**Final Evaluation of the Project “Advancing social entrepreneurship for a sustainable and inclusive society”**

**Final Report**

*Draft*

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**DISCLAIMER:**

The analysis and recommendations of this report do not necessarily reflect the views of CSRDG. This is an independent publication.

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| **List of Acronyms and Abbreviations** | |
| **B2B** | Business-to-business | |
| **CCM** | The multi-stakeholder country coordination mechanism | |
| **CSI** | Civil Society Institute | |
| **CSO** | Civil Society Organization | |
| **CSRDG** | The Centre for Strategic Research and Development of Georgia | |
| **DDUG** | Democratic Development Union of Georgia | |
| **EU** | European Union | |
| **EN** | Eastern Neighbourhood Countries (Includes Georgia) | |
| **EVPA** | European Venture Philanthropy Association | |
| **GCDA** | Georgian Civil Development Association | |
| **Geostat** | National Statistics Office of Georgia | |
| **IDP** | Internally Displaced Person | |
| **LEPL** | Legal Entity of Public Law | |
| **LG** | Local Government | |
| **SMEs** | Small and Medium Enterprises | |
| **OECD / DAC** | The Organization for Economic Cooperation and Development / Development Assistance Committee | |
| **SE** | Social Entrepreneurship | |
| **SEA** | Social Enterprise Alliance | |
| **ToC** | Theory of Change | |

# Executive Summary

## Principal Findings and Conclusion

Relevance:

* The "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project exhibited a high degree of relevance by strategically aligning with Georgia's national priorities.
* The project's objectives and activities were designed to complement key development strategies, focusing on employment, inclusive development, and support for small and medium enterprises.
* Its responsive adaptation to socio-economic challenges, such as transitioning to digital platforms during the pandemic, ensured continuous engagement and training, maintaining the project's effectiveness despite external disruptions.

Coherence:

* The project demonstrated strong internal and external coherence. Internally, the project's components were well-integrated, with clear synergies between capacity-building activities, grant competitions, and advocacy efforts.
* Externally, the project, maintained alignment with the policies and strategic frameworks of key stakeholders, including government entities and international donors.
* The strategic partnerships, particularly with the EU, ensured a comprehensive approach to fostering social entrepreneurship in Georgia.

Effectiveness:

* The project effectively achieved its specific objectives by engaging a wide range of stakeholders, from local businesses to municipal governments, creating significant impacts at both local and national levels.
* Despite challenges in influencing national legal frameworks, the project's achievements in local government advocacy and business sector engagement reflect strong alignment with its planned objectives.
* Establishing critical financial and learning resources further underscores the project's effectiveness.

Efficiency:

* The project demonstrated high efficiency in managing resources, timelines, and achieving objectives. Through strategic collaborations, optimal use of human resources, and adaptability to external factors, the project effectively utilized available resources to create sustainable impacts.
* Challenges such as geopolitical issues and resource constraints were navigated efficiently, ensuring that key activities were completed effectively. The approval of a non-financial extension to 40 months further exemplified the project's efficiency, allowing for the completion of all planned activities.

Impact:

* The project significantly contributed to developmental goals and the well-being of target groups. By establishing successful social enterprise models, building social capital, improving socio-economic conditions through grants, and enhancing community recognition, the project created substantial and sustainable impacts. While the 40-month period was short for achieving long-term impacts, the project's efforts have laid the groundwork for sustainable socio-economic development by fostering interest in social entrepreneurship and resource availability.

Sustainability:

* The project's sustainability is evidenced by several factors. The continued planning of B2B fairs, accumulation of funds from a German donor, and strategic efforts to institutionalize social entrepreneurship demonstrate a strong foundation for ongoing benefits.
* Integrating social entrepreneurship into university curricula and establishing supportive municipal mechanisms further ensure the project's long-term viability.
* Building capacity and fostering ownership among stakeholders contributed to the maintenance of benefits, highlighting the project's strategic focus on ensuring the long-term sustainability of its initiatives.

Overall, the "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project was highly relevant to Georgia's socio-economic context, aligning well with national development goals and addressing critical needs. It demonstrated strong coherence through well-integrated components and strategic partnerships, effectively achieving its objectives and creating significant impacts. The project efficiently managed resources and timelines, navigating challenges adeptly. Its substantial contributions to developmental goals, creation of social capital, and promotion of environmental sustainability underline its positive impact. The project's sustainability is ensured through continued planning, strategic institutionalization efforts, and capacity-building initiatives. These findings highlight the project's success in fostering social entrepreneurship and laying the groundwork for long-term socio-economic development in Georgia.

## Evaluation Approach and Methods

This evaluation is the final assessment of the "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project, implemented between 01 March 2021 and 30 June 2024. A robust initiative supported by the EU and “Bread for the World”, composed primarily by the CSRDG. This project leverages the collective strengths of key partners, including SEA, CSI, GCDA, DDUG, EVPA, and the Youth Agency, to catalyse the growth of social entrepreneurship across Georgia. It aims to evaluate the accomplishment of the project's main expected results, its contribution to Advancing Social Entrepreneurship for Sustainable and Inclusive Society. The evaluation integrates an inclusive, transparent, and participatory approach, incorporating a range of stakeholders. The evaluation employs OECD/DAC criteria interpreted in the project context: Relevance: Focusing on right things; Coherence: Collaboration between key parties and stakeholders; Effectiveness: Achievement of the project’s objectives; Efficiency: Resource utilization relative to outcomes and outputs; Impact: attainment of the overall developmental goal; Sustainability: Long-term viability and continuation of benefits post-project conclusion. By employing performance-based evaluation, the evaluation aims to provide a robust analysis of the interventions' impact.

The evaluation is primarily qualitative. Primary data sources include semi-structured in-depth interviews with key informants, supplemented by observations during field visits. A comprehensive series of semi-directive meetings and in-depth interviews were held. Between June 14 and July 3, 2024, 19 meetings were organized with 22 respondents, engaging a diverse group of stakeholders. Five in-depth interview meetings were conducted with CSRDG, five interviews with other key partners of the project, one interview was conducted with the local government, three interviews with the beneficiary SEs, one was planned and conducted with the partner educational institutions, and last four was conducted with partner businesses (two) and young ambassadors (two). Secondary data sources are documents and research related to each activity of the project. The rationale for these sources is to gather a rich mix of first-hand accounts and documented evidence, ensuring a thorough understanding of the project's implementation and impact.

## Evaluator’s Quality Standards

The "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project was evaluated by an independent expert with relevant experience in the local context and international development. It was conducted per the OECD Development Assistance Committee (DAC) criteria, adapted to the situation and the CSRDG (Implementing Partner) requests. The evaluative approach was strengthened by revising the theory of change into a logical framework, aligning with established EU practices, thereby ensuring a robust and coherent evaluation structure, as well as a quasi-experimental design for impact assessment. Quality assurance was overseen CSRDG. As outlined in the inception report, the evaluation methodology received validation during the kick-off meeting, 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 CSRDG and other project partners on the principal findings, conclusions, and recommendations presented during the debriefing meeting were positive. This feedback underscores the evaluation's success in meeting its objectives and delivering valuable insights in a coherent and professional manner.

# Introduction

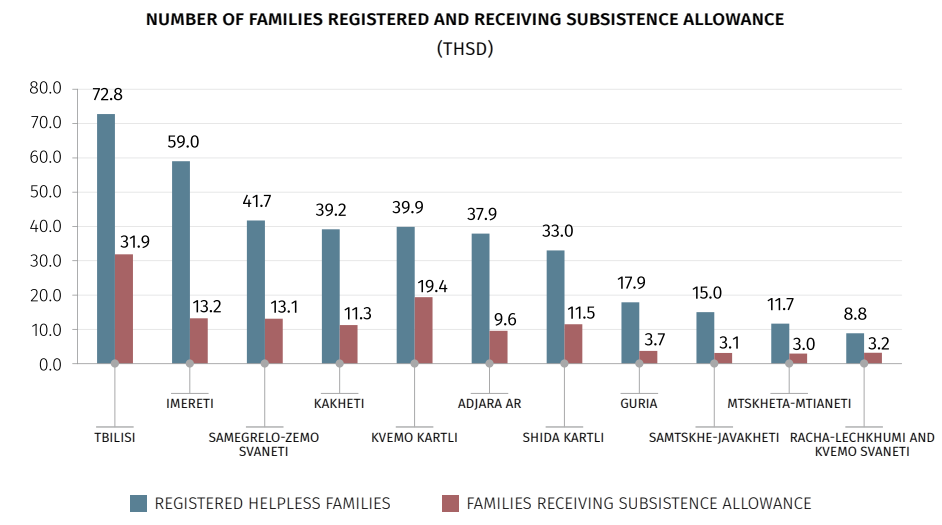
## Context

Social entrepreneurship is emerging as a transformative force in addressing societal and environmental challenges by leveraging innovative business models that prioritize sustainability and social impact. This movement is distinguished by its dual focus on achieving economic viability and generating positive social change, aligning closely with contemporary global priorities. Globally, social entrepreneurship is gaining traction and recognition for its role in empowering local communities and fostering sustainable development. A recent report highlights the increasing importance of social enterprises in driving positive change, particularly in areas such as poverty alleviation, access to education, healthcare, and environmental sustainability (World Economic Forum, The Global Alliance for Social Entrepreneurship, 2024).

In Georgia, the social context presents both significant challenges and unique opportunities for the development of social entrepreneurship. Even though, over the past decade, Georgia has achieved notable economic advancement, with its GDP per capita escalating from ₾8,299 in 2010 to ₾16,455 in 2023 (at constant 2019 prices; GEL), driven by comprehensive economic reforms initiated in 2004, which include anti-corruption measures, streamlined business registrations, and simplified tax procedures, outpacing many of its peers in the upper-middle-income category (Geostat, 2024), the demographic and socio-economic data indicate substantial segments of the population, such as the elderly and persons with disabilities, heavily reliant on state support. With 838.1 thousand individuals receiving pensions and a notable percentage from vulnerable groups depending on social packages, there is a clear indication of the social burdens that could be alleviated through innovative social enterprises​ (Geostat, 2024).

Figure 1. Number of Families Registered and Receiving Subsistence Allowance in Georgia by Regions; in THSD

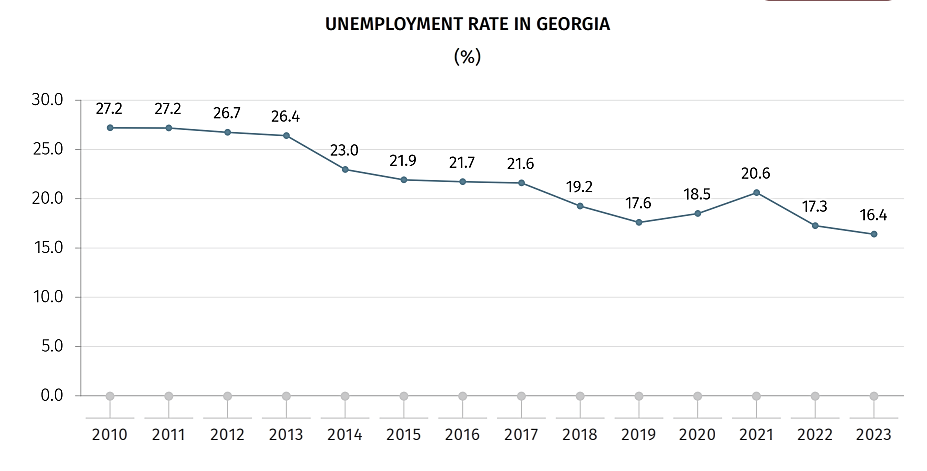
*Source: Geostat; Living Conditions*



In 2023, Georgia witnessed a modest decrease in its unemployment rate to 16.4%, yet this figure remains significantly high, underlining persistent challenges in the labor market. Despite improvements in labor force participation, which saw an increase to 53.3%, and a rise in the employment rate to 44.5%, the high unemployment rate, especially among the youth aged 15-19 years at 44.6%, indicates ongoing economic underutilization that could potentially be mitigated through the development of social entrepreneurship. This sector not only fosters job creation but also encourages economic participation from varied demographics, including those frequently marginalized in traditional job markets. By integrating innovative business solutions with social missions, social entrepreneurship in Georgia could serve as a vital conduit for enhancing employment rates, particularly in rural areas where the increase in employment has been more pronounced. Such enterprises could provide the necessary impetus for more inclusive economic growth, leveraging untapped human capital to address pressing social and economic challenges (Geostat, 2024).

Figure 2. Unemployment Rate in Georgia: %

*Source: Geostat; Labor Market Indicators*



In 2023, the unemployment landscape in Georgia showcased a notable gender disparity in labor force participation, with women participating at significantly lower rates (43.1%) compared to men (65.1%). This difference, while decreasing slightly from previous years, underscores a persistent gap in economic engagement between genders. Although the labor force participation rate for women increased by 1.6 percentage points and for men by 1.1 percentage points, the employment opportunities and economic conditions remain unevenly distributed. Such disparities highlight the critical role that social entrepreneurship can play in Georgia. By fostering inclusive economic growth and developing social enterprises that target and tailor opportunities specifically for women, these ventures can bridge the gender gap in employment. Social enterprises can leverage this approach not only to advance gender equality but also to tap into a largely underutilized segment of the workforce, thereby enhancing their impact and sustainability in the Georgian economy (Geostat, 2024).

Georgia, part of the Eastern Neighbourhood (EN) region, is undergoing a transformation from a state-driven to a market-driven economy. However, this transition is hampered by considerable challenges such as political instability, a substantial grey economy, and corruption. Additionally, the region's businesses, including social enterprises, face an unpredictable regulatory environment, lacking a robust framework for social economy development. This lack of support and recognition for social enterprises contributes to the difficulties they face in achieving sustainable operations and social impact (Rosandić, 2018).

In this context, social entrepreneurship could serve as a crucial mechanism to address systemic social issues, given its focus on sustainable and inclusive business models. Social enterprises can offer innovative solutions to improve access to essential services like healthcare, education, and economic opportunities, particularly for vulnerable populations. Moreover, they have the potential to contribute to a more stable and equitable economic landscape by creating jobs and fostering community development. The potential for social entrepreneurship in Georgia is significant, given the country's ongoing socio-economic challenges and the gaps in government support for vulnerable populations. By integrating social goals with business models, social enterprises can play a pivotal role in providing much-needed services and fostering local economic development, which is crucial for the country's overall stability and growth.

Further nurturing this sector requires not only changes in legislation to support social enterprises but also increased public awareness and investment. Enhancing the ecosystem for social entrepreneurship through better regulatory frameworks, access to funding, and public recognition could transform the sector into a key driver of social and economic progress in Georgia. This approach aligns with global trends that recognize the role of business in achieving sustainable development goals.

The Center of Strategic Research and Development of Georgia (CSRDG) has been a pivotal institution in fostering the development of social entrepreneurship (SE) in Georgia. Through strategic partnerships with organizations like the Social Enterprise Alliance (SEA) and the European Venture Philanthropy Association (EVPA), CSRDG has significantly contributed to laying grounds to the legal and political recognition of social enterprises within the country.

Established within the framework of the EU-funded project "Social Enterprise – Innovative approach for economic and social changes" from 2016-2018, the SEA was initiated by social enterprises and has since been receiving ongoing technical and financial support from CSRDG This alliance plays a crucial role in the ecosystem by leading the organization of annual social enterprise forums, which are key events for promoting networking and enhancing the motivation among social entrepreneurs. Furthermore, SEA is actively involved in popularizing social entrepreneurship, promoting sales of products and services from social enterprises, organizing fairs, and lobbying for supportive policies.

CSRDG's partnership with EVPA since 2016 has fortified its capacity in impact investment and venture philanthropy, which are critical areas for the growth of social enterprises. Through this collaboration, CSRDG has hosted seminars aimed at popularizing these concepts among business companies, thereby expanding the support network for social enterprises in Georgia. Additionally, regional partners such as the Georgian Civic Development Association (GCDA) in Lagodekhi and the Democratic Development Union of Georgia (DDUG) in Ozurgeti have been instrumental. With two decades of partnership experience with CSRDG and robust cooperation with local governments, these organizations enhance the engagement of local governmental bodies in supporting social entrepreneurship initiatives.

Overall, the project "Advancing Social Entrepreneurship for Sustainable and Inclusive Society," which ran from March 2021 to June 2024, represents a comprehensive effort by CSRDG and its partners to embed social entrepreneurship deeply into the socio-economic framework of Georgia. This initiative not only aims to enhance the economic landscape but also to create an inclusive society where social enterprises thrive and contribute effectively to addressing societal challenges.

## Description of the intervention

The "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project, implemented between 01 March 2021 and 30 June 2024, is a robust initiative supported by the EU and “Bread for the World”, composed primarily by the CSRDG. This project leverages the collective strengths of key partners, including SEA, CSI, GCDA, DDUG, EVPA, and the Youth Agency, to catalyse the growth of social entrepreneurship across Georgia. Spanning from March 2021 to June 2024, this intervention is meticulously designed to foster a favourable environment for social entrepreneurship through strategic legal reforms, heightened public awareness, and bolstered support for existing and nascent social enterprises.

