

FINAL REPORT

EVALUATION OF SELECTED INITIATIVES IMPLEMENTED WITHIN THE
FRAMEWORK OF POLISH DEVELOPMENT COOPERATION GRANTED
THROUGH THE MINISTRY OF FOREIGN AFFAIRS OF THE REPUBLIC OF
POLAND IN THE YEARS 2011-2013

PROJECTS SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)
IN GEORGIA

Consortium:

EGO – Evaluation for Government Organizations, CLP

IDEA Foundation



Research commissioned by:



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Summary

The evaluation was commissioned by the Ministry of Foreign Affairs as part of Polish Development Cooperation. It was carried out from August until December 2014 by a consortium comprising two entities: IDEA Foundation and EGO – Evaluation for Government Organisations clp., a limited partnership specialising in research. The evaluation focused on selected initiatives carried out in the framework of four components of Polish Development Cooperation in 2011-13, including projects implemented in 2011-2013 in the area of small and medium-sized enterprises (SMEs) in Georgia.

General assessment of the project

The Georgian SME component was positively evaluated. It should be continued in the future. The analysed projects were well linked with the objectives of the Multiannual Development Cooperation Programme 2012-2015 and the Millennium Development Goals. Aid priorities covered beneficiary groups that were in a particularly bad situation as well as regions with deep socio-economic problems. The initiatives implemented had a positive effect on Poland's image as an aid donor. The Polish Aid offer was seen as attractive, precisely focused on achieving its objective and well suited to fulfil the beneficiaries' needs. Study visits to Polish enterprise and agrotourist farms combined with trainings in Georgia that strengthened the competences acquired during the project have yielded the most long-lasting results. The fundamental barrier to making the projects long lasting was the lack of support from local authorities and the limited access to loans to finance the development of new businesses.

Key recommendations for the Ministry of Foreign Affairs (MFA)

Projects focused on SMEs are difficult and high-risk. Activities need to be phased in over time in order to yield the desired results. Therefore the possibility of implementing two-year projects should be extended to include the small and medium-sized entrepreneurship development priority. Creation of a mechanism of preferential loans for beneficiaries who set up their own business or began cooperating with a local cooperative should also be considered. In the next financial years, it would be advisable to add priorities connected with supporting production communities other than cooperatives, as well as with the promotion of sustainable development and regional products, business education for school students and adults.

Key recommendations for project authors

In order to guarantee efficient monitoring and evaluation of implemented projects, project authors should collect contact data of final beneficiaries and project partners (e.g. in the form of an .xls or compatible data base). The Personal Data Protection Act should be complied with when collecting and storing data.

Key recommendations for the Polish Embassy

Beneficiaries indicate the lack of integrating activities that would help them make business contacts and sustain contacts with Polish partners after the projects are implemented. It is therefore recommended that the Polish Embassy in Tbilisi coordinate initiatives that would be focused on building the Polish Aid trademark by promoting its results and creating lasting relations with beneficiaries.

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1. Introduction

General information on the research

The survey entitled *Evaluation of selected initiatives implemented as part of Polish Development Cooperation provided through the Ministry of Foreign Affairs of the Republic of Poland in 2011-2013 (...)*; ref. no.: BDG.741.11.2014 was commissioned by the Ministry of Foreign Affairs as part of Polish Development Cooperation, defined in **Article 2 of the Development Cooperation Act of 16 September, 2011**, and provided through this institution for the purpose of increasing the social and economic potential of partner countries and of supporting democratization processes. The obligation to conduct surveys on the effectiveness of the implemented development cooperation goals and the related requirement to evaluate projects by the MFA arise from the aforementioned law.

The evaluation was carried out by a consortium comprising two entities: IDEA of Development Foundation and EGO – Evaluation for Government Organisations clp., a research company. The evaluation was carried out in August-December, 2014.

The key objective of the research carried out in accordance with the Terms of Reference was to facilitate the identification of the main factors impacting the efficiency of selected development cooperation projects and to arrive at conclusions and recommendations for annual planning and multiannual programming of Polish aid. The report's conclusions and recommendations:

- are aimed at increasing Polish aid's influence, i.e. the impact of the implemented projects on the beneficiaries' situation;
- will enhance Poland's positive image as a country actively pursuing activities contributing to sustainable development in the world;
- will support decision-making processes concerning development cooperation related matters financed with MFA administered funds.

The subject matter of the evaluation research were selected initiatives implemented within four components of Polish development cooperation over 2011-2013, i.e.:

Component 1, within which the project '**Scholarship Programme for Students of Specialised Eastern Studies at the University of Warsaw**' was examined;

- **Component 2**, within which projects completed over 2011-2013 in the field of **small and medium-sized entrepreneurship (SME) in Georgia** were examined;
- **Component 3**, within which projects completed over 2011-2013 in the field of **small and medium-sized entrepreneurship (SME) in Ukraine** were examined;
- **Component 4**, within which **the execution of the coproduction agreement with the MFA for 2013 by the Belarusian Radio Racja** was examined.

This report presents the results of a survey conducted in the component that included **projects concerning small and medium-sized enterprises (SMEs) in Georgia in the context of the impact of Polish aid on the development of small and medium-sized entrepreneurship in this country.**

Methodology

While performing the evaluation research, we complied with the norms and standards elaborated by the OECD-DAC (Development Assistance Committee) - NETWORK ON DEVELOPMENT EVALUATION¹. Taking into consideration the requirements defined in the Terms of Reference as well as the overall objective of delivering high quality results, the Contractor decided to employ multiple research methods and techniques. This approach assured the so-called triangulation of methods and techniques with regards to data collecting and analysis, as well as forming conclusions. Below is a brief description of the research tools applied.

Desk Research

The Desk Research method applied to the project was based on the following three groups of materials:

1. documents (project applications, data from monitoring, reports, etc. made available by the contracting authority and the applicants);
2. media materials concerning the implemented projects;
3. products created as a result of the projects' implementation: web pages, brochures, publications, post-conference materials, textbooks, etc.

To sum up, thanks to the application of the desk research method, it was possible to examine the issue from many angles, using different information sources, and to improve planning future activities by studying the survey area.

IDI (Individual In-Depth Interview)

The selection of respondents was deliberate and followed from the qualitative nature of individual in-depth interviews. Individual in-depth interviews were conducted with people representing every category of stakeholders: project authors, coordinators, beneficiaries, other people involved in the implementation of the projects. Thirty-nine in-depth interviews were carried out during the evaluation of projects implemented in Georgia with persons who represented every identified category of stakeholders: project authors, coordinators, beneficiaries, the donor and other people connected with the projects. The interviews represented one of the most valuable sources of information about the effects of the evaluated projects.

CAWI (Computer Assisted Web Interview) – an online questionnaire filled out directly by the respondent

It is one of the most often applied survey methods. This way of conducting activities enables quick access to collected data and their quick analysis. In the case of projects implemented in Georgia, it was possible to collect the data of participants of three projects. A total of 78 mailing addresses were collected from the participants of the above-mentioned projects. After letters with invitations to take part in the survey were mailed, it turned out that at least 13 mailing addresses were wrong (the emails “bounced” off the server). Ultimately the online questionnaire was filled out by 19 respondents (the response rate was around 29 % compared to the number of likely correct addresses).

Expert Panel

Expert panel is a technique that consists of gathering a group of experts, who arrive at an opinion on a specific subject in the course of a discussion. An expert panel was organized as part of the survey for the purpose of summing up survey results and to discuss the conclusions and recommendations that were developed.

¹ *Evaluating Development Co-operation: Summary of key norms and standards*, OECD
<http://www.oecd.org/development/evaluation/dcdndep/41612905.pdf>

SWOT/TOWS analysis

SWOT analysis is one of the most popular heuristic analytical techniques used to categorise and analyse information. For the purposes of this survey, the SWOT analysis was extended to include the TOWS analysis, which consists in two-directional analysis of the studied phenomenon. The aforementioned analyses were conducted by a research team for each of the components of the surveyed intervention.

