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# EU Innovative Action for Private Sector Competitiveness in Georgia

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## Final Evaluation Report

*Final version*

24.05.2024

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## **EU Innovative Action for Private Sector Competitiveness in Georgia**

Name of the Evaluation Intervention: EU Innovative Action for Private Sector Competitiveness in Georgia

Timeframe of the Evaluation: November 15, 2023 to December 28, 2023

Date of the Report: December 28, 2023

Countries of the Evaluation Intervention: Georgia

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Acknowledgments:

As evaluators of the "EU Innovative Action for Private Sector Competitiveness in Georgia," we express our deep appreciation to the United Nations Development Programme (UNDP) and to IOM, UNIDO, and FAO, for entrusting us with this significant task, and to the various stakeholders in Georgia whose cooperation and insights have been indispensable to our work.

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## List of Acronyms and Abbreviations

<b>AA</b>	Association Agreement
<b>CMO</b>	Cluster Management Organization
<b>DCFTA</b>	The Deep and Comprehensive Free Trade Agreement
<b>EU</b>	European Union
<b>EU DG INTPA</b>	EU Directorate-General for International Partnerships
<b>EC PSC</b>	The European Commission Programme Steering Committee
<b>EPR</b>	Extended Producer Responsibility
<b>EUD</b>	EU Delegation of Georgia
<b>FAO</b>	The Food and Agriculture Organization
<b>GEOSSA</b>	Georgian Seed and Seedling Association (Seed and seedling CMO)
<b>GERF</b>	Global Europe Result Framework
<b>IOM</b>	International Organization for Migration
<b>MoESD</b>	Ministry of Economy and Sustainable Development of Georgia
<b>MEPA</b>	Ministry of Environmental Protection and Agriculture of Georgia
<b>MPTFO</b>	Multi-Partner Trust Fund Office
<b>MFA</b>	Ministry of Foreign Affairs
<b>NFA</b>	National Food Agency
<b>PMAG</b>	Packaging Cluster
<b>PUNOs</b>	Participating UN Organizations
<b>RDA</b>	Rural Development Agency
<b>SRCA</b>	Scientific Research Centre of Agriculture
<b>UNEG</b>	United Nations Evaluation Group
<b>UNJP (JP)</b>	UN Joint Programme
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UN Agencies / Organizations</b>	UNDP, FAO, UNIDO, and IOM
<b>UNDP</b>	United Nations Development Programme
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>SDG</b>	Sustainable Development Goals
<b>ToC</b>	Theory of Change

## Executive Summary

The “EU Innovative Action for Private Sector Competitiveness in Georgia” is a joint programme (hereafter, the “JP”) of the European Union and four UN Agencies – United Nations Development Programme (UNDP), the Food and Agriculture Organization (FAO), the United Nations Industrial Development Organisation (UNIDO) and the International Organization for Migration (IOM). This project responds to the objectives set out in the Annual Action Programme 2017 “for Economic and Business Development in Georgia”. In particular, the project supported Component 3: Enhancing Greater Business Sophistication.

The overall objective of the UN Joint Programme (UNJP) is initially defined as: to enhance entrepreneurship and business sophistication by strengthening the capacities of government and local entities to develop and operate clusters and supporting companies directly with strategic investments and better connect to diaspora groups, while also demonstrating the effectiveness of these strategies to businesses. The JP was operational from February 1, 2019, to November 20, 2023. It focused on developing clusters in strategic sectors of the economy like packaging and seeds/seedlings and leveraging the Georgian diaspora for business development.

## Principal Findings and Conclusion

- The JP is a relevant response to the needs of the Georgian economy and it is in line with the partner countries goals and policies. It has successfully established clusters in four sectors that were selected with a thoughtful approach and that presented real opportunities to enhance business practices, quality and innovation. The approach and actions taken have been adapted for each sector over the course of implementation.
- The efficiency of the program was uneven during its implementation, with rather difficult beginnings, and improvements during the course of implementation. In the first years of the JP, some difficulties in inter agency coordination and coordination with MPTFO in addition to the pandemic resulted in delays to meet reporting requirements, that in turn resulted in delays for disbursements and delivery of activities. The JP benefited from a no-cost extension addendum by the European Union.
- The JP has been effective in contributing to core development objectives and to impact on SDGs. The key outputs have been delivered with the expected quality, and the outcomes are overall achieved or they are expected to be achieved in 2024. The key factors influencing the success include strong collaboration among the PUNOs, strategic selection of the clusters, and alignment with international and national development priorities. The JP also contributes to systemic change, namely through its contribution to implementation of seed and seedling certification system, and its contribution to the implementation of the extended producer responsibility in the packaging sector. Nevertheless, on these two aspects, the approval of policy by the Georgian government was slow and more difficult than expected.
- The “diaspora component” managed by IOM is very innovative. It is regarded as very successful by Ministry of Foreign Affairs and has potential to be integrated in other economic development programmes in the future.
- The JP presents several key elements of sustainability. Firstly, it has a contribution to environmental protection on several aspects, especially in the agricultural sector, but also in the packaging sector.

Secondly, through the capacity building activities that developed skills of the workforce and the other activities that contributed to create some ownership from the cluster members, the clusters have proved their value. Lastly, on economic sustainability, packaging and biopharmaceutical clusters are close to reaching economic sustainability only from members' contributions and other donors, without UN support. Other clusters are less strong economically but may be able to continue their activities based mainly on volunteering from members. However, in all sectors, the members of clusters still face several challenges, especially the access to qualified workforce, the access to finance and the international competition on their markets.

## Principal Recommendations

Four recommendations are considered as of high importance after this evaluation:

1 – For future programming and within existing Cluster Management Organization (CMOs), distinguish more clearly the “cluster activities” that are related to member support and sophistication of practices; from the “sectoral association activities” related to advocacy and engagement with governmental counterparts.

2 - Continue to strengthen and encourage collaboration of clusters with universities and academic counterparts to strengthen networking with students and to reduce mismatch between skills and offers on the labour market, and to enhance sophistication of practices based on research and international best practices.

3 - Support to the replication of waste management studies conducted by the Producer Responsibility Organisation for packaging (namely Georgia Plus), so that these studies are performed in other municipalities in the targeted region and in other regions of Georgia.

4- For future programming, take into account the delays that the inter-agencies coordination can imply. In particular: (A) See if some internal UN procedures need revision at UN level or at agency level to shorten delays or reduce the impact of delayed disbursements; (B) Implement a more formal management structure with more anticipation to facilitate implication of strategic partners (EU, national government counterparts), and to ensure follow up of reporting requirements

Three other recommendations and more details are added in the recommendation section.

## Evaluation Approach and Methods

This evaluation serves as the final assessment of the Joint Programme (JP). It aims to evaluate the accomplishment of the JP's main expected results, its contribution to economic development objectives, clusters and value chains enhancement, and capacity building. The evaluation also seeks to assess the JP's contribution to the SDGs and provide recommendations for future initiatives. The evaluation integrates an inclusive, transparent, and participatory approach, incorporating a broad range of national and sub-national partners and stakeholders. The methodology, rooted in a theory-based approach utilizing a revised Theory of Change (ToC), aligns with the United Nations Evaluation Group (UNEG) Guidelines to ensure adherence to high-quality standards and professional evaluation norms. This comprehensive approach, coupled with a robust ToC, facilitates a detailed examination of the JP's progression from initial activities to outcomes and impacts.

The evaluation is primarily a qualitative evaluation. Primary data sources include semi-structured interviews with key informants and group discussions, supplemented by observations during field visits. A comprehensive series of semi-directive meetings and in-depth interviews were held. Between December 6 and 26, 2023, a total of 22 meetings were organized, engaging a diverse group of stakeholders. Six semi-directive meetings were conducted with the Georgian Government representatives, which included the participation of seven stakeholders, also the list of respondents includes representatives from all four PUNOs, eight beneficiaries of four clusters, and members from all four CMOs representing the Fishing Cluster, Biopharmaceutical Cluster, Packaging Cluster (PMAG), and Georgian Seed and Seedling Association (GEOSSA). The credibility of the data sources is high, primarily due to the reputable nature of the contributors, which included various UN agencies and Georgian government counterparts. This factor is key to the trustworthiness of the evaluation findings. Secondary data sources are documents such as annual work plans, progress reports, and monitoring data. The rationale for these sources is to gather a rich mix of both first-hand accounts and documented evidence, ensuring a thorough understanding of the JP's implementation and impact.

### Evaluators' Quality Standards

The evaluation of the "EU Innovative Action for Private Sector Competitiveness in Georgia" was delivered by two independent experts with field experience in Georgia and relevant experience in international development. It was conducted in adherence to the United Nations Evaluation Group (UNEG) standards and the OECD Development Assistance Committee (DAC) criteria, adapted to the situation and the UN agencies requests. The evaluative approach was strengthened by revising the theory of change into a new logical framework, aligning with established EU practices, thereby ensuring a robust and coherent evaluation structure. Quality assurance of the evaluation was overseen by a senior professional evaluation expert with extensive experience in international evaluation that reviewed all deliverables prior to their submission, thereby ensuring the highest standards of quality and reliability. The evaluation methodology, as outlined in the inception report, received validation during the kick-off meeting with UN agencies, with no alterations suggested in the final inception report. This endorsement indicated the reliability of the methodological framework used in the evaluation. Furthermore, the final feedback from UN agencies on the principal findings, conclusions, and recommendations, presented during the debriefing meeting, was very positive. This feedback underscores the evaluation's success in meeting its objectives and delivering valuable insights in a coherent and professional manner.



# Introduction

## Context

Over the past decade, Georgia has experienced notable economic growth, with its GDP per capita increasing from \$3,048 in 2010 to \$5,073 in 2022 (constant 2015 USD), outpacing many upper-middle-income countries. This growth is underpinned by a conducive economic environment and proactive reforms. Key reforms initiated since 2004, such as anti-corruption measures, streamlined business registration, and simplified tax procedures, have greatly facilitated business operations and market access. The Association Agreement (AA) with the European Union (EU), marking a significant pivot towards EU-aligned public policy, has further bolstered Georgia's economic landscape. Despite these advancements, Georgia confronts structural challenges that could impede sustained growth. The aging population, low productivity, limited development of high-quality jobs, and poor educational outcomes are notable concerns. A significant portion of the workforce remains in low-productivity agricultural sectors.

In terms of competitiveness and innovation, Georgia's progress has been mixed. The 2019 Global Competitiveness Report placed Georgia 58th in business dynamism and 91st in innovation capability out of 141 countries. Moreover, its Economic Complexity Indicator score of -0.01 in 2021 aligns it with nations like Indonesia, Jordan, and the Dominican Republic, indicating a need for enhanced sophistication in its economic activities. This is particularly crucial as Georgia aims to increase exports to the EU under the Deep and Comprehensive Free Trade Area agreement (DCFTA), which demands high-quality, complex products. Enhancing quality management systems is essential for Georgia to meet these market standards and leverage its full export potential.

The limited development of business clusters in Georgia is one of the main flaws leading to this lack of sophistication. In contrast to developed countries, where company clusters frequently coordinate their activities, share risks, increase technological adoption, and cut costs, Georgia has lagged in this area. This lack of cluster growth has resulted in constraints in the provision of inputs and skills, the development of downstream services, product certification, quality control, export facilitation, transportation and logistics, and international branding and marketing.

Migration is another key feature of Georgia's economic landscape. An estimated 920,000 Georgians have emigrated since the early 1990s, with many leaving for economic reasons. Among these emigrants were some of the country's most competent and educated citizens. While the "brain drain" from Georgia is widely regarded as hurting the labor market and overall economy, it has also had some positive consequences. Notably, remittances have been critical to Georgia's economy. The Georgian diaspora holds a prominent position in the country, with many returnees from the diaspora serving as business managers and investors. However, it is worth noting that the concept of the diaspora has largely been absent from strategic national and local development documents, presenting an untapped potential for economic growth and development.

## Description of the intervention

The “EU Innovative Action for Private Sector Competitiveness in Georgia” is a joint programme (JP) initiative involving the European Union and four UN Agencies: the United Nations Development Programme (UNDP), the Food and Agriculture Organization (FAO), the United Nations Industrial Development Organization (UNIDO) and the International Organization for Migration (IOM). This project, operational from February 1, 2019, to November 20, 2023, aims to enhance business sophistication in Georgia through the development of clusters in strategic sectors of the economy, and through leveraging the Georgian diaspora for business development, and fostering public-private partnerships (PPP).

### Initial theory of change (iToC):

The overall objective (OO) or targeted impact of the proposed UN Joint Programme (UNJP) as formulated in programming documents is: *to enhance entrepreneurship and business sophistication by strengthening the capacities of government and local entities to develop and operate clusters and supporting companies directly with strategic investments and better connect to diaspora groups, while also demonstrating the effectiveness of these strategies to businesses.*

It includes four outcomes and respective outputs:

#### **1. Strengthened capacities of policy-makers and other stakeholders to identify and develop clusters (Resp. UNIDO)**

1.1 Overview and mapping of existing clusters available, focused on manufacturing and agribusiness

1.2 Diagnostic Studies are available for eight emerging clusters

1.3 Stakeholders across central and local government, as well as in local communities, understand the benefits of working in clusters

1.4 Local and national institutions have an understanding of clusters and a capacity to conduct analysis in relation to them

Up to two pilot clusters identified through the diagnostic realize collective activities

#### **2. Pilot clusters in packaging and seeds/seedlings sectors are working to enhance their value chains (UNDP Packaging, FAO – Seeds/Seedlings)**

2.1 Cluster management organizations are formed

2.2 Capacity development of Cluster management organizations

2.3 CMOs are able to work as sector coordinators

2.4 Support CMOs as service providers

2.5 Financial support to coordination activities

#### **3. Strategic investments in companies/projects are developing the clusters (Resp. UNDP)**

3.1 Strategic investment requirements are identified

3.2 Companies submit applications for financial support for projects in line with strategic requirements

3.3 Funds are disbursed, and projects monitored, ensuring achievement of strategic goals

#### **4. Diaspora engagement is a mainstream component of SME Development support (Resp. IOM)**

4.1 Diaspora mapping has taken place

4.2 Diaspora are engaging with selected SME clusters

4.3 Diaspora are considered in the development plans of local authorities and CMOs

# Evaluation Methodology

## Scope and objectives

This final evaluation of the "EU Innovative Action for Private Sector Competitiveness in Georgia" serves multiple purposes. It encompasses a comprehensive assessment of the program's multifaceted approach aimed at enhancing business sophistication within Georgia. It was implemented in cooperation with various government ministries and agencies, aiming to provide a synthetic analysis of its impact on the private sector development, particularly in entrepreneurship and business sophistication. The scope includes evaluating the development of clusters in sectors like packaging and seeds/seedlings and the strategic engagement with the Georgian diaspora. The analysis covers the geographic scope of Kakheti, Imereti, and Tbilisi regions, and the entire implementation period from January 2019 to November 2023.

