

FINAL EVALUATION

“Green Economy: Sustainable Mountain Tourism and Organic Agriculture” (GRETA Project)

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The logo for the Austrian Development Agency consists of a red horizontal bar with a white diagonal line running from the top-left to the bottom-right. To the right of this icon, the text 'Austrian Development Agency' is written in a black sans-serif font, with 'Austrian' on the first line, 'Development' on the second line, and 'Agency' on the third line.

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EXECUTIVE SUMMARY

Evaluation background and objectives

The GRETA project was implemented in Georgia in the period December 2018 – 2023. It aimed to bolster economic growth and sustainability in the mountain regions of the country through focused development in sustainable Mountain Tourism (SMT) and Organic Agriculture (OA). It prioritised fostering sustainable practices to improve the business environment and create new income opportunities targeting specific mountainous areas, along with selected municipalities. Key activities included establishing Destination Management Organizations (DMOs), setting national quality standards for tourism, and aligning local agriculture with EU standards. With a multi-donor budget of €6.8 million from the EU, the Swedish Embassy and the Austrian Development Cooperation, the project, managed by the Austrian Development Agency (ADA), emphasised on long-term sustainability and capacity building, facilitated by stakeholder engagement.

Since November 1, 2023, Depa Consulting, under a service contract with the Austrian Development Agency (ADA), has been tasked with carrying out the Final Evaluation (FE) of the Project “Green Economy: Sustainable Mountain Tourism and Organic Agriculture - GRETA” in Georgia. The main aim of the FE was to assess accountability and learning regarding the project's management and implementation. The scope of the FE, which have set the boundaries of the assignment, covered all the project activities implemented and the realisations produced by the GRETA Project from December 2018 to the cut-off date of November 2023. In terms of geographical scope the FE has encompassed the whole project area including all eight targeted municipalities and Tbilisi.

The evaluation team, led by Mr. Stefano Mussi, included three more experts covering the different Project's fields. Following a kick-off meeting on October 25, 2023, the Inception Phase spanned four weeks. A field mission, covering the Project pilot regions and Tbilisi, was implemented in February 2024. During this phase, interviews and focus groups were conducted, and an online survey was administered. Data analysis ensued, leading to preliminary findings presented to ADA staff on March 15, 2024, with final conclusions and recommendations following shortly thereafter.

Approach, methods and evaluation activities

The Standards and Principles for Good Evaluation as well as the gender-sensitive and human rights-based approach have always been at the forefront of the implementation of the present evaluation exercise. Care was posed to ensure data quality and validity of findings. In particular, the evaluation has assessed how and to which extent the cross-cutting issues related to the environment, climate change and the involvement of the women, and people belonging to vulnerable groups have been addressed in the implementation of the Project activities. Quality assurance was achieved through crosschecking and triangulation of information using alternative primary and secondary sources. In particular, the collaboration and intense dialog between the Evaluation team and the Project team has been the first method to ascertain the reliability of the sources and the quality of the information gathered in general. In order to enhance the “usability” of the results, the evaluation team has carefully analysed the information needs of the primary users and the other key stakeholders of the evaluation and has adjusted the approach accordingly to better target the results of the evaluation.

The evaluation used mixed method approach: Desk research, qualitative research (Key Informant Interviews (KIIs), Focus Group Discussions (FGDs)), quantitative research (phone survey), and direct observations were employed to answer nine evaluation questions. The

information was cross-checked and triangulated using alternative primary and secondary sources.

In total more than 40 documents were screened in the frame of this evaluation. When it comes to the primary data collection, the evaluation managed to effectively cover different stakeholder groups. 12 KIIs have been conducted (8 in-person and 3 online) with project management, donors, local and national authorities, as well as beneficiaries. Furthermore, a total of 5 FGDs (with 25 participants) and 6 direct observations were conducted with Local Development Initiative (LDI) and Tourism Development Initiative (TDI) grantees in target municipalities. In the frame of the quantitative data collection, 64 out of 107 capacity-building activity beneficiaries were surveyed.