Case studies

The following research was carried out for each case study:

- an analysis of the project documentation (including project applications, reports, monitoring data, evaluation reports),
- individual interview with the project coordinator,
- individual interviews with persons who received support under the project.

Projects were selected to fit the survey's qualitative research criteria. Hence, two case studies for Georgia (projects) were carried out to reflect the different nature of the activities undertaken.

Supplementary survey methods and techniques

The contractor suggested a number of additional survey methods suitable for specific survey components, including focus group interviews and strategic workshops. The methods applied allowed supplementing the surveyed material and verifying preliminary conclusions and recommendations. The detailed survey methodology including tools was developed and agreed on with the Contracting Authority in the methodological report.

2. Projects implemented in Georgia

The evaluation survey covered 15 projects financed with Polish development assistance funds, as part of calls for proposals organised in 2011-2013.

Project number	Project title	Project author
47/2011/PR2011	Preparing advisory personnel in Georgia to provide services in agricultural technologies and production organization, including producer groups.	Pomeranian Agricultural Extension and Advisory Services in Gdańsk, Branch in Stare Pole
51/2011/PR2011	Grain to grain - the ABC of agriculture	Żywiec Development Foundation
92/2011/PR2011	Supporting women's entrepreneurship in rural regions in the areas of Tkibuli and Tsqaltubo in Georgia	Foundation for Sustainable Development (FER)
159/2011/PR2011	Local administration supports entrepreneurship. Exchange of experiences between Poznań and Kutaisi	Office of the Mayor of Poznań
170/2011/PR2011	Developing a cheese factory in Djavaksi, promoting "Cheese from Dmanisi" brand and creating a model agrotourism trail in Kvemo Kartli and Mtskheta Mtianeti in Georgia	Social Ecological Institute
205/2011/PR2011	Partnership for developing eco-entrepreneurship	Żywiec Development Foundation
274/2011/PR2011	Support for small poultry breeders as a chance for better lives for rural families. in the Shida Kartli region in Georgia	Branch Office of Heifer Project International
58/2012/PPR2012	The time for small business is now – tropical fruits in the region of Guria-Adjara, Georgia	Branch Office of Heifer Project International
385/2012/PPR2012	Business for a start	Association B-4
24/2012/PPR2012	Agricultural products collection and distribution centre in Tbilisi - an opportunity to develop agricultural production and solve the problem of poverty in eastern Georgia	Branch Office of Heifer Project International
27/2012/PPR2012	Profession and Market. Enhancing Chances for Professional Development and Entrepreneurship of Students and Teachers of Vocational Schools. Exchange of Experiences Between Poznań and Kutaisi	Office of the Mayor of Poznań
319/2012/PPR2012	Support for micro-enterprises in tourism sector of Pshav-Khevsureti region	PTTK Mountain Tourism Centre
69/2013/PPR2013	Podkarpackie region supports regional development of the Kakheti region by supporting business environment institutions in the Kakheti region	Department of Promotion, Tourism, Sports and International Cooperation of

		the Marshal's Office of the Podkarpackie Voivodeship
204/2013/PPR2013	"To be a cooperative member..." - innovations in agricultural production in the Shavshebi region	Żywiec Development Foundation
208/2013/PPR2013	Development of equestrian tourism and building a local partnership network in rural communities around Borjomi in Georgia	Kaukaz.net Foundation

2.1. General assessment of implemented projects

Fifteen projects implemented by non-governmental organisations and regional self-government institutions were evaluated. The majority of project authors have carried out activities in Georgia or in partnership with Georgian organisation or institutions before. Most of them had previous experience in supporting cooperatives or business environment organisations. Some of the organisations (e.g. PTTK) also had extensive experience in tourism and possessed excellent knowledge about the tourism industry. Self-government entities that implemented projects in Georgia had big potential for developing business environment institutions. Hence, the profile of project authors corresponded with the specific activities planned under the Multiannual Development Cooperation Programme 2012-2015. According to the Programme, projects implemented under the Georgian SME component should contribute to "developing and supporting the existing producer groups and cooperatives and to supporting the development of small enterprises, economic education, as well as supporting vocational education and continuous education with a view to enhance cooperation between local governments, universities, government ministries and the private sector".

Like in the case of Ukraine, support of small and medium-sized enterprises was well addressed to meet the needs and challenges of the Georgian economy. As underlined by many respondents who took part in this survey, development of entrepreneurship is a necessary condition of democratisation. Georgia's economy continues to be affected by the negative results of transformation. In spite of far-reaching reforms, implemented since the Rose Revolution², the labour market and the economy are still archaic in many aspects. The share of agriculture in the employment structure exceeds 50%, while its share in the national income is less than 10%. The official unemployment rate exceeds 13% with high hidden unemployment, affecting mostly rural areas. Georgia is in 108th place in the world in terms of its GDP per capita. Very limited access to external funding is one of the problems of small enterprises and is an insurmountable barrier for companies wanting to invest and grow at the start of their business activity. On the other hand, Georgia is among world leaders when it comes to creating a small and medium-sized business friendly environment (in the most recent World Bank ranking – Doing Business, Georgia was ranked in 8th place among 189 countries³). Small and medium-sized enterprises not only require support in addressing Georgia's problems, but under favourable circumstances, they could turn out to be Georgia's greatest strength.

² In 2006 and 2008 Georgia was named "Top Reformer" by the World Bank for making the fastest progress in developing free market standards.

³ In comparison, Poland ranked 45th in the above-mentioned ranking. Among European countries only Denmark (6) was classified higher than Georgia.

The following weaknesses and strengths, opportunities and threats, key to Georgia's SME component, were identified on the basis of a SWOT/TOWS analysis:

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Strong involvement of Polish and Georgian project authors – high level of mutual liking and trust (including involvement in disinterested assistance offered to beneficiaries after the project was terminated). 2. Domination of projects focused on specific objectives (running cooperatives, enterprises, equestrian tourism). 3. Accurate selection of beneficiaries (persons highly motivated to improve their skills and interested in implementing real changes). 4. Well placed support in terms of location (regions and groups excluded from access to other forms of assistance). 5. Accurate selection of projects subject matter (focus on the most promising branches – modern agriculture, tourism). 	<ol style="list-style-type: none"> 1. Short time for project implementation. 2. Insufficient intensity of promotion and marketing activities (not enough resources to promote products created by beneficiaries, no trainings for beneficiaries to prepare them for their own marketing activities). 3. No systematic activities promoting the Polish Aid trademark in Georgia 4. Insufficiently defined “exit mechanisms” (i.e. assumptions on future use of project results after its termination) resulting from the short duration of the project and expectations for the activities to be continued next year. 5. Low availability of beneficiaries' contact data.
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. Very positive image of Poland and Poles as well as activities financed with Polish Aid funding. 2. Facilitated access to European Union markets (effect of the implementation of the Association Agreement). 3. Support for cooperatives from Georgian state authorities (legal regulations, grants). 4. Favourable changes in the legal environment for small and medium-sized enterprises (in rural areas) coupled with slowly increasing financial support from the state and other donors. 	<ol style="list-style-type: none"> 1. Limited access to credit and loan mechanisms preventing the development of enterprises initiated by Polish Aid. 2. High rotation of decision-making staff in public administration (risk of long-lasting effect of projects implemented in cooperation with the administration). 3. Negative stereotypes regarding cooperatives (associated with collectivization, kolkhozes). 4. Risk of falling short of the high costs of adjustment to the sanitary and legal standards specified in the Association Agreement.

Project activities

The analysed projects reflected the priorities identified in the Multiannual Development Cooperation Programme. They were grouped according to the types of subject matter:

1. **Business environment institutions** - **3 projects** (69/2013/PPR/2013, 47/2011/PR/2011, 159/2011/PR/2011)

2. **Producer groups and cooperatives - 6 projects** (51/2011/PR/2011, 170/2011/PR/2011⁴, 204/2013/PPR2013, 24/2012/PPR2012, 58/2012/PPR2012, 274/2011/PR/2011)
3. **Promotion of tourism - 3 projects** (170/2011/PR/2011, 208/2013/PPR2013, 319/2012/PPR2012)
4. **Promotion of entrepreneurship in excluded groups - 2 projects** (92/2011/PR/2011, 385/2012/PPR2012)
5. **Vocational education - 1 project** (27/2012/PPR/2012)
6. **Environment friendly economy - 1 project** (205/2011/PR/2011).