The evaluation provides a comprehensive analysis of the JP's implementation strategies, outcomes, and the key assumptions underlying these strategies. It aligns with national priorities and UNDAF objectives, complementing other donor-led private-sector development initiatives in Georgia. The evaluation seeks to provide a nuanced understanding of the JP's contribution to Georgia's economic development and offer actionable insights for future similar interventions. The evaluation also addresses cross-cutting issues such as gender equality, human rights, and the inclusion of marginalized groups, aligning with the principles of "leaving no one behind".

The evaluation encompasses various phases of the JP, considering any significant changes in plans, strategies, or logical frameworks over time. It involves key partners like UN agencies (UNDP, FAO, UNIDO, IOM), CMOs, government entities, beneficiaries, and other stakeholders like Producer Responsibility Organisations. These partnerships are crucial in understanding the multifaceted aspects of the JP and ensuring a holistic evaluation. Stakeholders' commitment is integral to this evaluation, ensuring diverse perspectives are considered. The evaluation is structured into three phases: inception, field, analysis and reporting. Each phase is designed to build upon the preceding one, culminating in a comprehensive evaluation report, including lessons learnt from the JP.

The primary audience for this evaluation comprises policymakers, stakeholders in the private sector, international partners such as the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Agence Luxembourgeoise pour la Coopération au Développement (ADA), the Department for International Development (DfID), and the Swiss Agency for Development and Cooperation (SDC), educational institutions, and the Georgian diaspora. These groups are directly involved in or affected by the JP's initiatives and outcomes.

The primary objectives of the evaluation are to:

- Assess the effectiveness and the results of the JP in addressing Georgia's economic challenges.
- Evaluate the relevance, efficiency, effectiveness, and sustainability of the JP
- Analyze the extent to which the JP achieved its transformative results, especially in enhancing coordination, collaboration, and organizational structures.
- Examine the JP's influence on improving the situation of vulnerable groups and its contribution to accelerating Sustainable Development Goals (SDGs).

## Methodology and evaluation questions

The evaluation employs OECD/DAC criteria interpreted in the context of the JP:

- Relevance: Alignment with needs of beneficiaries and national policies in Georgia.
- Efficiency: Resource utilization relative to outcomes and outputs.
- Effectiveness: Achievement of the JP's programme objectives.
- Sustainability: Long-term viability and continuation of benefits post-JP conclusion.
- Cross-cutting issues: Gender equality and human rights.

The evaluation of the JP integrates an inclusive, transparent, and participatory approach, incorporating a broad range of national and sub-national partners and stakeholders. The methodology, rooted in a theory-based approach utilizing the Theory of Change (ToC), aligns with United Nations Evaluation Group (UNEG) Guidelines to ensure adherence to high-quality standards and professional evaluation norms. This comprehensive approach, coupled with a robust ToC, facilitates a detailed examination of the JP's progression from initial activities to outcomes and impacts.

Stakeholder participation has been central to the evaluation, involving a wide range of partners from government, civil society, private sector, academia, UN organizations, and rights-holders. This inclusive approach ensures that the evaluation captures a broad spectrum of experiences and perspectives. Ethical measures include informed consent, confidentiality, non-discrimination, data protection, and adherence to a human rights-based and gender-sensitive approach. These measures were essential for maintaining the integrity and credibility of the evaluation process.

The evaluation questions were discussed during briefing meeting and based on a proposition provided by UNDP. These questions were grouped according to the criteria:

Relevance:

- How aligned were the objectives and activities of the EU Innovative Action for Private Sector Competitiveness in Georgia (JP Project) with the national priorities and policies related to private sector development in Georgia?
- Were the intended outcomes and outputs of the JP Project directly responsive to the specific needs and challenges faced by the private sector in Georgia, as outlined in the Annual Action Programme 2017?
- To what extent did the JP Project consider the contextual factors, including the economic, social, and political environment in Georgia, during its design and implementation phases?

Efficiency:

- How efficiently were the resources, including human, financial, and organizational/governance structures, managed within the JP Project?
- To what extent did the coordination among the participating UN agencies contribute to the overall efficiency of the JP Project?
- Did the collaborative nature of the JP Project prove to be more efficient compared to a scenario where a single agency executed the intervention?

- How did the collaborative nature of the JP Project contribute to addressing Georgia's development priorities and challenges effectively, particularly in terms of private sector growth and competitiveness?
- How did the JP Project's coordination and convening roles, both at the institutional and sectoral levels, add value to the overall outcomes and outputs of the program?
- Considering the impact of the COVID-19 outbreak, how effectively did the JP Project adapt its interventions to remain relevant and address the evolving needs of the private sector in Georgia, especially within the context of the pandemic?

#### Effectiveness:

- To what extent did the JP Project make significant contributions towards achieving its core development objectives, particularly those related to enhancing business sophistication and private sector growth?
- Which specific interventions and strategies employed by the JP Project were most effective in meeting the needs of the private sector in Georgia, and which aspects may have fallen short?
- What were the key factors, both internal and external, that influenced the JP Project's ability to achieve or not achieve its intended objectives?
- In what ways did the JP Project accelerate progress towards the Sustainable Development Goals (SDGs) at the national level, and which SDGs were notably impacted?
- To what extent did the JP Project catalyze systemic changes across various sectors, promoting inclusivity and ensuring that marginalized groups, including children, girls, and women, benefitted from these changes?

#### Sustainability:

- To what extent has the JP Project's strategy contributed to the sustainability of its results, especially in terms of promoting Leave No One Behind (LNOB) and a fair distribution of benefits?
- How successful has the JP Project been in garnering long-term buy-in, leadership, and ownership from the Government and other key stakeholders in Georgia?
- What is the likelihood that the positive outcomes of the JP Project will be sustained beyond its conclusion through government and stakeholder actions?
- What valuable lessons have been learned through the provision of the JP Project, and how can these lessons inform future programs and initiatives?

#### Gender equality and human rights:

- To what extent has the project promoted positive changes in gender equality and the empowerment of women? Did any unintended effects emerge for women, men, or vulnerable groups?

### Data sources and limitations

Primary data sources include semi-structured interviews with key informants and group discussions, supplemented by observations during field visits. Secondary data are sourced from annual work plans, progress reports, and monitoring data. The rationale for these sources is to gather a rich mix of both first-hand accounts and documented evidence. The sample and sampling Frame encompasses a diverse range of stakeholders, including government representatives, civil society organizations,

implementing partners, academia, and rights-holders such as people with disabilities. This sampling frame ensures the inclusion of various perspectives, particularly emphasizing the participation of women, adolescent girls, young people, and marginalized groups.

Methodological limitations include potential biases in stakeholder perspectives, challenges in data collection due to geographical and logistical constraints, and the limitations inherent in qualitative data interpretation. These limitations were acknowledged to ensure a balanced and realistic interpretation of the evaluation findings. The inception report had anticipated several potential design weaknesses and implementation constraints such as stakeholder commitment, time allocation, reliance on data and local expert on agricultural matters. The most challenging matter was the short delays for the planning of the evaluation. Despite these challenges, the evaluation team remained committed to employing adaptive strategies and robust methodological approaches to address these limitations, to ensure that the evaluation is as comprehensive and accurate as possible, providing valuable insights for the JP's outcomes and future initiatives.

## Evaluation team

Key personnel involved in this evaluation are independent consultants, sourced and contracted directly by UNDP and on behalf of other UN agencies:

- International Independent Consultant (IC): Antoine Colonna d'Istria, responsible for managing the entire evaluation process.
- Local IC: Lika Goderdzishvili, tasked with contributing significantly to data collection, analysis, presentation, preparation of debriefings, and writing the main evaluation report.
- In addition, all the reports were screened through a quality control implemented by a senior international evaluation expert that also has a record with several evaluation or monitoring missions in Georgia.

The evaluation team brings extensive expertise in program evaluation, thematic analysis, and sector-specific knowledge. Their backgrounds ensure a high-quality, comprehensive evaluation process. The evaluation's successful execution hinges on the combined efforts of the international and local consultants, as well as the cooperation of the FAO in the absence of a designated local IC for its component.

## Reconstructed Theory of Change (ToC)

The JP was based on a logframe. It was demanded by UNDP to review this “initial Theory of Change” (iToC) and develop a revised ToC. A critical examination of the initial logframe revealed significant areas for refinement. Although comprehensive in its design, it presented a blend of outcomes and outputs without a clear distinction between the two, a large number of indicators that were not all relevant, and a quite unclear formulation of expected impact. Furthermore, many indicators within the iToC were predominantly focused on activities rather than on impact.

A more structured and distinct result's chain to align more effectively with the SDGs Framework and the EU DG INTPA practices was proposed. This revised ToC emphasize the importance of clearly defined indicators and assumptions for each level of result, ensuring a logical progression from activities to outcomes and ultimately to broader impacts.

The evaluation has provided a detailed analysis of results based on this ToC (see Annex).

Table 1. Reconstructed ToC

	Result statement	Suggested Indicators	Assumptions
<b>Impact</b>	Sustained, inclusive and sustainable growth and competitiveness of the Georgian economy	<ol style="list-style-type: none"> <li>1. SDG 8.2.1 Annual growth rate of real GDP per employed person</li> <li>2. GEF 1.13 World Bank Doing Business distance to the frontier score</li> <li>3. GEF 1.11 SDG 8.5.2 Unemployment rate, by sex, age and persons with disabilities</li> <li>4. Balance of trade in selected sectors</li> </ol>	<i>No assumptions at the Impact level</i>
<b>Outcome 1</b>	Enhanced policies from Georgian Government to support entrepreneurship and sophistication of the economy	<ol style="list-style-type: none"> <li>1.1 # of clusters collaborating with the Georgian Government</li> <li>1.2 Degree of integration of Diaspora in economic development policies</li> <li>1.3 # of other governmental policies for entrepreneurship, business sophistication, and cooperation influenced by the JP in their design or in their implementation.</li> </ol>	The geo-economic situation of Georgia remains stable. Governmental support to well-selected clusters triggers more opportunities.
<b>Outcome 2</b>	Enhanced entrepreneurship, business sophistication, and ability to cooperate in four strategic sectors of the Georgian economy	<ol style="list-style-type: none"> <li>2.1 Growth rate of selected clusters' members' turnover</li> <li>2.2 No of quality schemes adopted by economic operators with EU Support (UNDP and FAO)</li> <li>2.3 Status of Seedling Certification System</li> <li>2.4 Number of nurseries certified and seed producers selling certified cereal seed</li> <li>2.5 Degree of sustainability and % of self-financing of CMOs</li> </ol>	The local market conditions remain stable. Companies that experience growth and improvement in their practices will create more jobs and share the benefits with their employees
<b>Output 1.1</b>	Strengthened capacities of policy-makers and other governmental stakeholders to identify and develop clusters	<ol style="list-style-type: none"> <li>1.1.1 Level of quality of cluster mapping in Georgia</li> <li>1.1.2 # of institutions and people trained on cluster mapping and diagnostic (disaggregated by sex)</li> <li>1.1.3 # of institutions and people that participated in activities with clusters supported by the JP</li> </ol>	The geopolitical situation of Georgia remains stable. The staff turnover within governmental institution concerned remains limited and the knowledge is kept by relevant stakeholders.
<b>Output 1.2</b>	Georgian Diaspora's potential contribution to private sector development is demonstrated (IOM)	<ol style="list-style-type: none"> <li>1.2.1 # of Diaspora members identified and % of activated members</li> <li>1.2.2 # of Trained Staff of Central and/or local authorities in mainstreaming migration into local development (disaggregated by sex)</li> <li>1.2.3 # of participants to the diaspora networking events</li> <li>1.2.4 # of qualified Diaspora assignments for CMOs and/or companies capacity building purposes</li> </ol>	The experimentations and proof of concept of diaspora engagement supported by IOM will provide evidence and create interest to mainstream diaspora in SME development support
<b>Output 2.1</b>	Cluster management organizations are structured in four strategic sectors (packaging, seeds and seedlings, pharmaceutical, marine fishing)	<ol style="list-style-type: none"> <li>2.1.1 Quality of selection of strategic sectors</li> <li>2.1.2 # of CMOs operating</li> <li>2.1.3 # of members per CMOs</li> <li>2.1.4 # of priority needs solved in CMOs</li> </ol>	The experimentations and proof of concept of clusters supported by UN Agencies will provide evidence and create interest to support clusters through government policies
<b>Output 2.2</b>	Strengthened capacities to cooperate and sophisticate practices for companies in four strategic sectors (packaging, seeds and seedlings, pharmaceutical, marine fishing)	<ol style="list-style-type: none"> <li>2.2.1 # of people trained on quality schemes or on sophisticate of practices, disaggregated by sex</li> <li>2.2.2 # of people that report enhance ability to cooperate within their sector</li> <li>2.2.3 # of people that report enhanced skills through cluster activities</li> </ol>	Apart from skills, the companies have the necessary capacities (financial, legal, other) to sophisticate their practices and improve their value chain



## Evaluation Matrix

The brief for this evaluation included a high number of evaluation questions compared to usual evaluation practices. Therefore, the Evaluation Matrix for the EU Innovative Action for Private Sector Competitiveness in Georgia was designed around themes that would gather multiples questions at once. The report findings are structured with this matrix, in order to