The project aimed to create a favourable environment for the development of social entrepreneurship in the country; it improved the legal environment for the operation of social enterprises, raised awareness about the positive results of social entrepreneurship, created opportunities for existing social entrepreneurs to expand their activities and increase social impact, and promoted the establishment of new social enterprises for start-up entrepreneurs. To reach this goal, activities were planned under three specific objectives:

* **Specific Objective 1.** A favourable legal environment for social entrepreneurship and social impact investment is promoted by engaging national and local governments in policy dialogue;
* **Specific Objective 2.** The concept of social purpose-driven businesses and social entrepreneurship is widely promoted and supported by different sectors and society at large;
* **Specific Objective 3.** Sustainable development of social enterprises with a strong regional focus is promoted through increased access to tailored financial resources, effective technical assistance, and networking.

The project strategically targeted pivotal stakeholder groups, including operating and start-up social enterprises (SEs), national and local government bodies, businesses, financial institutions, educational institutions, and youth, to foster a supportive ecosystem for social entrepreneurship in Georgia. The Theory of Change (ToC) for the "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project outlined a coherent pathway from initial interventions to long-term impacts, centred on creating a favourable legal environment, raising awareness, and ensuring sustainable regional development of SEs.

Initially, the project conducted comprehensive studies and policy dialogues to advocate for supportive legal frameworks and engage key governmental stakeholders. This foundational phase included drafting strategic documents and organizing national conferences to establish a multi-stakeholder country coordination mechanism, ensuring broad-based support and alignment of policies with SE development goals.

Building on this groundwork, the project undertook large-scale promotional campaigns and public engagement activities to elevate the visibility and understanding of social entrepreneurship. These efforts encompassed organizing B2B fairs, setting up SE showrooms, and developing online shops to showcase SE products and services. By actively involving businesses, the general public, and educational institutions, the project aimed to cultivate a culture of support and collaboration around SEs.

To ensure the sustainable growth and regional development of SEs, the project provided targeted financial support, advanced training programs, and hands-on consulting. This included facilitating access to diversified financial resources and forums for SEs. Special focus was placed on the Kakheti and Guria regions, where tailored support programs were developed in collaboration with local governments to enhance the operational environment for SEs. Initially, the establishment of the first impact fund in Georgia was also planned as part of this project. However, during the detailed planning phase, the project team revised these plans to ensure complementarity and avoid duplication with another project running in parallel, funded by a large program with EVPA. The "Collaborate for Impact" project, which ran concurrently, included various activities such as policy dialogue, raising awareness about venture philanthropy and social impact investments, and, ultimately, the establishment of the impact fund. To maintain synergy and avoid duplication, activities related to impact investment and venture philanthropy initially planned under the "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project were transitioned to the "Collaborate for Impact" project. As a result, the indicator related to the establishment of the impact fund was not measured within the scope of the "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project, as the achievements of this output were primarily due to the efforts of the "Collaborate for Impact" project. This strategic adjustment ensured that both projects complemented each other effectively, leveraging resources and maximizing their collective impact on social entrepreneurship in Georgia.

**Theory of change (ToC):**

The ToC posited that these integrated efforts would lead to a robust ecosystem where social enterprises could thrive, thereby contributing to the socioeconomic development of Georgia. Enhanced legal and policy frameworks, increased public and business sector engagement, and sustainable regional SE growth were expected to result in improved social and economic conditions for marginalized and vulnerable groups. This systematic approach, from individual SE empowerment to broader policy and cultural shifts, formed the backbone of the project's evaluation framework, assessing both the efficiency of activities and their effectiveness in achieving the project's overarching goals.

The "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project's Theory of Change (ToC) was effectively structured to ensure that diverse activities led logically to the desired outputs, outcomes, and broader impacts. This structured approach appears well-tailored to the complex ecosystem of social entrepreneurship in Georgia, reflecting a deep understanding of the interconnections between legal, financial, educational, and policy spheres.

Table 1. Specific Objectives, Outcomes, Outputs, and Initially Planned Activities of the Project

|  |  |
| --- | --- |
| **Level** | **Description** |
| **SO1** | **Favorable legal environment for social entrepreneurship and social impact investment is promoted by engaging national and local governments in policy dialogue.** |
| **Outcome 1.1** | The national government acknowledges its supporting role in the advancement of social purpose-driven businesses and Impact Investment in Georgia. |
| **Output 1.1.1** | A strategic document on Developing SE is elaborated and shared among the key stakeholders. |
| ***Activity 1.1.1.1*** | Elaborating Strategic Document on SE Development in Georgia |
|  | a) Conducting desk research on best European practices |
|  | b) Executing situation analysis on SE’s needs |
|  | c) Elaborating the strategic document |
|  | a) Desk Research Report published; b) Strategic Document on SE Development in Georgia elaborated |
| **Output 1.1.2** | An improved Legal framework defining SE is advocated to be adopted on a national level |
| ***Activity 1.1.2.1*** | Advocating for an improved legal framework for SEs by establishing the definition of SE on national level |
|  | a) Revising current legislative initiative and drafting respective legal bills |
|  | b) Organizing at least 30 ad hoc meetings with decision makers |
| **Output 1.1.3** | The multi-stakeholder country coordination mechanism (CCM) is established and promotes better enabling environment for SE |
| ***Activity 1.1.3.1*** | Creating and operating Multi-stakeholder Country Coordination Mechanism |
|  | a) Organizing two national conferences |
|  | b) Organizing and facilitating three CCM meetings per year |
| **Output 1.1.4** | Knowledge and awareness on social impact investment (SII) is increased among policy makers |
| ***Activity 1.1.4.1*** | Conducting the research on legal and regulatory ecosystem for Venture Philanthropy and Social Investment (VP&SI) and communicating findings |
| **Outcome 1.2** | Municipal governments in Kakheti and Guria Regions have piloted mechanisms to support SE development |
| **Output 1.2.1** | Knowledge of LG on social entrepreneurship and its support mechanisms is increased |
| ***Activity 1.2.1.1*** | Studying practice and elaborating recommendations for LG on support to SEs |
| ***Activity 1.2.1.2*** | Presenting recommendations to stakeholders |
| ***Activity 1.2.1.3*** | Organizing the study tours to local SEs for LG representatives |
| ***Activity 1.2.1.4*** | Organizing Trainings for LG on SE support mechanisms |
| ***Activity 1.2.1.5*** | Organizing the International Study tour |
| **Output 1.2.2** | Local SE initiatives are implemented with meaningful support of municipal governments in Guria and Kakheti regions |
| ***Activity 1.2.2.1*** | Developing SE support program at LG and promoting its implementation |
| ***Activity 1.2.2.2*** | Organizing National Conference on SE Support Mechanisms from LG |
| **SO2** | **Concept of social purpose driven businesses and social entrepreneurship is widely promoted and supported by different sectors and society at large** |
| **Outcome 2.1** | Business sector, including business associations are actively engaged in developing and supporting social entrepreneurship |
| **Output 2.1.1** | New large-scale Campaign is introduced and branded to stimulate strategic partnerships between corporate sector and SE, ensuring SE integration in business value chain |
| ***Activity 2.1.1.1*** | Assessing socio-economic Impact of SE |
| ***Activity 2.1.1.2*** | Implementing large scale campaign for corporate sector engagement |
| **Output 2.1.2** | Effective B2B Partnerships between Georgian business companies and SEs is established and strengthened |
| ***Activity 2.1.2.1*** | Organizing B2B fairs |
| ***Activity 2.1.2.2*** | Publishing the Catalogue of SE and their products |
| **Outcome 2.2** | Young people and population at large understand the concept and support social purpose driven business |
| **Output 2.2.1** | General public is increasingly interested in SE activities and its products |
| ***Activity 2.2.1.1*** | Campaigning for general public on SE through SEA portal and other channels |
| ***Activity 2.2.1.2*** | Organizing Six SE fairs |
| ***Activity 2.2.1.3*** | Setting-up the showroom of SE products |
| ***Activity 2.2.1.4*** | Setting up SE online shop |
| **Output 2.2.2** | Young people are actively engaged in SE supporting activities |
| ***Activity 2.2.2.1*** | Organizing student competition and SE Young Ambassadors’ program |
| ***Activity 2.2.2.2*** | SE programs in two regional universities |
| **SO3** | **Sustainable development of social enterprises with strong regional focus is promoted through increased access to tailored financial resources, effective technical assistance, and networking** |
| **Outcome 3.1** | Advanced, needs tailored enabling resources and support systems are available for active and start-up SEs throughout Georgia |
| **Output 3.1.1** | Comprehensive and updated training curricula for start-up SEs is developed and provided focusing on enhancement of business thinking and entrepreneurship skills |
| ***Activity 3.1.1.1*** | Capacity building of regional hubs |
| ***Activity 3.1.1.2*** | Comprehensive training program on SE business planning |
| **Output 3.1.2** | Advanced trainings and tailored business consulting is provided to active SEs to enable scaling up their social businesses and its impact |
| ***Activity 3.1.2.1*** | Providing Advanced trainings for experienced SEs |
| ***Activity 3.1.2.2*** | Hands-on consulting for operating SEs (including pro-bono business consulting) |
| **Output 3.1.3** | Well-established and mutually beneficial cooperation mechanisms among SEs are developed and supported by SEA |
| ***Activity 3.1.3.1*** | Organizing Experience sharing tours among Georgian SE |
| ***Activity 3.1.3.2*** | Organizing Annual Forum of Social Enterprises |
| **Output 3.1.4** | Comprehensive and applied knowledge resources are available for SEs and other stakeholders |
| ***Activity 3.1.4.1*** | Developing accessible knowledge materials |
| **Outcome 3.2** | Access to diversified finances for start-up and active SEs has increased |
| **Output 3.2.1** | 10 start-up SEs are supported |
| ***Activity 3.2.1.1*** | Selecting best SE ideas |
| ***Activity 3.2.1.2*** | Selection of the best business plans and provision of financial support to SEs |
| ***Activity 3.2.1.3*** | Providing consultations/coaching and supportive monitoring to newly established SEs |
| **Output 3.2.2** | Five active SEs have scaled up their businesses and impact |
| ***Activity 3.2.2.1*** | Selecting scale-up SE projects and providing financial and technical support |
| **Output 3.2.3** | The first impact fund established in Georgia |
| ***Activity 3.2.3.1*** | Establishing methodological and structural grounds for the Impact Fund |
| ***Activity 3.2.3.2*** | Communication with potential social impact investors |
| **Output 3.2.4** | Access of SEs to funding from financial institutions and ongoing supporting programs for SMEs has increased |
| ***Activity 3.2.4.1*** | Advocating for increasing access to existing financial resources |

The activities, including conducting socioeconomic impact studies and B2B fairs, directly support the project's specific objectives. These activities are relevant as they address both the immediate needs for awareness and capacity building among social enterprises and the systemic need for improved legal and regulatory frameworks. For instance, the engagement of CSI in policy dialogue and advocacy was crucial in pushing for the legal recognition of social enterprises, an essential step towards a sustainable SE ecosystem. The sequence from activities to outputs, such as the creation of strategic documents and the establishment of the multi-stakeholder country coordination mechanism, demonstrates a clear path towards achieving the project's objectives. These outputs directly facilitate the desired outcomes, such as increased governmental support for social entrepreneurship, which is pivotal for creating a favourable business environment for SEs.

The broad impact of the project, aimed at socio-economic development and integration of marginalized groups through enhanced SE support, aligns with the strategic goals of the national government and international funding bodies. This alignment not only enhances the project’s relevance but also its potential for sustainability and replication, indicative of a well-conceived ToC.

The project's participatory strategy, involving stakeholders from government, civil society, and the business sector, ensured that the developed programs and support mechanisms were not only sustainable but also had the buy-in necessary for success. This approach likely enhanced the efficiency of implementation, as it leveraged existing capacities and aligned with stakeholders' goals.

The careful coordination of activities between EVPA and CSRDG to avoid overlap with the "Collaborate for Impact" project is a notable strength. This strategy ensured optimal use of resources and enhanced the overall impact of both initiatives, demonstrating strategic project management.

# Evaluation Methodology

## Scope and objectives

The evaluation of the "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project, spanning from March 2021 to June 2024, aims to conduct a comprehensive assessment of the project’s impact and effectiveness in fostering a supportive ecosystem for social entrepreneurship in Georgia. This evaluation serves not only as a procedural requisite but as a critical analysis to ensure that the ambitious objectives of the project are being met effectively and sustainably.

The primary audience for this evaluation includes funding bodies such as the EU and "Bread for the World," project stakeholders, including governmental and non-governmental organizations involved in policy-making and social entrepreneurship, and other relevant entities interested in the replication of similar projects in different contexts. This evaluation will provide these stakeholders with crucial data on the project's outcomes, contributing to accountability and informed decision-making for future funding and project planning.

This evaluation is pivotal for determining how the strategic efforts and activities under the project have translated into actual enhancements in advancing social entrepreneurship for a sustainable and inclusive society. The evaluation examines specific impacts, such as the establishment and growth of social enterprises, the enhancement of legal frameworks, and the level of public and regional support for social entrepreneurship. By employing performance evaluation, the document provides a robust analysis of the interventions' relevance, coherence, effectiveness, efficiency, impact, and sustainability. The findings offer actionable insights and recommendations for future social entrepreneurship initiatives within Georgia and in similar contexts elsewhere, ensuring the replicability and scalability of successful strategies. The evaluation's findings do not only reflect on the project's achievements but also provide insights into areas of improvement, offering valuable lessons learned for future initiatives aimed at fostering a supportive ecosystem for social entrepreneurship, improving the socio-economic conditions through the operation of impactful social enterprises, as well as increasing public awareness and engagement, and facilitating sustainable regional development in Georgia and similar contexts.

The primary objectives of the evaluation are to:

* Assess the Relevance: Evaluate how the objectives of the "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project align with the current and evolving needs of social entrepreneurship in Georgia. This includes assessing whether the activities and outputs were well-suited to the priorities of the target groups and how the project adapted to changing conditions during its implementation.
* Evaluate the Coherence: Analyze the extent of collaboration between CSRDG and other key players, including local authorities, private actors, and civil society organizations, in fostering a supportive environment for social entrepreneurship.
* Measure the Effectiveness: Determine the extent to which the project's objectives were achieved and identify the enabling or disabling factors that influenced these outcomes. This includes looking at unintended effects and the overall contribution of the activities towards the planned objectives.
* Examine the Efficiency: Assess whether the project utilized its resources (financial, human, and material) economically to produce the intended outputs within a reasonable timeframe, and explore if there could have been a more effective use of these resources.
* Assess the Impact: Investigate the broader developmental impacts of the project, including structural or institutional changes and its scaling-up effect within Georgia. This also encompasses the impact of the project activities on the well-being of the target groups and any notable achievements as a result of the project.
* Evaluate the Sustainability: Evaluate the measures implemented to support the sustainability of the project’s impacts post-donor funding, the persistence of benefits, and the factors that have influenced the sustainability of the results. This also involves examining the capacity of target groups to maintain the positive effects of the project over time."

This structure ensures a comprehensive evaluation, covering all aspects of the project from planning through to legacy, providing a clear picture of both achievements and areas for improvement.

## Evaluation matrix and evaluation questions

The evaluation matrix is a centerpiece of the methodological design of the evaluation. It is used at all phases of the evaluation. The evaluation matrix contains the core elements of the evaluation:

(a) what will be evaluated (evaluation criteria, evaluation questions, and related issues to be examined – “assumptions to be assessed”);

(b) how to evaluate (sources of information and methods and tools for data collection).

Data analysis utilizes an evaluation matrix to systematically organize and interpret data against the evaluation criteria and guiding questions. This matrix facilitates the identification of themes, patterns, and causal linkages that explain the project's performance and outcomes. The evaluation matrix developed guides the analysis, linking data to specific evaluation questions and ensuring a systematic approach to drawing evaluative conclusions. The particular evaluation questions, based on OECD/DAC criteria, are developed in the initial phase of the final evaluation. This matrix serves as a starting point. It provides a synthesis of the criteria that this evaluation will cover. The brief for this evaluation included a high number of evaluation questions compared to usual evaluation practices. Therefore, the Evaluation Matrix for the project was designed around themes that would gather multiple questions at once.