The majority of projects were implemented in regions that were identified in strategic documents. The other project categories were in line with Polish Development Assistance goals and were complementary with the PDA Millennium Development Goals. It should be noted that the geographical distribution of the projects and of the target groups proves the relevance of the Ministry of Foreign Affairs' application procedure. The projects were implemented mainly in regions where the situation was difficult (high unemployment, predominantly archaic farming methods, war destruction, degradation of public infrastructure). The projects were addressed primarily to groups with high risk of exclusion (war refugees, women, school youngsters) on the one hand, and to people who had sufficient potential to run a business with high probability of success, on the other.

Achieving objectives

Almost all the objectives identified by project authors in their applications have been achieved or exceeded under the analysed projects. Their effectiveness was evaluated on the basis of a verification of the indicators of planned products and results.

The project objectives were divided into the following categories:

"SOFT" RESULTS (e.g. trainings, seminars, study visits, conferences). Indicator values for "soft" results were planned in 8 of the analysed projects. In one of them (385/2112/PPR2012), the value achieved was **slightly lower than planned** (59 business plans were submitted and 60 were planned). In all the other projects, the indicator values were **achieved or exceeded**. The nature of the activities depended on the specific character of a project and covered activities, such as: projects supporting SMEs by self-government administration, exhibitions, education workshops and conferences, apprenticeships for vocational school students and teachers, consultancy or study visits.

PERSONAL RESULTS (number of people/organisations participating in trainings, apprenticeships, conferences, study visits; number of people/organisations who are members of cooperatives/producer groups). Indicators of personal results were identified in all the analysed projects. The majority of planned indicators was **achieved or exceeded**. **Slightly lower** values than planned were achieved in case of results concerning the number of participants of study visits and of the project summing-up conference (205/2011/PR/2011). A greater disparity between planned and achieved values was observed in case of an exhibition promoting the project titled "Partnership for eco-entrepreneurship development", which was visited by 112 persons, while the planned number was 200 persons. Activities connected with the creation of producer groups had **the lowest level of implementation**. The project titled "Agricultural products distribution and information centre in Tbilisi - an opportunity to develop agricultural production and solve the problem of poverty in eastern Georgia" planned for 5000 farmers to sign cooperation agreements with the newly created distribution and information centre. According to data presented in the final report, only 509 producers signed the agreements. A similar situation occurred in the project "Support for small poultry producers for bettering the lives of farm families from Shida Kartli region in Georgia," which assumed that 3000 producers would sign agreements with the slaughterhouse created as a result of the project.

⁴ Developing a cheese factory in Djavaksi, promoting the "Cheese from Dmanisi" brand, and creating a model trail Mccheta Mtianeti in Georgia" were classified to two groups i.e. "Producer Groups and Cooperatives" and "Promotion of Tourism."

According to the final report, agreements were signed by 900 farmers and another 2000 showed interest in future cooperation. While showing that the planned results have not been achieved in the two projects mentioned here, one must naturally bear in mind that their implementation did not depend on the project authors only, but was conditioned by local social and economic conditions. While analysing the effectiveness of the project objectives, one should also mention the **lack of data** in the case of some projects (e.g. 319/2012/PPR2012), which made it impossible to verify the planned and achieved values.

INSTITUTIONAL RESULTS (e.g. cooperatives, tourist information centres, one-stop shops). Indicator values for institutional purposes were defined in 12 projects. The planned results were **achieved or exceeded** by all of them. The results of the realised activities included the establishment of a Polish-Georgian Centre for Business Support and Innovation in the Regional Development Agency in Kakheti and a position in the administration tasked with cooperating with the SMEs set up the City Hall in Kutaisi. A few cooperatives for agriculture producers and 36 new enterprises were also set up.

2.2. Research findings - response to evaluation questions

Were the implemented projects of systemic nature, i.e. to what strategic documents did they refer to and in what aspects (if any) did their results fulfil the identified beneficiaries' needs?

The majority of analysed projects were of systemic nature. Their systemic nature was demonstrated by their focus on priority branches for Georgia's economic development (tourism, agricultural production). The project activities were also in line with the assumptions of Georgia's Agricultural Development Strategy for 2012-2020, whose major objectives are: the development of agricultural infrastructure, the development of the production chain, and the improvement of food safety. The document lists other priority initiatives, such as, strengthening the potential of persons working in agriculture, and effective communication and coordination between institutions in the agricultural sector.

Project applications do not contain many references to strategic documents. The existing references to external documents include quotations of data collected by the Georgian administration or data provided by non-governmental organisations from their studies. The project "Podkarpackie region supports regional development of the Kakheti region by supporting business environment institutions in the Kakheti region" is an exception because the application for co-funding contained direct references to the Regional Development Strategy of the Kakheti Region and to Georgia's Regional Development Strategy.

Respondents declared that they were very sceptical about using strategic documents, particularly those drafted by the Georgian administration. It is most probably due to the weakness of Georgia's strategic management and, as a consequence the lack of a clear connection between the documents and the day-to-day practice of the institution that created it. The weak systemic approach, within this meaning, also results from a small number and weak access to the strategic documents (especially at the local level). The practice of drafting them is not widespread and is a type of activity that is carried out with the help of foreign donors (e.g. Strategy of Regional Development for Kakheti 2014-2020 was created with the aid of a German donor).

As transpired from the interviews, project authors did not carry out systematic research or analysis of already existing data that could help to identify beneficiaries' needs. This is not to say that the project activities were inadequate to the local needs.

Institutions that have carried out activities in Georgia and have cooperated with Georgian partners before made up the majority of the project authors. Project applications to the Polish Aid were mostly follow-ups of previous undertakings that were addressed to specific communities or were implemented together with

the same Georgian partners. The subject matter of the projects corresponded with the requirements of the Polish Aid competitions, which represented one of the few sources of funding available to Polish organisations operating in the Caucasus region. The selection of project activities was supported by a good knowledge of Georgia's reality, including the specific needs of the country's entrepreneurs and other potential target groups.

Projects implemented by self-government units were created on the basis of long-term partnership relations between Poznań City Office and Kutaisi City Office as well as between Podkarpackie Voivodeship and the Kakheti Region. Without a doubt, their subject matter responded to the needs of the beneficiaries. Both projects concerned the development of business environment institutions, one of the key elements of support for small and medium-sized enterprises. Thanks to their extensive experience gained during the implementation of pre-accession programmes and afterwards, Polish local governments have gained broad knowledge about how such institutions operate during transition. These activities were complemented by an important project that prepared consultants working for Georgian agricultural extension centres (47/2011/PR/2011).

Actions under another project implemented by Poznań City Office in cooperation with Kutaisi authorities (27/2012/PPR/2012) should be regarded as systemic. The project included the organisation of apprenticeships for vocational school students and teachers, i.e. it matched directly the specific priorities of Polish Aid for projects in Georgia.

