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საქართველოსთვის
EU4Business



SME DEVELOPMENT AND DCFTA IN GEORGIA

Enabling Georgian entrepreneurs to benefit from
the free trade agreement with the EU

PROJECT ACHIEVEMENTS IN 2018

Implemented by:

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

THE EUROPEAN UNION

The Member States of the European Union have decided to link together their know-how, resources and destinies. Together, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders.

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To facilitate the realization of institutional and regulatory reforms, as a part of the Association Agreement implementation process, the EU supports the Government of Georgia through a multitude of means, including financial support in the context of the Sector Reform Contract aimed at facilitating SME adaptation to the requirements associated with the AA/DCFTA.

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* Personnel figures as at 31 December 2018

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In 2018, “SME Development and DCFTA in Georgia” Project
proudly worked with:

Main implementing partner



MINISTRY OF ECONOMY AND SUSTAINABLE
DEVELOPMENT OF GEORGIA

Other partners (in alphabetical order)



ENTERPRISE GEORGIA



GEORGIA'S INNOVATION &
TECHNOLOGY AGENCY



NATIONAL
FOOD
AGENCY



სახელმწიფო შენყიდვების სააგენტო
STATE PROCUREMENT AGENCY

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“SME DEVELOPMENT AND DCFTA IN GEORGIA” PROJECT OVERVIEW

Project Title	SME Development and DCFTA in Georgia
Project Acronym	SME DCFTA GE
PA Grant Agreement Number	ENI/2015/366-905
Duration	4 years
Project Starting Date	25 November 2015
Funding	by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ)
EU Co-Funding	EUR 5,033,940
Implementing Body	Private Sector Development and TVET South Caucasus Programme at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Objectives of the Action	<p>The overall objective is to lay the ground for empowering the SME sector to ensure a broad-based growth.</p> <p>The specific objectives are:</p> <ol style="list-style-type: none">1. Strengthen public-private dialogue (PPD), including advocacy and lobbying on issues affecting SMEs in the context of the DCFTA, focusing on support to the effective participation of SME agencies, business membership associations (BMOs) and business service associations;2. Provide for capacity development of state bodies representing the institutional support framework for SME development/business-specifics on DCFTA-related matters to develop targeted SME sector development programmes on national, sectoral and local levels;3. Support capacity development for improved provision of professional technical assistance and business development services (training, providing information, mentoring, coaching, supporting international networking) to the SME sector as a whole, including supporting clustering, networking and business collaboration initiatives;4. Provide for EU linkages and integration with the Georgian SME sector (including specifically facilitating the setup of SME clusters and enterprise networks with the supporting BMOs and business service associations, and institutional stakeholders) in existing EU business, including EU clusters, innovation and entrepreneurial networks.

Expected Results under Component 1

1. Improved institutional capacities of central administrations to design and implement specific measures within the SME context.
2. Strengthened public-private policy dialogue: improved cooperation among line ministries, SME bodies/agencies and stakeholders (including business and sector associations) involved in SME- and DCFTA-related areas.

Expected Results under Component 2

3. Strengthened capacities of SME bodies/agencies to channel business support to SMEs, to help them meet DCFTA requirements.

Expected Results under Component 3

4. Improved capacity of business and sector associations, business service providers, and BMOs to provide effective services to SMEs.

Expected Results under Component 4

5. Enhanced integration of Georgian SME bodies/agencies with EU, regional and/or international platforms.

Main Implementing Partner

Ministry of Economy and Sustainable Development of Georgia (MoESD)



EXECUTIVE SUMMARY

In 2018 the “SME Development and DCFTA in Georgia” Project (hereinafter SME DCFTA GE) delivered targeted support across its four components, in line with the priorities jointly identified and agreed with the project stakeholders. The project actively engaged with its key stakeholder, the Ministry of Economy and Sustainable Development of Georgia and its agencies (Enterprise Georgia and Georgia’s Innovation and Technology Agency) and achieved tangible results in the areas of DCFTA communication (dcfta.gov.ge), export development, e-commerce, and business cluster development.