Table 2. Evaluation Matrix

	<b>Evaluation Themes</b>	<b>Indicators</b>	<b>Data Sources</b>	<b>Assumptions</b>
Relevance	Alignment with national priorities	Degree of alignment with Georgia's economic and business development policies	Policy documents, JP reports	Stable national policy environment
	Responsiveness to private sector needs	Correspondence of JP outcomes to identified private sector challenges	Surveys, interviews with SMEs, JP documents	Accurate identification of private sector needs
	Contextual factors consideration	Extent of integration of contextual analysis in JP implementation	Progress reports and interviews with PUNOs	Accurate consideration of other elements of national context
Effectiveness	Contribution to core development objectives	Progress towards business sophistication and private sector growth	Performance tracking reports, surveys	Effective implementation and uptake of JP strategies
	Impact on SDGs	Contributions to specific SDGs	SDG progress reports, JP reports	Alignment of JP objectives with relevant SDGs
	Inclusivity and systemic change	Extent of marginalized group inclusion, systemic changes initiated	Beneficiary feedback, policy analysis	Inclusive approach in JP design and implementation
	Key factors influencing JP's	Identification of key factors affecting JP's success	Stakeholder interviews, Annual reports	
Efficiency	Resource management	Ratio of outputs to inputs, resource utilization efficiency	Financial reports, project documentation	Optimal allocation and use of resources
	Inter-agency coordination	Effectiveness of coordination mechanisms, reduced redundancies	Internal evaluations, stakeholder feedback	Effective communication and collaboration among agencies
	Adaptation to COVID-19	Changes made in response to the pandemic, effectiveness of these adaptations	JP reports, stakeholder feedback	Pandemic's impact on private sector consistent with assessments
Sustainability	Long-term viability	Sustainability of project outcomes, continued stakeholder engagement	Follow-up surveys, policy reviews	Continued government and stakeholder support post-project
	Lessons learned for future programs	Identification and documentation of best practices	Evaluation reports, stakeholder interviews	Willingness to adapt and apply lessons in future projects
Gender & Human R	Integration of gender equality and human rights	Degree of gender and human rights considerations in JP design and implementation	Project design documents, beneficiary interviews	Awareness and commitment to gender equality and human rights among JP staff



## Findings

### Relevance

Overall, the relevance of the JP is an adequate response to current needs in Georgia. The JP was built and designed in close relationship with EU Delegation. It responds to the objectives set out in the European Union (EU) Action Programme “For Economic and Business Development in Georgia”. In particular, the project supports Component 3: Enhancing Greater Business Sophistication. Contextual factors were well taken into account, although eventually in some sectors, the capacity of some stakeholders and their ownership of the cluster approach remain limited.

**Alignment with Georgia's national priorities:**The JP demonstrates a high degree of alignment with Georgia's economic and business development policies. It strategically addresses the country's challenges in entrepreneurship, business skills, local production, and diversification. Activities such as cluster development are in line with national priorities to enhance business sophistication and competitiveness. The JP as initially designed was and is still in line with governmental strategies. In particular, UNIDO and UNDP component are in line with “SME Development Strategy of Georgia 2021-2025” part 3.3 ; FAO component is in line with “Concept of development of food/agricultural laboratories in Georgia” policy document ; and IOM component is in line with Foreign Policy Strategy of Georgia goal 6.

The JP supports activities such as the development of clusters in key sectors like packaging and seeds/seedlings, marine fishing, bio pharmacy and engaging the Georgian diaspora, address specific needs identified within the private sector for enhanced competitiveness and regulatory compliance. The JP's approach to facilitating inter-firm cooperation, technology uptake, and market penetration, particularly through cluster development, is pertinent given Georgia's fragmented market and geographical specialization. The relevance of this programme is further substantiated by its capacity to respond to private sector challenges, as seen in its efforts to improve the quality and certification issues within the seedling and nursery sectors and enhance value chains through better packaging solutions.

This JP, co-implemented by UNDP, FAO, UNIDO, and IOM, is a strategic response to Georgia's pressing economic development challenges, such as low entrepreneurship, limited local production, and weak trade opportunities, particularly in the SME sector. The involvement of UN agencies like UNDP, FAO, UNIDO, and IOM ensures that the programme's objectives and methods are consistent with both Georgia's development goals and EU policy objectives. The JP is aligned with the EU's aspirations to foster business sophistication within Georgia and closely aligned with the country's economic and business development policies.

**Responsiveness to Private Sector Challenges:** The JP's outcomes are directly responsive to the challenges faced by the private sector in Georgia. This includes tackling low productivity as the labour productivity dropped by 4.42 % Year over Year (YoY) in Dec 2022, compared with a growth of 12.68 % in the previous year according to Geostat, marginal export rates as balance of trade remains negative and the numbers deteriorated by 36% YoY for 2022, and adherence to international standards. In Georgia, the prevalence of small and medium enterprises (SME) with low productivity and marginal export rates, lacking adherence to international standards and poor competitiveness as well as regional inequalities count among most important challenges. By focusing on sectors that are crucial for the Georgian economy, such as agriculture and packaging, and addressing regulatory issues and quality standards, the JP provides targeted support where it is most needed. The programme's approach to enhancing inter-firm cooperation, technological adoption, and market access, directly addresses the limitations of Georgia's fragmented market and high trade balance deficit.

There was one difficulty encountered by the JP when defining the activities and goals of the clusters. Usually, a cluster is geographically concentrated and focused on business sophistication, and therefore its activities are mainly about building the technical and managerial capacities of the members (mostly, their ability to do business and to cooperate for research and innovation). However, in the case of this JP, several clusters were involved in activities that are more linked to advocacy toward governmental stakeholders, in order to harmonize practices and deliver governmental policies and actions to implement international norms in Georgia. Precisely, GEOSSA and FAO were involved in the certification of seed and seedling, UNDP, along with Georgia Plus and PMAG, were involved in the implementation of Extended Produce Responsibility (EPR) in the sector of Packaging, and the Marine Fishing cluster was involved in several themes such as environment preservation in link with MEPA and other subjects such as delivery of new ships ordered in Turkey. These activities of advocacy and influence on legislation for sector development are usually more the role of “sectoral associations”, acting at national level, and they are not usually cluster activities.

This aspect of the JP is ambivalent when it comes to judge relevance – it has upsides and downsides. The upside is that the JP was involved and could have an influence on major stakes of public policies within the country – and in this regard, the capacity of several governmental or para-public counterpart was built. The downside is that the clusters approach was maybe not fully adapted to all the challenges that this JP had the ambition to tackle, such as seed and seedling certification, EPR implementation, or mainstreaming diaspora in economic development. The PUNOs had to find a balance between keeping the overall objective of business sophistication and the cluster approach, and the reality of demands of the various counterparts, that were not fully aligned with this strategy in some cases. In the case of GEOSSA or Marine Fishing cluster, it seems that the interest of the member companies was stronger for advocacy activities, or at least for business sophistication activities that were not regarded as priority by FAO such as cloning. In the course of the project, the PUNOs encouraged the shift from sectoral associations to geographically concentrated clusters, particularly in urban areas, recognizing the value of localized strategies based on regional characteristics. However, while this approach is now quite well understood by cluster members in Packaging sector and in Biopharmaceutical sector, the ownership seems more limited at this stage in Seed and Seedling sector and in the Marine Fishing cluster. Moreover, none of the cluster has yet secured funding from the Georgian government, which is a sign that the capacity or the ownership of the governmental counterparts remains limited.

**Contextual factor consideration:** The JP has effectively integrated contextual analysis into its implementation, considering Georgia's unique economic, social, and political environment. The diagnostic studies and identifying key intervention sectors were chosen based on this in tight cooperation with the public sector relevant institutions. The programme's design reflects a deep understanding of Georgia's geographic specialization, trade challenges, and the need for improving economic value chains. By adapting to the evolving needs during the COVID-19 pandemic and afterwards Ukraine-Russia War, and focusing on sectors with potential for growth and improvement, the JP has shown flexibility and responsiveness to the changing economic context in Georgia. The UNDP reports that the Ukraine-Russia war and resulting political instability in the region have disrupted logistical processes and money transactions, posing significant challenges for private sector companies operating in the value chain. Expensive transportation systems have hindered the export processes for these companies, and accessing the European market has become more difficult for Georgia and other Asian countries. As a result, Georgia's logistical potential has become overloaded as Asian countries attempt to access Europe through its channels. Furthermore, international markets are facing spikes in commodity prices due to rising energy costs, but Georgia's relatively stable pricing system, being in the region of Azerbaijan, an energy-exporting country, has provided more stability in

this regard. As the packaging sector is heavily depended on the imported production material, all above mentioned was a considerable challenge for them.

The JP is implemented in close cooperation with the entire Government of Georgia, though particularly the Ministry of Economy and Sustainable Development (MOESD) and its agency Enterprise Georgia, the Ministry of Environmental Protection and Agriculture (MEPA) and its agencies Rural Development Agency (RDA), National Food Agency (NFA) and the Scientific Research Centre of Agriculture (SRCA), and the Diaspora Relations Department of the Ministry of Foreign Affairs (MFA), as well as stakeholders within and connected to the private sector or to private sector development. The satisfaction of stakeholders and their willingness to further cooperate with EU and PUNOs is high, but the current project ownership and capacity of external stakeholders remains limited.

The capacities of the partner government have been limited regarding the implementation of legislation that was key to the intervention. This has led to limited ownership, and overall, the commitment of governmental stakeholders to the objectives of the intervention is mixed, with some successes but also some problems. The intervention was, for a great part, based on agreed policy changes, mainly through the DCFTA between EU and Georgia, entered in force in 2016. The assumption was made that these policy changes would quite rapidly be implemented and that the related legislation would be approved in Georgia, but it was not. The intervention was designed to help the local government and authorities to implement the new laws that were to be approved, and to provide guidance to businesses to adapt to the new legal context. However, the translation of the DCFTA and other policies into legislation took much more time than expected. In particular, there are two policies that have not been fully translated into laws at the time it was expected. The regulatory arrangements regarding the Extended Producer Responsibility (EPR) within the packaging sector are not yet endorsed, and the Nursery and seedlings certification system was firstly introduced in an unsatisfactory version, that was later updated to better fit international standards, close to the end of the JP. This delay in policy implementation through legislation may have reduced the capacity of some the governmental partners and led to less efficiency to perform their tasks, as mandates were not clear or could be fluctuating. For example, in terms of bio pharmaceutical cluster, the regulatory institution mostly did not have information about the certification processes in the field, there were also frequent management changes since two reorganizations with the regulator happened during the JP and the processes were delayed, therefore collaborative projects planning was limited. Most of the time, the regulator did not have information about the complete certification processes, and there were frequent management changes, and CMO could not plan continuous projects with them. However, the experts of the cluster translated all the necessary materials and conducted trainings with them about certification standards in the sector. Also, in this case UNIDO cluster observed the lack of accessible certification materials in Georgian that required additional time. The cluster addressed this by translating materials and conducting training for both companies and regulatory inspectors, ensuring proper understanding and implementation of the certification processes.

## Efficiency

The efficiency of the program was uneven during its implementation, with rather difficult beginnings, and improvements during the course of implementation. In the first years of the JP, some difficulties in inter agency coordination resulted in delays to meet reporting requirements, that in turn resulted in delays for disbursements. This was problematic for some PUNOs that could not use more funds that what they had already received for this programme, and therefore had to delay some activities. However, overall, the JP adapted well to the pandemic and the coordination between PUNOs improved later in the programme.

**Resources management:** The JP was jointly managed by PUNOs including UNIDO, FAO, IOM, and UNDP, utilizing a pass-through funding modality, with the Multi-Partner Trust Fund Office (MPTFO) acting as the Administrative Agent.

Steering committees convened annually, and while the JP Coordination Team met quarterly for quality assurance, the European Commission Programme Steering Committee (EC PSC) did not convene as anticipated due to a lack of formal requests for strategic decisions. The UN Joint Program Steering Committee included PUNOs and other key stakeholders and, despite a lack of accessible records on its meetings, according to PUNOs, it was integral for oversight and strategic alignment. During the 2018-2021 period, challenges such as limited transparency and coordination among PUNOs, as well as informal and bilateral communication patterns with the European Union Delegation (EUD), were noted. However, improvements in cooperation and coordination were observed starting in 2021, with a notable contribution from the UN Resident Coordinator. The JP was, on several aspects, managed in line with United Nations Development Assistance Framework (UNDAF) as it proposed a common theory of change and a result matrix for the PUNOs, and as the result monitoring and reporting exercises were collective. However, some PUNOs suggested that a more formal management structure at strategic level could have enhanced the programme's efficiency.

From an operational standpoint, coordination within UN agencies was smooth, with frequent meetings facilitating the process. Direct communication with the European Union Delegation was possible, either directly or via UNDP, which proved to be effective in addressing concerns and operational needs. Despite this, the MPTFO's handling of reporting and fund transfers was seen as suboptimal, with delays in review and payment processes indicating a need for a more responsive and timely approach. This led to a preference among some PUNOs for alternative administrative arrangements, with suggestions to leverage UNDP's capabilities over the MPTFO for future joint programmes. In addition, some PUNOs underlined that the potential to cooperate to develop synergies or to build ownership and relationships with policy makers was not fully used. This limited ability to engage policy makers is not only due to the coordination, but to a limited impact of coordination between donors: although some meetings of PUNOs with GIZ happened, it did not necessarily lead to coordinated actions to advance the legislation needed in packaging sector or in seed and seedling sector.

The feedback underscores the necessity for clear communication channels and effective management of reporting and financial flows to enhance efficiency. It also highlights the importance of considering the autonomy and distinctive operational frameworks of the participating agencies when designing the management and coordination structures of joint initiatives.

**Inter-agency coordination:** The close cooperation and coordination within UN agencies provided crucial international expertise and training, contributing significantly to the JP's success. This collaboration was vital in addressing sector-wide gaps and enhancing operational capabilities. Inter-

agency coordination showcased a mixed level of efficiency. On one hand, the collaborative efforts between local institutions and PUNOs, particularly FAO and UNIDO, demonstrated efficient resource management in addressing certification challenges and legislative framework development. On the other hand, reporting and fund transfer challenges with MPTFO highlighted areas for improvement in coordination and financial management.

