



Evaluation of selected initiatives implemented within Polish Development Cooperation – projects supporting the development of small and medium-sized enterprises in Ukraine

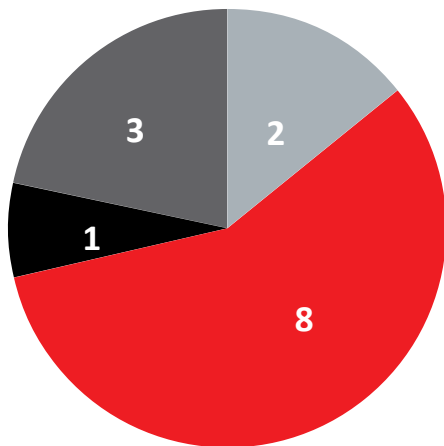
The aim of the survey was to evaluate the impact of Polish Aid on the development of small and medium-sized enterprises in the context of employment growth in Ukraine. The evaluation covered 14 projects implemented in 2011-2013.

The survey used a compilation of research methods and techniques, which included desk research, 48 individual in-depth interviews (IDIs), CAWI research, expert panel, SWOT/TOWS analysis, case studies, and strategic workshops.

The study has proved that the choice of SMEs as one of the priorities of Polish development cooperation offers a good response to the needs of the Ukrainian state and society.

Support for small business in Ukraine is important for at least two reasons. First of all, activities in this sphere make people think in terms of local needs, encourage them to act on a small-scale, to look at the individual customer and strive to achieve a spill-over effect in the closest community. This is very important for the prospects of democracy building in Ukraine. Moreover the SMEs in Ukraine need support. After more than twenty years of political transformation their share in GDP production is still very low at around 10-15%, even though the overwhelming majority of businesses in Ukraine (approx. 95%) belong to this sector. In Poland the number of companies per 10 thousand inhabitants is 3 times higher than in Ukraine and the share of this sector in GDP production is nearly five times higher (67% in 2011) than in Ukraine. In many countries with a longer history of market economy, this indicator exceeds 50%.

Figure 1. Types of projects implemented as SMEs support in Ukraine

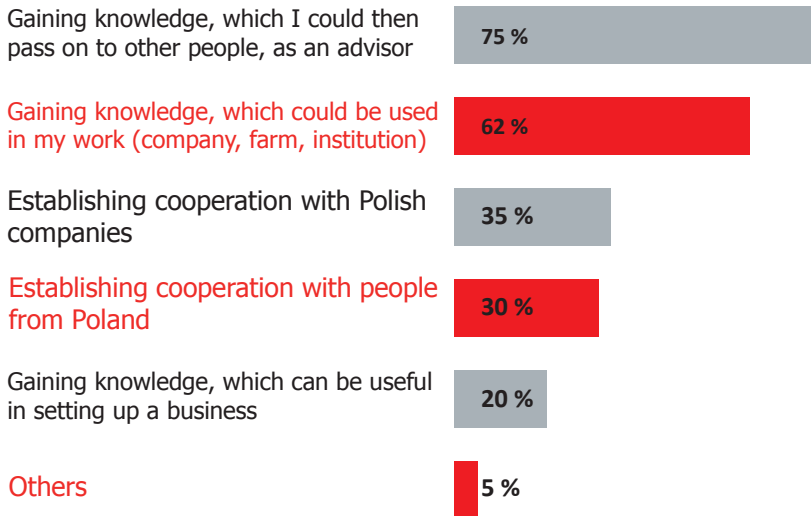


- work with entrepreneurs and for entrepreneurs
- **developing young people's attitudes and skills**
- creating a legal environment
- young people and entrepreneurs

Source: Ministry of Foreign Affairs

The majority of surveyed projects focused on business education and their participants were mostly young people and/or teachers. Slightly more than one third of the projects were targeted directly at entrepreneurs. Major Ukrainian partners were located in regions close to Poland's border or not far away from the state border. The geographical scope of the actual intervention covered almost the entire country.

Figure 2. Results of participation in projects



Data: CAWI [n = 192]. Percentages do not add up to 100 because multiple answers could be selected

Most of the undertaken activities responded to the needs of the beneficiaries and resulted from the applicants' own experiences and their sense of their own competences. The expectations of both the beneficiaries and of their partners that these activities would yield positive results were justified. In general, the intervention was in line with the expectations of beneficiaries, especially as regards educational projects. It was also the case, although to a lesser extent, with initiatives one of whose objectives was to establish business contacts. Ukrainian strategic documents were taken into account when planning project activities.

Based on the evaluation and other studies and research, the image of Poland in Ukrainian society is positive, and this perception is addition-

ally reinforced by Polish Development Aid. In the opinion of beneficiaries, Poland has carried out successful reforms and, as such, can be looked to as an example. Projects offered by Polish applicants were considered attractive and tailored to the needs of the recipients of support.

Provided that support for the SME sector is continued, it would be worthwhile to consider:

- concentrating support around specific groups or types of projects (e.g. the organization of business environment institutions, the creation of an investment offer, the development of agro-tourism, micro-entrepreneurship in rural areas). Another possibility is to change the name of the priority to better correspond with the currently implemented measures; encouraging business organizations and institutions supporting the SME sector in Poland to cooperate with Ukraine, to apply for calls for proposals and to implement projects dedicated to SMEs in Ukraine;
- improving information and promotion related activities (e.g. by providing information about calls for proposals in Ukrainian and/or Russian);
- wider use of module projects;
- wider use of module projects;
- systematic building of a database of contacts of beneficiaries and project partners.

The full version of the report is available at:
www.polskapomoc.gov.pl

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