Cluster development remained the main focus of the project. The year brought a new addition, the Georgian ICT Cluster, established with support from the Baltic Innovation Agency and experts from Germany, Austria, Estonia and Latvia in July 2018, bringing together 11 local ICT companies. The Georgian Furniture Cluster and Georgian Film Cluster increased their capacities and forged new linkages across Europe. The Georgian Furniture Cluster is now featured on the European Cluster Collaboration Platform, an action supporting networking and information sharing for clusters, funded by the EC under COSME. The Georgian Film Cluster marked its second year by signing an MoU with “Bridging Dragon”, a Berlin based association connecting European and Chinese film professionals.

SME DCFTA GE continued to work closely with the Georgian Chamber of Commerce and Industry across two priority directions – institutional capacity building of GCCI, to enhance delivery of services to SMEs, and the operations of DCFTA information centres in 4 regional offices in Kutaisi, Zugdidi, Batumi, and Gori. In total, 10 management and staff of GCCI received continuous training according to methodologies of the European Foundation for Quality Management (EFQM). Additional international advisory services were delivered on topics like successful consulting as well as monitoring and evaluation. These trainings included long-term experts working in the DCFTA Information Centre offices. By November



2018, 3,800 SMEs had benefited from the services provided by the DCFTA Information Centre's local offices through consultations, field meetings, and trainings. Notably, a local office desk was featured at the Europe Day celebration in Batumi in October 2018.

One of the project's major highlights in 2018 was the preparation of the participation of two Georgian honey producers at the 2019 International Green Week in Berlin. The thorough, 2-year-long process involved close cooperation with the Ministry of Environmental Protection and Agriculture of Georgia; support from top-notch German research and academic institutions, a laboratory and leading experts; and, most importantly, the dedication and the hard work two Georgian SMEs poured in upgrading their practices and operations. As a result, the first batch of Georgian honey under the brand of "Tapli" is ready to enter the EU market. Moreover, the project identified 18 local producers whose honey has been successfully tested and cleared for export to the EU.

As a part of the EU4Business initiative in Georgia, SME DCFTA GE continues to build on these successes and supports Georgian SMEs directly or via the strengthening capacities of business support organisations on central and regional levels. All activities in 2018 were implemented to bring the project closer to its ultimate goal of making Georgian SMEs more competitive. With support from SME DCFTA GE, partners and beneficiaries received enhanced access to knowledge and best practices on the EU market. Partner SMEs upgraded skills and production processes, expanded connections within or across industries domestically, and got connected with European counterparts, which promises to bring in new contracts as well as increase exports and collaboration opportunities in the years ahead.

PROJECT HIGHLIGHTS IN 2018

DATA ANALYSIS OF EXPORT OPPORTUNITIES

- A shortlist of top 10 goods and 10 services with export potential delivered to key stakeholder MoESD based on extensive data analysis.
- Two goods (apparel, furniture) and one service (ICT) selected by key stakeholder MoESD for comprehensive value chain analysis (underway).

E-COMMERCE

- A methodology for identifying suitable SMEs developed and transferred to EG and GITA.
- E-commerce plans for 3 companies delivered.

GEORGIAN FURNITURE CLUSTER

- Cluster included on European Cluster Collaboration Platform.
- 3 joint projects successfully implemented by cluster member companies.
- Connection with designers enhanced through successful collaboration (in preparation for Passagen 2019 in Cologne, the biggest design event in Germany).

NETWORK OF GEORGIAN APPAREL COMPANIES

- All 4 partner apparel companies upgraded their operations in line with leading international industry standards.
- MPT Georgia successfully passed the amfori BSCI audit with the highest rating – “Grade A”.
- Management capacities of companies improved with respect to pricing, sourcing and sampling, significantly enhancing their business opportunities.

GEORGIAN FILM CLUSTER

- The cluster signed an MoU with Bridging the Dragon, a Berlin based platform matching Chinese and European filmmakers.
- Five scholarships granted to cluster members by leading European training institutions.



- Individual trainings and business linkage via study tours to European film market events in Berlin, Cannes and Annecy.

GEORGIAN ICT CLUSTER

- First presentation of the cluster in the context of EuroDIG 2018 in Tbilisi.
- Cluster officially registered in July 2018.
- Cluster member companies pursued two joint projects to develop ICT products.
- Cluster supported the kick-off and development of the first dual TVET programmes in ICT with the Ministry of Education, Science, Culture and Sport.