The key questions the evaluation matrix concentrates on are:

* Relevance - To what extent are the objectives of the project still valid? To what extent were the project's main activities suited to the particular needs and priorities of the target groups/beneficiaries? Are the intervention logics still relevant from today's perspective? To what extent were the activities and outputs of the project consistent with the intended outcomes and impact? To what extent was the project adapted to changing conditions during implementation?
* Coherence - How well does CSRDG collaborate with other key players in relevant fields of project main activities (incl. local authorities, private actors, CSOs, etc.)?
* Effectiveness - To what extent were the objectives of the project achieved or are likely to be achieved? To what extent have the activities contributed to the achievement of planned objectives? What were the key enabling or disabling factors regarding the achievement of the objectives and outcomes of this project? Were there any non-intended effects?
* Efficiency - Were project schedules met, and is the project likely to be completed within reasonable time parameters? To what extent were the project's inputs (financial, human, and material resources) used economically for the produced outputs? To what extent could the outputs of the project have been increased by an alternative use of inputs?
* Impact - In how far will the project contribute to the attainment of the overall developmental goal? Which factors were decisive for the achievement or non-achievement of the developmental impacts? To what extent did the project lead to structural or institutional changes? To what extent was the project exemplary and had a scaling-up effect in Georgia? What effect/impact did/ are likely to have on project activities on the well-being of target groups? What has happened as a result of the project activities?
* Sustainability - Which measures are implemented to support sustainability? To what extent did the benefits of a project persist after donor funding ceased? Will the intended positive changes (foreseeably) have a lasting effect? What are the major factors that influenced the achievement or non-achievement of sustainability of the results obtained by the project? To what extent has the project contributed to the target groups being able and willing to maintain the positive effects of the project over time?

Table 2. Evaluation Matrix

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criteria** | **Evaluation  Themes** | **Indicators** | **Data Sources** | **Assumptions** |
| **Relevance** | Alignment with national priorities | Degree of alignment with Georgia's social and economic development policies | Policy documents, project reports | Stable national policy environment |
| Validity of Objectives and Adaptation | Extent to which project objectives are still valid and adapted to changing conditions | Stakeholder interviews, project documents, progress reports | Continued relevance of social entrepreneurship in socio-economic development |
| Suitability of Activities | Correspondence of project activities to the needs and priorities of target groups | Stakeholder interviews, beneficiary feedback, project documentation | Accurate identification of target group needs |
| Consistency of Outputs and Outcomes | Alignment of activities and outputs with intended outcomes and impact | Outcome assessments, logical framework analysis | Clear and logical intervention framework |
| **Coherence** | Collaboration with Key Players | Level of collaboration with local authorities, private sector, and CSOs, Donor Organization | Meeting minutes/reports, collaboration agreements, stakeholder interviews | Active participation and willingness of key players to collaborate |
| **Effectiveness** | Achievement of Objectives and Contribution to Planned Objectives | Progress towards achieving project objectives and Impact of activities on achieving planned objectives | Performance tracking reports, surveys, progress reports | Effective implementation and stakeholder engagement |
| Enabling and Disabling Factors | Identification of key factors affecting success or failure | Stakeholder interviews, project reports | Accurate assessment of internal and external factors |
| Unintended Effects | Identification of positive and negative unintended effects; Changes made in response to the pandemic, Ukraine war, legislative changes in Georgia, effectiveness of these adaptations | Beneficiary feedback, project evaluations, Stakeholder interviews | Comprehensive monitoring of project impacts |
| **Efficiency** | Resource Management | Ratio of outputs to inputs, resource utilization efficiency | Financial reports, project documentation, Stakeholder interviews | Optimal allocation and use of resources |
| Timeliness | Adherence to project schedules | Project timelines, progress reports, Stakeholder interviews | Timely completion of activities and milestones |
| Alternative Use of Inputs | Potential for increased outputs with alternative resource use | Interim reports, studies, Stakeholder interviews | Availability of alternative resources and methods |
| **Impact** | Contribution to Developmental Goals and Well-being of Target Groups | Contribution to socio-economic development of Georgia and Improvement in well-being of target groups | Socio-economic impact assessments, SE performance data, Stakeholder interviews | Effective implementation of impact-focused strategies |
| Structural and Institutional Changes | Extent of structural or institutional changes resulting from the project | Policy documents, Stakeholder interviews | Supportive policy environment and institutional willingness |
| Scaling-up Effect | Potential for replication and scaling of successful strategies | stakeholder interviews | Interest and capability of other regions to replicate successful models |
| **Sustainability** | Long-term Viability and Maintenance of Benefits | Sustainability of project outcomes post-funding; Measures implemented to support sustainability;  Ability of target groups to maintain project benefits | Interim reports, Stakeholder interviews | Continued stakeholder engagement and support |
| Factors Influencing Sustainability | Identification of major factors impacting sustainability - the major factors that influenced the achievement or non-achievement of sustainability of the results obtained by the project | Interim reports, stakeholder interviews | Accurate identification and mitigation of sustainability challenges |
| Lessons learned for future programs | Identification and documentation of best practices | Evaluation reports, stakeholder interviews | Willingness to adapt and apply lessons in future projects |

Each indicator was evaluated against the project's documented outcomes using the various reports and data sources generated during and after implementation. This matrix served as a foundation for a comprehensive assessment to ensure the project's objectives were met relevantly, coherently, effectively, efficiently, and sustainably. Adjustments and refinements were required depending on the availability of data and the evolving context of the project. Data sources included a mix of qualitative and quantitative methods, ensuring a comprehensive and balanced evaluation. Assumptions were critical to understanding the context in which the project operated and the external factors that may have influenced its success or failure.

## Data collection and sampling

The final evaluation of the "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project employed a mixed-methods approach, integrating both qualitative and quantitative data collection techniques to ensure a thorough analysis of the project's performance based on diverse criteria.

Primary data sources include semi-structured stakeholder interviews with key informants, supplemented by observations during field visits. Secondary data are sourced from progress interim reports, logical frameworks, and all documents relevant to project activities provided by CSRDG, supplemented by publicly available official secondary 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 local government representatives, civil society organizations, implementing partners, beneficiaries, educational institutions and other. This sampling frame ensures the inclusion of various perspectives. Sampling for semi-structured stakeholder interviews was meticulously designed to include a representative cross-section of the project's stakeholders. Beneficiary SEs were selected based on their status (start-ups and active) as provided within the consultation with the CSRDG team.

**Semi-Structured Stakeholder Interviews:**

Interviews were conducted with a range of stakeholders:

* Operating SEs; and CSOs and initiative groups and individuals, interested in start-up SE;
* Legislative and Executive central government and local governments in two target regions;
* Business companies and financial institutions;
* two regional universities included in the project;
* Young people living in Tbilisi and Regions.

The focus was on their individual experiences and interactions with the project initiatives. Detailed interview guides tailored to each stakeholder group were provided in the inception report.

The interviews were conducted with:

* CSRDG (Implementing Organization): 5 interviews were conducted with 6 respondents, online and in-person. This session explored the roles and contributions of the implementing organization in the administration and operational execution of the project and its specific components (e.g., overall project and consortium management, cooperation with Youth and universities, sub-grant component, B2B fairs, and others) and the overall achievements of the project.
* Other partners: 5 interviews were conducted with 6 respondents from EVPA, SEA, CSI, GCDA and DDUG, in a mixed manner, online and in-person. For the regional organization in Guria, DDGU, the interview was conducted on-site.
* Municipal government representatives in Kakheti and Guria: 2 interviews were planned initially for each pilot region. However, due to political context and strains the communication with the LG of Ozurgeti municipality was complicated. As for Kakheti region, online interview was conducted with the deputy mayor of the Lagodekhi municipality.
* Beneficiary SEs – 1 active SE that expanded their enterprises and 2 new SEs that started-up their enterprises were interviewed in-person, during site visits. Focus was on the enterprises in the adjacent areas of the pilot region of Guria.
* Regional universities included in the project: 1 interview, online, with Shota Meskhia State Teaching University of Zugdidi, was conducted. The academic sector integrated SE in their curriculum, however, they lack expertise in the field. SE programs in regional universities were developed in order to fill the gap.
* Business companies and financial institutions: 2 interviews were conducted, online. Business companies were engaged in the action in different forms (such as B2B fairs, pro-bono consulting, large scale campaign for corporate sector engagement), to promote business-to SE cooperation.
* Young People, beneficiaries: 2 interviews individually, online were conducted with the award wines of the Young Ambassadors. Notably, up to 800 young people improved their qualification in SE via different activities (youth competition and ambassador program, academic programs including SE issues etc.).

**Site visits / Direct Observation:**

Direct observations during site visits, within June 23-24, 2024, complemented semi-structured stakeholder interview data, providing first-hand insights into the practical outcomes and impacts of the project's activities. Site visits to pilot project region of the project, Guria, were conducted to observe the results and impact of the project’s activities. The schedule of the visits and on-site interviews were agreed upon with CSRDG and regional respondents.

Table 3. Number of Respondents by Data Collection Type

|  |  |
| --- | --- |
| Data Collection Type | Number of Respondents |
| Online Stakeholder Interviews | 18 |
| On-site Stakeholder Interviews (Site Visits) | 4 |

**Document Review:**

A comprehensive review of relevant documents, reports, and documents related to each project activity will be undertaken to supplement primary data and provide a contextual understanding of the project’s operations.

## Data analysis

**1. Thematic Analysis:** Qualitative data from stakeholder interviews were analyzed using the project framework to identify common patterns and themes related to the project’s evaluation criteria. By categorizing the qualitative inputs, this analysis provided more profound insights into the nuanced perceptions and experiences of stakeholders involved in the project.

**2. Descriptive and Inferential Statistics:** Quantitative data from surveys, interim reports and other activity-related reports were analyzed using descriptive statistics to summarize the data and inferential statistics to identify relationships about the project’s impacts. Tabled and data visualizations are also used where necessary.

**3. Triangulation:** Data from various sources (semi-structured stakeholder interviews, document reviews) were triangulated to validate findings and ensure a comprehensive understanding of the project’s performance.

**4. Use of Evaluation Matrix:** The evaluation matrix developed guided the analysis, linking data to specific evaluation questions and ensuring a systematic approach to drawing evaluative conclusions. The particular evaluation questions, based on OECD/DAC criteria, were developed in the initial phase of the final evaluation and discussed with the CSRDG team.

# Findings

## Relevance

**The "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project** **exhibited a high degree of relevance** through its strategic alignment with Georgia's national priorities and its responsive adaptation to evolving socio-economic challenges. The project's objectives and activities were meticulously designed to fit together with key development strategies in Georgia, such as the emphasis on employment, inclusive development, and support for small and medium enterprises, which are integral to the country's economic framework and EU integration efforts. This strategic alignment was further evidenced by the project's successful adaptation measures during the pandemic, such as transitioning to digital platforms to continue its engagement and training, ensuring the initiative remained effective despite external disruptions. Moreover, the incorporation of sector-specific interventions and the establishment of the Actio impact fund highlighted the project's capacity to address the nuanced needs of social enterprises and enhance their access to essential resources, further underscoring its relevance to the overarching goals of socio-economic development in Georgia.

***Alignment with national priorities***

The project "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" was strategically designed and has shown a high degree of alignment with Georgia's social and economic development policies. The initiative adeptly addressed the country's critical needs by incorporating elements of social economy principles, emphasizing solidarity and inclusivity, in line with Georgia's efforts towards EU integration and alignment with the EU-Georgia Association Agreement[[1]](#footnote-1) and “Leave no one behind (LNOB)” as a central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs)[[2]](#footnote-2).

The project's objectives and activities were directly in line with key national development plans, such as the "Main Data and Directions of The Country 2019-2022"[[3]](#footnote-3), which prioritizes employment, inclusive development, and the support of small and medium enterprises, among other goals. Additionally, it addressed aspects of the "Georgian National Youth Policy Document"[[4]](#footnote-4) by fostering an environment conducive to youth development and engagement in social entrepreneurship.

Several examples of the Project’s Direct Contributions Include:

* Support for Social Enterprises (SEs): The project significantly supported the establishment and development of SEs by various interventions. One of the actions include facilitating B2B meetings and exhibitions, which proved effective platforms for boosting local production processes and achieving social missions. This approach was vital for the initial stages of SEs in a transitioning economy like Georgia's, where social services play a crucial role in both social and economic integration.
* Legal Framework Advocacy: Advocacy efforts led to the proposal of granting Non-entrepreneurial Non-commercial Legal Entity (NNLE) status to SEs, although this was not realized, it highlighted a significant attempt to integrate SEs into the national legal framework, supporting the social goals as starting points for SEs.
* Enhancing Social Capital in Regions: The project was crucial in regions deprived of young populations, providing means for youth to innovate and counteract migration through employment and local development initiatives. Activities included advanced training for existing SEs, contributing to the ecosystem of social entrepreneurs, and addressing local governmental issues by actively involving them in project activities.

The project was an adequate response to the current socio-economic needs of the country and was built in close collaboration with EU Delegation and national governmental strategies, demonstrating a robust connection with Georgia's socio-economic and business development policies. Despite some challenges, such as low interest from government officials at the beginning of the project and limited direct funding opportunities for SEs from local institutions, such as Enterprise Georgia and LLEP Rural Development Agency, the project managed to pave the way for significant social and economic interventions tailored to the unique Georgian context. This strategic alignment not only empowered local communities but also set a precedent for future policies and programs aimed at fostering social entrepreneurship in Georgia.

*“Drawing from my experience in the justice system and the Ministry of Justice, it became apparent that the primary need for vulnerable individuals is work integration. This foundational insight has been integral to the philosophy of social entrepreneurship, which prioritizes societal needs over profit. Such an approach is especially crucial in regional areas, where addressing social needs through social enterprise can drive significant community development.”*

***CSRDG Team Member, Portfolio Lead***

***Validity of Objectives and Adaptation***

The "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project demonstrates a high degree of adaptability and alignment with its objectives, even amid shifting socio-economic conditions and operational challenges. The project's ability to stay relevant hinges on its dynamic approach to strategic planning and implementation, reflecting a deep understanding of the local context and national priorities:

* Adaptation to Socio-Economic Changes: The project's objectives were continually validated through their responsiveness to emergent national and regional needs. For instance, when faced with unexpected challenges such as the pandemic and political changes, the project management swiftly adapted its delivery methods and focus areas. This included moving training and engagement activities online, which not only maintained momentum but also expanded the project's reach during periods of restricted movement.
* Example of Effective Adaptation: During the COVID-19 pandemic, the project adjusted its strategies to continue engaging its target groups, particularly youth, by leveraging digital platforms. This shift was crucial in regions like mountainous Adjara, where physical engagement was not possible during winter. By adapting to these conditions, the project ensured that its objectives of empowering young social entrepreneurs and fostering regional development were not sidelined by external disruptions.
* Strategic Alignment with National Goals: The project's activities were intricately designed to align with Georgia's long-term development strategies, which emphasize employment, inclusive development, and innovation—critical pillars in Georgia's socio-economic framework. This alignment was not incidental but a result of proactive engagement with policy frameworks and strategic national documents.
* Continuous Reevaluation and Responsiveness: The project team's commitment to continuous monitoring and adaptation was evident in their routine reassessments of activities and strategies. This iterative process allowed the project to remain aligned with evolving ground realities and emerging opportunities, thereby maximizing its impact and relevance.

Thus, the project's objectives remained highly valid throughout its lifecycle due to its embedded flexibility and robust alignment with Georgia’s socio-economic priorities. This strategic adaptability ensured that the project could effectively respond to changing conditions and maintain its relevance, thereby maximizing its impact on the development of a sustainable social entrepreneurship ecosystem in Georgia.

***Suitability of Activities***

The activities within the "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project were accurately tailored to meet the explicit and evolving needs of the target groups, which is pivotal in ensuring the effectiveness and relevance of any development initiative.The project activities demonstrated a strong correspondence to the needs and priorities of the target groups through a well-executed process of needs identification. Initial assessments and ongoing engagement with stakeholders ensured that the activities were not only aligned with but directly addressed the specific requirements and challenges faced by social enterprises in Georgia.

* Sector-Specific Interventions: The project's activities also included sector-specific interventions, which were highly relevant to the needs of social enterprises working in diverse fields such as agriculture, technology, and community services. For instance, B2B meetings and exhibitions tailored to these sectors provided platforms for networking, collaboration, and exposure to both local and international markets, directly corresponding to the developmental needs of these enterprises.
* Based on the preliminary needs assessment and discussions, EVPA played a crucial role in enhancing capacity-building within the project, particularly through its focus on communication, storytelling, and impact management training. The project organized a three-day training led by Adam Harridence, a renowned expert from the UK with extensive experience in communications and storytelling. This training was instrumental in equipping participants with the skills necessary to effectively convey their social missions and impacts, a crucial element for engaging stakeholders and attracting investment. The impact management training offered by EVPA was designed to be applicable across various contexts, not just in emerging markets, ensuring that participants could apply these skills universally. Despite a limited budget, the project achieved significant results, demonstrating the effectiveness of carefully targeted capacity-building initiatives. These activities were based on a thorough assessment of gaps and needs within the social entrepreneurship ecosystem in Georgia, which guided the strategic focus of the training sessions.