Key findings

The present evaluation has identified overall 22 key findings in relation to the 9 EQs that the ToR asked us to answer. These findings are summarised here below structured according to the 4 OECD evaluation criteria of: i) effectiveness; ii) efficiency; iii) immediate impact; and iv) sustainability.

Effectiveness

The GRETA Project, since its revision in April 2022, has focused heavily on immediate outputs rather than complementary activities that could support planned outcomes. Following a Mid-Term Evaluation, amendments were made to extend the project duration and reorganise the work plan and the related logical framework, with emphasis on quick deliverables.

However, despite the successful achievement of almost all the planned outputs Project outcomes only partially emerged. The main factors that hindered the achievement of the expected outcomes were: i) the disproportion of the outputs compare to the ambitious level of the outcomes; insufficient time for maturation (most of the outputs were produced in the final phase of the project); weak ownership by counterparts of the Project's aim and objectives.

Gender equality and social inclusion were sufficiently considered in all Project activities, including capacity building and implementation of the LDI and TDI grant schemes. However, in some regions the Project was accused of lacking support for the poorest groups. Similarly, the disproportion between number of applicants and the number of final beneficiaries created a widespread discontent in the population leading to the withdrawal of support by several local administration. In both cases these problems resulted from an inaccurate initial communication campaign and the Project team had later to work hard to revert the misinterpretation explaining that the intervention aims to improve entrepreneurial capacities and the business environment and it is not specifically oriented towards poverty alleviation.

Unrealistic impact indicators, extensive pilot area, problems within the excessive turnover within the management team, ineffective governance structures, and lack of political support at central and local levels further challenged project effectiveness. The COVID-19 pandemic worsened these challenges, delaying key outputs and exacerbating difficulties in engagement and implementation.

Efficiency

The GRETA Project faced efficiency challenges due to high staff turnover, which disrupted decision-making in the initial 40 months. Governance structures provided insufficient support during this period. However, after April 2022, amendments to the project plan and introduction of a monitoring and evaluation system improved overall management. Human resource allocation proved insufficient for the efficient implementation of the planned activities compared to the number of the project locations.

Procurement procedures were considered by potential beneficiaries overly complicated and bureaucratic, causing difficulties for beneficiaries and increased workload for the Project and

the ADA Technical Office. However, direct procurement by the Project reduced supply problems and delays.

Immediate impact

The GRETA Project has shown initial impacts on its recipients, including farmers and tourism operators. They have gained better understanding of delivering higher quality products and services, as well as branding and marketing. Additionally, they have become more aware of sustainable production techniques and managing sustainable tourism in mountain areas, leading to openness to innovative ways of operating and thinking. These changes have been observed across various social groups and were confirmed by surveys and meetings, indicating equitable distribution of positive effects among beneficiaries. However, there is a latent demand for further support that has yet to be clearly expressed to political decision-makers.

Sustainability

The sustainability of achievements in the GRETA Project varies depending on local conditions and preconditions. In Svaneti, where tourism is already well-established and local governments support tourism development, sustained achievements are likely. However, in less attractive locations with limited tourist services, sustainability may encounter obstacles. Regarding Organic Agriculture (OA), most farmers view certification as a marketing tool rather than a substantial value-addition, and alternative certifications like "Pesticide Fee" are more attractive due to broader market access and much lower cost but they cannot be considered for national standards.

Climate change effects, such as extreme temperature fluctuations leading to landslides and avalanches, threaten the sustainability of Project results in mountainous regions.

However, Georgia's recent designation as an EU candidate country may prompt authorities to take greater ownership of Project outcomes, leading to further development of policies and frameworks for Sustainable Mountain Tourism (SMT) and OA, aligning with EU standards and attracting more funding.

Conclusions

The GRETA Project aimed to promote sustainable development in the Sustainable Mountain Tourism (SMT) and Organic Agriculture (OA) sectors. However, several challenges hindered its effectiveness, as highlighted by six key conclusions.