HONEY/BEEKEEPING SECTOR

- 20 Georgian producers of premium quality honey identified.
- 2 local honey producers ready for export to the EU – 2 kinds of honey under the “Tapli” brand set to be presented at Green Week 2019 in Berlin, a one-of-a-kind international exhibition of the food, agriculture and gardening industries.

TROUT SECTOR

- On-site advisory services provided to 20 farms in Adjara, analysis of trout farming practices.
- A guidebook on documenting and treating trout diseases developed and shared with MEPA, business organisations and farmers in Adjara and Shida Kartli.

DCFTA INFORMATION CENTRES

- Over 1,000 SMEs benefited from advisory services and over 600 participated in trainings on various topics (e.g. regulations for export to the EU).
- Premises of the GCCI Regional Centre in Kutaisi renovated.
- Sustainability ensured as the DCFTA Information Centres’ long-term experts have become GCCI staff.



IMPROVING THE ENTERPRISE DEVELOPMENT FRAMEWORK AND SME PARTICIPATION IN POLITICAL DIALOGUE

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RESULT AREA 1: IMPROVED INSTITUTIONAL CAPACITIES OF CENTRAL ADMINISTRATIONS TO DESIGN AND IMPLEMENT SPECIFIC MEASURES WITHIN THE SME CONTEXT

DATA ANALYSIS OF EXPORT OPPORTUNITIES

Overall objective:

To analyse the development and diversification of the country's export structure through a comprehensive, systematic, and sustainable methodology.

The Government of Georgia (GoG) has decided to develop a long-term, comprehensive and systematic approach for the development of the country's and the SME sector's export potential for both goods and services.

The GoG tasked Enterprise Georgia to lead the process from the Government side and to approach relevant international institutions with request to support this process. EG approached SME DCFTA GE, and the project agreed to contribute to the process through mobilising relevant international and national expertise in the design and capacity development phases.

A roadmap tailored to the needs of the GoG consisting of four steps was developed and agreed upon:

Generation of opportunities. A long-list of perspective goods and services (opportunities for export development) was elaborated, based on the analysis of global trade and national production data.

- I. **First evaluation** and shortlisting – evaluation of the long-list of perspective goods and services, based on key factors from the national context (existing processes, related structures and sectors) and weighed against additional factors of spillover effects, exportability, skill and technology intensity, potential for employment, suitability for the value-chain approach, favourable conditions. Selection of up to **4 priority value chains** (2 goods and 2 services) for further analysis and action plan development.
- II. **Analysis of value chains** – mapping and deep analysis of up to 4 prioritised value chains. Assess-

ment of the VC's inputs/outputs, structure/processes/linkages, governance, institutional framework, and related sectors. The analysis includes a review of international markets and demand.

- III. **Preparation of value chain action plans** – development of action plans with the view of upgrading processes, products, functions, and intersectoral linkages.

In May 2018, SME DCFTA GE submitted to the MoESD the results of step I of the methodology, identifying the top 10 goods and services for further prioritisation and shortlisting.

In July 2018, the MoESD informed SME DCFTA GE that before making the final decision regarding the 2 goods to be selected for comprehensive analysis, it would require the generated shortlists to be evaluated on the basis of additional research on the following topics:

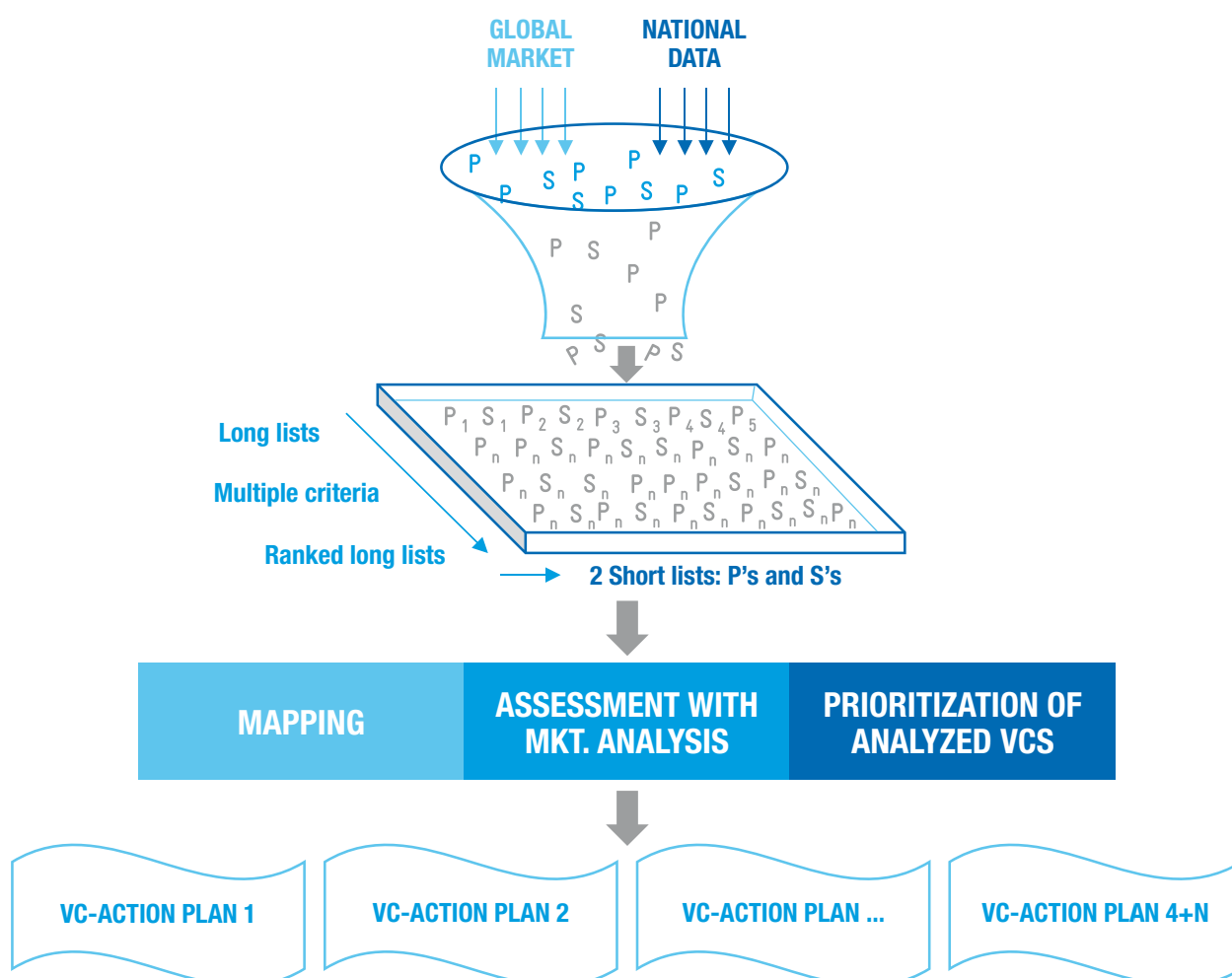
- Global demand,
- Capacity to supply (availability of raw materials),
- Logistics competitiveness,
- Value added potential,
- Job creation potential.

In early October 2018, SME DCFTA GE presented the outcomes of the analysis in the form of a ranked shortlist of the top 10 goods categories.

In November 2018, MoESD requested value chain analysis for three sectors: **Apparel** (goods), **Furniture** (goods) and **ICT** (services). This work is currently underway.

ACHIEVEMENTS IN 2018

1. Comprehensive methodology for identifying export-oriented VCs for development devised.
2. Ranked shortlist of VCs with strong potential in terms of export development completed.
3. Comprehensive methodology to analyse the identified VCs with strong potential elaborated.



E-COMMERCE

Overall objective:

To develop the capacities of Enterprise Georgia to support Georgian companies to access international markets, especially the EU, by taking advantage of e-commerce opportunities.

At the request of Enterprise Georgia, the project undertook a thorough analysis of opportunities to promote export of Georgian products via e-commerce solutions. In close cooperation with EG and GITA, the activities in 2018 were focused on five carefully selected beneficiary companies. The work also included meetings with international consultants, with the MoESD and logistics providers, regarding updates on institutional reforms that affect e-commerce development and new solutions/platforms that can promote e-commerce.