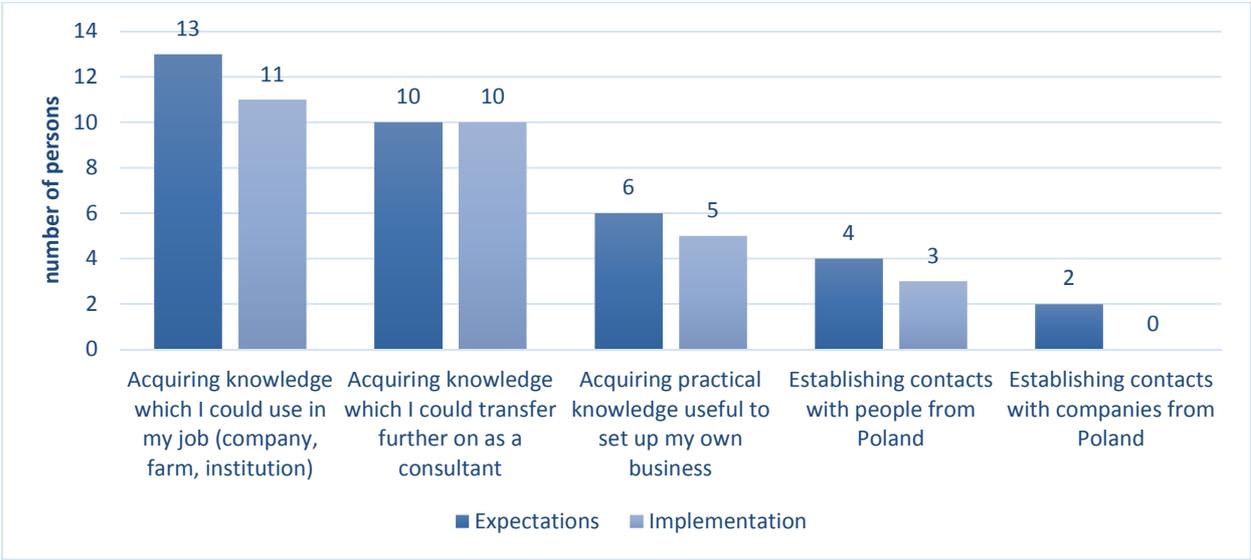
Projects implemented by non-governmental organisations were created in close cooperation with Georgian partners who had a very good understanding of the local needs. On the Georgian side these were usually organisations or single persons experienced in activities regarding rural and agricultural development, support for small and medium-sized enterprises in regions and the development of tourism. The selection of beneficiaries and project locations confirm that these projects gave priority to **highest risk groups and areas grappling with serious socio-economic problems. Projects activities were carefully selected, taking into consideration the potential and limitations of the local communities.**

Projects related to tourism were implemented in areas known for their unquestionable sightseeing values, but with no adequate tourist accommodation and offer. These projects were aimed at helping to create professional tourist products (equestrian tourism) and running one's own business (agritourist farms). Participants of the project run by the Kaukaz.net Foundation also received professional equipment and the possibility to promote their services online. The project represented a comprehensive set of activities that were very well suited to the needs of people who were making their first steps in the tourist industry. The Mountain Tourism Centre PTTK, in turn, implemented its project in a region affected by severe stagnation and depopulation (the least populated region of Georgia). This region is simply predestined to develop tourism having no towns or industrial centres nearby and because of the existing difficult farming conditions. The project met the most urgent needs of its beneficiaries because it eliminated the most elementary shortages in tourist infrastructure (mapping and marking trails, publication of maps and guidebooks).

Projects that were aimed at setting up producer groups and cooperatives were also adequate to the needs. They were implemented in rural areas where archaic and extensive farming methods predominate. Such agricultural production is a form of subsistence rather than entrepreneurship, providing just the necessary food and very limited financial resources. In this context, the pooling of sales and distribution of farming products can help farmers generate incomes that will enable decent existence and the development of production.

The above conclusions are corroborated to some extent by the CAWI research results⁵. Thirteen out of nineteen respondents said that they had decided to take part in the project on the expectation of gaining knowledge that they could later apply to their work. Eleven of them confirmed that the project met their expectations, of which seven voiced this opinion strongly. The other two persons did not express any opinion on the issue. Ten persons surveyed the majority of whom represented participants of project 47/PR/2011, indicated that they expected to gain knowledge from the project that they could later transmit to others as consultants. All these people said that the project met their expectations in this regard. Six persons indicated that the project was supposed to help them gain knowledge needed to set up their own business. Five persons declared that the project fulfilled their expectations in this regard. Finally four and two persons, respectively, said that by deciding to participate in the project they wanted to establish cooperation with people or institutions from Poland. Only three out of the four respondents who wanted to establish cooperation with people from Poland fulfilled their expectations, while neither of the two persons who wanted to establish contacts with Polish companies succeeded in doing so.

Chart 1. Project participants' expectations vs. achieved results



Data: CAWI research [N=19]

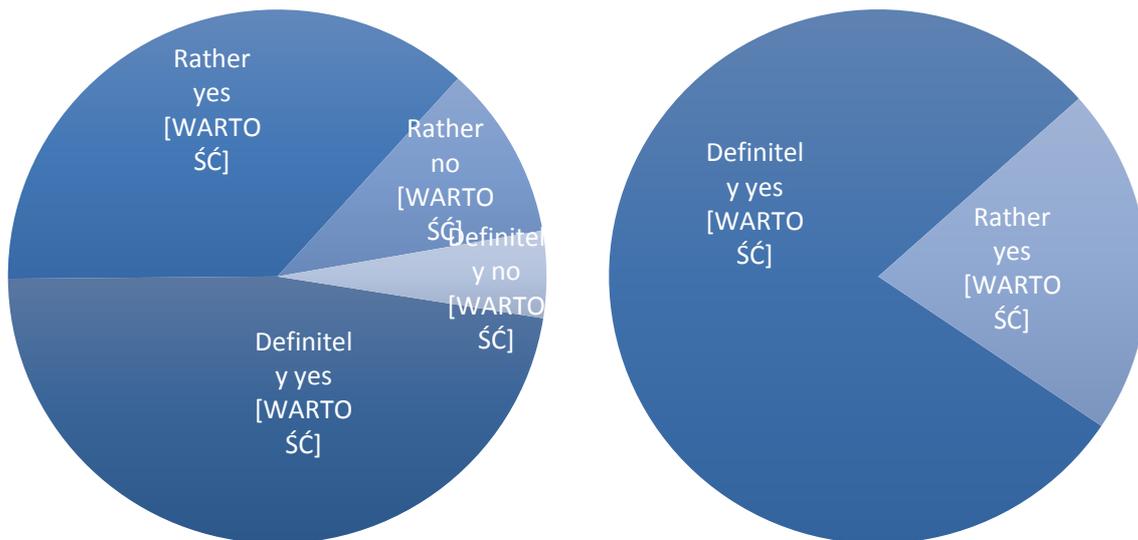
Sixteen of the nineteen project participants surveyed said that the project fulfilled their general expectations. Three beneficiaries said that it did not (all of them participated in project 208/2013 – Development of equestrian tourism...). One should be cautious in drawing far-reaching conclusions because the survey was based on very small samples. All the same, respondents said that the time spent on the project was worth their while (15 persons said so decisively).

⁵ Only 19 persons took part in CAWI research. The low questionnaire response rate was caused by the fact that the list of beneficiaries' e-mails was short. Most of them were villagers, farmers, small businessmen with no access to the Internet. In this context, there was little possibility of generalisation on the basis of the data available.

Chart 2. Overall evaluation of the project:

Left panel – answer to the question: did the participation results meet your expectations?

Right panel – answer to the question: In your opinion was the project worth your while?



Data: CAWI research [N=19]

As far as **factors restricting adequacy** are concerned, one should mention:

- **a high level of apathy among potential beneficiaries.** Project authors whom we interviewed mentioned problems with recruitment on several occasions (problems with finding the right number of persons interested in participating in the project or fulfilling the stated requirements) and the beneficiaries' rapid loss of motivation (resignations during the project, not meeting the undertaken obligations). This is not a premise that would lead us to conclude that project activities did not meet the participants' needs. Yet, this phenomenon demonstrates that the cultural context was difficult and that it could undermine the final success of the projects.
- **short time given to implementing the project.** The majority of our respondents, project authors, Georgian partners and beneficiaries indicated that SME related projects are difficult and that in order to achieve sustainable results, activities have to be carried out for a period longer than one year. This makes sense because projects in the area of entrepreneurship are guided by a different logic than social projects and carry a much higher risk of failure. Such projects also need longer support, consultations, and time for development to yield specific results.

