



**EURASIA
PARTNERSHIP
FOUNDATION**

EPF Newsletter

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Under the EU-Georgia Free Trade Agreement: Support for Stakeholders' Dialogue project Eurasia Partnership Foundation (EPF) organized its third public policy forum about the pending free trade agreement (FTA) with the European Union (EU). The goal of the forum was to assess the implications of the suspension of the Georgian Law on Food Safety and Control on the establishment of a free trade area with the EU and promote dialogue among stakeholders. The process engaged key stakeholders in evaluating the costs and benefits of the suspended law and influencing the formulation of a clear position for the Georgian government during negotiations on a deep and comprehensive FTA with the EU.

The Georgian Law on Food Safety and Control was adopted on December 29, 2005. The law was subsequently amended twice: on December 29, 2006 and again on June 29, 2007. These amendments resulted in the suspension of the law's core articles, which will gradually be reinstated from 2010 until 2012.

Michel Jambou, who represented the EC delegation at the meeting, stated that the pending EU-Georgia FTA is a long-term document and if Georgia genuinely needs a FTA with the EU, it has to implement all of the EU's requirements. Regulatory approximation is one of the preconditions of signing the FTA. He stressed that one of Georgia's main problems is the suspension of food safety activities. He highlighted that EU-Georgia FTA fact finding mission's conclusions will be ready in the first half of 2009. He remarked that Georgian exports to the EU market are not diversified enough.

Mr. Jambou remarked that the Eastern Partnership project that will be launched in spring 2009 during the Czech Republic's EU presidency will give fresh impetus to the EU/Georgia FTA. Michel Jambou stressed that it is up to the Georgian government to decide to what extent it will benefit from the EU-Georgia Free Trade Agreement. He noted that Ukraine has been negotiating on an FTA for two years already and Georgia would benefit from drawing relevant lessons from Ukraine's experience.

Revaz Kobakhidze, representing the Consumer Federation of Georgia, stressed that Georgia is the only country in the world where the law on food safety is suspended and consumer rights are not protected. He argued that after the suspension of the law, the number of cases of bacterial poisoning has increased. According to the figures provided by the National Disease Control Centre there were 1,288 official reported cases of bacterial poisoning in 2006 and 2,075 in 2007. Cases of botulism also increased from 17 in 2007 to 30 in 2008. The government structures, and specifically the Ministry of Agriculture, do not consider food safety to be a priority. The Ministry of Agriculture has not prepared a concept on food safety so far. As a general rule, stakeholders are not involved at the legislation preparation stage. There are only 28 people working in the food safety unit at the National Service for Food Safety, Veterinary and Plant Protection, whose budget allocation in 2008 significantly decreased. Moreover, the law does not allow it to monitor the safety of high risk food products in Georgia.

Marika Gabunia, Head of the Department for Foreign Trade and International Economic Relations at the Ministry of Economic Development of Georgia, presented the three main reasons for suspending the Law on Food Safety and Control: (1) 90% of local production would be closed; (2) the level of corruption would increase; and (3) the National Service for Food Safety, Veterinary and Plant Protection was not ready to ensure food safety. She also added that farmers and representatives of the business have not expressed an interest of getting informed about this law.

Omar Katcharava, Head of the management unit for marketing research and strategic development at the Ministry of Agriculture, asserted that the food safety law is not implemented because the government does not want to make problems for small and medium business.

Zaza Kheladze, representing the Imereti Region (western Georgia) Scientific-Information Association of Youth, said that more than the suspension of the law, the low level of public awareness about the law and its future reinstatement are bigger problems for the country. He also added that even if businesses are not ready to comply with the law, they will have to adjust to its requirements eventually, so informing small and medium business about this law now is essential.

RECOMMENDATIONS FOR THE GEORGIAN GOVERNMENT:

- Elaborate a national concept for food safety;
- Elaborate a joint national plan to ensure food safety in Georgia;
- Create special funds for developing food safety systems;
- Follow the experience of Austria and Poland and elaborate a food safety code;
- Launch an active information campaign about the Georgian Law on Food Safety and Control and its possible implication while it comes into force.

- In the short-term, amend the Georgian Law on Food Safety and Control in order to reinstate Article 14 (which requires obligatory registration of food processing companies);
- Study Ukraine's experience in negotiating the EU-Ukraine Free Trade Agreement and apply lessons learned from that experience;
- Refrain from further suspending the main articles of the Georgian Law on Food Safety and Control.

RECOMMENDATIONS FOR CIVIL SOCIETY, BUSINESSES, AND SMEs:

- Create a unified position to resist any possible amendments to the Georgian Law on Food Safety and Control that will postpone the implementation its core articles;
- Producers: Seek information from the Ministry of Economic Development on the Georgian Law on Food Safety and Control and any other legislative acts related to the export of Georgian food products to the EU;
- Georgian SMEs: Start preparing for the requirements of the Georgian Law on Food Safety and Control upon its implementation;
- Consider creating business associations (in common business fields) to strengthen efforts and launch an advocacy campaign during the EU-Georgia negotiations on a deep and comprehensive FTA.

RECOMMENDATIONS TO THE EU AND ITS MEMBER STATES:

- Support capacity and institution building of National Service for Food Safety, Veterinary and Plant Protection;
- Provide technical assistance to improve accreditation system of laboratories;
- Resist any attempts by the Georgian government to amend the Georgian Law on Food Safety and Control aiming to postpone its implementation.

The EU-Georgia Free Trade Agreement: Support for Stakeholders' Dialogue project was launched in July 2008 with funding from the UK Department for International Development (DFID).

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