

# Sustainability of Projects in Small Business Development after Donor Disengagement (Case of Georgia)

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The OECD defines sustainability as “the continuation of benefits from a development intervention after major development assistance has been completed. The resilience to risk of the net benefit flows over time” (OECD, 2002, p.36)

## AKNOWLEDGMENTS

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## ABSTRACT

The Problem: Sustainability of SE organizations after the end of grant period.

Methodology: Qualitative research and analysis applied. Two donor and four funded organizations interviewed.

Conclusions and Recommendations: Conclusions are developed from government, donor and recipient organisations perspectives.

## INTRODUCTION

The aim: study the enterprises operating under the financial support of donor organisations.

RQ 1: Is there appropriate environment created around the SMEs and their projects funded by donor organizations in order to build local capacity and sustain businesses in the long run?

RQ 2: What are the most appropriate actions/measures that shall be conducted by different actors to support sustainable development of businesses?

## METHODOLOGY

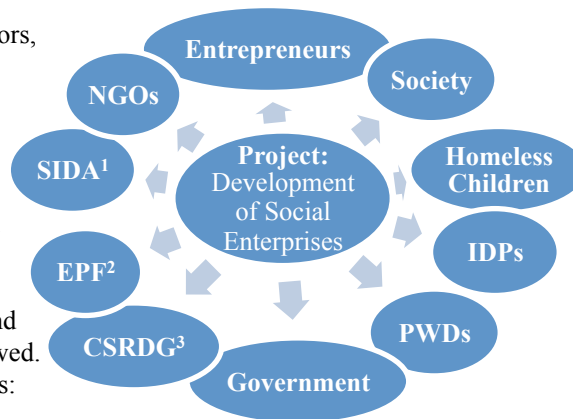
Research Philosophy: Positivism.

Qualitative research methods were used  
Research Approach: Study is inductive, rather than deductive.

Research Strategy: Direct approaching to and communication with program managers in the selected donors and local beneficiary organisations;

Data Collection Instrument: Interview

## Sustainability Stakeholders

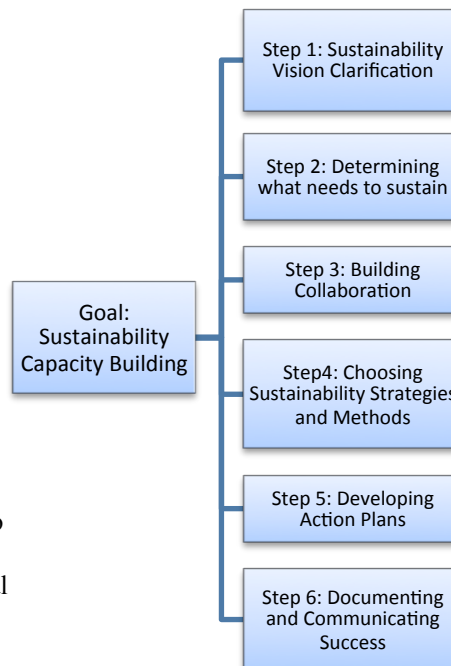


<sup>1</sup>SIDA – Swedish International Cooperation Development Agency

<sup>2</sup>EPF – Eurasia Partnership Foundation

<sup>3</sup>CSRDG – Center for Strategic Research and Development of Georgia

## Steps to Sustainability



## CONCLUSIONS

Conclusions are derived from the research and drafted from three perspectives:

- **Government Perspective:**
  - No single definition of SMEs;
  - No particular institutional arrangements SE policy and guidance;
  - Ministries communicate on an *ad hoc* basis within the framework of only joint public projects;
  - No SME strategy;
  - State Strategy for Regional Development of Georgia for 2010-2017 states its support for the development of innovation, new technologies and entrepreneurship as one of its objectives (OECD *et al.*, 2012)
- **Donor Perspective:**
  - Lack of initial attention to the ability of SE to sustain after project life-cycle under the grant ends;
  - No direction and support is provided for development of written documents on long-term vision, mission and plan for sustainment.
- **Grant Recipient Perspective:**
  - No written vision, mission statement, and strategic plan;
  - Heavy dependence on donor funds and orders; hope only on social solidarity.

## RECOMMENDATIONS

Recommendations developed for three sustainment agents. Sample Sustainment Division of Responsibilities is developed for future references and collaboration.

## REFERENCES

Organisation for Economic Co-Operation and Development, DAC Evaluation Network. (2002) 'Glossary of Key Terms in Evaluation and Results Based Management'  
Organisation for Economic Co-operation and Development, European Commission, European Training Foundation, European Bank for Reconstruction and Development (2012) SME Policy Index: Eastern Partner Countries 2012: Progress in the Implementation of the Small Business Act for Europe, OECD Publishing