

## EVALUATION OF SELECTED PROJECTS IMPLEMENTED WITHIN POLISH AID – PROJECTS SUPPORTING DEVELOPMENT OF SMALL AND MEDIUM-SIZED ENTREPRENEURSHIP IN GEORGIA

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 possibilities in Georgia. The evaluation covered 15 projects implemented in 2011-2013.

The survey used a compilation of research methods and techniques, which included desk research, in-depth interviews, CAWI survey, an expert panel, SWOT/TOWS analysis, case studies and implementation workshops.

The study has proved that it was the right decision to focus support on small and medium-sized enterprises (SMEs). According to respondents who took part in the project, enterprise development is a necessary condition of the democratization process.

Georgia's economy continues to suffer the negative consequences of transformation. In spite of deep reforms, the labour market and economy are still archaic in many respects. Over 50% of the country's population is employed in the agricultural sector, which generates less than 10% of its national income. The official unemployment rate exceeds 13%, while unregistered unemployment affecting mostly rural areas remains high.

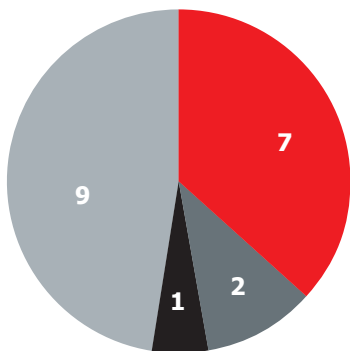
One of the key problems of the SME sector is its limited access to external financing, which creates a strong barrier at the start of a business activity. Still, Georgia is a world leader in creating a business-friendly legal environment. The country needs support to develop its SME sector, which under favourable circumstances could become the country's biggest strength.

Activities implemented during the programme were very well aimed. The objectives of projects were consistent with the key strategic documents and complementary to the Georgian development priorities. They were based on a reliable analysis of beneficiaries' needs. They were targeted at groups that need them most and at economically hard-hit regions.

### Overall evaluation of the project

**Chart 1.**

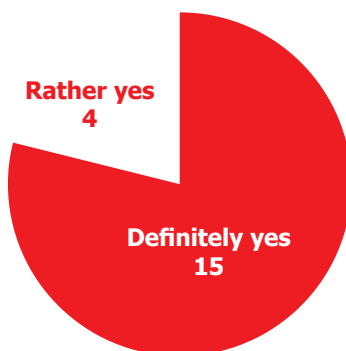
**Answer to the question: Did the results of participation in the project meet your expectations?**



•Definitely yes •Rather yes  
•Rather no •Definitely no

**Chart 2.**

**Answer to question: In our opinion, was it worthwhile to participate in the project?**

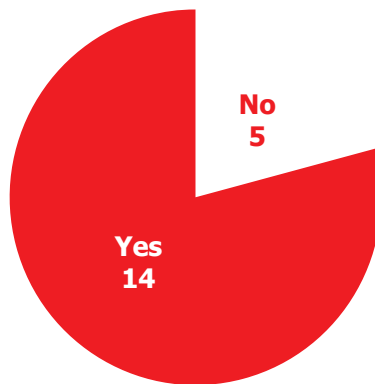


Study visits to Polish farms and agrotourism farms with additional trainings in Georgia were considered the most useful form of assistance by beneficiaries.

Project participants need both information and examples how to run such farms. According to the advice that it is better to see once for yourself than to hear it a million times.

Unfortunately only few beneficiaries received assistance from local authorities after the Polish Aid projects had been finished.

**Chart 3. Did you participate in other projects that improved your knowledge acquired during the Polish Aid project after it had been finished?**



Projects that directly supported entrepreneurs or people who wanted to start their own business had the most sustainable impact. That impact was determined in part by investments in equipment and supply base needed to operate a business. The key barriers to sustainability were tight deadlines and beneficiaries' limited access to loans to finance the development of their companies (or cooperatives) after the projects terminated.

*"(...) everybody would like to run their own business... but to do it, you need to have knowledge and that knowledge is absolutely needed. It is needed both on the lower level of entrepreneurs and on the local government level. This is such a huge education hole"*

*Co-ordinator of the project*

## Recommendations:

- broadening the scope of the module projects: the existing module of two-year projects should be extended to include the priority of small and medium-sized entrepreneurship development;
- considering introducing reversible financial support mechanisms of low-interest loans targeted at those beneficiaries whose participation in the project was successful (e.g. they founded their own enterprises, started cooperating with local cooperatives);
- introducing the possibility of consultations for beneficiaries after a project is terminated;
- enhancing actions that promote Polish Aid project results in Georgia (creation of the Polish Aid brand);
- systematic collection of beneficiaries' and project partners' contact data in compliance with personal data protection requirements;
- in the next financial year, taking into account the priority of supporting the production and services community – the development of SMEs without defining their composition by type (cooperative, production group, country association, etc.).
- in the next financial year, taking into account the priority of supporting regional development by means of promoting the eco-development and local goods production.
- in the next financial year, taking into account the priority of business education in schools and for adults.

The full version of the report is available at:  
[www.polskapomoc.gov.pl](http://www.polskapomoc.gov.pl)

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