Challenges with MPTFO regarding reporting and fund transfers highlighted the need for improved contracting, reporting and financial management practices within the JP. Indeed, apart from UNDP that has an “override procedure”, the UN Agencies have very little or no ability to spend more funds on a programme than what is already collected for this very programme – in other words, the system functions as if UN agencies have no “working capital”. In addition, the EU Delegation can only disburse its contribution once it has received narrative and financial report with the official request for funds by MPTFO. However, once the report is sent by PUNOs to MPTFO, MPTFO can take up to 60 days to validate this report and send reporting with funds request to EUD. This has resulted in delayed disbursement and by ricochet in reduced disbursement over the course of the program, which has been problematic for several UN agencies from 2019 to 2021 especially. Eventually, some arrangements between PUNOs based on use of UNDP’s override procedures helped to solve partly the problem, but the JP still had to request a no-cost extension from EU Delegation to be able to spend the funds over the year 2023.

**Adaptation to COVID-19:** The pandemic presented significant challenges to the JP's efficiency, especially concerning resource utilization and the ratio of outputs to inputs. The reliance on in-person interactions and data collection for cluster-related activities was compromised, necessitating project extensions to mitigate lost time. Despite these hurdles, the JP strategically allocated financial and technical resources to improve standards and adapt to new methods, such as online sales and virtual trainings. These adaptations ensured the continuation of essential activities and minimized the impact on cluster development and certification processes. The JP's response to the pandemic was characterized by a quick adaptation to online platforms for meetings and training sessions. Although these were not as effective as in-person interactions for trust-building and cluster development, they enabled the continuation of essential activities. The proactive adaptations in response to COVID-19 by the JP demonstrated a commitment to maintaining momentum and ensuring the resilience of the private sector in Georgia during an unprecedented global crisis.

Despite the adaptations, the pandemic's influence on government commitment and funding decisions has been a variable outside the JP's control. This factor underscores the need for future programs to build in greater flexibility and contingency planning for resource management in times of crisis.

However, the pandemic allowed PMAG Packaging Cluster members to step up and innovate. When hygiene products were in short supply, UNDP supported PMAG Member company to switch to making hygiene essentials, creating eco-friendly hygiene masks essentials that were in strong shortage from recycled plastics, and distributed the masks to medical and civil servant serving society in front lines.

## Effectiveness

The JP has been effective in contributing to core development objectives and to impact on SDGs. Overall, the outputs have been delivered with quality, and the outcomes are partly achieved and quite likely to be achieved in the coming years. The key factors influencing the JP success include strategic cluster selection, strong collaboration among PUNOs, and alignment with international and national development priorities.

**Contribution to Core Development Objectives:** The JP has demonstrated effectiveness in contributing to enhancing business sophistication and private sector growth in Georgia. The outputs are achieved and the outcomes are overall partly achieved and likely to be achieved in the near future. The detailed analysis of aggregated results for this JP is given in Annex to this report (see Table 5).

Some successful examples can be particularly highlighted. Below are key examples that, in our view, represent a direct contribution to core development objectives and include key specificities of the programme such as collaboration between PUNOs, or contribution to systemic change.

- 1) UNDP supported PMAG Packaging Member company LL Plast in Kakheti to purchase equipment allowing to recycling secondary plastic bags residuals of products in shops and wine factories of Kakheti. These bags were recycled and turned into plastic capsules, which could be used for agricultural products such as greenhouse tapes and roofing. This small investment enabled LL Plast to recycle 60% of such used plastic bags and help reduce agrarian pollution in the Kakheti region. The plastic bag return scheme would also provide the company with raw materials for production, reducing their reliance on imports.
- 2) UNDP supported PMAG Packaging cluster member company Liderplast. By utilizing UNDP grants, Liderplast has successfully established facilities to recycle plastic waste into useful pellets, thereby mitigating environmental pollution risks. Furthermore, the partnership between UNDP and Liderplast ensures the delivery of these cassettes to nurseries of FAO in the targeted regions of Kakheti and Imereti. This collaboration between UNDP and FAO has been essential in meeting the needs of the Georgian Seeds and Saplings Association, providing local access to essential products at a reduced cost and fostering the green economy in Georgia.
- 3) FAO supported training sessions for grape vine growers, led by an international consultant that reached a broad spectrum of the wine-producing community, enhancing their expertise in vineyard management. The adaptation of specialized online training material into Georgian, providing a three-year free access to over 30 beneficiaries, represents a strategic investment in local capacity building and is expected to yield long-term efficiency gains in the viticulture sector. Online tutorials are already available to 205 registered users (125 male / 80 female). The results showed that project interventions can be highly effective once they are targeted at the practical challenges voiced and put forward by the producers themselves. Therefore, producers and project beneficiaries should become the main source to guide the project implementation, such as selection of questions and modes of delivery for trainings. This way better engagement is achieved with beneficiaries and trust is earned, increasing the effectiveness of project interventions.
- 4) FAO, in collaboration with the ENPARD IV programme, continued the implementation of the Mating Disruption Programme aimed at effectively controlling the *Lobesia botrana* - European grapevine moth. Trainings and activities were conducted to spread this technique that proved effective to reduce the reliance of grape producers on pesticides, and to produce a safer and more competitive product with less chemical treatments. In 2023, 531 hectares of vineyards were covered by the programme.



- 5) IOM component has allowed several successful examples of synergy and cooperation between the Georgian diaspora and the private sector. The diaspora professionals identified by IOM through the extensive mapping of high profile diaspora, have been pivotal in establishing international business connections and organizing expert training sessions or assignments that have benefitted clusters, including the biopharmaceutical sector (trainings), the packaging sector (export, capacity building) and the seed and seedling sector (tool development).
- 6) UNDP's role has been instrumental in strengthening international representations, particularly in Germany and Spain. In this case the engagement of the Georgian diaspora was also instrumental. With the assistance of consultants working on the EU Competitiveness Joint project, Georgian companies like PMAG cluster have developed export plans and established significant links with the European market. For instance, in Spain, with the support of the Georgian diaspora in Spain, Georgian companies have participated in B2B meetings, leading to potential commercial relationships and the establishment of the Georgian Corner in Madrid, Spain. This multifunctional space represents an innovative venture , embodying a warehouse, store, restaurant bar, and cluster products exhibition center, is created to showcase and promote Georgian culture and commerce while fostering international business relationships, strengthening economic ties and country's economic presence, as well as, opening up new avenues for Georgian products in the European market, also facilitating cross-cultural exchange.
- 7) UNIDO supported an E-marketing/commerce program for Biopharmaceutical cluster, which demonstrated a direct impact on sales, with beneficiaries experiencing a significant increase (50%) in online sales. The Good Manufacturing Practice (GMP) program facilitated a substantial shift in production standards, leading to companies initiating transitions to GMP compliance, with at least one becoming GDP certified.
- 8) UNIDO supported Georgian Marine Fishing cluster to play a crucial role in bridging the gap between industry members, state agencies, and support industries, culminating in legislative changes that positively impacted the fishing industry. The activities and advocacy efforts of the Marine Fishing Cluster contributed to the JP's core development objectives. These included modernizing fleets, enacting policy changes, and initiating systemic improvements like better licensing procedures, all of which could positively impact relevant SDGs.

**Impact on SDGs:** The JP's activities contributed to SDGs. Although this evaluation focus is not to provide quantitative results on the contribution of the JP to SDGs, some qualitative observations on the contribution of the JP can be made and they are backed by some quantitative data.

The observed contribution to a positive impact on Georgia's economic growth and competitiveness are linked to SDG 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. It is substantiated by measurable indicators such as a 64.3% increase in productivity within agriculture and a remarkable 125% turnover growth in the Packaging cluster from 2018 to 2022. This is a direct contribution to SDG 8 target 8.2 “Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors” and target 8.3 “ Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small- and medium-sized enterprises, including through access to financial services”. These figures, along with improvements in the World Bank's ease of doing business score and significant shifts in employment and wage gaps across genders and sectors, underscore the sustained and inclusive advancements. The work done by UNDP with Georgia Plus (producer responsibility organization for packaging) is also a contribution to SDG 12 “Ensure sustainable consumption and production patterns”

and its target 12.5 “By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse”, although it has been more preparatory work and has not yet produced results against SDG indicator 12.5.1 “National recycling rate, tons of material recycled” since the extended producer responsibility legal framework is not yet approved. FAO also made substantial contributions to SDG 12 and in particular 12.4, 12.6, through comprehensive series of training sessions for various crops and implementation of the Mating Disruption Programme. For more analysis of these outcomes, alongside additional data on labor force participation rates and balance of trade improvements, readers are directed to the comprehensive results detailed in the annex.

The JP also contributes to other impacts on SDG, particularly in preserving biodiversity and supporting sustainable agricultural practices. The adoption of legislation on seed and seedling can be viewed as a contribution to SDG 15 “Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss” and in particular its target 15.8 “Introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species”. This aligns with broader development objectives of Georgia. The project's efforts in establishing certification systems and preserving endemic grape varieties have had a notable impact on the agricultural sector's development, contributing to environmental sustainability.

***Inclusivity and Systemic Change:*** The JP has been conducted in respect to the “leave no one behind” promise. The JP's design and execution reflect a commitment to inclusivity and systemic change, considering the broader context of Georgia's trade balance deficit and the need for stronger economic value chains. Overall, the inclusivity is good, although in some specific cases such as the matched grants in the packaging sector and the access to certification in the seed and seedling sector, it remains more limited.

On the one hand, the JP was quite inclusive for businesses in all targeted sectors when it comes to capacity building. The clusters would allow most businesses within a selected sector to become members, with terms and conditions that seem adapted overall. The conditions defined to participate in CMOs activities were overall, inclusive: PMAG has different kinds of members with related monthly fees that can be significant. GEOSSA welcomes only nurseries but with a very symbolic fee. Marine Fishing Cluster operates in a small niche and has all fishermen wanting to participate in its members with no fee for membership. Only Pharmaceutical Cluster has started with a quite narrow focus on herbal medicine and bacteriophages, but could extend to other pharmaceutical entities in the future.

On the other hand, some selection processes deployed may have resulted in limited inclusivity. In the Packaging sector, a majority of beneficiaries from the cluster activities and from the investments are already well-established companies that for some of them have already access to donor supports. A positive aspect is that the matched grants by UNDP were, in several cases, an important step to attain additional grants from other donors after UNDP support. However, the process to select direct investments has been very selective. Certainly, this ensures the quality of investments made, however, it can be a limit to access to support for less structured and installed SMEs that cannot fulfill all the requirements of the process. Nevertheless, some smaller and inclusive SMEs could still access UNDP's support, for instance a cooperative of grape producers. In addition, in the seedling sector, the distribution of effects across the nurseries is quite narrowed at the moment, as only a few nurseries obtained certification, under a system that is not fully aligned with EU standards. However, the distribution of benefits is still expected to be wider in 2024 and in the coming years, notably because FAO's action is going to continue under other programs such as ENPARD.



Regarding final beneficiaries (the Georgian population), it must also be noted that the greatest share of the budget of the most economically vulnerable (poor) people in Georgia is used to buy products that do not use packaging, such as fruits and vegetables on the local market. These persons also rarely eat fish harvested in Georgia. They craft their own wine or drink the neighbor's wine. When it comes to health, they rarely use herbal medicine or bacteriophages but rather basic medicine. Fragility and potential to reduce it was not a criterion to evaluate clusters potential within UNIDO's mapping. In this regard, the "business sophistication" focus of this JP can contribute to systemic change in Georgia, but it was not directly focused at reducing economic or human fragility – except for FAO's component that addresses more basic needs.

The implementation of the Extended Producer Responsibility (EPR) system in Georgia, under the UNDP component, has faced challenges due to the absence of a national regulatory framework and a consensus on EPR-related regulations as of 2022 and 2023. Major producers, such as soft drinks companies, have registered their Producer Responsibility Organizations (PROs), but without relevant regulations, they lack regulatory authorization. The UNDP has responded by preparing organizations in advance, strengthening their capacities to comply with the upcoming EPR regulations. This includes incentivizing plastic waste management in various cities and conducting workshops based on international best practices. Despite these efforts, the scope and structure of the future EPR regulations remain unclear.

Collaboration between public and private sectors is key for EPR's success within the circular economy context. UNDP has worked to empower municipalities and packaging companies, particularly in the Imereti and Kakheti Regions, to establish effective waste management models. A planned statement of intent among UNDP Georgia, the Ministry of Environmental Protection and Agriculture, and other organizations aims to develop waste separation, collection, and recycling partnerships. However, in Tbilisi, barriers have hindered EPR implementation, contrasting with successes in other municipalities. Comprehensive waste management studies, morphology studies, developed in cooperation with "Georgia Plus" in four municipalities have provided insights into cost-effective strategies and legal compliance. These initiatives included extensive consultations on EPR, waste composition analysis, and technical support for municipalities to develop effective waste management plans.

In the context of waste management in Georgia, the Lagodekhi municipality has emerged as a successful model within the Georgia Plus and UNDP cooperation. Despite the absence of widespread Extended Producer Responsibility (EPR) implementation, Lagodekhi showcases an innovative approach. It employs advanced waste collection and data management systems, coupled with user-friendly digital platforms for waste fee payments. The municipality also emphasizes public education and awareness, engaging the community in environmental responsibility. Key to its success is the strategic partnership with private entities and NGOs, enhancing recycling and waste reduction.

This model exemplifies the potential for systemic change towards a sustainable circular economy, highlighting the importance of technology, community involvement, and collaboration. Further, municipalities and the private sector in Georgia are recognizing the importance of collaboration and are technically preparing for regulatory compliance, including conducting gap analyses to align with waste management standards. This approach underlines a shift towards inclusivity and systemic change in waste management practices.

**Key Factors Influencing JP's Success:** The success of JP has been significantly influenced by a combination of strategic cluster selection, stakeholder engagement, and targeted support measures. The careful selection of clusters by UNDP/FAO and the insightful research by UNIDO laid a robust foundation for the programme's interventions.