*“CSRDG has long been a pioneering institution in the field of social entrepreneurship in Georgia. The organization's engagement with social enterprises began well before the specific project discussed and is expected to continue into the future. Since its inception, CSRDG has been a strategic entity dedicated to fostering social entrepreneurship, which was one of the first of its kind in the country. This early start provided CSRDG with a substantial knowledge base and deep understanding of the needs of social enterprises in Georgia, as well as the broader landscape of social entrepreneurship within the nation. This enduring commitment has enabled CSRDG to consistently attract additional resources and partnerships, enhancing its capacity to support social enterprises effectively and sustainably.”*

***CSRDG Team Member, Project Manager***

***Consistency of Outputs and Outcomes***

The project demonstrated a well-structured intervention logic that significantly aligned the project activities with the intended outcomes and impact, showing a clear and logical framework for implementation.

The project's logic was intricately designed to ensure that each activity directly contributed to the overarching goals of strengthening social entrepreneurship in Georgia. This alignment was crucial in achieving tangible and sustained impacts, despite the project's ambitious scope and the various external challenges it faced, such as the pandemic.

* Example of Adapted Activities Contributing to Intended Outcomes: The introduction of financial assistance competitions, or sub-grants, although delayed due to the pandemic, was a key activity that was adjusted and successfully implemented to meet the changing conditions. The re-scheduling of B2B fairs to an annual basis instead of biennially responded to the immediate needs for more frequent networking opportunities, thereby maintaining momentum and engagement within the social entrepreneurship community.
* Integration with Other Projects: A notable aspect of the project was its integration with a parallel CSRDG initiative—the Impact Fund project. This alignment avoided duplication of efforts and maximized resource utilization. For instance, the establishment of the "Actio" impact fund was a strategic decision made in response to the evolving landscape of impact investment. This fund aims to empower social enterprises by providing them with critical financial resources to scale their operations and increase their social impact. EVPA's contribution was instrumental in the creation of the Actio impact fund, bringing its extensive expertise in impact investment and venture philanthropy to the table. By providing technical assistance and consultancy through seasoned professionals, EVPA ensured that the fund was not only established but also aligned with best practices in impact funding. This fund aims to empower social enterprises by providing them with critical financial resources necessary to scale their operations and increase their social impact, focusing on sectors such as work integration, education, environmental protection, and the preservation of cultural heritage.
* Strategic Communication and Awareness Raising: The project placed a strong emphasis on strategic communication and public awareness, which were essential for enhancing the visibility and understanding of social entrepreneurship. The success of the B2B exhibitions, which received extensive media coverage, exemplifies how targeted communication efforts can amplify the impact of project activities and engage a broader audience. For 2023 the B2B exhibition received significantly extensive media coverage, with a notable presence across nine media partners. These included major national outlets such as Business Partner, BMG, Formula, Palitra News, Radio Holding Fortuna, Radio Imedi, Radio Commersant, BPN, and Business Insider Georgia. This diverse media engagement ensured that the project reached a broad audience, spanning various sectors and demographics. The media coverage was remarkably comprehensive, with one of the events being covered 69 times, reflecting the high level of interest and the significant impact of the exhibition. This extensive coverage not only highlighted the achievements and potential of social enterprises but also played a critical role in raising public and corporate awareness about the importance of social entrepreneurship in Georgia’s economic and social development.
* Example of Continuous Feedback from beneficiaries: The project implemented a robust feedback mechanism to continuously refine and enhance the training process and other project activities. For instance, B2B feedback forms were developed and distributed immediately following events—within two weeks—to gather participants' opinions on the process, selection, and communication and to identify any organizational flaws. The insights gained from this immediate feedback were critical, allowing the project team to swiftly adapt and improve future interactions and training sessions. This responsive approach ensured that the project not only met the immediate needs of participants but also aligned with national economic goals by preparing social enterprises to be investment-ready and more effective in their operations. Through such measures, the project effectively contributed to building a sustainable ecosystem for social entrepreneurship in Georgia.

Throughout the project, there was a continuous loop of feedback and adjustment, which allowed the project team to refine and optimize the interventions. This dynamic approach ensured that the project remained relevant and effective, even as external conditions changed. The project's activities were effectively designed and implemented to achieve the desired outcomes, demonstrating a high level of consistency and alignment with the needs of social enterprises in Georgia. The careful planning, ability to adapt to new challenges, and integration with broader economic and social objectives underscored the project's relevance and impact within the target communities.

## Coherence

**The project is underscored by its strategic coherence, significantly enhanced through collaborations with an extensive consortium of key stakeholders.** Each entity within the consortium played a vital role, aligning the project’s implementation with national socio-economic development goals and ensuring a comprehensive, multi-faceted approach to fostering social entrepreneurship in Georgia.

EU: Strategic Support and Visibility Enhancement

The European Union's involvement in the project was instrumental, particularly in terms of strategic support and enhancing visibility. One of the notable contributions was the EU's active participation in the B2B fairs. These fairs were critical platforms for networking and showcasing the capabilities of social enterprises, significantly boosting their profile within and beyond the local ecosystem. The EU's support ensured that these events received substantial media coverage, thereby increasing the public awareness and understanding of social entrepreneurship. Furthermore, the EU was integral in strategic communication efforts, facilitating the production of various promotional materials, including videos. These communications initiatives were key to the project’s success, with the EU helping to produce seven videos that effectively communicated the values and impact of the social enterprises involved. This media support not only highlighted the success stories from the project but also underscored the EU's commitment to fostering sustainable social and economic development through strategic and comprehensive communications efforts.

CSRDG: Core Coordination and Strategic Direction

CSRDG was pivotal in the arrangement and success of the "Advancing Social Entrepreneurship for a Sustainable and Inclusive Society" project. Within the conducted in-depth interviews, acting as the backbone of the initiative, CSRDG was consistently highlighted by social enterprise (SE) beneficiaries and other partners of consortium for its outstanding coordination efforts. The organization was noted for its constant contact and flexibility, adapting swiftly to the evolving needs of the project and its participants. Beneficiaries expressed profound gratitude for CSRDG's responsive and supportive approach, which was crucial in navigating the complexities of the project’s execution. CSRDG's role was not merely administrative but deeply contributive, ensuring that all activities were aligned with the strategic objectives of fostering social entrepreneurship within Georgia. Their hands-on management and commitment to the project significantly enhanced its effectiveness and impact, cementing CSRDG's reputation as a key facilitator of social enterprise development in the region.

Civil Society Institute (CSI) and Social Enterprise Alliance (SEA):

CSI and SEA were instrumental in executing ground-level activities, particularly in advocacy and capacity building. Their involvement ensured that the project remained connected to the needs of social entrepreneurs, providing them with necessary tools and knowledge to thrive. CSI’s focus on policy dialogue and SEA’s role in promoting social enterprise networking and engagement were crucial in building a supportive environment for social enterprises.

Georgian Civil Development Association (GCDA) and Democratic Development Union of Georgia (DDUG):

GCDA and DDUG played key roles in regional engagement and the implementation of specific project components tailored to local needs. Their deep connections within local communities facilitated the effective roll-out of project activities, ensuring that interventions were culturally and contextually appropriate.

European Venture Philanthropy Association (EVPA):

EVPA brought a wealth of knowledge in venture philanthropy and impact investment, crucial for the financial structuring and sustainability aspects of the project. Their expertise in impact funding models was vital in establishing the Actio impact fund, which aimed to provide social enterprises with the capital necessary to scale their operations and impact.

Youth Agency (Associated Partner):

As an associated partner, the Youth Agency's involvement was key in engaging the youth demographic, aligning project activities with the needs and aspirations of young entrepreneurs. Although their participation fluctuated, their role was intended to bridge the gap between young social entrepreneurs and established networks and resources.

Overall, the coherence of the project was significantly bolstered by the robust communication and longstanding partnerships among consortium members, particularly the CSRDG and other key stakeholders. Active and regular communication, characterized by frequent meetings including both formal settings and more informal outside gatherings, played a crucial role in ensuring effective collaboration throughout the project lifecycle.

Analytically, it is important to highlight that these existing relationships provided a solid foundation for effective teamwork and synergy, which was crucial for the project's success. According to the in-depth interviews, the history of cooperation among the consortium members facilitated a mutual understanding and a streamlined approach to managing the project’s complex demands. However, insights gathered from in-depth interviews indicated a desire among partners for even more structured and regular communication. Partners expressed a need for annual retreats, which they believe could foster more profound strategic alignment and robust exchange of ideas. These retreats could serve as a platform for conducting mid-term evaluations and enhancing the strategic discussions that sometimes lacked the depth and efficiency in virtual settings like Zoom. The suggestion for at least one annual retreat reflects a strategic approach to deepen the engagement and leverage the diverse expertise within the consortium, ensuring that all parties are not only aligned but are also contributing their unique insights effectively. This enhanced communication strategy would be particularly beneficial in mitigating the challenges posed by remote collaboration, ensuring that the project’s objectives are met with a cohesive and unified approach.

## Effectiveness

**The project effectively demonstrated a high degree of effectiveness in achieving its specific objectives,** engaging stakeholders from local businesses to municipal governments, and creating significant impacts at both local and national levels, as well as supporting active and start-up social enterprises, creating more robust environment for raising awareness and knowledge about social entrepreneurship and other**.** Despite some challenges, the project's alignment with strategic objectives and the resultant impacts of its activities underscores its overall success in enhancing the social enterprise landscape in Georgia.

***Achievement of Objectives and Contribution to Planned Objectives***

The effectiveness of the project can be assessed through a detailed examination of its alignment with strategic objectives and the resultant impacts of its activities. Overall, the project demonstrated a high degree of effectiveness in achieving its specific objectives. It successfully engaged various stakeholders, from local businesses to municipal governments, and created significant impacts at both local and, to a lesser extent, national levels. Despite some challenges, particularly in affecting national legal frameworks due to adverse political developments, the project's achievements in local government advocacy and business sector engagement reflect a strong alignment with its planned objectives. The strategic use of partnerships and the establishment of critical financial and learning resources further underscore the project's effectiveness.

The project has substantially achieved its overarching goal of creating a favorable environment for social entrepreneurship, evidenced by a 30% increase in the number of operating social enterprises (SEs) against a target increase based on the latest logical framework of the project; Albeit the SEA database under-reconstruction posed challenges in completely verifying this achievement. Despite external factors like the legislative environment potentially hampering efforts, the project managed to make significant strides in enhancing the social enterprise landscape.

Enhancing Legal and Operational Environment for SEs:

The project has made substantial strides in influencing the legal environment for social entrepreneurship, although significant challenges persist due to external political factors. While there has been notable advocacy at the local government level, resulting in the establishment of co-financing mechanisms for SEs in four municipalities, national level impacts have been hampered by a deteriorating civil society environment and new restrictive laws in the country. Nevertheless, the project successfully embedded the necessity of SE development in two significant government strategy documents. Thus, while the project did not fully achieve the goal of creating a favorable legal environment nationally, its local level impacts and strategic document inclusions mark a partial success in this objective​​.

**At the national level,** concerted efforts were made to integrate social entrepreneurship into the legislative framework, though with mixed results. Advocacy efforts spearheaded by the CSI aimed at legal recognition and the development of a strategic state document for social entrepreneurship. A critical meeting with Parliament committee chairpersons symbolized a high-level engagement, though tangible legislative steps were constrained by political hesitations. Despite these challenges, the establishment of a coordination platform marked a significant stride towards fostering a unified approach to social entrepreneurship. This platform served as a nexus for discussions and alignment among various stakeholders, enhancing the ecosystem's coherence and facilitating the exchange of resources and information.

However, the introduction of restrictive laws, such as the "Foreign Influence bill," posed new challenges. CSI's proactive response—organizing a consultation to inform social enterprises about their new legal obligations—illustrates a dynamic and responsive approach to advocacy, ensuring that enterprises could navigate the evolving legal landscape.

**Regionally,** the project excelled in fostering operational environments conducive to social entrepreneurship, particularly in the Kakheti region and specific municipalities like Lagodekhi, Kvareli, and Dedoplistskaro. In these areas, the project implemented innovative co-financing mechanisms that enabled local governments to directly support social enterprises—an unprecedented move that marked the first such initiative in public structures. For instance, Lagodekhi and Kvareli allocated significant budgets (10,000 GEL and 20,000 GEL respectively) annually for social entrepreneurship projects, demonstrating a tangible commitment to fostering local social enterprise ecosystems.

Moreover, intensive engagement activities, including local government participation in B2B exhibitions and strategic communication efforts, significantly raised the profile of social enterprises within these municipalities. The continuous involvement in city council sessions and other public forums helped in building a supportive narrative around social entrepreneurship, gradually altering perceptions and garnering public official support.

One of the most impactful strategies employed in Guria was the introduction of co-financing programs, designed to provide tangible financial support to burgeoning social enterprises. The regional government of Guria, recognizing the potential of social enterprises to contribute to local development, allocated funds specifically for this purpose. For example, the establishment of a new budget article in 2022 facilitated the creation of a co-financing program for projects with a social goal. This program was not only a pioneering initiative in Guria but also set a precedent for other municipalities, illustrating a successful model of governmental support for social entrepreneurship. The influence of the project extended to strategic municipal planning. The "Medium-term development document of the municipality" for 2024-2027[[5]](#footnote-5), which was developed with contributions from the project team, included specific activities aimed at stimulating economic programs through social entrepreneurship. This document underscores the integration of project goals into long-term regional development plans, ensuring that the support for social entrepreneurship is sustained beyond the project's lifespan. For Guria, for the time being, 10,000 GEL is allocated under a new co-financing scheme aimed at stimulating economic development through social enterprises. Also, secretariat evaluates applications, with a commission comprised of City Council, City Hall, and civil society members ensuring projects meet set criteria and providing a correction period for non-approved applications.

Promoting Social Entrepreneurship Among Business Sectors:

The project effectively engaged the business sector, achieving a significant increase in the number of businesses participating in SE support activities. Based on the provided latest logical framework progress, the project far exceeded its target of a 20% annual increase in business engagement, with considerable collaborations established through B2B forums, partnerships, and pro-bono support. This indicates a high degree of effectiveness in enhancing business sector involvement in social entrepreneurship, thereby expanding the SE ecosystem and integrating SEs into the business value chain​​.

The promotion of social entrepreneurship among business sectors, a pivotal element of the project, was effectively implemented through comprehensive stakeholder engagement and educational initiatives. The project team developed a suite of educational resources, including e-resources that shared international practices, thematic documents in Georgian, and organized large-scale **B2B Fairs**. These exhibitions served as critical platforms for deepening relationships with businesses interested in incorporating social enterprises into their supply chains for long-term collaborations.

The project's dedicated website, **SE.georgia.org**, was significantly enhanced to serve as a central hub for information on social entrepreneurship. The site featured updated thematic content, structured to facilitate easy access for various stakeholders, thereby boosting the project's visibility and reach.

B2B exhibitions, particularly highlighted in 2022 and 2023, were substantial in scale and effectiveness. These events not only facilitated direct business-to-business interactions but also showcased social enterprises to a broader audience, enhancing their visibility and potential market opportunities. The 2022 exhibition, notably supported by Tbilisi City Hall, saw the European Union Ambassador opening the event, which underscored the significant support from high-profile stakeholders. Such endorsements were crucial in drawing greater attention and participation from the business community.

The project also excelled in strategic communication, utilizing **social media** platforms like Facebook, LinkedIn, YouTube, and Instagram to keep stakeholders informed about ongoing activities and opportunities. This approach was complemented by targeted campaigns that emphasized the importance of responsible purchasing and showcased the value of social enterprises. The "my social purchase" campaign was particularly effective in creating a recognizable identity that resonated with both consumers and businesses, fostering a supportive environment for social entrepreneurship.

Moreover, the **Young Ambassador Program** was a novel initiative introduced to engage a broader demographic, extending beyond students to young adults aged 18-29. This program not only increased the scope of participation but also enhanced the quality of engagement, with ambassadors playing a crucial role in localizing the project's impact according to regional specifics.

Overall, these concerted efforts in promoting social entrepreneurship among business sectors have not only enhanced the operational capacities of social enterprises but have also significantly contributed to their recognition and integration within the larger economic framework of Georgia.

Supporting SE Development through Resource Availability and Financial Access:

The project significantly bolstered the development of social enterprises (SEs) by enhancing resource availability and financial access, primarily through a **structured grant competition.** In it noteworthy, that according to in-depth interviews and interim reports, this component has evolved from focusing on traditional crafts like sewing and felting to embracing more innovative, global, and technological ventures. A prime example is STEM Space, which contracted in November 2023 to deliver Lego robotics and coding lessons at the Promete private school and additional classes for lower secondary education starting in February 2023. This enterprise not only focuses on education in STEM fields but also incorporates significant branding efforts to enhance its market presence.

Another initiative, the Social Enterprise "Tanadgoma," operates in Tbilisi and Batumi, providing employment and rehabilitation opportunities for individuals recovering from drug addiction through art therapy product sales. This model demonstrates the project's broader approach to integrating social services into business models.

Furthermore, the project supported the launch and development of regional SEs, such as those in Svaneti, which preserve local traditions while providing new economic opportunities, particularly for women. By the end of the second year, the project had selected seven start-up SEs through open calls, with plans to select three more at the start of the third year. Notably, by the end of the project, seven of these enterprises were generating sufficient income to sustain their operations.

