascal Bernardoni)**

*In his presentation, the expert has focused on two aspects of the control and certification: what and how do we check in control? Who implements the control?*

*To the first question, clarification has been brought on the distinction within the Control of compliance with the specifications between:*

- *the control of the process of fabrication*
- *The product*
- *The origin*

*It was also recalled that there could be multilevel of controls (auto, internal, external).*

*To the second question, two systems were proposed to be implemented simultaneously in order to address different situations and needs (local and export markets, small holders capacity) and to allow a dynamic adaptation following GI development:*

*Delegation of control and certification to private third party certification body (Compulsory for export market) State agency (NFA certification and inspections for PGIs and PDOs sold on the domestic market) guaranty scheme that could rely either on direct inspections and controls from NFA to producers, or certification upon reporting of internal controls organized by producers organization. These options are also further discussed in the expert's report: **Recommendations for functioning institutions for quality assurance schemes** (English) and in the final synthesis of recommendations for the GI system in Georgia (see document attached)*

### **Discussion:**

The discussion about the options for the certification system highlighted the following elements:

- the advantages and difficulties of both options;
- the combination of both options was finally recognized as the best option as for today context, to start with an operational system that could evolve according to GI development. In any of this option, it was confirmed that the State is in charge of the overall system, GI being a public standard;
- the need for building capacity building of NFA inspectors, who could conduct GI inspections in addition to food safety monitoring (but in a separate manner);
- the importance to estimate the costs in both systems (either directly paid by producers, or covered by public authorities to provide human resources or incentives.
- Guidelines on procedures were also highlighted as a need to be addressed

### **Wrap up and closing session:**

Emilie Vandecandelaere summarized the main outputs of the workshop discussions:

- Many elements are already in place regarding GI framework and an important dynamic as well as a good coordination exist at the institutional level and a new law under preparation; it is a right momentum through the two FAO projects, under ENPARD and EBRD collaborations, to enhance the efficient implementation of the system so it can fully contribute to rural development;
- Regarding the first session on the different institutional and legal aspects to be considered, the Marketing Council will play a key role and the projects will be closely coordinated with it; its strategy could be supported in this frame; Consumers raising awareness will be enhanced through the official logos already in progress and the project can support such development; A transitional period will be considered and the roles of producers will be strengthened.
- As for the specific session on certification and control, the role of the State in ensuring the certification system guarantees has been confirmed, and the combination of the two options (direct NFA controls or through private certification bodies) has been recognized as the most appropriate formula for the time being.
- These elements will be synthesized in a single document with final recommendations that will be disseminated to participants for comments, and this will path the way for the technical assistance from the FAO projects under ENPARD and EBRD collaborations.

Nikoloz Gogilidze and Tengiz Kalandadze, Head of Agriculture and Food Department and of the future Marketing council, provide some closing remarks of the workshop, agreeing both on the importance to have technical assistance from the two projects to improve the GI system in Georgia through a platform of actors.



## Conclusions and way forward

This workshop was one important occasion to present the outcomes and recommendations prepared by the GI experts of ENPARD I and with support of FAO-EBRD project. The recommendations that were discussed have allowed to agree on a general roadmap to strengthen the legal and institutional framework.

A single document summarizing such roadmap round the model discussed for the GI system in Georgia, on the basis of the consultants' reports and taking into consideration the discussions during the workshop has been prepared for comments from the participants (English and Georgian versions).

It is expected that the improvement of the institutional aspects will be supported through the FAO-EBRD project: «*Support to sustainable value chains through the development of GIs in the dairy sector* » (that will also consider pilots in the dairy sector to support revision of specifications) and proposals will be made for the future ENPARD programme. In particular, in view of ENPARD II, it is expected to have further consultations on the amendments of the law as the Chairman of Sakpatenti has expressed his appreciation on the *Draft legal report on GIs in Georgia* and his interest to follow-up with the actual team.