The decision-making process regarding cluster support was methodical and budget-conscious, leading to a focus on marine fishing and the pharmaceutical sector for UNIDO, especially niches like bacteriophages and herbal medicine where Georgia holds unique advantages. Concurrently, capacity building for policymakers, particularly Enterprise Georgia, was addressed through training on cluster development strategies. Overall, the engagement of government counterparts within clusters activities and the satisfaction expressed by government counterparts are quite strong – this programme has contributed to raising awareness about clusters and business sophistication.

The JP's methodology emphasized an inclusive approach, involving key ministries, local governments, and the private sector from the outset. This collaborative framework was validated through workshops and feedback mechanisms, ensuring stakeholder-driven diagnostics and subsequent activities. Despite the well-orchestrated cluster mapping and diagnostics, there were instances where engagement with the Ministry of Agriculture was limited, owing to the existing advancements in certain agricultural sectors by other donors like USAID. More broadly, the effectiveness of coordination about this JP with other donors remains ambiguous and represents an area where stronger alignment could have preempted potential challenges. In particular, GIZ has an historical role in supporting clusters in Georgia, and from 2019 to 2023 it was implementing a programme supported by EU that includes policy dialogue efforts about clusters. Although GIZ was well aware of the clusters supported by the JP, the government counterparts have invested limited resources to directly support the JP clusters until 2023 – in other words, although the governmental counterparts are well aware of the cluster approach, apart their presence and participation to some activities, the tangible inputs from their side remain limited.

In summary, the JP was structured around stakeholder-driven methods and prioritized clusters with the most potential for unique positioning and growth. While there were gaps in donor coordination, the JP laid down a precedent for how strategic focus, combined with stakeholder engagement, can shape successful economic development initiatives.

## Sustainability

Overall, the sustainability of the JP is mixed, with positive aspects but also with uncertainties, and the situation varies depending on the clusters. For instance, PMAG has a strategic plan and the member companies pay membership fees and are eager to continue supporting the cluster. The same goes for biopharmaceutical cluster, even though the number of members is reduced. For GEOSSA and Fishing cluster, the interest in the cluster approach exists and some plans for the future are made, however, the financial sustainability of the cluster might stand as a challenge. Regarding the PUNOs, UNDP implements an exit strategy, while FAO and UNIDO should continue to support cluster financially and in other ways.

To summarize on the three pillars of sustainable development: on the environmental side, the JP has already had positive effects that can have a lasting influence in Georgia. On the social side, the development of capacities of several stakeholders is a positive sign for sustainability of the benefits. On the economical side, there are still some uncertainties of the long-term viability and the sustainable stakeholder engagement.

### **Long-term viability:**

The JP has generated several positive and potentially lasting results for environmental preservation in Georgia. The framework of the Action does not allow to directly measuring its contribution to climate change mitigation or adaptation, and no specific preliminary environmental assessment has been produced. However, some challenges faced in the fields of packaging, marine fishing, and seed and seedling sectors have been clearly identified. In particular, the efforts made toward certification in the seed and seedling sector is expected to reduce phytosanitary issues in the country, avoiding the propagation of viruses and of unwanted species. This included initiatives to preserve genetic resources, reduce pesticide use, and promote organic production methods. In addition, the reinforcement of the capacities of the beneficiaries of UNIDO's clusters in marine fishing and in biopharmaceutical sector is also expected to lead to lasting positive result toward fish population preservation and toward better biopharmaceutical products that respect the environment. Finally, the development of a packaging sector in Georgia has the potential to reduce imports of packaging, which would result in limited transport and therefore in limited carbon gas emissions related to the transport of packaging. Moreover, several of the investments supported by UNDP through the matched grant scheme were used to develop recycling capacities. Also, pre-activities like raising awareness and capacity building around EPR component here and conducted waste morphology studies in specific focus municipalities supports implementing more ecological, waste-management practices in the country.

The JP has also generated positive and potentially lasting social benefits in Georgia, through the capacity building of employees of government and of cluster member organizations. Although challenges were met during implementation, the key stakeholders are progressively acquiring and applying the necessary capacities to ensure the continued flow of benefits and services. The companies have a better understanding of the functioning and values of the cluster for them. Thanks to the strict selection process, the direct investment made was well targeted to tackle key issues for the beneficiary companies and shall have positive effect on the long term. The governmental stakeholders have also developed a better understanding of the functioning and value-added of the clusters, although they have not integrated a cluster approach in their budget yet. As for the companies, the investments made for governmental agencies (specifically by SRCA under FAO's outputs) seem relevant to generate lasting benefits. The work done by the UNIDO on the cluster study and its dissemination has raised awareness on the cluster approach within Georgian government and the interest of this work remains even several years after it was conducted. Also, thanks to efforts

made by other PUNOs to explain the cluster approach to their counterparts (UNDP, FAO), the trainings delivered by CMOs to their members has also led to a more qualified workforce and several improvements of their practices, especially in the packaging sector and in the pharmaceutical sectors. Finally, the IOM has been able to establish a database of profiles of diaspora members that can now be used for other interventions in partnership with UN organizations and governmental counterparts – the MFA confirmed interest in this regard. Government partners reflect on the cluster's future role as essential for introducing innovation and ensuring long-term impact. The cluster's alignment with new technologies, legislation, and strategic visions underlines its critical function in the progression of Georgia's agricultural sector. These partners also underscore the importance of lessons learned, such as the need for strong local foundations for plant production and the strategic establishment of screen greenhouses to transition to virus-free plantings by 2024, emphasizing local capacity building as a cornerstone for agricultural sustainability.

The JP has also generated economic benefits. Some economic benefits are expected to be sustainable: in several cases, the project has helped private sector businesses to diversify their offer, or to expand their reach and enter new markets; which can increase their resilience through mitigation of their risks. It has also allowed the creation of new partnerships – for instance, one diaspora representative sourced by IOM has already developed contracts with several businesses met through the JP. However, the sustainability of some other economic benefits remains uncertain. In particular, the economic sustainability of clusters is uneven, depending on the clusters. Given the nature of the project and the cluster approach, the private sector is deeply and systematically involved in the project, with several types of contributions in funding, skills, and in-kind. In some cases, these contributions alone might not be enough to sustain clusters' activities and benefits.

**Packaging Cluster (PMAG) :** The direct financial support of UNDP to PMAG cluster ends with this JP. Overall, the economic situation of PMAG is the strongest compared to other CMOs supported within the JP. The membership fees and the other funding opportunities accessible to PMAG, in addition with the quite strong structure and governance of the CMO, allow for optimistic prospects regarding its economic sustainability. Some partnerships between PMAG and UNDP such as another phase of matched grants for cluster members could be relevant. In addition, the role of PMAG in the effort to implement EPR regulation in the packaging sector could justify continued engagement by UNDP. The planned end of the financial support to the CMO in this case seem relevant and a sign of success of the cluster creation and autonomization. In addition, since 2020, PMAG Packaging Cluster has become a member of the World Packaging Organization (WPO), uniting members from 63 countries. PMAG become WPO's first member cluster from the region and has the right to vote. The membership allows PMAG Packaging Cluster and member to get easier access on new developments and technologies in packaging sector worldwide. The PMAG Packaging Cluster as the World Packaging Organisation member, uses this opportunity to deliver exclusive training on advanced packaging technologies and global trend in packaging for last 2 years. In 2021 PMAG attained the ECEI BRONZE Label "Striving for Cluster Excellence" through the partnership within-cluster excellence. The award confirms that the organization fulfils the Eligibility Criteria for Cluster Management Excellence Labels and documents its intention to strive for excellence by improving management capabilities and performance levels. The ECEI BRONZE Label "Striving for Cluster Excellence" documents the intention of a cluster management organization to strive for excellence by improving its management capabilities and performance levels.

**Marine Fishing Cluster:** The end of UNIDO's funding phase has prompted the search for new donors to keep the momentum going. An ambitious eight-year development strategy was crafted for marine fishing cluster that aims not just for sustained operation but for thriving sectoral growth and autonomy. Challenges with regulatory authorities pointed to the need for ongoing support and partnership, highlighting the importance of strong institutional collaboration. The cluster member's

advocates for a stronger state support to fishers that align with the high standards of transparency and control established in Georgia's fishing industry. By providing an additional income per kg of fish, the cluster thinks that the fleet's capabilities could be significantly enhanced, elevating it to a higher operational level. However, according to cluster members, current border regulations impose undue pressure on fishing vessels, often leading to punitive measures rather than support. Commercial banks' loans to some members of the fishing cluster have also been problematic, with increased loan interest rates and the mortgaging of ships as collateral. This has been particularly problematic because, due to Covid and inflation, some ships could not be delivered in time, and therefore, the fishers could not fish and by consequence, were unable to repay their loans and the interests. More broadly, banks' judgment of the industry as high-risk has led to minimal loan amounts being granted, which threatens the sector's stability and growth. The young fishing cluster has made strides in collaboration and industry strengthening, but societal attitudes remain largely unsupportive. The National Environmental Agency confirmed interest to continue discussions with Marine Fishing Cluster, however at this moment, no clear support from national counterpart is confirmed. Without sustained backing from entities like UNIDO, the industry risks premature closure, which could lead to widespread financial distress, affecting not just the 300-400 families directly employed but also the broader regional economy.

**Biopharmaceutical Cluster:** Within the biopharmaceutical cluster, the JP has also generated economic benefits. While some of these benefits are predicted to last, the long-term viability of others is undetermined. A 5-year strategy has been developed for the cluster. Membership fees are willingly paid, but it is likely that a little more time will be needed to conduct all activities demanded by members, as support is still relatively new to the cluster. The capacity of cluster members has been significantly increased to the point where these trainings can now be conducted, and knowledge can be shared autonomously. According to interviews, beneficiaries in the biopharmaceutical cluster have witnessed tangible impacts on business practices. Membership has enhanced their competitiveness, particularly through the attainment of crucial certifications like the GDP. The cluster's guidance has catalyzed strategic shifts in online presence, operational standards, and broader certification ambitions, fostering robust manufacturing development. However, challenges with regulatory authorities point to the need for ongoing support and partnership, underlining the importance of strong institutional collaboration. In the pharmaceutical sector and cluster, the challenges are still complex. Regulatory bodies often lack comprehensive information regarding certification processes, which, compounded by governance changes, has led to delays in sustainable project creation. Despite efforts to educate and train inspectors, bureaucratic hurdles persist. Furthermore, the cluster's size precludes international platform registration, which is essential for growth and recognition.

**Seed and Seedling Cluster (GEOSSA):**For the agriculture sector, significant advancements have been made with the support of FAO in understanding the sector's trajectory. However, local nurseries require financial backing to comprehend and leverage the association's role in their development. Marketing campaigns showcasing success stories could solidify the association's role and motivate both potential and existing members. The expertise provided by FAO's international consultants has been described by beneficiaries as invaluable, offering technical assessments and guidance. Yet, there is a pressing need for more proactive and frequent stakeholder engagement to effectively share information and strategize. Following the introduction of the certification law, the state's support becomes crucial, ensuring that locally grown seedlings are preferred over imports, to protect the domestic industry from being overshadowed. The introduction of the certification law highlights the importance of state support to ensure locally grown seedlings are preferred over imports, safeguarding the domestic industry from being overshadowed. When this evaluation took place, the former GEOSSA coordinator had left the organization, and there was no plan to renew the position, which questions the ability of the cluster to deliver its operations in the short and mid-run. However,

GEOSSA has committed governance involving key actors in the sector, and in addition, the cluster activities are going to be further supported by FAO through ENPARD 4. Thus, there are challenges, but no immediate risk for the economic sustainability of the cluster.

IOM Component: Finally, the IOM has successfully established a database of high profile diaspora persons, which can now be used for other interventions in partnership with UN organizations, private sector and governmental counterparts. The Ministry of Foreign Affairs (MFA) has confirmed its interest in this regard. Government partners view the component's future role as essential for introducing innovation and ensuring long-term impact. Looking ahead, it is imperative to remain prepared and adjust rapidly to unforeseen challenges, with flexibility being a fundamental factor. The COVID-19 pandemic has clearly highlighted the importance of this adaptability. The mission is keenly interested in maintaining and strengthening the diaspora component within the economic horizon. The diaspora should play a prominent role in economic projects and developments, including remittances and engagement. Migration management needs to be strengthened in this regard. Similarly, the donor community should acknowledge that the development component must account for migration, and this should be mainstreamed into their strategies. The diaspora is a valuable asset, akin to a second Georgia, possessing professionalism and stamina that can be harnessed effectively. The diaspora is just one aspect of migration, and these individuals have the potential to open new markets for Georgian products. However, their full capacity has yet to be fully tapped and explored.

All above mentioned highlight the involvement of regulatory frameworks and the pivotal role of state support, financial incentives, and robust institutional collaborations to surmount the hurdles and capitalize on the growth potential within each industry.



## Gender Equality and Human Rights

Gender considerations were integrated into the JP, with a significant presence of women in the project teams and economic empowerment being a key focus, especially in sectors like pharmaceuticals where female employment is high. The intervention is in line with the working principles of the rights-based approach. Human Rights (HR) have been considered in the design, namely the protection of the interests of those beneficiaries without access to land. The programming documents mentions several guidelines followed by UN agencies to ensure a rights-based approach. However, inclusivity with respect to people with disabilities was less emphasized, highlighting an area for potential improvement in future programmes.

### **Integration of gender equality and human rights**

In the fishing sector, there is an acknowledgment of the existing gender disparity and recognition of the need to integrate gender considerations into the sector's development strategies. This move aligns with broader human rights principles, advocating for equal opportunities and representation.

For the UNDP supported Packaging sector, the commitment to gender equality was more explicit. Initiatives such as the Women's Business Empowerment Project not only aimed at creating jobs but also made it a requirement for matching grant beneficiaries to employ women, thus ensuring that gender considerations were a mandatory part of project implementation. This approach not only addressed the need for job creation but also promoted the empowerment of women within the sector. UNDP's strategic investments for growth have created 41 full-time jobs, with women being hired for 21% of these positions in Tbilisi and adjacent areas. This indicates a proactive approach to creating employment opportunities for women, furthering the agenda of gender equality in the workplace. Moreover, within the PMAG Packaging Cluster, 39.7% of member companies are managed or co-managed by women, illustrating significant female participation at the decision-making level. This figure demonstrates a tangible commitment to promoting women's roles in business leadership and acknowledges the importance of their contribution to the sector's growth and development.