Based on the developed methodology, five potential beneficiaries were selected from the 285 surveyed companies. The main criteria for selection were availability of their products on the market, export experience (product-specific as well as general), company affinity with online marketing channels, and production capacity. Having already obtained company certifications was seen as a plus.

Against this background, SME DCFTA GE analysed strategic as well as specific technical barriers and developed comprehensive business plans for the beneficiary companies. These plans contain overviews of markets, trends and potential e-commerce channels; descriptions of customer segments and requirements; recommendations on the company's products to be considered for introduction on the EU market; benchmarking with similar products available through e-commerce channels; and examples of online shops. The plans also contain advice on product portfolio and value proposition; description of a tailored e-commerce model for the company; description of suitable

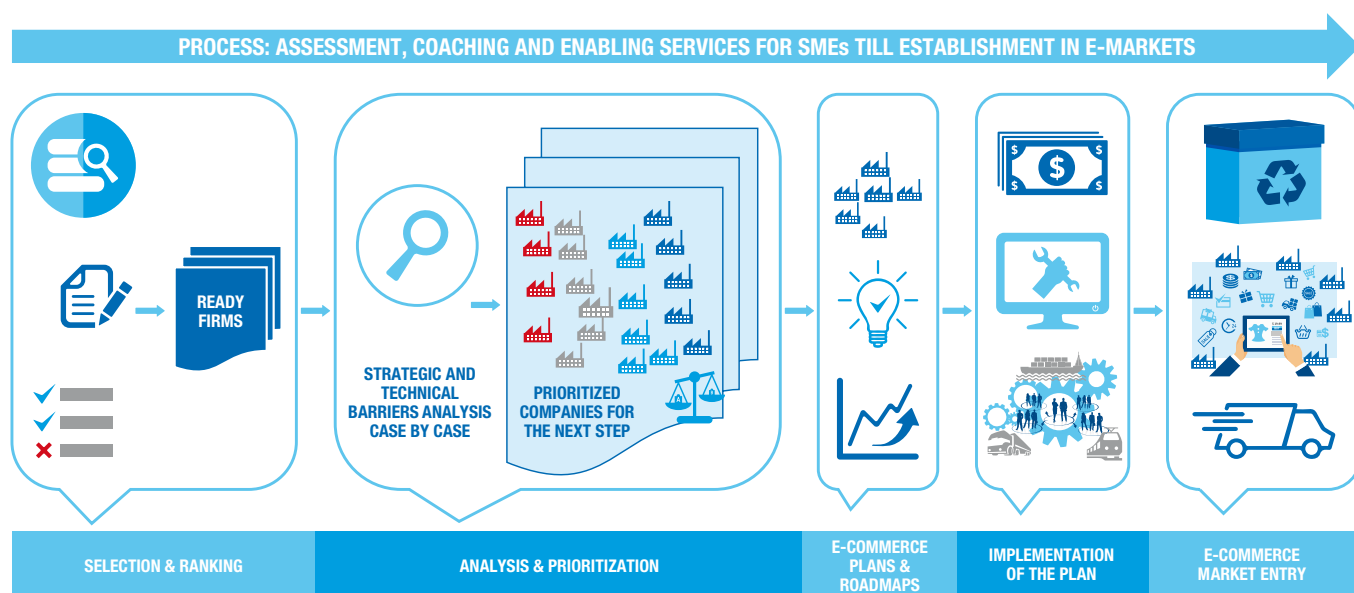
market portals (Amazon, e-Bay, Etsy etc.); their services, rules and solutions; and recommendations for future use of e-commerce channels. The plans also give an overview of the respective legal issues, key resources needed, data and information requirements.

The methodology for the selection of companies to be provided e-commerce support and the experience accumulated during the project implementation were handed over to EG and GITA. During a workshop held in September 2018, the international consultant presented the results of the analysis of the national situation regarding e-commerce activities and a range of alternative business models developed for EG, aimed at enabling enhanced support to the e-commerce activities of Georgian SMEs. The connected planning tools, process and templates were explained, and practical exercises for using the tools were offered. EG and GITA are now in a position to institutionalise e-commerce support measures and provide continuous assistance to Georgian companies, based on the knowledge and experience accumulated during the project.