Summary

The surveyed projects were in line with key strategic documents and complementary to the Georgian development priorities (development of tourism and agricultural production). Activities related to setting up business environment institutions are a valuable form of sharing Polish experiences gained during the period of transition. They also contribute to the development of Polish-Georgian business relations. The projects were based on an accurate analysis of the beneficiaries' needs. They were targeted at groups that needed them most and were implemented in economically hard-hit regions. It should be noted that Polish Aid projects were addressed to those local communities that had little or no access to alternative support. Project authors set themselves a really ambitious high-risk task. Nonetheless it was the only approach that could contribute to finding a sustainable solution of the problems addressed.

As far as the impact of Polish Aid on systemic changes is concerned, the following issues should be noted:

- **closer coordination of support at the central level is needed to ensure that the assistance becomes systemic. Georgian authorities would have to back this up with specific actions (e.g. consistent implementation of reforms or the actual implementation of support complementary to Polish Aid)**
- **because the scale of Polish Aid is small, the projects it supports are more an inspiration than a tool to create local development strategies. Hence it is worthwhile to emphasize once again that Polish support is well profiled (focusing on niche beneficiary groups, great commitment of project authors, a lot of practical elements). The project implemented in Tkibuli is an interesting example because it triggered a chain of initiatives providing an impulse for the local authorities to draw up a local development strategy.**
- **project activities should be accompanied by coordinated activities that support making contacts between beneficiaries and their joint initiatives (read more in the chapter on Poland's image as a donor).**

Are the skills acquired/developed during the project used, developed, multiplied by particular target groups and, if yes, how?

Project activities covered different forms of development of beneficiaries' skills, such as: training sessions, conferences, internships, and study visits. The usefulness of their results (as well as intensity of use and further improvement of learned acquired) depended on the following factors:

- **the practical value of project activities.** Beneficiaries said that they found observing the work of Polish producers or tourism entrepreneurs particularly attractive. In-depth study visits, strongly focused on a detailed study of the circumstances under which a specific branch operates were highly valued. One of our respondents said it was better to "see one time, than to hear a million times."
- **involvement of partner organisations.** The beneficiaries who continued to develop their acquired skills also after the project was officially terminated, were mainly those whose partners were in regular contact with project participants. Voluntary and free-of-charge consultations by Polish experts (vets or farmers) arising out of mutual close relations which were continued after the end of the project were highly appreciated.
- **financial stability of Georgian partners.** Georgian organisations benefitting from different sources of funding (local branches of large international organisations, local government entities, and organisations eligible for grants) could make a wider use of the skills learned during Polish projects.
- **sustainability of investments implemented under the project** – setting up under Polish Aid projects of sustainable investments that generate jobs or enable joint production and distribution, creates conditions for sustainable multiplication of knowledge and skills acquired during the Polish Aid projects.
- **appropriate recruitment of beneficiaries.** Those projects where Polish project authors participated in the recruitment of participants were characterised by greater usefulness of transferred skills. They attached more importance to the selection of beneficiaries to see that they fulfilled the required criteria (e.g. had agricultural production consistent with the subject of the planned project activities). It is not to say that this is the necessary condition for effective dissemination of skills. In Georgia, the selection of participants for projects addressed to small village communities done by a Georgian partner alone led to adequate choice of concrete persons. All the local conditions determining the potential possibilities or limits of a participant to become fully involved in the

project (these circumstances were hard to define using objective criteria – such as good understanding of the participant’s family situation, life plans, etc.) were studied and considered.

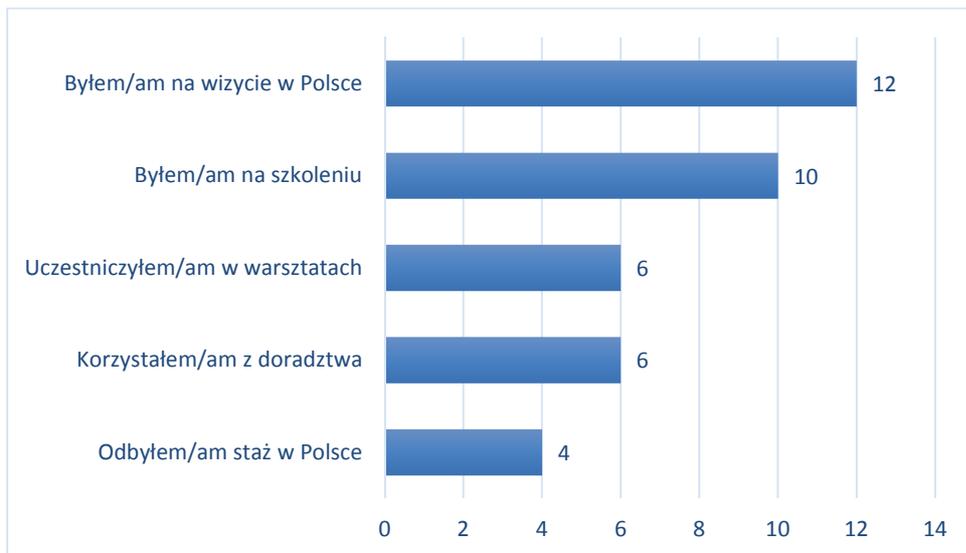
In the general opinion, study visits are not usually considered useful elements of development projects. In the projects that we surveyed that was not the case. Indeed, projects addressed to farmers (92/2011/PR/2011, 274/2011/PR/2011, and 204/2013) and horse guides (208/2013/PPR/2013) proved very useful. For the majority of beneficiaries, a study visit represented their first foreign trip outside the former Soviet Union. In addition, the programmes of study visits were designed to suit the needs and expectations of the participants. Beneficiaries had the possibility to observe how their Polish colleagues worked in real life. Participants also learned intensively. Beneficiaries mentioned that they had communicated very well with their Polish hosts. Persons, who later participated in development projects implemented by organisations from other countries (US, Germany, Japan) said that the Polish projects were more useful. They also indicated the openness of the Polish partners, who were happy to share their knowledge and experience. Moreover, beneficiaries noted that Polish entrepreneurship was more suitable for the challenges and problems faced by Georgian entrepreneurs. According to one of our respondents:

“The Polish experience is closer to ours (...) Poland is a good example, it grew by leaps and bounds. Although there were some tough moments, Poland has overcome all problems, also related to separation from the Soviet system and therefore it is closer to us. When we look at examples, it is better to look at the Polish one, not German. If we want to achieve the level of Germany we have to reach the Polish level first. Examples from Germany are a complete fiction.”

Many project authors pointed to the key importance of the right selection of beneficiaries. This is connected with the problem mentioned earlier of large apathy of the local communities covered by Polish Development Assistance. It makes it difficult to select beneficiaries who are motivated and have potential (knowledge, equipment). At the same time, problems with selection by Georgian partners were also mentioned by some of our respondents. In their opinion, careful oversight by Polish project authors is recommended in such a situation. Otherwise, beneficiaries are not selected on merit-based criteria, but on priorities stemming from a complicated network of local relations.

Project participants who took part in the CAWI survey, benefitted from the forms of support indicated below. Twelve out of nineteen people went on a study visit to Poland, ten persons benefitted from training, six persons each benefitted from advisory services or took part in workshops. In addition, four persons did their internship in Poland. In the majority of cases, project participants benefitted from many forms of support, which can be said to be comprehensive in some sense.