**The project's strategic initiatives have effectively promoted social entrepreneurship among business sectors through diverse and targeted activities.** A significant achievement is the exceeding of the target number of social entrepreneurs who have attended trainings and consultations, with a final total of 160 participants against a target of 100. This includes a comprehensive range of training programs such as business planning, effective communication, and tailored consultancy meetings.

Moreover, the project has effectively increased engagement with its knowledge materials, as evidenced by the web usage data. Unique users and total activities on the designated website page have shown considerable growth, indicating successful outreach and resource utilization.

In terms of training curricula, all targeted modules were updated or developed, achieving the set goal. Enhanced training and consultancy efforts have led to substantial capacity building, with a total of 51 tailored consultations provided, meeting the initial target. Additionally, the project facilitated cooperative mechanisms among SEs, supporting various collaborative activities that exceeded the goals set.

Comprehensive and applied knowledge resources have been substantially enriched, surpassing the target with 31 new resources created, including academic articles, animations, blogs, and more. This enriches the informational landscape for SEs and other stakeholders, fostering a deeper understanding and engagement in social entrepreneurship.

Overall, these outcomes underscore the project's impactful execution and significant progress towards enhancing the social entrepreneurship ecosystem in Georgia, clearly demonstrating its success in meeting and exceeding most of its targets.

***Enabling and Disabling Factors***

The effectiveness of the project was influenced by a variety of enabling and disabling factors, both internal and external. These factors significantly impacted the achievement of project objectives and the overall success of the initiative.

Enabling Factors

Internal Enabling Factors:

* Strategic Capacity Building and Training Initiatives: The project's internal strength lay in its robust training and capacity-building framework. Notably, the comprehensive training program on SE business planning and advanced consultancy sessions significantly enhanced the competencies of social entrepreneurs. These efforts culminated in highly organized B2B fairs, such as the one in 2022, which not only facilitated extensive networking but also resulted in substantial sales and partnerships. The involvement of high-profile figures, like the EU Ambassador and Tbilisi City Hall's support, amplified the impact and visibility of these events.
* Adaptation to Operational Challenges: The project demonstrated considerable adaptive capacity, particularly in response to logistical challenges and the COVID-19 pandemic. This adaptability was evident in the shift to online platforms for training and stakeholder engagement, ensuring continuity of project activities despite physical restrictions. The ability to maintain momentum under such constraints highlights the project's resilient operational framework.

External Enabling Factors:

* Supportive Policy Environment: In 2022, the alignment with local government bodies like Tbilisi City Hall, which provided both financial and promotional support, was instrumental. This external support not only enhanced the project's legitimacy but also broadened its reach and effectiveness in engaging a wider business community.
* Enhanced Technological Integration: The introduction of electronic management systems for organizing B2B events in 2023 exemplifies effective use of technology to streamline operations. This innovation increased efficiency and participation, allowing for more structured and impactful networking opportunities.

Disabling Factors

Internal Disabling Factors:

* Venue and Logistic Limitations: A significant internal challenge was the selection of inappropriate venues for major events, as seen in 2018 at the King David venue, where limited accessibility led to lower attendee turnout. Such logistical oversights can detract from otherwise well-planned events, highlighting the need for meticulous venue selection and logistical planning.
* Inconsistent Project Execution: Fluctuations in the execution of activities, such as the delayed B2B fairs and varying quality of training sessions, occasionally hindered the project's ability to consistently meet its targets. This inconsistency sometimes resulted in missed opportunities for maximizing stakeholder engagement and resource utilization.

External Disabling Factors:

* Delays due to COVID-19: During the 1st year of the project, some of the activities were shifted for the second year due to restrictions related to the Covid 19 pandemic. These are B2B fear of social enterprises and Competition of Young SE Ambassadors. Both activities shifted from the 1st year have been implemented.
* Legislative and Political Barriers: The introduction and enforcement of the "Foreign Influence Bill" posed a profound external challenge, directly impacting project activities and stakeholder participation. The political climate led to the rescheduling of key events and a general hesitancy among public sector participants to engage with the project, severely restricting the project's scope and potential impact. The mentioned legislative initiative was severely criticized both from international organizations, diplomatic representatives, as well as civil society. The draft bill was assessed as incompatible with human rights, European values and Georgia's integration into the European Union. The aforementioned legislative initiative has a negative impact on the civil society enabling environment, especially for non-entrepreneurial legal entities, including social enterprises operating in the form of non-entrepreneurial (non-commercial) legal entities.

Due to this, CSI and all implementing parties had to revise their project activities. In May 2024, the Parliament of Georgia adopted this law. Recognizing the potential impact of this new legislation on social enterprises, CSI promptly organized a consultation meeting. This meeting aimed to inform social enterprises about the new legal obligations imposed by the law and to discuss the implications for their operations. The session provided a platform for social enterprises to gain a clear understanding of the law's requirements and to address any concerns or questions they had regarding compliance and future activities. This law necessitated increased awareness among social enterprises about the new regulations and their potential consequences. To address this, informational materials and a presentation were prepared for social enterprises and other stakeholders.

* Regional Variability in Engagement: External challenges also included the variable levels of engagement from local self-governments, particularly in regions like Lagodekhi and Dedoplistskaro. The reluctance of these governments to innovate or implement new social entrepreneurship initiatives due to fear of political repercussions or lack of resources limited the project's effectiveness in these areas.

***Unintended Effects***

The project experienced several unintended effects, both positive and negative, which significantly influenced its overall effectiveness. Positive outcomes included amplified media coverage and increased public awareness, heightened youth engagement through the young ambassadors’ program, and successful grant competitions in Ozurgeti Municipality. However, challenges such as limited capacity and scalability of social enterprises, difficulties in sustaining long-term collaborations, early burnout among SEA staff, and ineffectiveness of some training components also emerged. These effects required strategic adaptations to enhance the project's impact and sustainability.

Positive Unintended Effects:

* Amplified Media Coverage and Public Awareness: Without an additional budget, the project maintained consistent communication with the media, resulting in coverage by 9-10 media partners per event. The notable media partner, BM.ge, and others provided coverage, enhancing the visibility of social entrepreneurs and their initiatives. This sustained media presence effectively amplified public awareness and interest in social entrepreneurship.
* Young Ambassadors’ Engagement: The young ambassador’s component for the second year saw a significant increased participation compared to previous years, indicating a growing interest and support for social entrepreneurship among the youth. This engagement helped integrate social entrepreneurship into the Corporate Social Responsibility (CSR) initiatives of local businesses, notably supported by Base Bank. This regional focus was crucial in providing young people with opportunities to innovate and develop locally, thereby addressing youth migration and employment issues. In the 1st round of the competition 777 young people were engaged in program activities including seminars, summer school and trainings, workshops and study tours organized by young ambassadors. During the 2nd round competition up to 1386 young people were engaged into the program activities. (186 young people attended seminars and summer school arranged by CSRDG. Up to 1200 young people attended meetings and seminars of SE young Ambassadors).
* Founding of New Social Enterprises by Young Ambassadors: A young ambassador, Irakli Tevzadze, who participated in the program founded a social enterprise focused on creating a youth-oriented space in Kutaisi. Irakli, inspired and motivated by their involvement in the CSRDG project developed a long-held idea into a tangible project. The concept was to create a youth-oriented space in Kutaisi, offering innovative English language courses for children aged 6-12 using non-formal education methods – “[ART is FUN](https://www.facebook.com/profile.php?id=61559777282328)”. This enterprise, aims to develop creativity, critical thinking, and communication skills among children. The income generated from these courses is planned to fund non-formal education services for youth aged 14-29, addressing the significant challenge of NEET (Not in Education, Employment, or Training) youth in the region.

The initiative underscores the SE project's broader impact, showing how young ambassadors could leverage their experiences and the support system provided by the program to create meaningful and sustainable social enterprises. This example highlights the importance of continued support and resource availability for young entrepreneurs, ensuring they can effectively address local challenges and contribute to their communities' development.

* Successful Grant Competitions in Ozurgeti Municipality: The new social entrepreneurship program in Ozurgeti led to the instant results, issuance of grants in its first year, resulting in the financing of two social enterprises. The synergy created through collaboration with the municipality ensured continued funding and support for social enterprises, which in turn fostered local economic development and social impact.
* Expansion of Services at Social Cafe "Archivi": Initially unplanned, the social cafe started a catering service due to the demand generated by an EU order, catering for 150 people at the Technopark space. Additionally, the cafe's initiative to have themed days, such as Asian day, attracted young local talent and provided them with practical work experience, thereby aligning with the project's goals of youth engagement and skill development.

Negative Unintended Effects:

* Limited Capacity and Scalability of Social Enterprises: According to the partner businesses reported challenges such as insufficient quantity, inappropriate pricing, and quality concerns from social enterprises. Focus SEs in most cases failed to meet the demand for their products, highlighting issues with production capacity and performance reliability.
* Challenges in Maintaining Long-term Collaborations: The communication breakdown and subsequent discontinuation of the project with Akhaltsikhe University, after initial resource investment and syllabus development, reflect the difficulties in sustaining long-term academic collaborations with them. This discontinuation resulted in wasted resources and missed opportunities for expanding social entrepreneurship education.
* Burnout and Resource Strain on SEA: The establishment of ESKI social concept store multifaceted nature led to early burnout among SEA staff, as they had to manage numerous components simultaneously. This strain was exacerbated by the short three-year project duration, which was insufficient for achieving all goals, particularly for new and emerging activities like the online shop development, which faced difficulties in product display and resource allocation.
* Ineffectiveness of Some Training Components: Within B2B fairs the optional masterclass on sales by internationally recognized experts, was added in 2023, based on the previous fair experience. However, it was not attended by some previous participants. This resulted in a gap in their competitiveness at B2B exhibitions and post-factum frustration upon realizing the practical value of the masterclass. This scenario underscores the need for mandatory participation in critical training components to ensure uniform benefit across all participants.

## Efficiency

**The project demonstrated high efficiency in managing its resources, timelines, and achieving its objectives.** Even with limited financial funds for human resources, through strategic collaborations, optimal use of human resources, and adaptability to external factors, the project effectively utilized available resources to create sustainable impacts in the social entrepreneurship sector. The approval of a non-financial extension to 40 months further exemplified the project’s efficiency, allowing for the completion of all planned activities and ensuring the continued achievement of its objectives.

***Resource Management***

The project exhibited commendable resource management through the optimal allocation and utilization of available resources. the project exemplified efficient resource management through strategic collaborations, optimal use of human resources, and adaptability to external economic factors. These efforts collectively ensured the achievement of project goals and the creation of sustainable impacts in the social entrepreneurship sector. Below are key examples that represent a direct contribution to this component.

* B2B Exhibitions and Financial Efficiency: The project progressively increased the scale and impact of its B2B exhibitions. A contract worth 70,000 GEL was signed in 2017, with a more limited 40,000 GEL contract in 2018 due to the election period. However, by 2022, the contract value rose to 150,000 GEL, and in 2023, it exceeded 350,000 GEL. This growth was achieved through strategic collaborations and sponsorships, allowing for a significant increase in business participation—from 78 businesses, forming strategic partnerships valued at 51,000 GEL, to a large-scale event supported by Tbilisi City Hall, the European Fund for Southeast Europe (EFSE).

The project demonstrated an ability to achieve significant results with constrained financial resources. For instance, the B2B exhibitions not only increased in scale but also in the number of strategic partnerships formed and products sold. The 2023 B2B fair saw pre-arranged meetings increasing to 180, enhancing the efficiency of the event and its outcomes.

* Human Resource Challenges and Strategic Adaptations: Despite limited human resources and relatively non-competitive salaries with regard to the volume of work conducted, the project team managed to deliver exceptional results. The project's human resources were stretched, with team members often managing more responsibilities than originally planned. This was particularly evident in the implementation of ESKI, the social concept store. Allocated 10,000 Euros covered all expenses, but due to market changes, the actual costs exceeded initial projections. The project adapted by securing additional volunteer support and leveraging pro-bono consulting services, which were crucial in maintaining operations and achieving goals.
* Pro-Bono Network and Stakeholder Engagement: The project effectively utilized a pro-bono network, engaging business leaders in supporting social enterprises. This network provided invaluable resources, such as the creation of communication strategies and branding efforts, which would have otherwise incurred significant costs. For example, Saatchi & Saatchi advertising company contributed to the branding of ESKI, enhancing its market presence without additional financial burden on the project.

ESKI faced challenges such as increased repair costs and rental expenses due to market fluctuations and the war in Ukraine. Despite these hurdles, the project secured necessary funding through collaborations and sponsorships. This adaptability ensured the continuity and success of initiatives like the B2B fairs and the operation of ESKI.

* Cost Management and Resource Reallocation: During the second year, adjustments were made to save costs and optimize resource use. The young ambassadors' program underwent a slight modification that resulted in cost savings. Initial pro-bono support for the application review process was replaced by a streamlined approach, ensuring no additional expenses were incurred. This strategic reallocation of resources enabled the project to expand its impact without exceeding its budget.
* Leveraging External Support for Sustainability: Continuous support from donors and strategic partnerships ensured that the project could sustain its activities beyond initial funding periods. This was evident in the ongoing support for social enterprises and the development of long-term collaborations, such as those with Tegeta Motors and other pro-bono partners.

*“All events and activities were meticulously planned according to the project guidelines. Research activities were conducted during the previous period, culminating in a comprehensive report on East and West Georgia, collaboratively developed by us, regional partners. We investigated if the successful experiences of other municipalities existed, that could be transferred to Guria and Kakheti. We held preliminary meetings, assessed needs, and conducted interviews, which informed the subsequent report and initiated work on focus local governments. Significant effort was invested in researching the existing experiences within society, especially concerning the interaction between public structures and businesses.”*

***Regional Partner Organization Representative***

***Timeliness***

The project demonstrated a commendable degree of efficiency in managing timelines and ensuring the timely completion of activities and milestones, despite encountering several challenges. Below are key examples that represent a direct contribution to this component:

* External Delays and Adaptations: The project faced several external delays, primarily due to the COVID-19 pandemic and the complexities of organizing activities during the summer months in the EU. This necessitated the postponement of certain activities, such as the B2B exhibitions and the young SE ambassadors' competition, which were shifted to the following year. These adjustments were crucial in maintaining the project's momentum and ensuring that key events could be held effectively once conditions improved.
* Capacity Building Delays: Finding suitable trainers for capacity-building sessions within B2B fairs also caused minor delays. The availability of trainers impacted the scheduling of these sessions, but the overall effect on the project timeline was minimal. The project team managed to mitigate these delays by efficiently coordinating and rescheduling the training sessions, ensuring that participants received the necessary skills and knowledge without significant disruption.
* Online Shop Development Challenges: The development of the online shop faced postponements due to the need to mobilize resources and address cost-sharing and fundraising challenges. These delays were further compounded by the project's obligations and the complex nature of setting up an online platform. Despite these hurdles, the project team successfully navigated these challenges, demonstrating flexibility and resourcefulness in managing timelines.

To address these cumulative delays, a non-financial extension was requested and approved by the EU, extending the project duration from 36 to 40 months. This extension allowed the project to adequately complete all planned activities and achieve its objectives. The request, detailed in the letter to the EU Delegation, highlighted the need for additional time due to the prolonged activity implementation and the extended selection process for start-up SEs, which took longer than initially anticipated. The extension ensured that the project could provide the necessary technical assistance and support to the newly established SEs, thereby enhancing their sustainability.

In conclusion, the project's efficiency in managing timelines and resources was evident through its adaptive strategies, successful resource mobilization, and the approved non-financial extension, which collectively ensured the timely completion of activities and the achievement of project milestones.