The IOM's focus on training staff in mainstreaming migration into local development also had a gender component, with 46 municipal staff trained, 63% of whom were women. This initiative highlights the recognition of women's roles in governance and policy-making, emphasizing the value of their participation in developing strategies that impact local communities.

Within FAO's framework, the Georgian Seeds and Saplings Association (GEOSSA) membership included two women-led nurseries, showcasing the inclusion of women in leadership roles within the agricultural sector. This representation, though modest, is a step towards greater gender balance in the sector.

These examples reflect a concerted effort across the JP to integrate gender equality and human rights into project design and implementation.

The project benefits on other vulnerable target groups are not yet entirely visible. The project has a potential for increasing the resilience of vulnerable groups, particularly in the agriculture sector. Indeed, the seedling certification system would reduce virus propagation and help to have less unwanted variety in the agriculture sector. This would help farmer to secure their investments in crops. The intervention is not expected to create unpredicted effects on conflict risks or dynamics, violence, human security or other dimensions of fragility. This evaluation did not identify any specific issue related to the project implementation bearing the risk of doing harm.

## Conclusions

1. Overall, the relevance of the JP is good in terms of response to current needs in Georgia and of stakeholders involved. Contextual factors were well taken into account and the programme is aligned with national policies and with the needs of private sector, although the capacity of some stakeholders and sometimes their ownership remain limited. In particular, there were two regulatory frameworks that were important for this JP, and that took more time than expected to be developed within the Georgian public sector. The JP ended in November 2023, the legislation for extended producer responsibility (EPR) in the packaging sector is not yet approved, and the regulatory framework for seed and seedling legislation is approved but it should be operational only in 2024. The selection of the supported sector is qualitative. The JP adapted to the needs of cluster members in these sectors, although it has sometimes resulted in activities that were more related to advocacy toward government partners than activities directly linked to business sophistication.
2. The JP has been effective in contributing to core development objectives and to impact on SDGs. The key outputs have been delivered with the expected quality, and the outcomes are overall achieved or expected to be achieved in 2024. The key factors influencing the success include strong collaboration among PUNOs, strategic selection of the clusters, and alignment with international and national development priorities. In particular, the results of the JP are visible through the activities and current status of the four CMOs and their members, that report increased skills through the capacity building activities, but also increased productivity in the agriculture sector and growth in turnover in the packaging sector. The main sustainable development goal impacted is SDG 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, and this JP also had a more minor contribution to SDG 12 “Ensure sustainable consumption and production patterns” and SDG 15” Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss “
3. The efficiency of the program was uneven during its implementation, with rather difficult beginnings, and improvements during the course of implementation. In the first years of the JP, some difficulties in inter-agency coordination and coordination with MPTFO in addition to the COVID pandemic resulted in delays to meet reporting requirements that in turn resulted in delays for disbursements. This was problematic for some PUNOs that could not use more funds that what they had already received for this programme, and therefore had to delay some activities. However, overall, the JP adapted well to Covid, and the coordination between PUNOs improved later in the programme. Some lessons learnt (see below) from this JP are related to more integrated approaches and UN Agency collaboration with other UN entities such as UN RC and MPTFO.
4. The “diaspora component” of this JP, managed by IOM, is very innovative, and quite transversal to the JP, as the purpose was to integrate diaspora in economic development. This component was built progressively through the implementation period, with a methodical approach, and it was able to provide key inputs in several areas such as technical tool development and export development for packaging cluster. This part of the JP has developed a community of diaspora members, along with relevant data and practices that can be further



valued in future programs, and it is regarded as very successful also by Ministry of Foreign Affairs.

5. There are several stakes that currently require attention in order to ensure the fair distribution and the sustainability of the programme benefits. The positives aspects are: overall, all the CMOs are now quite well managed, they have strategic plans for the future, and their related governmental counterparts expressed interest to pursue various type of discussions including policy dialogue with the CMOs, and to participate to their activities such as event and fairs. The clusters have been able to gather tangible support from the private sector, and to have clear benefits for small and medium businesses, notably through a more qualified workforce and the implementation of quality systems due to capacity building activities. In addition, the advancement on the seed and seedling certification system and the preliminary studies in municipalities for better waste management are positive steps toward greater impact and systemic change. However, several challenges are reported by stakeholders, mainly regarding economic sustainability of their activities. Apart from the pharmaceutical cluster and the packaging cluster that seem to be close to economic sustainability mainly through members' support, and their members that have a very unique position on the market, the other sectors (fishers and nurseries) have various situations where the economic sustainability of the cluster might not be certain. In all sectors, the members also still face several challenges, especially the access to qualified workforce, the access to finance and the international competition on their markets.
6. The programme has taken into account gender equality and women empowerment, and several indicators related to capacity building or support to SMEs are disaggregated by sex. This is particularly visible in the IOM component related to migrations, but also in the packaging sector and in the biopharmaceutical sector, where the participation to female to the management of the companies is quite strong.

## Recommendations

#	Recommendations	To
1	Strengthen the “cluster approach” and its dedication to business sophistication within a geographical area. Distinguish it more clearly from the “sectoral association activities” that are more related to advocacy and engagement with governmental counterparts at national level. These activities can be related to different economic models: while clusters can present good opportunities for project funding since isolation of activities is easier, the advocacy part requires more independence and often direct financial or human support from the members of the CSO.	UNIDO, FAO, UNDP
2	Continue to strengthen and encourage collaboration of clusters with universities and academic counterparts for two reasons: 1) to strengthen networking with students and to reduce mismatch between skills and offers on the labour market 2) to further sophisticate practices of cluster members based on research and international best practices	UNIDO, FAO, UNDP
3	Provide adequate support to the replication of waste management studies conducted by the Producer Responsibility Organisation for packaging (Georgia PLUS), so that these studies are performed in other municipalities.	UNDP
4	Check if the information gathered through the programme could present a pipeline of opportunities for funding (especially for machinery update, solar panels, and other investments directly related to production and productivity). If so, try to see if a partnership with a financial institution could help to fulfil these needs – and in particular, check if there is an opportunity within an existing “access to finance” programme to fund these investments.	EU / PUNOS
5	For future programming, take into account the delay that the inter-agency coordination can imply, and A) See if some internal UN procedures need revision at UN/MPTFO level or at agency level, such as the “over-ride facility” that could be offered to other agencies than UNDP or such as reduced delay allowance for MPTFO to review reporting send by PUNOs B) Implement a more formal and synchronized management structure between PUNOs with more anticipation, to ensure stronger : 1) Funds management and generation commitments and synchronization of the implementation cycles and contracting between PUNOs 2) Implication of strategic partners (EU, national government counterparts) in strategic decisions about the programme through formal steering committees convened months in advance 2) Follow up of reporting requirements to ensure that they are met in time by all participating UN agencies and by other stakeholders such as MPTFO	PUNOs and UNRC
6	Develop planning for continuous animation of the diaspora Community with participation of relevant ministries (especially MFA, MoESD) to source and offer engagement opportunities to diaspora members.	IOM
7	Communicate on the success obtained through the joint programme, building on case study analysis such as cost-benefit analyses made by UNDP for nine beneficiaries of PMAG.	All PUNOs

## Lessons Learned

### More integrated approaches and UN agencies collaboration

The project underscored the effectiveness and the challenges of integrated approaches over competition among UN agencies.

One element that can be regarded as quite successful is the collaboration with IOM, demonstrating the substantial value of engaging the diaspora in technical training and business connections, which led to the increased sophistication of local businesses. The collaboration with key government agencies and donor organizations, highlighted by the IOM experience, has increased visibility and effectiveness. Regular diaspora forums and inter-agency meetings have been instrumental in enhancing economic development and raising awareness. The potential of a significant role of the diaspora in economic development and migration management has been recognized by counterparts such as the Ministry of Foreign Affairs and the Ministry of Economy and Sustainable Development. The potential of the diaspora members to open markets and contribute to the national economy is substantial and still underexplored. In addition, gender aspects were considered by ensuring inclusive participation and addressing specific challenges faced by both men and women in the industry. The practice was validated by stakeholders and final users, evidenced by the successful participation in international exhibitions and the positive feedback from the Georgian diaspora and local businesses.

Although the collaboration was a challenge in the beginning of the programme, the JP overcame initial communication hurdles to establish a synergy among PUNOs, leading to significant strides in international business connections and expert training sessions. A standout achievement was the initiative by PMAG Packaging cluster member company “LiderPlast,” which, with the aid of UNDP grants, developed facilities for recycling plastic waste into pellets, thereby contributing to environmental sustainability. This venture not only mitigated pollution risks but also supported the Georgian Seeds and Saplings Association by ensuring the supply of these cassettes to nurseries in the regions of Kakheti and Imereti, thereby nurturing the green economy in Georgia. This cooperation between FAO, UNDP, and IOM underscores the power of collaborative efforts in achieving economic growth and environmental conservation. This has a potential of replication in other programmes.

### Distinction between Cluster Geographical Approach Versus Sectoral Associations

The project realized the geographical aspect of cluster development, leading to more localized strategies. This prompted the PUNOs to potentially coordinate efforts, ensuring region-specific approaches and overcoming challenges in conservative sectors.

The project aimed to shift focus from dispersed sectoral associations to geographically concentrated clusters, primarily in urban areas. This was primarily based on the local characteristics. This strategic pivot was based on the understanding that such clustering could lead to more efficient resource allocation, training, and implementation of sustainable practices. The approach entailed promoting organic production and establishing farmers' markets, with a strong emphasis on training and raising awareness among producers. An integral part of this strategy was ensuring gender inclusivity, recognizing the crucial role women play in agriculture.

In case of FAO and GEOSSA, the impact of this focused approach was significant. Notably, there was a reduction in production losses by up to 40%, demonstrating the efficiency of concentrating resources and efforts in geographically defined clusters. Additionally, the skills of producers within these clusters were markedly improved. The effectiveness of this approach was validated through quantitative data showing these reductions in losses and enhancements in skills. However, the project also faced

challenges, particularly in aligning the varying objectives and interests of different stakeholders, including cluster members and sectoral associations.

One of the primary challenges here that encountered was managing geographically focused clusters and more broadly spread sectoral associations. This issue highlighted the need for effective communication and coordination to ensure that the diverse needs and perspectives of all stakeholders were adequately addressed and integrated into the project's strategy.

The insights and strategies developed through this project hold significant potential for replication and upscaling in other contexts where geographical clustering and sectoral associations are key factors in agricultural development. The success of this approach in Georgia suggests that similar initiatives could be effectively applied in other regions or countries, with adaptations to local contexts and needs.

### Institutional Collaboration and National Policies for Standardization

Through this JP, it was made clear that strong institutional collaboration, particularly in standardization and financial resource allocation, was vital. Policy development and lobbying for nurseries' interests also emerged as crucial aspects.

The project underscored the essential role of strong institutional collaboration in standardization and financial resource allocation. A significant aspect of this collaboration was the interaction with governmental agencies at various levels, highlighting the importance of policy development and lobbying for nurseries' interests. The Marine Fishing Cluster and the Environmental Agency played pivotal role in achieving the general objectives of the JP, focusing exclusively on the development of the fishing sector. This sectoral development was underpinned by Georgia's strategic relations with the EU, emphasizing compliance with the AA and international recommendations for fisheries.

In 2022, the Marine fisheries cluster emerged as a new and authoritative entity, distinguished by its high qualification, motivation, and knowledge. This cluster achieved notable synergy in the sector, exemplified by the rapid resolution of administrative challenges in leasing new ships. This intervention, supported by the Ministry and the agency allowed vessel owners to operate under their own names, increasing national support and involvement in the fishing industry. The cluster's engagement has led to tangible results, with national players entering the market previously dominated by foreign vessels, thereby regulating the sector and enhancing its contribution to society.

The Environmental Protection Agency, tasked with issuing certifications and managing fishing quotas, was instrumental in aligning the fishing sector with European regulations, particularly concerning illegal and unregulated fishing activities. The agency's engagement facilitated significant improvements in the communication and coordination within the sector, addressing previous deficiencies. This enhanced collaboration led to the effective representation of small-scale fisheries and traditional fishermen in the national quota system, ensuring equitable distribution of resources.

The UNDP's intervention and accumulation of a critical mass of packaging companies generated interest from the state agency Enterprise Georgia, enabling the sector to access state trade support programs. One of the project's aims was to strengthen the sector's capacity and linkages within the EU and boost the export of Georgian packaging companies. These efforts have paid off, with Enterprise Georgia allocating funding for a common space and a stand for packaging businesses that are members of the PMAG cluster at the next exhibition at Interpack 2023, in Germany. Internationalization has resulted in the focus on what needs to be done in terms of product

improvement and market focus. Additionally, the EU client companies' demand for eco-friendly, better-quality products has provided a concrete incentive for Georgian Packaging companies to improve their production, making the Georgian market healthier and more sustainable. This is evidenced by the support the initiative has produced in the second year, with PMAG now having seven exhibitors and members of all seven clusters. Three contracts were signed within this exhibition, one regarding the export to the EU and the second – cooperation with the German counterparts.

### Collaboration between public and private sector for EPR Implementation

Significant advancements in waste management practices were noted, although the implementation of Extended Producer Responsibility (EPR) remains unachieved.

UNDP has worked to empower municipalities and packaging companies, particularly in the Imereti and Kakheti Regions, to establish effective waste management models. Some work was conducted in partnership with Georgia Plus. Comprehensive waste management studies, morphology studies, developed in cooperation with “Georgia Plus”, the producer responsibility organisation (PRO) in charge of EPR in the packaging sector, have provided insights into cost-effective strategies and legal compliance in four municipalities. These initiatives included extensive consultations on EPR, waste composition analysis, and technical support for municipalities to develop effective waste management plans. The town of Lagodekhi stood out with its innovative approach to waste management, combining advanced technology with user-friendly payment systems. Emphasizing public awareness and education, the municipality has actively promoted environmental responsibility through community outreach and educational campaigns. Additionally, strategic partnerships with private entities and NGOs have been pivotal in enhancing recycling initiatives and waste reduction programs. This holistic and integrated model in Lagodekhi serves as an exemplary approach for other municipalities, demonstrating how combining technology, convenience, community involvement, and collaboration can significantly improve waste management practices and contribute to a sustainable circular economy.