Chart 3. Activities benefitting CAWI respondents



Data: CAWI survey [N=19]

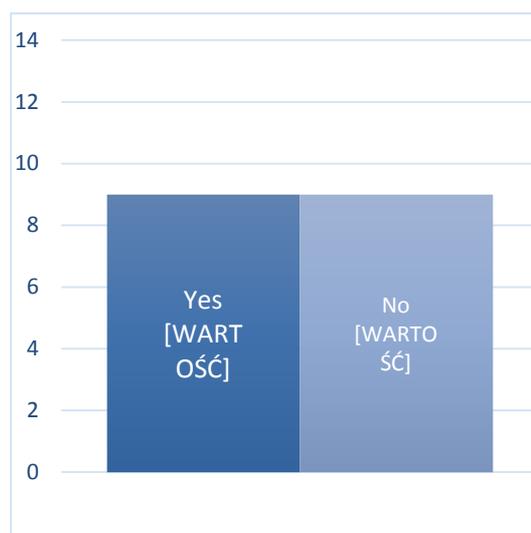
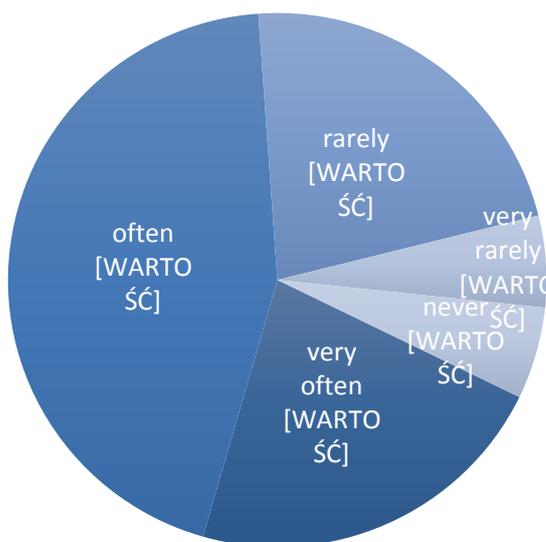
- I have been on a study visit to Poland
- I have participated in training
- I have participated in workshops
- I have benefitted from advisory services
- I have done an internship in Poland

According to respondents, the knowledge gained during the surveyed projects remains useful to them. This knowledge is used often or very often in the current job by 12 out of 18 respondents (employed at the time of the survey). Four persons use it rarely. Two persons admitted that they didn't use the acquired knowledge or used it very rarely. Seven persons declared that they had used the acquired knowledge in the month preceding the survey.

Chart 4. Use of the knowledge acquired during the project Answer to question:

Left panel: How often do you use the knowledge acquired during the project in your current job?

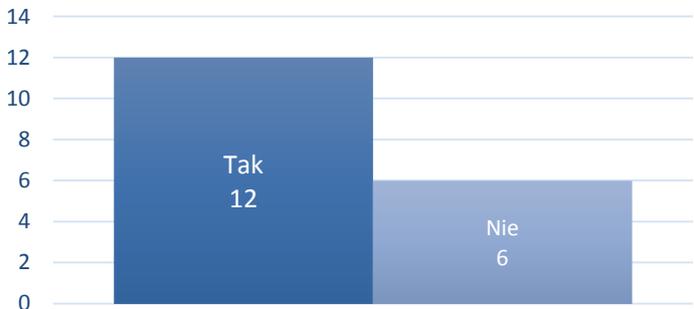
Right panel: Did you use the knowledge acquired during the project in your current job in the last month?



Data: CAWI survey [N=18]

The fact that twelve persons are currently advising other operators or persons is additional proof of the usefulness of the projects and of the knowledge acquired during their implementation. Most of them participated in the project titled “Preparation of Georgia’s advisory staff to provide agricultural extension and production organisation services, also for producers groups. This situation confirms that the support yielded the desired results.

Chart 5. Providing advisory services to other people. Answer to the question: Are you currently providing advisory services to other entities or persons?



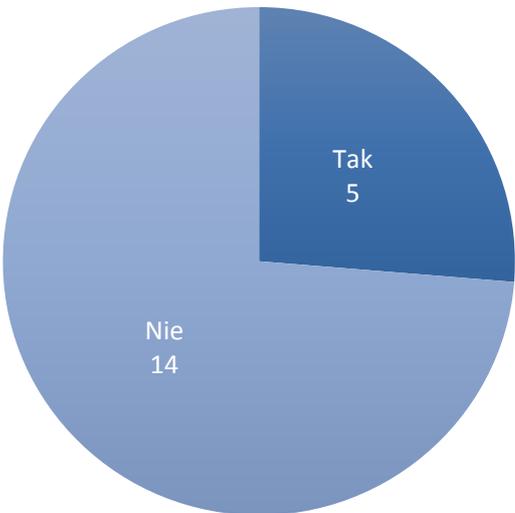
Data: CAWI survey [N=19]

Tak – Yes

Nie – No

Conclusions about the project participants’ continued development should be treated with caution. Every fourth respondent declared that he/she continued to expand knowledge gained during the project by participating in other activities. Fourteen people did not participate in any other projects to further their knowledge. Yet, this result is specific for the group of CAWI respondents (who have access to the Internet and use e-mail) because fundamentally different results were obtained from a deepened qualitative survey: in all of the five surveyed projects its beneficiaries have used and expanded their knowledge after the projects ended. Some participated in other projects and initiatives; others developed their own farms, micro-businesses, consulted the development of their businesses with experts and improved their skills by self-study.

Chart 6. Continued development. Answer to the question: Did you participate in other projects to further the knowledge gained during the project, after it ended?



Data: CAWI survey [N=19]

Tak – Yes

Nie – No

Summary

The usefulness of acquired skills depends primarily on the practical value of project activities. For this reason, project participants who took part in study visits for farmers and horse guides used their acquired skills in the most active way. The multiplication of skills usually took place via an informal exchange of knowledge between beneficiaries and their neighbours who run similar businesses. Other factors that contributed to the usefulness of the projects were the potential of Georgian partner organisations and the careful selection of beneficiaries.

Were funds provided to maintain the launched or continued initiatives under Polish aid in in the beneficiaries' country?

Most of the project activities, initiated by the analysed projects, were or are continued with support from various sources. These are, however, almost only activities financed by foreign donors. No financial involvement on the part of the government or other public agencies is apparent.

A few initiatives are continued through small financial investments made by the beneficiaries themselves. In case of the project (persons who participated in the “Business for a start” and “Supporting women's entrepreneurship in rural regions in the areas of Tkibuli and Tsqaltubo in Georgia” projects and started their own business, invested their profits in developing their businesses). In the case of the “Podkarpackie aids the development of the Kakheti Region” project, the activity started with Polish Aid is being continued mainly by one of the Georgian coordinators who can afford to work as a volunteer because he has a source of income. The authorities of the local national park continues the project of promoting horse-riding tourism in Borjomi by designating tourist trails. The activity of the business relations unit operating in the Kutaisi City Hall is also being continued.

Legislative proposals regulating the rules of setting up cooperatives and mechanisms of financial support for agricultural producers associated in cooperatives should be considered as beneficial. These legal amendments are dictated by the requirements imposed by the European Union which lobbies for the implementation of such solutions, offering its financial support in this scope. Nonetheless the fact that the new legislation was implemented relatively quickly is evidence that the Georgian government regards the development of cooperativeness as one of its priorities.

Summary

Only a few project activities, once the Polish Aid funds ended, received support from the local authorities. Those activities that were continued after the projects had ended benefitted mostly from support provided by foreign donors. In a few cases these were financed by private beneficiaries. Only those initiatives that continue projects whose partners were local government agencies can count on Georgian public funding.

Which activities / why turned out to be the most sustainable and contributed, to the largest extent, to the development of the beneficiaries' potential or to strengthening the partners' institutions / organisations?

The projects whose direct aim was to support entrepreneurs or persons who wanted to start their own business had undoubtedly the most impact. With regard to the sustainability and usefulness, well organised

and carried out study visits of farmers and horse guides should be evaluated positively. Beneficiaries pointed out that their visits to Poland together with the activities carried out upon their return to Georgia, brought long-lasting effects related to the way of thinking about the production and the way it is practised. Beneficiaries even declared that Polish Aid's support helped them make up their minds to stay in their present location and not to emigrate to find a job.