***Alternative Use of Inputs***

The project's efficiency, particularly in terms of alternative use of inputs, demonstrated a strategic approach to resource management and adaptability. Significantly, most of the stakeholders involved in the in-depth interviews, emphasized that the project performed better than planned, accordingly the resources were used in a most efficient way. Several examples of alternative use of resources include:

* Innovative Use of Budget for B2B Exhibitions: The project consistently increased the budget for B2B exhibitions over the years, showcasing significant strategic planning and resource mobilization. Considering the pre-project period, in 2017, a 70,000 GEL contract was signed for B2B exhibitions, which was relatively modest. In 2018, the budget was further constrained due to the election period, reducing it to 40,000 GEL. However, in 2022, within the SE project, the budget was substantially increased to 150,000 GEL, and in 2023, it exceeded 350,000 GEL. This progressive increase facilitated the involvement of 78 businesses, marking a substantial advancement. Strategic collaborations, space allocation, sponsorship package development, and product placements in store networks were achieved, significantly enhancing the project's impact and reach.
* Co-Sponsorship and Resource Optimization: In 2022, the B2B fairs component introduced a co-sponsorship model with a 60-40 split, which was adjusted to a 50-50 split in 2023. This model allowed for better resource allocation and greater financial stability, enabling the project to scale up its activities without over-relying on a single funding source. The strategic use of co-sponsorship optimized the financial inputs and maximized the outputs, ensuring the project's sustainability and growth.
* Youth Component Innovation: The youth component of the project introduced an innovative approach by organizing city games in two cities instead of traditional informational meetings. This interactive, game-based quiz approach significantly increased engagement and awareness among the youth. The idea of a board game emerged, developed by the ambassadors themselves, which was financed by the project. This innovative method not only made the activities more engaging but also ensured a deeper understanding and retention of information among participants.
* Proactive Project Management in Municipal Engagement: The project demonstrated proactive engagement with municipalities, particularly in Tetritskaro and Marneuli, where activities were minimal. By identifying and financing projects that catered to ethnic groups and underrepresented areas, the project effectively utilized resources to address local needs. For instance, in Ksani school, students presented their project ideas at the school level and received funding, showcasing the project's ability to inspire and empower local initiatives.
* Grants Component Efficiency: In the grant’s component, the project financed 16 enterprises, of which 15 were successful. This high success rate underscores the efficient use of resources and the effectiveness of the selection and support processes. ***However, the project also highlighted the importance of contingency planning and the need for mechanisms to terminate contracts that do not yield results within the first six months.*** This would allow for the reallocation of resources to more promising initiatives, enhancing overall efficiency.
* Advocacy and Legislative Challenges: The project's advocacy efforts faced challenges due to the reliance on external entities like municipalities. Despite these challenges, the project managed to achieve significant milestones, such as incorporating social entrepreneurship programs into local policies. The lack of supportive legislation was a hurdle, but the project adapted by focusing on advocacy and creating awareness at various levels.
* Resource Constraints and Human Capital: One of the significant challenges was the shortage of human resources. For example, the "My Social Purchase" campaign, which aimed to promote social enterprise products, faced limitations due to insufficient staff. Despite this, the project managed to create impactful videos and promotional materials, though more could have been achieved with additional resources. The creation of the social store with a budget of 10,000 euros, although successful, would have benefitted from twice that amount, as assessed within the in-depth interviews. Enthusiastic support and volunteer contributions played a crucial role in realizing these goals.

## Impact

The project significantly contributed to the developmental goals and well-being of the target groups. By establishing successful social enterprise models, building social capital, improving socio-economic conditions through grants, enhancing community recognition, and promoting environmental sustainability, the project created substantial and sustainable impacts on the socio-economic landscape of Georgia. **It is crucial to note that 40 months is a very short period to have a long-term impact. However, the project has undoubtedly laid the groundwork for attaining these impacts, and several key arguments support this assertion.**

***Contribution to Developmental Goals and Well-being of Target Groups***

The project significantly contributed to the developmental goals and well-being of the target groups. By establishing successful social enterprise models, building social capital, improving socio-economic conditions through grants, enhancing community recognition, and promoting environmental sustainability, the project created substantial and sustainable impacts on the socio-economic landscape of Georgia.

* Creation and Multiplication of Social Enterprise Models: The project successfully established and promoted models of social enterprises that serve as precedents for future initiatives. The [ESKI social concept](https://eski.ge/) store promotion was a notable example, where the establishment of a dedicated space for social enterprise products significantly increased visibility and market access for these enterprises. The idea of "my social purchase" emerged as a catchy phrase around ESKI. ESKI opened on September 16th, 2022. Following the opening, in the spring of 2023, the store became a VAT payer. In 2023, ESKI generated over 100,000 GEL in revenue. Although the short-term impact is challenging to quantify, the project's efforts have laid the groundwork for sustainable socio-economic development by fostering interest in social entrepreneurship and resource availability.
* Building Social Capital Among Youth: The young ambassadors' component of the project was particularly effective in creating social capital. Ambassadors from various regions continued to collaborate on other projects, finding common ground and synergy. This ongoing communication and support from CSRDG facilitated the exchange of experiences and strengthened social bonds. The inclusion of young people is crucial for improving the social background, especially given the high unemployment rates in the country. This engagement helped foster a sense of community and shared purpose, contributing to a more cohesive social fabric.
* Socio-Economic Well-being Through Grants: The grant component of the project had a direct and tangible impact on the socio-economic well-being of the target groups. For example, the social enterprise [Latliishd](https://www.facebook.com/latliishd/) in Svaneti created a source of income for approximately 15 women, making them less dependent on their husbands. These women not only gained financial independence but also engaged in charitable activities, funding education and providing lessons to the community.
* Enhanced Community Recognition and Support: The project enhanced community recognition for social enterprises, as seen in the cases of “[Ikorta](http://seageorgia.ge/social-enterprises/10)” and “[Tene](https://www.segeorgia.org/ge/b2b-se/tene)”. Ikorta is an enamel workshop that started its activities in 2011 in response to the challenges in Tserovani IDP settlement. A social enterprise created with a small investment by local women, today it is a successful enamel workshop, which creates opportunities for civic and economic development in the IDP settlement. When Ikorta was recognized as the social enterprise of the year by CSRDG, it created a sense of pride and excitement among the employees and the community. Similarly, Tene's victory in 2022 brought it significant attention, including from the EU, which invited them to participate in Europe Day and provided additional support. These recognitions not only boosted morale but also provided tangible economic benefits, including increased sales and new business opportunities. Additionally, SEA acted as a middleman, collecting plastic for Tene and accumulating points for plastic on Tene's behalf. By partnering with them, SEA also raised awareness about waste separation.
* Long-term Economic Impact: The project demonstrated potential long-term economic impacts, as evidenced by the development of startups like STEM Space, which achieved notable sales and economic results. These initiatives not only provided immediate financial benefits but also set the stage for sustained economic growth by fostering innovation and entrepreneurship among young people.

***Structural and Institutional Changes***

The project exhibited significant contributions to structural and institutional changes within Georgia's socio-economic landscape. Although the 40-month project period was brief for realizing long-term impacts, it laid a solid foundation for achieving these outcomes. Several key arguments illustrate this contribution:

* Partnership with Tbilisi City Hall and Strategic Decisions: After the initiation of the "foreign influence bill" in March 2023, the partnership with Tbilisi City Hall for the scope of B2B fairs was halted. Despite the high interest from the City Hall, a strategic decision was made to discontinue this partnership for the rest of 2023. This decision exemplified the project's adaptability to external political pressures while still leveraging pre-existing agreements. For instance, the rent for the ESKI store continued to be co-financed by the City Hall under an old agreement, ensuring the project's operations were not entirely disrupted.
* Institutional Development through the Young Ambassadors Program: The Young Ambassadors Program showcased exemplary institutional development and maintained robust coordination with the President's Institute. The President's administration supported and rewarded ambassadors, thereby validating their efforts and raising their motivation. This institutional recognition not only enhanced the ambassadors' morale but also institutionalized the program, which had no prior national-level equivalent. Over two years, the program garnered support from the President's office, providing space and a platform for young ambassadors to be heard at the highest levels, thereby reinforcing the importance of their contributions.
* Advocacy and Standard Development by Sub-Grantee "Tanadgoma": The sub-grantee project "Tanadgoma" made strides toward developing state standards for working with individuals suffering from drug addiction. Despite facing bureaucratic obstacles from the Ministry of Internally Displaced Persons from the Occupied Territories, Health, Labour and Social Affairs of Georgia, Tanadgoma's efforts in advocating for employment and rehabilitation standards illustrated the project's commitment to systemic change. Their mission to employ and rehabilitate through art therapy (clay and advertising materials) represented a critical push towards formalizing support structures for vulnerable populations.
* Local-Level System Creation and Political Challenges: At the local level, the project succeeded in creating systems, securing appropriate financing, and opening opportunities for organizations and companies. Efforts to establish additional organizations in Lagodekhi and Dedoplistskaro demonstrated proactive expansion despite ongoing political uncertainties. However, the shifting political landscape led to a pause in relations during the project's final phases, highlighting the dependency on a stable political environment for sustained engagement.

*“We successfully created examples for other municipalities, establishing systems with appropriate funding and programs that opened opportunities for organizations and companies. These systems enabled municipalities to plan and adjust social programs annually.*

*Our observation highlighted the importance of continuous, impact-oriented projects over one-off initiatives. For instance, a well-progressing grant competition was announced, and we continue planning social initiatives to empower entrepreneurs and vulnerable groups, ensuring financial benefits.*

*Interest in this project has been significant. I have consulted with several individuals, including those with disabilities, who are preparing their applications. This project marks an important step towards long-term social activism, providing greater benefits to beneficiaries and demonstrating the potential for sustained impact.”*

***Municipality Representative, Local Government***

* ESKI Store Initiative: The ESKI store was a significant institutional innovation developed within the project's framework. This store operated as a separate entity, supported by strategic partnerships and funding. It exemplified how targeted projects could lead to tangible institutional structures that support social entrepreneurship.

***Scaling-up Effect***

The scaling-up effect of the project is evident through various successful initiatives that have set a precedent for future expansion and adaptation in different regions and sectors. Below are key examples that represent a direct contribution to this component:

* Regional Expansion and Adaptation: There are relatively few social enterprises in the regions, such as Kakheti. Working with local self-governments on the co-financing program for social entrepreneurs and their active involvement in necessary events created a replicable model. This initiative was first introduced in the Guria region, and seeing its success, Kakheti adopted the program seamlessly. This successful implementation in Guria provided a foundational experience for other municipalities to adapt and apply, considering their local contexts. This demonstrates the project's potential for scalability and regional adaptation.
* Educational Resource Development: In the development of educational resources, Akhaltsikhe University contacted CSRDG to introduce a social entrepreneur course. After an informational meeting and provision of the syllabus, the process stalled due to changes in university administration. However, this initial engagement indicates the potential for integrating social entrepreneurship into academic curricula. Informational meetings held at Batumi University and other colleges during regional visits exemplify the strategy to embed social entrepreneurship education across academic institutions. Despite some setbacks, these efforts laid the groundwork for future academic collaborations and course development.
* Grant Component and Increased Participation: The grant component saw notable success in specific villages. For example, in a village in Kakheti, the number of social entrepreneurship ideas increased from one in a previous project to three. In Ozurgeti, participation increased by 30%. These successes indicate that when tangible outcomes are demonstrated, there is a natural increase in interest and participation. Online consultations have further extended the reach, with about seven sponsored social enterprises expressing interest in starting similar initiatives. This suggests a positive scaling-up effect as successful models inspire further participation.
* ESKI Social Concept Store: The ESKI store had a significant impact on attracting social enterprises and customers. Initially, about 17 enterprises collaborated with ESKI, and this number has since increased. The physical presence of ESKI and its attractive, high-quality product offerings drew more enterprises into the fold. For instance, products that did not sell for over a year were reassessed and updated based on market demand, ensuring a dynamic and responsive inventory. Exhibitions also played a crucial role in identifying start-up enterprises, further enhancing the scaling-up effect. The success of ESKI demonstrates how a well-managed social enterprise can serve as a catalyst for broader engagement and market presence.

## Sustainability

***The long-term viability and Maintenance of Benefits***

The project demonstrated a strategic focus on ensuring the long-term viability and maintenance of benefits, leveraging various innovative approaches and partnerships to secure sustained impacts. Below are key examples illustrating how the project contributed to sustainability, based on the in-depth interviews:

* Strategic Commitment to Social Entrepreneurship: CSRDG has been a pioneer in social entrepreneurship development since 2009. Their continuous focus on this strategic direction aimed to integrate social and economic inclusion of vulnerable groups, addressing public and environmental challenges in Georgia. The project's alignment with these long-term goals underscores its commitment to sustainable development. CSRDG’s approach to social entrepreneurship did not begin with this project and will not end with it. Since starting in 2009, CSRDG has offered flexible services and resources, such as the SE Georgia portal, trainings, and forums, which were transferred to the Alliance for broader reach. This institutional support framework ensures sustained access to resources for social enterprises.
* Planned B2B Fairs and Financial Planning: The project secured funds from a German donor to continue B2B fairs through 2025. Recognizing the importance of stability, the project introduced a mixed financing model to gradually shift towards self-financing mechanisms. For instance, while participation previously required a symbolic 100 GEL contribution, future events will see increased financial contributions from participants, reducing dependency on external funding and enhancing sustainability.
* Institutional Strengthening and Lobbying: The project bolstered the Social Enterprise Alliance (SEA) by redistributing functions to prevent duplication and enhance collaboration. Although lobbying efforts faced challenges, the strategic alliance with CSI laid a solid foundation for future advocacy, aiming to improve the business environment and support social enterprises. The project created durable resources such as the social enterprise catalog, which is widely used in trainings and information meetings. This resource serves as a sustainable product, offering continuous support and visibility for social enterprises.
* Youth Engagement and Education: The project Young Ambassadors component saw increased involvement from businesses and youth, particularly in the second year. Educational programs in regional universities and active youth participation indicated a high motivation level, which is critical for long-term sustainability. As for the education, Zugdidi University, for instance, continues to teach the social entrepreneurship course, highlighting the project's lasting educational impact. Shota Meskhia Zugdidi State Training University introduced a social entrepreneurship course, supported by CSRDG. This course, integrated into the university's curriculum, continues to engage students in social enterprise projects, demonstrating the project's lasting academic influence.
* Regional Interventions and Systemic Changes: The project set precedents for systemic changes in various regions. For example, municipalities like Lagodekhi and Ozurgeti demonstrated successful cooperation and synergy, leading to the integration of social entrepreneurship into local program documents and budgets. These efforts created a stable foundation for ongoing and future initiatives.
* Impact Investment and Financial Mechanisms: The EVPA component "Actio" established an impact investment fund in Georgia to provide innovative financing. This fund aims to make social enterprises investment-ready, ensuring their long-term financial sustainability.
* Multistakeholder Coordination Platform and Advocacy: The project developed a coordination platform for advocacy, emphasizing the importance of unified efforts. Although current negotiations are paused, the consortium's viability and sustainability remain strong, with a shared belief in the mechanism's potential. The platform unites 39 participating institutions, organizations, including CSI (as facilitator), enveloping 56 participating individuals (including CSI).
* Business Partnerships and CSR Strategies: The project aligned with long-term private partner business strategies, such as CSR initiatives planned until 2030. This alignment ensures that the support for social enterprises remains a priority for businesses, contributing to the project's overall sustainability.

***Factors Influencing Sustainability***

The long-term sustainability of the project was influenced by various factors, both internal and external. Below are key examples illustrating how these factors contributed to or hindered the sustainability of the project:

* Political Context and Legislative Recognition: The political environment significantly impacted the sustainability of the project. The prerequisite for accessing financial resources was the legislative recognition and determination of the status of social entrepreneurship. Achieving good results hinged on the existence of a clear legal status for social enterprises. For instance, MBC, a private microfinance organization and project partner, announced a credit offer tailored for social entrepreneurs. However, their transformation into a microbank slowed this process, illustrating how institutional changes can hinder progress. Moreover, the adoption of the "foreign influence bill" severely affected local government cooperation in regions like Guria. During the external evaluation, regional partners in Guria refused to participate in in-depth interviews, reflecting the chilling effect of the new legislation on local collaboration and communication.
* Feedback and Proactiveness of Social Enterprises (SEs): The engagement and feedback from SEs participating in B2B Fairs were crucial for the sustainability of the project. Two types of feedback mechanisms were employed: instant feedback within two weeks to assess the process, selection, and communication, and impact feedback within six months to measure contract signings and long-term outcomes. In 2022, a significant challenge was the low proactiveness of SEs in following up with businesses after initial meetings, resulting in fewer signed contracts. Learning from this, the project team implemented corrective measures in 2023, enhancing the event's structure and encouraging SEs to be more proactive. Additionally, based on feedback, the format of the B2B Fair was adjusted from a two-day to a one-day event, reflecting a responsive and adaptive approach to stakeholder needs.

***Lessons learned for future projects***

The long-term sustainability of the project was influenced by various factors, which provided valuable lessons for future programs. These lessons are categorized based on the key components of the project:

Overall Project Management

1. Regular Communication with Partners: Regular communication with partners was essential. More frequent interactions, including at least one annual retreat for detailed coordination and mid-term evaluations, would have strengthened synergy and allowed for joint discussions among experts and stakeholders.
2. Appropriate Compensation for Human Resources: Ensuring appropriate compensation for human resources was vital. Motivated personnel are key to project success. Competitive salaries and addressing human resource needs prevent turnover and maintain continuity and institutional knowledge within the project.
3. Strengthening the SEA: The project highlighted the need for a well-staffed SEA. Initially, the Alliance's volunteer director managed extensive administrative resources, but the project later appointed a full-time director. Adding at least one more staff member would have further strengthened the Alliance, ensuring its sustainability as an umbrella association.