A planned statement of intent among UNDP Georgia, the Ministry of Environmental Protection and Agriculture, and other organizations aims to develop waste separation, collection, and recycling partnerships. However, in Tbilisi, barriers have hindered EPR implementation, contrasting with successes in other municipalities.

Despite progress, the absence of EPR implementation means that many packaging materials are still not adequately managed. Innovative approaches in municipalities like Lagodekhi offer potential models for broader implementation. The ultimate goal remains the establishment of a circular economy where waste is efficiently recycled, necessitating ongoing collaboration between public and private sectors to realize this vision.

The current preparedness of municipalities and the private sector for regulatory compliance can be categorically divided into two distinct areas:

- **Recognition of the Importance of Collaboration:** Municipalities and the private sector have gained a comprehensive understanding of the significance of collaboration and the clear delineation of responsibilities. This achievement reflects their awareness of the benefits EPR offers, indicating a successful effort in fostering this understanding.
- **Technical Preparedness and Gap Analysis:** A thorough gap analysis has been conducted to assess the technical requirements necessary for municipalities and the private sector to manage waste in accordance with established standards. This analysis provides a detailed

outline of their needs. Throughout the process of document creation, a continuous feedback loop was maintained, ensuring that the analysis accurately reflects their capabilities and requirements for effective waste management.

### Educational partnerships against skills mismatch and lack of qualified workforce

The persistent challenge of skills mismatch and lack of a qualified workforce in various focus clusters has been a significant concern across all focus sectors. General efforts to address this issue have led to innovative approaches in training and education, showcasing the potential for collaboration between industry and academia to meet the growing demand for skilled professionals.

The biopharmaceutical cluster's experience of expanding training from 25 to 60 students due to unexpected demand highlights the importance of being adaptable in educational planning. This responsiveness not only meets immediate needs but also helps in long-term workforce development. The integration of the training program into Ilia State University's curriculum exemplifies the effectiveness of partnerships between industry and educational institutions. Such collaborations can lead to the development of relevant, industry-specific courses, thereby addressing the gap in qualified workforce more systematically. The implementation of both in-person training and e-learning programs demonstrates the value of diverse educational methods. E-learning, in particular, offers wider accessibility, allowing for a broader reach to potential students and professionals seeking skill enhancement. In addition, gathering feedback from students and observing their attitudinal shifts towards the sector can provide valuable insights into the efficacy of training programs. In this case, students' increased engagement and subsequent employment in the sector indicate a successful shift in perceptions and skills.

Despite these successes, challenges such as finding skilled technicians and engineers for equipment installation and maintenance persist. This suggests a need for continued focus on training for specific technical roles. Expanding the scope of training to include more specialized skills and certifications, as proposed to the medical university, could further address these gaps.

## Annexes

Table 3. List of Individuals/Groups Interviewed

Name	Email	Position	Institution
Fabio Russo	<a href="mailto:F.RUSSO@unido.org">F.RUSSO@unido.org</a>	Senior Industrial Development Officer	UNIDO
Giorgi Andguladze	<a href="mailto:G.ANDGULADZE@unido.org">G.ANDGULADZE@unido.org</a>	National Project Coordinator	
Giorgi Todua	<a href="mailto:G.TODUA@unido.org">G.TODUA@unido.org</a>	Project Administrator	
Giorgi Nanobashvili	<a href="mailto:george.nanobashvili@undp.org">george.nanobashvili@undp.org</a>	Economic Team Leader, UNDP	UNDP
Konstantine Chanturia	<a href="mailto:konstantine.chanturia@undp.org">konstantine.chanturia@undp.org</a>	Project Manager	
Javier Sanz Alvarez	<a href="mailto:Javier.SanzAlvarez@fao.org">Javier.SanzAlvarez@fao.org</a>	FAO Programme Coordinator	FAO
Ana Bokeria	<a href="mailto:ana.bokeria@fao.org">ana.bokeria@fao.org</a>	Project Manager	
Natia Kvitsiani	<a href="mailto:nkvitsiani@iom.int">nkvitsiani@iom.int</a>	National Programme Officer	IOM
Tamar Golijashvili	<a href="mailto:tgolijashvil@iom.int">tgolijashvil@iom.int</a>	Project Assistant	
Giorgi Gogitidze	<a href="mailto:g.gogitidze75@gmail.com">g.gogitidze75@gmail.com</a>	Cluster Director / Cluster Development Agent	UNIDO/CMO Georgian Marine Fishing Cluster
Keta Buachidze	<a href="mailto:buachidzeketa@gmail.com">buachidzeketa@gmail.com</a>	Cluster Development Agent	UNIDO/CMO Georgian Biopharmaceutical Cluster
Ekaterine Koplatadze	<a href="mailto:ekoplatadze.expert@gmail.com">ekoplatadze.expert@gmail.com</a>	National GMP Expert	
Ucha Metreveli	<a href="mailto:metreveliucha@gmail.com">metreveliucha@gmail.com</a>	National GMP Engineering Expert	
Anano Rukhadze	<a href="mailto:anano.rukhadze@pmag.ge">anano.rukhadze@pmag.ge</a>	PMAG Packaging Cluster Project Manager	UNDP/ CMO PMAG Packaging Cluster
Berdia Silagadze	<a href="mailto:berdiasilagadze09@gmail.com">berdiasilagadze09@gmail.com</a>	Chair, Board of Directors / Owner of the nursery	FAO GEOSSA / Individual Entrepreneur (nursery)
Levan Lortkipanidze	<a href="mailto:llortkipanidze@enterprise.gov.ge">llortkipanidze@enterprise.gov.ge</a>	Export Development Department	Enterprise Georgia
Zurab Dekanoidze	<a href="mailto:Zurab.Dekanoidze@nea.gov.ge">Zurab.Dekanoidze@nea.gov.ge</a>	Head of Licence Department	National Environmental Agency
Lasha Nutsubidze	<a href="mailto:lasha.nutsubidze@nfa.gov.ge">lasha.nutsubidze@nfa.gov.ge</a>	Deputy Head of Plant Protection Department	National Food Agency
TekleZakalashvili	<a href="mailto:t.zakalashvili@agrundi.edu.ge">t.zakalashvili@agrundi.edu.ge</a>	Head of the Research Division of Micro-Clonal (In Vitro) Propagation of Plants and Virus-Free Planting Materials	Scientific Research Centre of Agriculture
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Mukhran Gulaghashvili	<a href="mailto:mgulaghashvili@mfa.gov.ge">mgulaghashvili@mfa.gov.ge</a>	Head of Diaspora Relations Department	Ministry of Foreign Affairs
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Levan Intskirveli, Vakhtang Babilua, Boris Gvichia		Fishermen	Beneficiaries of Georgian Marine Fishing Cluster
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Givi Kalandadze	<a href="mailto:givikalanda@gmail.com">givikalanda@gmail.com</a>	Chairman PRO	GeorgiaPlus



Table 4. List of Supporting Documents Reviewed

1	2021 Annual Narrative Report Joint Programme Georgia IPSC
2	2022 Annual Narrative Report Joint Programme Georgia IPSC
3	2023 Q1 Annual Narrative Report Joint Programme Georgia IPSC
4	JP Georgia EU IPSC Manual Report as of 31 December 2021
5	UNJP 2021 Communications and Visibility
6	UNJP Risks Update 2021
7	UNJP Workplan 4 Year UNIDO, UNDP, IOM, FAO
8	UNDP Occupational Safety Audit
9	UNDP Internship Project Report
10	UNDP Packaging Sector Study 2021
11	UNDP Study Tours 2021 Report
12	UNDP List of machine suppliers
13	IOM Diaspora Survey Report
14	IOM Diaspora Economic Forum Agenda
15	UNIDO Cluster Diagnostic Study Wine
16	UNIDO Cluster Diagnostic Study Toys
17	FAO Cluster Development Strategy
18	UNDP Detailed Actions Performance_Q1 2023
19	UNDP Emerging Trends and Development Potential of the Georgian Packaging Sector
20	UNDP Packaging Sector Study 2022
21	FAO Detailed Actions Performance 2022
22	FAO Georgian Seeds and Saplings Association (GEOSSA) - Final Report
23	IOM Detailed Actions Performance 2022
24	IOM Workshop on MMLD Agenda&Lop
25	IOM Diaspora MSME Networking Event in Germany
26	IOM LEDF Agenda
27	IOM Diaspora Assignment 1 TOR&Assignment Report
28	IOM Diaspora Assignment 2 Final Report Summary
29	IOM Diaspora Assignment 3 Training Report and LoP

30	UNIDO Detailed Actions Performance 2022
31	UNIDO Digital Guidelines for the Jewelry Cluster
32	UNIDO Digital Guidelines for the Toys Cluster
33	UNIDO Digital Guidelines for the Producers of Herbal Medicines
34	UNIDO Digital Guidelines for the Producers of Bacteriophages
35	UNIDO Brochures for the Georgian Marine Fishing Cluster
36	UNDP Detailed Actions Performance in capacity building of packaging companies 2022
37	UNDP Detailed Actions Performance in supporting packaging cluster CMO strengthening and EPR 2022
38	UNDP Internalization of PMAG packaging cluster
39	UNDP Waste Management Practices and Opportunities for Sustainable Development in the Hotel Industry in Georgia
40	UNDP The International Standard of Financial Reporting for Small and Medium Enterprises (IFRS for SMEs) Report
41	UNDP Packaging Sector Study 2022
42	UNDP Georgian companies Support in the direction of business development in Germany within the framework of FACHPACK 2022
43	UNDP Packaging Supply Chain study
44	UNJP Risks Update 2022
45	UNIDO Detailed Actions Performance_Q1 2023
46	UNIDOCosmetics VC in Georgia
47	UNJP Communication and Visibility ReportUNDP FAO_Q1, 2023
48	UNJP Risks Update_Q1, 2023
49	UNJP Workpan for the extension
50	CMO Documents for GEOSSA needs: support requirements
51	CMO Documents for UNDP call for proposals grants for Imereti, Kakheti and Tbilisi components separately
52	CMO Documents for Marine fishing cluster: Government Decree; GMFC Registry; Marine Fishing Cluster Statutes
53	CMO Documents PMAG Cluster_strategy_and_budget
54	Policy Documents: Foreign Policy Strategy of Georgia
55	Policy Documents: SME Development Strategy of Georgia 2021 - 2025
56	Policy Documents: National Waste Management Strategy 2016-2030 and National Action Plan 2022-2026
57	Policy Documents: Concept of development of food/agricultural laboratories in Georgia

Table 5. Reconstructed ToC and confirmed results

Type	Result statement	Suggested Indicators	Baseline (2019)	Target (2023)	Confirmed results	Status and summarized evaluation of result
Impact	Sustained, inclusive and sustainable growth and competitiveness of the Georgian economy  (initially “Enhance entrepreneurship and business sophistication by strengthening the capacities of government and local entities to develop and operate clusters and supporting companies directly with strategic investments while also demonstrating the effectiveness of these strategies to businesses.”)	1. SDG 8.2.1 Annual growth rate of real GDP per employed person 2. GERF 1.13 World Bank Doing Business distance to the frontier score 3. GERF 1.11 SDG 8.5.2 Unemployment rate, by sex, age and persons with disabilities 4. Balance of trade in selected sectors (initial indicators 3)  Initially the indicator was: 5. Innovation in production measured by the share of enterprises which introduced either new or significantly improved goods or services	1. 5,7% <sup>1</sup>  2. 83,5  3.19,2% <sup>2</sup>  4. -5,9% of GDP <sup>3</sup>  5. In 2016, an average of 13.5% of enterprises introduced either new or significantly improved goods or services  3,2% <sup>4</sup> in 2019	Indicators 1 to 4 were not defined at impact level for the Joint Programme , therefore the targets were not set  5. An average of at least 30% of enterprises introducing either new or significantly improved goods or services (2020)	1. According to UNECE, the annual growth rate of real GDP per employed person was -6,6 in 2020; 10,6% in 2021 <sup>5</sup> ; and 8,6% in 2022, which is the strongest in Europe and Central Asia in 2022.  Annual growth rate of the business sector value added over number of employed within 2018 – 2022: For the economic activity of “Agriculture, forestry, and Fishing” a 64.3% growth rate is depicted in productivity. For Packaging cluster member companies, Turnover growth from 2018 to 2023 for packaging manufacturing companies is 125% compared to 80% growth for all members together.(Sources: Geostat and narrative report until Q1 2023)  2.The ease of doing business score (0 = lowest performance to 100 = best performance) in Georgia was reported at 83.73 in 2020, according to the World Bank collection of development indicators, compiled from officially recognized sources. The score is not yet available for more recent years.  3. In 2022, the adjusted gender hourly wage gap was 15.4 percent (source: Geostat). In 2020, the adjusted gender hourly wage gap was 15.9 percent.Unemployment rate by gender (%): in 2018, men - 20.6%, women 17.6%; In 2022, men -19.3%; Women - 14.6% Labor force participation rate by gender (%) in 2018, men - 63%, women 44.2%; In 2022, men - 64%; Female - 41.5%	Overall, positive contribution to impact and to SDGs.  As the targets were not set for the proposed indicators, the success can only be evaluated qualitatively.  The indicator 5 that was the initial impact indicator is shown here but it does not seem entirely relevant to evaluate the intervention; the set of indicators proposed offer a better view of the numerous potential impacts of this intervention.
					4. Packaging sector - In 2018, the total packaging consumption of Georgia amounted to 284.84 million GEL; in 2023 represents 472.65 million GEL. This is a 66% increase. In 2018, at the start of the project, the share of the country's local production and net import was almost equal in the sector, by 2023 the share of local production is up to 78% and shows a 113% increase since 2018. At the same time, net imports have decreased in parallel with the increase in domestic production. Compared to 2018, the balance of trade (net import) was reduced (improved) by 17.7% in the packaging sector. For economic activity of “Agriculture, forestry, and Fishing” imports from 2018-2022 were increased by 55.1%  5. According to Geostat, over the period, the share of enterprises, that have implemented innovations in production (goods/services), % is	