Apart from channelling support directly to entrepreneurs, the following elements contributed to the sustainability of projects:

- **offer of comprehensive support**, which, besides study visits included a series of trainings and workshops that consolidated the acquired skills after the beneficiaries' return to Georgia. This aspect was strongly accentuated by beneficiaries of projects to build a poultry slaughterhouse and a cooperative in Shavshebi;
- **informal support after the basic project activities terminated.**

Having analysed the evaluated projects, it might be concluded that the most sustainable results yielded those projects which were continued after Polish Aid support ended. A case in point is the slaughterhouse, but also the women's entrepreneurship project in Tkibuli. These projects have also contributed to the development of the institutional potential of local non-governmental organisations (Association Dzevera 2009 and Foundation for the Development of Tkibuli).

Having analysed declarations by a small group of project beneficiaries, who took part in the CAWI research, it might be assumed, albeit cautiously, that the projects had indeed contributed to the development of individual operators and persons. Eleven out of nineteen persons interviewed acknowledged that thanks to their participation in the project, they were able to start using new methods or technologies in their farms, businesses or institutions. Ten persons declared that owing to the project they were able to establish cooperation with other operators in Georgia. Similarly, ten persons affirmed that thanks to their participation in the project they were able to expand their farms, businesses or institutions. Finally, six persons admitted that the project helped them employ new workers in the farm, in their company or institution.

Chart 7. Project results according to the participants' declarations. Number of persons positively responding to the question: *As a result of participation in the project did you manage to ...*



Data: CAWI survey [N=19]

The following basic constraints to the sustainability of the projects addressed to entrepreneurs were identified:

- **No possibility to finance long term projects.** This issue was already mentioned in the chapter on adequacy. Here it was confirmed in almost all of the respondents' answers, both on the Polish, and the Georgian side.
- **Negative perception of the idea of joint work, production** – Georgian culture is not familiar with the idea of cooperation in order to generate income (profitable activity) – here rather individualism or even competition dominates. The idea of cooperation among farmers is associated with the Soviet Kolkhoz that makes people look at the modern-day idea of cooperativeness with disbelief. Therefore, projects based on joint economic endeavours, the integration of farmers in order to improve production effectiveness came up against major obstacles involving a change of the local people's mentality.
- **Extremely limited access of Georgian enterprises to external funding.** Difficult access to bank loans and the lack of own capital are the most frequent barriers to development indicated by beneficiaries. They represent a serious threat to the sustainability of Polish Aid projects. Once companies stop benefitting from project support they are not able to carry on their investments to develop and strengthen their market position.

Summary

Activities addressed directly to entrepreneurs or persons starting their own business brought the most sustainable results for the beneficiaries' and project providers' potential. Projects which combined study visits (based on observation of practices applied to Polish companies and farms) with trainings that consolidated the acquired knowledge upon return to Georgia had the strongest effect. The factor that determined whether projects were sustainable was equipment and supply base needed to run a business operation. The key limitations to sustainability were tight deadlines and beneficiaries' limited access to loans to finance the development of their companies (or cooperatives) after the projects ended.

Did Polish interventions take into account project activities supported by other donors?

The scale of resources allocated under Polish Aid to the Georgian SME sector is small in comparison with the used provided by other donors.

According to OECD data, the annual value of funds provided by the main donors is as follows (2012 data)⁶:

DONOR	AID VALUE (USD m)
Germany	256
European Union	201
United States of America	146
France	61
Japan	31
Austria	30
Sweden	27
Denmark	10
.....	
Poland	2,6

No information was found about any conflicts arising between Polish Aid projects and the activities financed by other donors (such as the overlapping of activities, scope or geographical area). The Polish projects were complementary to many activities, i.e. they pursued similar objectives and addressed similar problems. With regard to that, **Polish Aid presented a small, but definitely essential input into all the development activities addressed to Georgia.**

What is more, Polish Aid projects were mostly aimed at beneficiaries that had not received any form of foreign assistance before. The nature of these activities (small budgets, small number of beneficiaries, short implementation period, focusing on accurately determined thematic areas) was responsible for the fact that Polish Aid catered to a specific niche of communities and areas that had been **excluded from access to large programmes implemented by the major foreign donors.**

Summary

Polish development aid is a small initiative in comparison with programmes financed by the largest donors. Yet, Polish aid projects represent an important contribution to Georgia's socio-economic development. Polish projects are complementary to the biggest development programmes and are addressed to areas and communities with very limited access to external funding for social and economic development

Which project activities contributed the most and why to enhancing Poland's image as a donor of development cooperation?

All project authors who took part in our research emphasized the very positive attitude shown by Georgian partners and beneficiaries. They demonstrated their general good feelings towards Poles and Polish government institutions. Such attitudes resulted, to a certain extent, from cultural similarities between our two societies, including first and foremost from the highly developed and mutually appreciated hospitality.

⁶ Source: Geographical Distribution of Financial Flows to Developing Countries 2014, OECD, 2014. Data include all flows from a given country, with private funds.

They were visibly reinforced by Polish foreign policy, especially in the face of the Georgian-Russian conflict and its consequences. The image of our country as a donor is inseparably linked to a very positive overall attitude towards Poland and Poles. These are very favourable conditions for the implementation of development projects. The local people are willing to place their trust in the people who are involved in the projects which is very important knowing how much importance Georgians attach to personal relationships.

Apart from the cultural context, the perception of Poland as a donor was also influenced by the merits of the project activities. As mentioned in the chapter on the evaluation of the usefulness of Polish Aid, its projects are considered more beneficial than projects funded by Western countries or international institutions. According to the beneficiaries, this is because Polish Aid projects are better adjusted to meet Georgia's specific needs. What particularly distinguishes Polish projects is their unique focus on objectives which have been implemented and continue to yield tangible results to this day. The study visits to Polish agricultural and agrotourism farms reinforced this positive image. Their participants expressed very favourable opinions about Polish economic and social changes.

Polish Aid's positive image was weakened by the short period of project implementation, as mentioned earlier several times.

Informative and integration activities, coordinated by the Embassy, were missing as well. Beneficiaries frequently pointed out that they did not know about other projects run by Polish Aid, and particularly about those devoted to the same field. There was no networking, contact animation, no cooperation or exchange of experience among beneficiaries. The most significant is the lack of information flow among the entrepreneurs operating in the tourism sector. On several occasions, the beneficiaries indicated the need to arrange integration meetings of Georgian coordinators. It seems that the Polish Embassy should sustain contacts with beneficiaries after the termination of projects. An example of such approach are the initiatives undertaken by the Japanese or American embassies, which regularly organise integration meetings with their grant recipients. Poland's position as a donor of development cooperation is weakened by the lack of promotion of such cooperation – both when it comes to single projects, beneficiaries, a specific Georgian region, or the whole country. It seems that the Embassy should become more involved in the promotion of activities in the regions and the whole country and in efforts to promote Polish Aid, even after the financing is terminated.

Summary

Poland has a particularly good image among the Georgian people. This attitude was strongly reinforced by Polish foreign affairs policy conducted during the Georgian-Russian war and in its aftermath. Polish development assistance additionally enhances our country's favourable image. According to beneficiaries, Poland is an example of successful reforms. They point out the good organisation of work in our enterprises and the high level of its services. The offer of Polish project activities is considered attractive, well-targeted to achieve its objectives and well-adjusted to the beneficiaries' needs. It would be advisable to engage in promotion activities that would help to build a consistent Polish development assistance brand in order to further enhance Poland's position as a donor.

What changes in development cooperation addressed to the Georgian SME sector should be made in the context of signing of EU-Georgia Association Agreement?