B2B Fairs

1. Competition-Based Participation: It was crucial to ensure that participation in B2B fairs was competition-based. This approach heightened motivation, interest, and dedication among enterprises, leading to high-quality participation and results. Future programs should maintain a competitive selection process to sustain high levels of engagement and commitment.
2. Transparent Communication: Both internal and external communication needed to be transparent. Clear selection criteria, methodology, results, reports, and follow-up meetings with all stakeholders were essential. Ensuring this transparency helped build trust and maintain healthy communication channels, fostering a sense of ownership among all parties involved.
3. Avoid Favoritism: It was imperative to maintain the principle of equality and avoid favoritism. Providing equal support to all enterprises prevented dissatisfaction and ensured a fair playing field. An instance where favoritism was perceived led to dissatisfaction, emphasizing the need for impartiality in all interactions.
4. Respecting Deadlines: Deadlines were strictly respected. Even well-prepared enterprises were not considered if they missed submission deadlines. This policy underscored the importance of timely management and accountability, which are critical for maintaining project discipline and ensuring fairness.

Young Ambassadors Component

1. Understanding Youth Calendar and Local Context: Careful planning around the youth calendar, including exam periods and local challenges, was crucial for attracting and retaining young participants. For example, in regions like Adjara and Svaneti, winter posed specific challenges that needed to be anticipated.
2. Active Communication: Maintaining active communication at all levels was essential. Engaging with young people and showing genuine interest in their progress fostered a sense of support and responsibility. When communication was effective, young ambassadors felt valued and committed to their roles.

Grant Components

1. Portfolio Management: A lesson learned was that one portfolio manager should not oversee more than 5-6 social enterprises. This limitation ensured that each enterprise received adequate attention and support. It was also important to have mechanisms to terminate non-performing grants early, enhancing overall efficiency.
2. Training and Background Checks: Intensive training and thorough background checks before financing were necessary. Understanding the history and responsibility level of potential beneficiaries ensured better partnerships and higher chances of project success.
3. Technical Assistance: Grants alone were insufficient for enterprise sustainability. Continuous technical assistance was crucial. Regular interactions and support helped enterprises meet their obligations and grow effectively.

Municipal Government Engagement in Kakheti and Guria Regions

1. Promotion and Cooperative Relations: Promoting the project and establishing cooperative relationships were key. Conferences and other promotional activities shared successful models, making it easier for other municipalities to replicate these experiences.
2. Legal Acts and Systemic Changes: Legal acts adopted at the municipal level created a systemic framework that could be replicated. Promotion and active engagement led to tangible results, addressing the needs of various vulnerable groups.

EVPA and Capacity Building

1. Relevance and Political Advocacy: Planning for relevance took more time and effort than expected. Political volatility was a significant risk factor that needed to be considered. Future programs should incorporate comprehensive risk assessments and adapt strategies accordingly.
2. Diverse Training Needs: The project encountered diverse training needs among social enterprises. Tailoring training programs to the varying levels of experience and competencies ensured that all participants could benefit and contribute effectively.

Coordination Platform and Business Partnerships

1. Participatory Approach: A participatory approach involving more meetings, outings, and breaks from the daily environment fostered ownership and motivation. Engaging decision-makers effectively required consistent and genuine participation.

Pro Bono Consulting and Support:

1. Pro bono consulting and business support were invaluable. Ensuring that social enterprises had examples of successful models to emulate enhanced their business acumen and operational effectiveness.

By applying these lessons, future programs can improve their sustainability, ensuring long-term benefits and continued growth in the social entrepreneurship sector.

# Conclusions

1. The project was highly relevant to the socio-economic context of Georgia, addressing critical needs in social entrepreneurship. By focusing on vulnerable groups and environmental challenges, the project aligned well with national development goals and international best practices. The alignment with the strategic priorities of CSRDG and the broader goals of sustainable and inclusive society underscores the project's relevance.
2. The project demonstrated strong internal and external coherence. Internally, the project's various components were well-integrated, with clear synergies between capacity-building activities, grant competitions, and advocacy efforts. Externally, the project maintained alignment with the policies and strategic frameworks of key stakeholders, including government entities and international donors. The strategic partnerships formed during the project further enhanced coherence.
3. The project was effective in achieving its specific objectives. It successfully engaged a wide range of stakeholders, from local businesses to municipal governments, and created significant impacts at both local and national levels. Despite some challenges, particularly in influencing national legal frameworks, the project's achievements in local government advocacy and business sector engagement reflect a strong alignment with its planned objectives. The establishment of financial and learning resources further underscores the project's effectiveness.
4. The project demonstrated high efficiency in managing resources, timelines, and achieving objectives. Through strategic collaborations, optimal use of human resources, and adaptability to external factors, the project effectively utilized available resources to create sustainable impacts in the social entrepreneurship sector. Notably, the project adapted well to challenges such as the geopolitical situation and resource constraints, ensuring that key activities were completed effectively.
5. The project significantly contributed to developmental goals and the well-being of target groups. By establishing successful social enterprise models, building social capital, improving socio-economic conditions through grants, enhancing community recognition, and promoting environmental sustainability, the project created substantial and sustainable impacts on Georgia's socio-economic landscape. While the 40-month period was short for achieving long-term impacts, the project laid the groundwork for attaining these impacts.
6. The project's sustainability is evidenced by several factors. The continued planning of B2B fairs, accumulation of funds from a German donor, and strategic efforts to institutionalize social entrepreneurship demonstrate a strong foundation for ongoing benefits. The integration of social entrepreneurship into university curricula and the establishment of supportive municipal mechanisms further ensure the project's long-term viability. Additionally, the project's focus on building capacity and fostering ownership among stakeholders contributes to the maintenance of its benefits.

# Recommendations

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| # | Recommendations |
| 1 | Ensure competition-based participation in B2B fairs and similar activities. This approach increases motivation, interest, and dedication among enterprises, resulting in higher-quality participation and better outcomes. Enterprises that compete to participate are more likely to be committed and proactive.  Participation in B2B fairs saw increased motivation and interest, as evidenced by the high-quality participation and proactive engagement of enterprises in 2023 compared to previous years. |
| 2 | Maintain transparent communication internally and externally. Clear selection criteria, methodology, results, and follow-up meetings ensure trust and accountability among all stakeholders, leading to more effective collaboration and engagement.  Feedback mechanisms were established for B2B fairs, including instant and impact feedback, which ensured clear communication and accountability. This led to more effective collaboration and improved outcomes. |
| 3 | Establish more formalized feedback mechanisms for partner businesses to provide updates on the results achieved through their pro-bono activities, consultations, and support of social enterprises. This approach will enable businesses to better tailor their engagement to meet the specific needs of social enterprises in future activities. Additionally, it will serve as a monitoring mechanism to ensure that social enterprises do not take these interventions for granted, fostering a culture of accountability and responsibility. By regularly updating partner businesses on the outcomes of their contributions, we can enhance the effectiveness and sustainability of their support. |
| 4 | Increase engagement from both public and business sectors. Public and business sector involvement fosters a sense of ownership and responsibility for the event's success, enhancing the potential for sustainable business growth and development. For instance, in 2025, the B2B event participation is planned to be co-financed with social enterprises contributing personal expenses, moving towards self-financing mechanisms and ensuring broader ownership and engagement. |
| 5 | Emphasize the importance of enhanced coordination and active information exchange among implementing partners. It is also recommended to involve all implementing partners in the project proposal preparation phase to ensure greater ownership and the design of well-tailored activities.  Holding at least one retreat per year for detailed coordination and mid-term evaluation within implementing partners is crucial. Regular retreats facilitate in-depth discussions, strengthen partner relationships, and ensure alignment with project goals, leading to more effective project implementation. For instance, during the project, the need for improved communication was evident, and a retreat would have provided a platform to address these issues and enhance collaborative efforts. |
| 6 | In advance plan and assess the changes in remuneration based on the different scenarios to provide appropriate compensation for human resources. Fair and competitive salaries help retain motivated and skilled staff, ensuring the project has the necessary talent to achieve its objectives. |
| 7 | Carefully study the local context and challenges when implementing projects in regions. Understanding local conditions ensures that interventions are tailored to the specific needs and realities of each region, increasing the likelihood of success. The importance of understanding local contexts was highlighted by the differing challenges faced in Adjara and Svaneti, such as winter conditions affecting youth participation. |
| 8 | Conduct intensive trainings and background checks before financing. Thorough training ensures that grant recipients are well-prepared and responsible, reducing the risk of project failure and enhancing overall project effectiveness.  Intensive training before financing was recommended, as seen in the grant component where prior training helped ensure the success of 15 out of 16 enterprises. |
| 9 | Integrate contingency planning in grant competitions. Planning for potential failures allows for quick adjustments and resource reallocation, optimizing project outcomes and minimizing wasted resources.  Contingency planning was identified as essential in the grant component, where early identification of unsuccessful projects allowed for resource reallocation and better overall outcomes. |

# Success Cases and Their Lessons Learned

## Building Bridges: The Evolution of B2B Fairs

The experience of organizing B2B fairs under Specific Objective 2, which aimed to promote and support social entrepreneurship across different sectors, provided valuable lessons for future project implementations. Initially, the B2B exhibitions started on a smaller scale in 2017-2018, outside the scope of the project, featuring 20-30 enterprises. However, the scope expanded significantly by 2022, reflecting an increase in interest and participation.

In 2018, an important lesson was learned regarding venue selection. The choice of King David as the venue proved problematic due to inadequate parking, which significantly reduced guest attendance despite substantial promotional efforts. This highlighted the importance of logistical considerations in event planning. By 2022, the event's scale had grown, with notable support from the European Union ambassador and Tbilisi City Hall, which boosted business sector interest and engagement. Extensive communication on social media and other media outlets contributed to the event's success, attracting around 50 social enterprises.

The transition to a physical event format in 2022, after pandemic-related delays, underscored the necessity of in-person interactions for effective B2B meetings and product displays. The 2023 exhibition built on these insights, with improvements such as making the B2B meeting rooms separate and isolated to avoid interference between different components. This year saw enhanced participation, with 20 additional organization employees facilitating B2B negotiations, leading to 180 pre-arranged meetings.

Further refinements included shifting from a two-day event in 2022 to a one-day format in 2023, with continuous activities and staggered speeches to maintain engagement throughout the day. This change resulted in increased attendance and participation, with 600 attendees and a more dynamic event environment.

Key insights from the B2B fairs included the importance of transparent communication and equal support for all participating enterprises. For instance, in 2023, maintaining equality and avoiding favoritism were crucial to participant satisfaction and event success. Additionally, proactive engagement and follow-up were identified as essential for converting initial meetings into long-term business relationships, as seen from the proactive approach taken in 2023 to facilitate business engagement and personalized invitations.

The financial and logistical support from donors, such as Tbilisi City Hall and the European Fund for Southeast Europe (EFSE), played a significant role in the success of these events. The lessons learned emphasized the need for strategic planning, regular feedback, and continuous improvement to achieve better outcomes. Future programs should incorporate these insights to enhance the effectiveness and sustainability of B2B fairs, ensuring they serve as a robust platform for promoting social entrepreneurship and fostering long-term business relationships.

Looking ahead to the 2024 B2B fair, several strategic improvements are already in the pipeline based on the valuable lessons learned from previous years. One major enhancement will be the introduction of a hybrid format, combining the benefits of physical presence with virtual elements to cater to a wider audience and ensure accessibility despite potential geopolitical or logistical challenges. This will include virtual tours and augmented reality (AR) experiences, allowing participants to explore social enterprise products and services in a more interactive and engaging manner. Additionally, the feedback mechanisms will be further refined, incorporating real-time digital feedback tools to gather instant insights from participants. This will enable more responsive adjustments during the event and ensure that the needs and expectations of both businesses and social enterprises are met more effectively. Increased emphasis will also be placed on fostering strategic partnerships and co-financing mechanisms, with a higher participation fee structure to encourage greater investment and ownership from social enterprises. The enhanced focus on sustainability and self-financing aims to solidify the long-term impact and viability of the B2B fairs, ensuring they continue to be a pivotal platform for promoting social entrepreneurship in Georgia.

Lessons Learned:

* Ensure Strategic Venue Selection: Proper logistical planning is crucial to maximize attendance and engagement.
* Maintain Transparent and Equal Support: Providing equal opportunities and avoiding favoritism fosters a positive and productive environment for all participants.
* Enhance Proactive Engagement: Continuous follow-up and personalized engagement strategies are essential for converting initial meetings into successful long-term partnerships.

## Component of Youth Ambassadors as Catalysts for Social Change

The Youth Ambassador program, a novel initiative within the project, was introduced to expand the reach beyond traditional student contests to include young adults aged 18-29. This broader scope aimed to empower young people in regions where youth migration and unemployment were significant challenges. By providing them with tools and information, the project sought to enable young people to develop and implement innovative ideas locally, thereby fostering employment and reducing migration.

The program's approach encompassed creating educational resources, preparing young people for future grant competitions, and equipping them with the necessary skills for social entrepreneurship. This strategy proved effective as the program evolved. The first stream of ambassadors saw the initial implementation of activities, while the second stream experienced a notable increase in both the quantity and quality of applications. This indicated heightened awareness and demand among young people and increased interest from businesses willing to support these initiatives.

Insights from the program underscored the importance of tailoring activities to local contexts and ensuring active communication at all levels. For example, in Khashuri, ambassadors created tailored informational videos, which garnered significant engagement. Flexibility and innovation were crucial, as seen in the development of city-wide games and board game concepts, which maintained interest and participation.

Business involvement grew significantly over time. Initially minimal, business engagement doubled by the second year, with businesses proactively seeking involvement. This growth highlighted the program's success in building social capital and fostering a collaborative environment. Additionally, alignment with national institutions, such as the President's administration, provided further legitimacy to the ambassadors' efforts, giving them a platform to be heard at the highest levels.

Key lessons learned included the importance of detailed planning and adapting to local youth calendars to avoid conflicts with exam periods and other commitments. Understanding regional challenges, such as winter accessibility in Adjara and Svaneti, was also crucial for effective implementation. Active communication and genuine support emerged as critical factors for success. For instance, when an ambassador from Adjara could not continue, honest and open communication facilitated a smooth transition, underscoring the importance of a supportive and responsive management approach.

The innovative approach of incorporating a social game into the Youth Ambassador program proved to be a significant success. Instead of traditional informational meetings, a city game and a board game concept were introduced in two cities. This interactive, game-based quiz format engaged young participants in a more dynamic and enjoyable manner, significantly enhancing their learning experience and retention of information. The game format not only captured the interest of the youth but also facilitated a deeper understanding of social entrepreneurship concepts. Ambassadors from different regions reported that this method was particularly effective in regions where conventional approaches had previously failed to generate enthusiasm. The social game allowed participants to explore real-world scenarios and challenges faced by social enterprises, fostering critical thinking and problem-solving skills. This creative strategy not only increased engagement but also provided a replicable model for future initiatives, demonstrating the potential of gamification in educational and community development programs.

Overall, the Youth Ambassador program demonstrated significant potential for scaling up and sustaining its impact. Despite challenges such as restrictive laws and political volatility, the program's flexibility and strategic adaptations ensured continued relevance and effectiveness. Moving forward, the lessons learned from this initiative will be invaluable in refining and expanding efforts to empower young people and foster social entrepreneurship across Georgia.

Lessons Learned:

* Tailored Engagement: Adapting to local contexts and schedules is crucial for maximizing youth participation and impact.
* Active Communication: Maintaining open lines of communication at all levels ensures responsiveness and support, fostering a positive and productive environment.
* Business and Institutional Support: Building strong partnerships with businesses and national institutions enhances the program's legitimacy and sustainability, encouraging broader engagement and investment.

## The Unintended Impact of the Project: Story of Young Ambassadors, Irakli Tevzadze and Ana Akhlouri

Irakli Tevzadze, the young ambassador winner for Kutaisi, exemplifies the unplanned positive impact of the Youth Ambassador component. His journey with social entrepreneurship began during an exchange program in Estonia, where he recognized the potential of social entrepreneurship as a tool for social change and prosperity. Motivated by a desire to elevate the knowledge level around him, Irakli saw the importance of spreading information about social enterprises and realized the resources and opportunities provided by the project could bring his visions to life.

With a long-held idea of creating a youth-oriented space in Kutaisi, Irakli leveraged the support and motivation from CSRDG. His participation in informational meetings and United Nations exchange programs further fueled his ambition. Through the social innovation platform, he proposed a concept for an innovative educational program called "ART is FUN," which targeted children aged 6-12. This program uses innovative methodologies and non-formal education methods to teach English while simultaneously developing creativity, critical thinking, and communication skills. The income generated from this program is intended to fund non-formal education services for NEET (Not in Education, Employment, or Training) youth, addressing a critical need in the community.

The challenges faced by Irakli included superficial state programs that did not provide substantial support. However, his focus on delivering meaningful opportunities through individual sessions, socialization, and knowledge enhancement proved successful. The program also emphasized social skills development through the use of board games. The success of "ART is FUN" was a testament to the effective use of social entrepreneurship to address local needs. The program not only created educational opportunities for children but also provided crucial support for youth employment and competency development. The unintended positive impact of this initiative highlighted the importance of supporting and nurturing young social entrepreneurs.