	2019	2020	2021	2022
Implemented innovations in goods	3,0%	7,3%	6,4%	6,9%
Implemented innovations in services	3,2%	7,7%	5,4%	6,0%

<sup>1</sup><https://w3.unece.org/SDG/en/Indicator?id=118>

<sup>2</sup><https://www.geostat.ge/en/modules/categories/683/Employment-Unemployment>

<sup>3</sup>[https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/overview\\_georgia\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/overview_georgia_en.pdf)

<sup>4</sup><https://geostat.ge/media/53866/3.-Innovations.xlsx>

<sup>5</sup>[https://w3.unece.org/PXWeb2015/pxweb/en/STAT/STAT\\_92-SDG\\_01-sdGover/008\\_en\\_sdGoal8\\_r.px/table/tableViewLayout/](https://w3.unece.org/PXWeb2015/pxweb/en/STAT/STAT_92-SDG_01-sdGover/008_en_sdGoal8_r.px/table/tableViewLayout/)

Outcome 1	Enhanced policies from Georgian Government to support entrepreneurship and sophistication of the economy	<p>1.1 # of clusters (supported by the intervention) collaborating with the Georgian Government</p> <p>1.2 Degree of integration of Diaspora in economic development</p> <p>1.3 # of other governmental policies for entrepreneurship, business sophistication, and cooperation influenced by the JP in their design or in their implementation(<i>gather several initial indicators including 2.5 and 2.7</i>)</p>	<p>1.1 Zero</p> <p>1.2 Zero</p> <p>1.3 Zero</p>	<p>1.1 new indicator (no initial target)</p> <p>1.2 new indicator (no initial target)</p> <p>1.3 new indicator (no initial target)</p>	<p>1.1 All 4 clusters are collaborating with the government through shared activities or continuous discussions</p> <p>1.2 The degree of cooperation in integrating the diaspora into Georgia's economic development policies was notably high. Diaspora professionals actively expressing interest in collaboration, demonstrate a significant level of cooperation. Confirmed willingness to contribute to Georgia's economic development and indicates effective outreach and engagement strategies by the programme.</p> <p>1.3 Five in total: UNDP - Extended Producer Responsibility (EPR) System Introduction; FAO - Nursery Certification and Agricultural Policy Framework; UNIDO - Marine Fishing Policy Amendment and Health Sector Standards; IOM - Diaspora Engagement through Web Portal.</p>	<p>Outcome partly achieved; full achievement remains uncertain</p> <p>1.1. Target partially met: the government is engaged in discussion with cluster but do not support them economically</p> <p>1.2. The output 4 is achieved with the expected quality</p> <p>1.3. Target partially met, progress made toward approval of policy, but no implementation yet for EPR and Certification</p>
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Outcome 2	Enhanced entrepreneurship , business sophistication, and ability to cooperate in four strategic sectors of the Georgian economy	2.1 Growth rate of selected clusters' members' turnover( <i>initial indicator 2</i> )	2.1 2018 output data	2.1 20% growth	<p>2.1. UNDP - In 2022 sales figures of the cluster member companies were higher by 106% compared to 2018 for the same companies. For 2023, sales figures of the cluster member companies were higher by 80% compared to 2018 for the same companies.25 PMAG Packaging Cluster member companies have increased sales at least by 15%.</p> <p>FAO: 40 companies increased sales by over 15% (FAO)</p> <p>2.2 UNDP - 8 quality schemes adopted as of Q1 2023.</p> <p>UNIDO: people trained on quality schemes or on sophistication of practices, disaggregated by sex</p> <p>e-Marketing and Commerce program: 23 beneficiaries (70% female)</p> <p>GMP program for the cluster: 35 people (83% female)</p> <p>GMP for Regulatory agency of MoH: 30 specialists (73% female)</p> <p>GMP for the Tbilisi State Medical University: 54 students (79% female)</p> <p>FAO: 17 quality schemes adopted (12 companies adopted "Sapling Certification and CAC Standards" and 5 companies adopted "Organic and Natural Wine Certification")</p> <p>2.3 The legal framework for Seedling certification system was designed and approved by the Georgian government on 28 September 2021. The adopted version does not fully consider all necessary requirements for CAC certification. However, with the continued support of FAO in 2023, the government is committed to aligning its legal framework and establishing a CAC certification process in line with EU requirements.</p> <p>2.4 10 nurseries earned CAC qualification on a voluntary basis as of November 2023</p> <p>2.5 The degree of sustainability is considered as high for the Packaging cluster and for the Pharmaceutical cluster. The packaging cluster has reached more than 30% of self-funding. The degree of sustainability is considered as medium for GEOSSA and for Marine Fishing cluster.</p>	<p>Outcome achieved, apart for indicators 2.3 and 2.4 ,that could be achieved in 2024</p> <p>2.1. Target achieved</p> <p>2.2. Target achieved by UNDP and exceeded with contribution of other PUNOs</p> <p>2.3 and 2.4 Target not achieved, but could be achieved in 2024</p> <p>2.5 Target achieved</p>
		2.2 No of quality schemes adopted by economic operators with EU Support (UNDP and FAO)	2.2 Zero	2.2 At least 8		
		2.3 Status of Seedling Certification System( <i>initial indicator 3.3</i> )	2.3 Not approved	2.3 Operational		
		2.4 Number of nurseries certified and seed producers selling certified cereal seed( <i>initial indicator 2.7</i> )	2.4 Zero	2.4 25 (at least 10 % women-led)		
		2.5 Degree of sustainability and % of self-financing of CMOs ( <i>revised initial indicator 2.4</i> )	2.5 Zero	2.5 At least 30% (does not include donor funding)		

Output 1.1	Strengthened capacities of policy-makers and other governmental stakeholders to identify and develop clusters	<p>1.1.1 Level of quality of cluster mapping in Georgia (<i>revised initial indicator 1.1</i>)</p> <p>1.1.2 # of institutions and people trained on cluster mapping and diagnostic (disaggregated by sex) (<i>initial indicator 1.3</i>)</p> <p>1.1.3 # of institutions and people that participated in activities with clusters supported by the JP</p>	<p>1.1.1 Zero</p> <p>1.1.2 Zero</p> <p>1.1.3 Zero</p>	<p>1.1.1 Cluster mapping undertaken based on prioritization criteria set with local counterparts</p> <p>1.1.2 5 institutions 30 people</p> <p>1.1.3 new indicator (no initial target)</p>	<p>1.1.1 UNIDO, the indicator was successfully achieved during previous reporting years with mapping of 57 emerging and potential clusters in manufacturing, agribusiness, and primary agriculture in 2019 and <b>validated</b> findings in 2020. Cluster mapping undertaken based on prioritization criteria set with local counterparts was successfully achieved at 100% in 2019</p> <p>1.1.230 persons, including 13 women (43%), from 10 organizations were trained on clusters with a focus on diagnostics and action planning for cluster sustainability (MoESD, Enterprise Georgia, MEPA, RDA, Scientific-Research Center of Agriculture, UNDP, FAO, Packaging Association, PMCG Research, TBSC Consulting).</p> <p>1.1.3 Number of Institutions: 11 (MoESD, GNTA, MEPA, MTA, NEA, MFA, local authorities, GITA, Enterprise Georgia, Medical and Pharmaceutical Regulatory Agency)</p> <p>Number of participants: UNIDO 256 unique participants to several events ( e-Marketing and Commerce program ; GMP program for the pharmaceutical companies ; GMP for Regulatory Agency of MoH; GMP for the Tbilisi State Medical University ; National Conference for the Georgian Marine Fishing Cluster ; International Conference Biopharma 2023 Georgia)</p> <p>UNDP: 476 participants</p> <p>FAO: approx. approximately 1,320 persons, with the subsequent breakdown:  <ul style="list-style-type: none"> <li>· Trainings to the state competent authorities – 22 participants (10 male / 12 female)</li> <li>· Trainings to the nurserymen and farmers - 1,025 participants (895 male / 130 female)</li> <li>· Online tutorials available to 205 registered users (125 male / 80 female), with the potential to reach further 1,000 people</li> <li>· Agrarian Markets – 68 participants (25 male / 43 female)</li> </ul> </p> <p>IOM: 270 participants in diaspora networking events in Georgia and EU (Two Diaspora Economic Forums organized in Tbilisi on February 27, 2021 and 10-12 December 2021 - total 220 participants + Georgian Diaspora - MSME Networking Event in Nuremberg, Germany, 27 September 2022 – 50 participants)</p>	<p>Output delivered with quality</p> <p>1.1 Target achieved</p> <p>1.2 Target achieved</p> <p>1.3 Target achieved</p>
Output 1.2	Georgian Diaspora's potential contribution to private sector development is demonstrated (IOM)	<p>1.2.1 # of Diaspora members identified and % of activated members</p> <p>1.2.2 # of Trained Staff of Central and/or local authorities in mainstreaming migration into local development (disaggregated by sex) (<i>initial indicator 4.1</i>)</p> <p>1.2.3 # of participants to the diaspora networking events (<i>replacement of initial indicator 4.3</i>)</p> <p>1.2.4 # of qualified Diaspora assignments for CMOs and/or companies capacity building purposes</p>	<p>1.2.1 Zero</p> <p>1.2.2 Zero</p> <p>1.2.3 Zero</p> <p>1.2.4 Zero</p>	<p>1.2.1 new indicator (no initial target)</p> <p>1.2.2 60 (at least 30 % women)</p> <p>1.2.3 new indicator (no initial target)</p> <p>1.2.4 6</p>	<p>1.2.1 IOM has established individual profiles inventory. As a result of the extensive data mining, in total 94,765 data files were retrieved from the five professional, academic, and business web portals (ZoomInfo, ORCID, PUBMED, DOAJ, UK Companies House Register). Remarkably, 58% of data files were filtered, leading to the creation and outreach of individual profiles for 4000 Georgian diaspora professionals in four or more rounds. Out of these individuals, to this date 572 have expressed interest in cooperation, this rate is 16%.</p> <p>1.2.246 municipal staff, 63% women</p> <p>1.2.3 3 diaspora networking events, 270 participants, from more than 20 countries.</p> <p>1.2.4 Total: 6 diaspora assignments were developed in cooperation with FAO(1), UNDP(4) and UNIDO(1)</p>	<p>Output overall delivered with quality</p> <p>1.2.1. Target achieved</p> <p>1.2.2. Target almost achieved</p> <p>1.2.3. Target achieved</p> <p>1.2.4 Target achieved</p>

Output 2.1	Cluster management organizations are structured in four strategic sectors (packaging, seeds and seedlings, pharmaceutical, marine fishing)	<p>2.1.1 Quality of selection of strategic sectors</p> <p>2.1.2 # of CMOs operating <i>(includes initial indicator 2.1)</i></p> <p>2.1.3 # of members per CMOs <i>(includes initial indicator 2.2)</i></p> <p>2.1.4 # of priority needs solved in CMOs<i>(initial indicator 2.6)</i></p>	<p>2.1.1 N/A</p> <p>2.1.2 Zero</p> <p>2.1.3 Zero</p> <p>2.1.4 Zero</p>	<p>2.1.1 Good</p> <p>2.1.2 Two, one in the packaging and one in the seed and seedling sectors</p> <p>2.1.3 50 members in packaging and seed and seedling (cumulative )</p> <p>2.1.4 20</p>	<p>2.1.1 2 cluster in packaging and seeds and seedling sector, one in fishing and one in biopharmaceutical sector fully operational, active, engaged. The selection was based on prior work done by the PUNOs that reveals a qualitative selection.</p> <p>2.1.2 4: one in the packaging sector, one in the seed and seedling sectors, one in biopharmaceutical sector, one in the marine fishing sector</p> <p>2.1.3 PMAG –74 members from the packaging sector and 11 additional free/honorary members; GEOSSA –24; The Georgian Marine Fishing Cluster has 11 and 1 honorary members; The Georgian Biopharmaceutical Cluster has 13 members</p> <p>2.1.4 Total: 34 needs</p> <p>UNDP 2.6. On the track, 14 needs solved in 3 areas; FAO: 2.6. 20 priority needs solved for the CMO, including technical assistance, trainings on critical needs and procurement of production material and equipment. UNIDO: 5 in different areas.</p>	<p>Output delivered with quality and results are over the targets</p> <p>2.1.1 Achieved with quality</p> <p>2.1.2 Target exceeded</p> <p>2.1.3 Target exceeded</p> <p>2.1.4 Target exceeded</p>
Output 2.2	Strengthened capacities to cooperate and sophisticate their practices for companies in four strategic sectors (packaging, seeds and seedlings, pharmaceutical, marine fishing)	<p>2.2.1 # of people trained on quality schemes or on sophistication of practices, disaggregated by sex</p> <p>2.2.2 # of people that report enhance ability to cooperate within their sector</p> <p>2.2.3 # of people that report enhanced skills through cluster activities</p>	<p>2.2.1 Zero</p> <p>2.2.2 Zero</p> <p>2.2.3 Zero</p>	Targets not set	<p>2.2.1 UNIDO: 205 employees (unique participants) from 6 pharmaceutical companies were capacitated on GMP via 68 individual coaching sessions (mostly physical). These were in the facilities of the host company, or online so a lot of their employees could attend. FAO : same data than for indicator 1.1.3</p> <p>For the following indicators, surveys could not be conducted, therefore the interviews made during this evaluation can be used as proxy to evaluate the results.</p> <p>2.2.2 For all UN agencies, more than 95% of the beneficiary feedbacks collected by this evaluation confirm to have enhanced abilities to cooperate within the sector.</p> <p>2.2.3 For all UN agencies, more than 95% of the beneficiary feedbacks collected by this evaluation confirm enhanced skills within their team / cluster member through cluster activities. (NB : beneficiaries met during field phase of this evaluation are used as proxy to evaluate results on indicators 2.2.2 and 2.2.3)</p>	<p>Output delivered with quality</p> <p>The monitoring and reporting system for this intervention do not allow quantitative measures for some suggested indicators in the revised logframe used for this evaluation; however, the use of feedbacks collected suggests that the results are achieved.</p>