The signing of the Association Agreement represents a significant change in the conditions of doing business in Georgia, mainly by opening up consumer markets, which requires adjusting products and services to European standards. Consequently, Polish Aid projects that support small and medium-sized enterprises should account for the following issues:

- 1) activities related to the construction or renovation of production infrastructure should take into account European standards so that their operation and development won't need any adjustment in the future (the slaughterhouse built in 2011 meets all the standards of hygiene and sterility and so it can expand its distribution network to include large customers – e.g. supermarkets),
- 2) education of entrepreneurs about European standards, the rules of operating on the European market, and to supplement basic knowledge (planning, preparing a business plan, accountancy, legislation, strategic management) is needed. As Polish project authors and more experienced Georgian coordinators have emphasized, there is a huge knowledge gap about doing business in farming, cattle farming or any other kind of production,
- 3) business education needs to be introduced into school curricula as an element creating a conscious group of future entrepreneurs,
- 4) concrete good practices used by Polish SMEs to align their businesses to European standards should be promoted,
- 5) information activities should be carried out for those entrepreneurs who want to start doing business in the European market,
- 6) project activities related to the promotion of modern fruit and vegetable processing methods and technologies should be implemented,
- 7) activities supporting the development of local production, local product brands and eco-production is necessary.

Summary

The Association Agreement can have a very strong impact on the conditions of doing business in Georgia. New opportunities created by access to the European markets will be particularly important. Opportunities will also create costs generated by the requirement of adapting to Western legal and sanitary standards. This challenge should be taken into account in the future plans of Polish development aid. However, it is advisable not to make any drastic changes in the current priorities i.e. support should be addressed first and foremost to small entrepreneurs who regard their business not so much as a tool of great expansion but rather as a way to ensure themselves a decent income amidst the poverty and stagnation that surrounds them.

Whether recommendations presented by the evaluators are adjusted to the needs and problems of target groups?

The opinions and experiences of beneficiaries and project authors served as a basis for drawing up most of the evaluators' recommendations. They were collected primarily during individual interviews. The interviews always addressed an issue that related to the wider context, hence also to target group needs. The evaluators wanted to learn about the specific nature of local problems and challenges. On this basis, the first recommendation proposals were tabled to be subsequently consulted during a workshop run in Georgia with the participation of beneficiaries.

Workshop participants acknowledged the usefulness of the majority of proposed recommendations; in particular, they acknowledged the relevance and the priority of the recommendation to extend the duration of projects. However, suggestions and critical opinions appeared, as a result of which evaluators described their old recommendations more precisely and added new ones. The most important ones are:

- **to resign from the recommendation to focus aid on specific Georgian regions.** Beneficiaries mentioned the huge scale of the needs in all parts of the country. They also suggested maintaining the existing priorities, i.e. concentrating on rural areas, located far away from large centres.
- **to make the recommendation to continue supporting cooperatives more specific.** Acting on the beneficiaries' suggestions, the evaluators suggested widening support to include other forms of joint operations, besides cooperatives (local associations, producer groups).
- **to add a recommendation to** supplement future development cooperation programmes with a component of support directed at **promotion of sustainable development and production of local products.**

2.3. Case study

Project 2011 – 274: Support for small poultry producers for bettering lives of farm families from Shida Kartli region in Georgia

Polish project author: Heifer International Polska

Georgian partner: Heifer International Georgia

Year of implementation: 2011

DESCRIPTION OF THE PROJECT: the objective of the project was to build a slaughterhouse in the village Dzevera, in the Shida Kartli, which while fulfilling sanitary and European standards, would permit local residents to sell poultry according to the applicable requirements. The project involved building a slaughterhouse, training a team of its eight employees and a visit to Poland and Lithuania (to observe how the slaughterhouse operates in practice). The idea of the investment in a slaughterhouse originated from the experience of both partners working in that region.

PROJECT RESULTS: 3 years after the project ended, the slaughterhouse is not only operating intensely, but is also one of the components in the poultry production line – mostly turkeys. Within the next 2 years the Georgian partner at that time – Heifer International Georgia – received additional funding from the Japanese Embassy for 2 farms – for poultry farming and storing feed for turkeys (and other poultry) and for incubation and turkey farming. The Polish Aid project permitted to start a big farm which serves the whole cycle of turkey meat production – this enterprise supports the local community, which can now produce high quality meat. The enterprise has become a self-sustainable market operator that runs the whole cycle of turkey farming, together with slaughtering and distribution to the market. At present the enterprise employs around 20 people from the region, and 8 people who were trained thanks to the Polish Aid project work in the slaughterhouse. The enterprise covers all of Georgia's territory and possesses a stable distribution network – it supplies meat to supermarkets chains, such as: Carrefour, Goodwin, Smart and to smaller retail point of sales in Tbilisi and Rustawi. Distribution is still the weakest point of the enterprise, but promotion and marketing are prioritised in its business development. The fact that the company has been operating for three years is a very good example of how a relatively small investment can contribute to business development.

SUCCESS FACTORS:

- accurate diagnosis of local needs,
- adequate selection of persons involved in the project – even though there was no recruitment, persons who participated in the project were vividly interested in improving their lives and willing to work. Even though work in the slaughterhouse is not easy, they are its employees till this day,
- the local activities were based on the local country community – Dzevera 2009 Association, that assumed responsibility for the development of the enterprise,
- local leader – who acquired management skills and who prepares the enterprise development plans
- strong position of the Georgian partner - Heifer International Georgia, which has effectively raised funds for successive investment,
- cooperation with a Polish veterinary surgeon, who supports the farm by consultations till this day after the project ended,
- filling a market niche – the slaughterhouse's success is also attributed to the fact that it is one of very few such enterprises in Georgia.

The project is an excellent example of cooperation between various actors – efforts by all of its: local residents, the Dzevera Association, partners: Heifer Polska and Heifer Georgia and the Embassies' interest – all these contributed to the fact that after 3 years a self-sustaining enterprise of full-value was created in

the village. During the official opening of the farm, the Ambassadors of Japan and the US repeatedly admitted that these changes were triggered by an effectively implemented Polish Aid project.

2.4. Conclusions and recommendations

Recommendation	Implementation manner	Addressee
Broadening of the scope of the module projects – implementation of multiannual projects	The existing module of two-year projects should be extended particularly with respect to the SME development priority, in such a way as to permit a larger number of projects, because long-term support is extremely important in the case of these activities.	MFA
Introduction of reversible financial support mechanisms	Considering the possibility of creating a mechanism of low-interest loans targeted to those beneficiaries whose participation in the project was successful (e.g. they set up their own enterprises, started cooperating with local cooperatives).	MFA
Introduction of the possibility of consultations and monitoring after the project is completed	It would be advisable to create a financing mechanism to permit co-financing monitoring and consultations; that would allocate some funds to advisory services and monitoring after the completion of the project in order to preserve the project results.	MFA, Project authors
Enhancing actions promoting Polish Aid project results in Georgia (creation of the Polish Aid brand)	It is recommended to undertake initiatives coordinated by the Polish Embassy in Tbilisi. They should be aimed at integrating beneficiaries during the implementation of projects and at improving accessibility of information about the implemented projects.	MFA, Polish Embassy in Tbilisi
Creation of an electronic data base collecting documents (reports, papers, information and promotion materials) drafted as part of the projects	The data base would become one element of activities connected with building the Polish Aid brand by integrating the beneficiaries' communities and supporting exchange of knowledge and experiences between them. Access to the data base would facilitate exchange of information, which in turn would help improve the quality of future projects and their sustainability.	MFA, Polish Embassy in Tbilisi
Systematic collection of beneficiaries' and project partners' contact data in compliance with personal data protection requirements	Project authors should be required to collect contact data (addresses, telephone numbers, and, if possible, email addresses). In order to make data collection easier, a form in the xls format or in another commonly used format should be drawn up.	MFA, Project authors
In the next year of financing the priority, taking into account support for the production and services community – the development of SMEs, but without defining their association form (cooperative, production group, rural, etc.)	Not limiting priorities to support for cooperatives, but broadening it to cover community entrepreneurial activities	MFA
In the next year of financing the priority, taking into account support of regional development by promoting sustainable development and production of local products	Introducing this priority or a system of additional score points for sustainable development and promotion of local products	MFA
In the next year of financing the priority, taking into account business education at school and adult education levels	Introducing the possibility of running and financing business education cycles in schools to senior students and outside schools to adults who want to start their own business. This path does not have to concern the SME priority itself, it can just as well be included in education priorities.	MFA