Ana Akhlouri, another young ambassador, demonstrated exceptional initiative by working with the Ksani School, showcasing the transformative power of the Youth Ambassador program. Her achievements highlight how young leaders can inspire educational innovation and create lasting social impacts. Ana's journey with the Ksani School began when she recognized the need for innovative educational methods in the region. The school's students faced limited opportunities for creative learning, and Ana saw an opportunity to make a difference. She engaged with the school administration, teachers, and students to understand their challenges and aspirations.

The engagement with Ksani Village Public School marked a significant milestone in the Youth Ambassador program's efforts to promote social entrepreneurship and innovation in education. During an informational visit, the enthusiasm of the school's administration and students became evident, highlighting their readiness to embrace new ideas. Despite being an active school, the concept of social entrepreneurship was relatively unfamiliar to them.

The school's participation in the USAID Civil Education Program further demonstrated their commitment to educational advancement. Inspired by the informational meeting, the school expressed a keen interest in visiting SE “Ikorta”, where Ana works since 2019, to observe its business model and history firsthand. This visit, financed by the project, aimed to provide the students with a practical understanding of how social enterprises operate and their impact on the community.

The students from Ksani Public School were particularly captivated by the idea of creating new items from second-hand materials. They presented an internal grant proposal to USAID, focusing on making bags and other items. To bring this idea to life, they invited a tailor to teach them the necessary skills and established a social club, Civil Club Georgiana, at the school. This initiative not only fostered creativity and entrepreneurship among the students but also aligned with the broader goals of the Youth Ambassador program to encourage innovative thinking and practical learning in educational settings.

Lessons Learned:

* Empowerment Through Resources: Providing young social entrepreneurs with the necessary resources and support can lead to the realization of impactful and sustainable projects.
* Flexibility and Innovation: Allowing young ambassadors to innovate and adapt their projects to local contexts results in more relevant and effective social interventions.
* Continuous Engagement: Maintaining continuous engagement and motivation among young social entrepreneurs is crucial for sustaining their interest and commitment to social change.
* Engaging Active Schools: Schools already engaged in educational programs are more receptive to new concepts like social entrepreneurship.
* Hands-on Learning: Practical experiences and visits to established social enterprises can significantly enhance students' understanding and interest.

## Tegeta Motors' Impact on Social Entrepreneurship in Georgia

Tegeta Motors, a prominent player in Georgia's automotive industry, joined the pro-bono network initiated by the CSRDG. This collaboration marked the beginning of a significant partnership wherein Tegeta’s team members provided extensive consulting support to Georgian civil society organizations (CSOs) and social enterprises. Over 20 employees dedicated more than 150 hours to pro-bono consultations, highlighting their commitment to social responsibility. This cooperation extended beyond consultations as Tegeta Motors became a key supporter of B2B exhibitions for social enterprises, further integrating social purpose-driven businesses into their CSR activities.

One notable outcome of this partnership was Tegeta's involvement in the B2B exhibition, where their subsidiary, Tegeta Green Planet LLC, played a crucial role as a supporting sponsor. The engagement of Tegeta’s logistics and purchasing representatives in individual meetings with social enterprises resulted in significant orders, such as the purchase of over 2,500 gifts from SE Potteria, a social enterprise focused on empowering women through pottery. This initiative not only demonstrated responsible purchasing practices but also resulted in an expenditure of over 70,000 GEL, significantly contributing to the empowerment of women.

Tegeta Motors’ CSR strategy, developed in 2022 and presented in 2023, encompasses three main directions, with community support projects being a top priority. Through the Tegeta Care platform, the company facilitates donations and collaborates with various charitable organizations, social enterprises, and NGOs. This platform has become a cornerstone for strategic discussions and decision-making regarding partnerships. One exemplary collaboration was with SE Babale, a social enterprise where artists painted Georgian Historic Books for New Year’s gifts, distributed by children with Down syndrome. This initiative led to substantial communication and financial support, raising 20,000 GEL through a fundraising event for the Gigo Foundation.

Tegeta Motors' comprehensive approach to CSR, including their environmental awareness campaigns and responsible purchasing practices, has created a sustainable impact. They have consistently supported social enterprises, such as organizing exhibitions and sales for Babale, and integrating pro bono consulting into their business model. The company’s commitment to social responsibility is reflected in their long-term CSR strategy, which extends until 2030, emphasizing sustained support for social enterprises and impactful community projects.

Lessons Learned from Tegeta Motor’s experience:

* Deepen Mutual Understanding: It is crucial to understand each other's activities closely. Social enterprises often face communication challenges, especially with social media and presentation. They need to proactively showcase their activities, which are often unseen.
* Start with Small Steps: The diverse areas of services—education, environment, youth, elderly for social entrepreneurships—require initial small-scale research and engagement before scaling up. Avoid making decisions based on external information alone.
* Ensure Flexibility and Quality: Social enterprises need flexibility in product offerings, especially for seasonal items like New Year's gifts. Emphasize quality even if it comes at a higher price, as market research shows social enterprise prices are not significantly different from commercial ones.
* Leverage Pro-bono and CSR Activities: Continue to capture and share stories from pro-bono activities and CSR efforts, such as those under Tegeta Care. This transparency builds trust and engagement.
* Understand Enterprise Capabilities: Recognize the production capacities of social enterprises. For instance, some could not meet large orders due to limitations, impacting the ability to maintain quality and performance.
* Tailor Communication for Impact Investing: Simplify the language around impact-oriented investing for business representatives. CSRDG should adapt their communication to be more business-friendly and ensure the right people are involved in these discussions.
* Enhance Engagement Activities: Examples like the joint initiative with Tene and the plastic collection drive highlight the need for dynamic, engaging activities that resonate with both the public and business sector. More effort in tailored engagement can drive better results.

## Innovative Horizons: Shifting Focus to Technological Social Enterprises

The evolution of the grant component under the "Advancing Social Entrepreneurship for Sustainable and Inclusive Society" project has demonstrated a significant shift towards supporting more innovative and technological social enterprises. One notable example is the social enterprise "STEM Space," which focuses on promoting youth employment and popularizing STEM education through LEGO courses. This social enterprise targets school students, particularly emphasizing the inclusion of girls to develop crucial STEM skills that will help them succeed in the local and international labor markets.

Years ago, the grant competition saw a predominance of traditional social enterprise ideas, such as sewing and felting. However, the landscape has evolved, and the current emphasis is on more innovative and global technological solutions. The shift in focus is evident in the success of enterprises like STEM Space, which offers educational courses in robotics and coding. Contracted in November 2023, STEM Space began delivering lessons in private schools, such as Promete, and added classes for lower secondary education students in February 2023. The enterprise has also collaborated with the neurodevelopmental center to provide affordable STEM courses.

The mission of STEM Space is to employ young people, particularly students and graduates of vocational programs, and to promote vocational education, especially in STEM fields. This aligns with the broader objective of the project to address socio-economic challenges, enhance the quality of social services, and expand access to education. The collaboration with donor organizations, such as CTC, has further strengthened this initiative. These organizations have participated in competitions, identified joint financing potentials, and worked together to refine funded projects. This synergy has led to the successful implementation of several projects, including STEM Space, where multiple donors have contributed to meeting the enterprise's needs.

Another shining example of innovative social entrepreneurship is the "Fantasmagoria" project. Supported by the EU and CSRDG, this social enterprise has revived the art of puppet animation in Georgia. Fantasmagoria's debut puppet animation, "Elene Dariani," premiered at the Amirani Cinema, marking a significant milestone in Georgian cultural heritage. The premiere event attracted about 450 representatives from various sectors, offering them an opportunity to engage with the social enterprise's objectives and view the intricately crafted puppet sets used in the film.

Fantasmagoria's mission is to rejuvenate Georgia's rich cultural heritage in puppet animation through contemporary methodologies, aiming to position it on the global stage. The enterprise focuses on creating animation productions and conducting educational activities. With support from the project, Fantasmagoria was equipped with state-of-the-art equipment that significantly enhanced their production capabilities. This allowed them to produce "Elene Dariani," a stop-motion animation film that tells a poetic love story set in 20th century Tbilisi. The film, which took 1.5 years to complete, is set to premiere at the prestigious Annecy International Animation Film Festival, underscoring its high production quality and international appeal.

Moreover, Fantasmagoria has been instrumental in fostering professional growth among young artists in Georgia. The enterprise has already trained 11 young professionals in stop-motion animation, providing them with both the skills and practical experience necessary for their careers. These young animators are now equipped to share their knowledge with future generations, ensuring the sustainability and growth of the puppet animation art form in Georgia.

Fantasmagoria's activities have also generated significant interest and support from various stakeholders. For instance, the enterprise received financial backing from multiple sources, including the European Union, Tbilisi City Hall, the Center for Strategic Research and Development of Georgia (CSRDG), Silk Factory Studio, the Women's Foundation, and the Tbilisi UNESCO Media Arts City Program. This diverse support network highlights the broad recognition and value of Fantasmagoria's work in preserving and advancing Georgia's cultural heritage.

Lessons Learned:

* Embrace Innovation and Technology: The success of STEM Space and Fantasmagoria highlights the importance of supporting innovative and technological social enterprises. These enterprises not only address current socio-economic challenges but also prepare young people for future opportunities.
* Foster Collaborative Synergies: Collaboration among donor organizations has proven effective in refining and supporting social enterprises. Joint financing and shared expertise can significantly enhance project outcomes.

## The ESKI Effect: Bridging Social Enterprises and the Community

The opening of the social concept store ESKI in September 2022 significantly impacted the social entrepreneurship landscape by raising awareness, popularizing responsible purchases, and fostering community engagement. Positioned in the city's center, ESKI became a hub not only for social enterprises but also for tourists and educational study visits. Initially representing a modest number of social enterprises, ESKI quickly grew to showcase 27 social enterprises, serving as a dynamic platform to highlight their missions, products, and impact, creating a ripple effect throughout the community.

The collaboration between ESKI and social enterprises like Babale exemplifies the store's success in fostering awareness and synergy. Babale, founded by the Georgian Down Syndrome Association in 2014, engaged in a unique initiative with ICI-Paris to create gifts for World Down Syndrome Day. This collaboration highlighted the potential of social enterprises to address specific social issues while simultaneously educating the public and fostering a healthier society.

ESKI's creation was ambitious, involving numerous administrative challenges and limited resources. Despite these hurdles, the store successfully brought together diverse social enterprises, providing them with a reliable sales channel and a space for community engagement. The store's impact extended beyond sales, serving as a meeting point for regional social enterprises, a reliable partner for international shipments, and a workspace for visiting organizations.

The initiative underscored the importance of storytelling in driving customer engagement. For instance, one customer spent 900 GEL on products, attracted by the compelling stories behind them. ESKI's staff played a crucial role in communicating these narratives, enhancing the customer's connection to the products and their social impact.

However, challenges remain. The legislative environment, particularly the introduction of restrictive laws in March 2023, disrupted ESKI's collaboration with the public sector. Despite this, the store's achievements in marketing and operational efficiency highlighted the potential for continued growth and impact. For instance, the store attracted 3000 socially responsible purchases, generating significant revenue without substantial marketing expenditures.

ESKI's journey demonstrates the importance of adaptability, strategic partnerships, and effective communication in the social enterprise sector. By fostering a supportive environment for social enterprises and emphasizing the value of responsible purchasing, ESKI has set a precedent for future initiatives aimed at integrating social impact with business sustainability.

Lessons Learned:

* Proactive Communication: Establishing clear communication channels with social enterprises and the public is crucial for raising awareness and fostering engagement. Social enterprises should be encouraged to proactively showcase their activities and impact.
* Strategic Partnerships: Pooling resources from different sectors—public, private, and social—can lead to successful initiatives that leverage the strengths of each partner. ESKI's collaboration with the City Hall, Saatchi and Saatchi, and various social enterprises exemplifies this.
* Adaptability and Prioritization: Flexibility in project planning and execution is essential. Prioritizing key activities and being ready to adapt to changing circumstances, such as legislative changes or market dynamics, can ensure the project's sustainability and effectiveness.

# Annexes

Table 5. List of Respondents within In-depth Interviews

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stakeholder Group** | **# Meetings** | **Name** | **Position** | **Institution** |
| **Implementing Organization and Implementing Partners** | 1 | Eka Datuashvili | Program Manager | CSRDG |
| 2 | Nini Khugashvili | Communications Manager | CSDRG |
| 3 | Mariam Mchedlishvili | Portfolio Manager | CSDRG |
| 4 | Nini Gelashvili and Ana Iluridze | Portfolio Manager and Portfolio Lead | CSRDG |
| 5 | Giga Chitishvili | Portfolio Manager | CSDRG |
| 6 | Salome Kusiani | Executive Director | Social Enterprise Alliance (SEA) |
| 7 | Ia Gabunia | Project Manager | Civil Society Institute (CSI) |
| 8 | Sona Dilanyan |  | European Venture Philanthropy Association (EVPA) |
| 9 | Levan Khintibidze |  | DDUG / Ozurgeti |
| 10 | Giorgi Bokeria and Aleksandre Chankotadze |  | GCDA / Kakheti |
| **Local Government** | 11 | Nino Batiashvili | Deputy Mayor /Lagodekhi Municipality | LG Kakheti |
| **Beneficiary SEs** | 12 | Eliso Janashia | Founder | Limena |
| 13 | Teona Sadradze | Manager | Archivi |
| 14 | Archil Elbakhidze | Owner | Agama |
| **Regional Universities** | 15 | Nino Makatsaria | Dean | Shota Meskhia State Teaching University of Zugdidi |
| **Business/Financial Companies** | 16 | Eto Chachibaia and Gvantsa Patsatsia | Head of Operations / Head of HR and Corporate Sustainability | MBC |
| 17 | Mariam Japaridze | Head of CSR Department | Tegeta Motors |
| **Youth** | 18 | Ana akhlouri |  | Young Ambassador |
| 19 | Irakli tevzadze |  | Young Ambassador |

Table 6. List of Supporting Documents Reviewed

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| **Project Planning and Strategy Documents:** |
| *Description of Action - Revised for Extension* |
| *Description of Action - December 11, 2020* |
| *Logical Framework and Activity Matrix - August 29, 2020* |
| *Logical Framework and Activity Matrix – CSRDG* |
| *Logical Framework - Updated* |
| *Logical Framework and Activity Matrix - Updated May 31, 2023* |
| *Concept Note – CSRDG* |
| *Final Indicators Performance July 2024* |
| **Financial Documents:** |
| *Revised Budget - December 8, 2020* |
| *Request for Payment - July 25, 2023* |
| *Interim Financial Report - May 31, 2023* |
| *Financial Forecast - May 31, 2023* |
| **Reporting and Evaluation Documents:** |
| *Interim Narrative Report 1 and 2* |
| *Interim Narrative Report - Year 2, 15 Months* |
| *Interim Narrative Report - ENI2020421-172-CSRDG* |
| *CSI Final Report Email* |
| *CSI Final Report* |
| **Policy and Advocacy Documents:** |
| *CSI Policy Brief on Social Entrepreneurship* |
| *Policy Brief on SE* |
| *Executive Summary and Recommendations of the SE Study* |
| **Event and Meeting Documents:** |
| *CSI List of Participants - Roundtable Meeting in Parliament 2022* |
| *CSI List of Advocacy Meetings* |
| *CSI Multistakeholder Meeting Participants List - November 11, 2021* |
| *CSI Final Conference Participants List* |
| *CSI Conference Agenda - February 23, 2024* |
| *CSI List of Participants of Consultation Session - May 2024* |
| **Requests and Procedural Documents:** |
| *Request for Nonfinancial Extension* |
| *Addenda and Use of Contingencies* |
| *Terms of Reference - SE Impact Assessment Study* |
| **Communication and Visibility Documents:** |
| *Visibility Links* |
| *Communication and Visibility Plan* |
| *New Year Catalogue of SE Products* |
| *SE Project videos* |
| *B2B Fair 2023 related documents: Reports, videos, links* |
| **Organizational Documents:** |
| *Coordination Platform Rules and Procedures* |
| *List of Members of the Coordination Platform* |
| **Training and Education Materials:** |
| *Training Modules, Topics, and Materials* |
| **Other:** |
| *Country Basic Data and Directions 2023-2026* |

1. [*Association Agreement; 2014, Article 313; Matsne.gov.ge/GEO*](https://matsne.gov.ge/ka/document/view/2496959) [↑](#footnote-ref-1)
2. [*SDGs For Georgia*](https://sdg.gov.ge/main) [↑](#footnote-ref-2)
3. [*Ministry of Finance of Georgia: BDD*](https://www.mof.ge/en/4543) [↑](#footnote-ref-3)
4. [*Matsne.gov.ge/GEO*](https://matsne.gov.ge/ka/document/view/4936402?publication=0) [↑](#footnote-ref-4)
5. [Ozurgeti Municipality; Medium-term development document; Appendix #6; Activity 1.3.2.](http://ozurgeti.mun.gov.ge/?p=22132) [↑](#footnote-ref-5)