Firstly, the project's outcomes only partially emerged, indicating a gap between planned and achieved results. This suggests that while progress was made at output level, it fell short of initial expectations at outcomes level.

Secondly, the lack of an effective policy dialogue limited institutional counterparts' involvement, hindering the development of a legal and policy framework crucial for sustainable development. This was more evident in the SMT sector. Conversely, the dialogue between the Project and MEPA was always open and, as specified in the findings 1.3 and 3.6, MEPA, at the conclusion of the Project, asked for additional support on OA related issues. Yet, despite these efforts, lingering barriers pose obstacles to the legislation's implementation.

Thirdly, despite implementing substantial capacity development measures, the project failed to establish a knowledge management system, preventing access to innovative solutions and advanced expertise needed to address emerging challenges.

Fourthly, the project adequately addressed issues of gender equality, women/girl's empowerment, and social inclusion in all activities, ensuring inclusivity throughout its implementation.

Fifthly, shortcomings in the project design, including inaccurate assumptions, an extensive project area and inadequate sustainability strategy, contributed to its limitations.

Finally, turnover and insufficient human resources within the project management team, ineffective governance structures, lack of political support, and the unexpected COVID-19 pandemic constrained the project's capacity to achieve planned results.

In conclusion, while the GRETA Project made some progress in promoting sustainable development in SMT and OA sectors, it faced significant challenges that hindered its effectiveness. Addressing these challenges will be crucial for future projects aiming to achieve similar goals.

Recommendations

Several key recommendations emerge from this assessment, each mostly aiming to enhance the project's effectiveness and impact.

Firstly, strengthening policy dialogue with institutional counterparts is crucial to garner their engagement and commitment towards the project's objectives. Establishing an effective dialogue can pave the way for a supportive legal and policy framework conducive to sustainable and inclusive development in the SMT and OA sector.

Secondly, the development of a comprehensive knowledge management system is prioritised to facilitate access to innovative solutions and advanced expertise. Such a system empowers individuals and institutions to effectively confront emerging challenges, thereby enhancing the project's sustainability.

Thirdly, integrating targeted measures to enhance gender equality, women/girl's empowerment, and social inclusion across all project activities is essential. This ensures comprehensive coverage and meaningful impact in these critical areas, contributing to broader societal development goals.

Fourthly, a thorough review of the project design is necessary to address identified shortcomings and ensure alignment with project objectives. This includes revising inaccurate assumptions, resize the project area in relation to the actual human and project resources available, refining logical framework indicators, and strengthening sustainability strategies.

Fifthly, proactive steps must be taken to mitigate challenges within the project management team, such as high staff turnover and resource constraints. Strengthening project governance structures and securing sufficient political support are essential to enhance project effectiveness.

Sixthly, ensuring clear and standard communication channels facilitates continuity in decision-making processes, particularly in the event of key staff replacements. Additionally, revising the information campaign strategy preceding project grants is vital to set realistic expectations among stakeholders and avoid discontent.

Seventhly, streamlining procurement procedures reduces complexity and bureaucracy, alleviating difficulties faced by beneficiaries while ensuring compliance with ADA regulations.

Eighthly, ongoing dialogue and engagement between project recipients and relevant governmental bodies foster continued openness to innovative approaches and alignment with broader development objectives, maximizing the project's impact.

Ninthly, establishing robust monitoring and evaluation mechanisms allows tracking the immediate impact of project interventions on stakeholders and sectors. This feedback loop informs decision-making and refines project approaches accordingly.

Tenthly, addressing environmental fragility in mountainous regions, exacerbated by climate change, is imperative. Developing strategies to enhance resilience and climate change adaptation initiatives mitigates the project's impact on fragile ecosystems.

Finally, fostering ownership by Georgian authorities and policymakers is crucial. Leveraging the country's candidacy for EU membership can catalyze increased commitment and responsibility, ensuring sustained support for project outcomes aligned with national development priorities.