“GE-Commerce” solution: Specific recommendations how to support Georgian SMEs to export using e-commerce were presented to the management of Enterprise Georgia. The analysis covered barriers to e-commerce and described ways for overcoming them, presenting key actions to be implemented. During the next period, EG will assess and decide which options are most suitable for implementation.

ACHIEVEMENTS IN 2018

1. Methodology for selection of companies for e-commerce support developed and handed over to EG and GITA.
2. Comprehensive e-commerce business plans elaborated for 5 beneficiary companies.
3. A business model for “GE-Commerce” developed and presented to EG.



CLUSTER POLICY AND PROGRAMME

Overall objective:

To support the MoESD and the relevant agencies in the development of a potential Georgian National Cluster Programme.

Responding to a request by MoESD to share international experience on cluster policy, SME DCFTA GE engaged a team of international experts to elaborate a proposal for further discussion regarding the establishment of a national cluster programme for Georgia. The topics included elaboration and operation of cluster policy instruments,

the necessary legislative changes, management and financial support of clusters, functions and responsibilities of the cluster management and its members, and membership fees.

Three cluster policy workshops were organised with participation of international experts from Estonia and Germany as well as governmental stakeholders (MoESD, EG, GITA, GCCI), from May to September 2018. Comprehensive case studies from Germany, Austria, Estonia and the EU on successful cluster policy and cluster support measures were presented. The inputs included overviews on the evolution of economic policies and rationales for creating cluster support programmes; institutions in charge of cluster policy formulation and implementation; main aspects of governmental support and financial schemes; top-down and bottom-up approaches in designing and implementing cluster programmes; priority sectors as well as cooperation between clusters. As a result, the advantages as well as the components of a national cluster programme – including roadmap, objectives and key elements, and programme setup – were agreed upon by all Georgian stakeholders.

A framework document on the potential setup of the **Georgian National Cluster Programme** – outlining its objectives, structure, management, implementation and roadmap – was elaborated with representatives of the MoESD, EG, GITA and GCCI. It can serve as a blueprint for further elaboration of the Georgian National Cluster Programme, which Georgia has committed to establish under a financing agreement for economic and business development in Georgia, signed on 21 November 2018 in Brussels during a high-level meeting between Georgian Prime Minister Mamuka Bakhtadze and EC President Jean-Claude Juncker.



ACHIEVEMENTS IN 2018

GEORGIAN NATIONAL CLUSTER PROGRAMME OUTLINED

Overall objective:

Increase the competitiveness of entrepreneurs on the local and international level by supporting the creation of clusters in the prioritised sectors

Specific objectives:

- Increase specialization and collaboration between stakeholders and members of the cluster
- Stimulate innovation
- Develop industrial value chains
- Boost internationalisation across industries

Expected results:

- Increased labour productivity
- Increased sales and exports
- Increased employment

NATIONAL APPAREL SECTOR DEVELOPMENT STRATEGY

Overall objective:

To support the GoG in developing the export potential of the Georgian apparel sector.

Through on-site work with the companies, roundtables with producers, and a deep examination of the supporting sectors (logistics, ICT, infrastructure, education), the project team consolidated a review of the apparel industry in Georgia, sharing the results with the MoESD and EG at each step of the process. Based on these elements, an Apparel Industry Development Roadmap was presented to Vice Minister Genadi Arveladze in December 2017 (following an earlier workshop in July 2017). Building on this base, it was agreed to proceed with the elaboration of a comprehensive sectoral strategy for the apparel sector.

The overarching objectives of the strategy were defined as the specialisation of Georgian production and exports in niche products and the positioning of the industry as one of the most productive industries, able to attract FDI and contribute towards a significant share of export value and job generation.

These objectives and vision can be achieved through a 5-step process, to be implemented through a two-tier approach: industry-level and company-level actions. The 5-step process, based on the experience of EU countries and tailored to the Georgian context, would start by establishing a solid, sustainable and independent supply chain ([Step 1: Consolidate](#)) and identifying specialisation opportunities ([Step 2: Specialise](#)), and proceed with upgrading existing capacities ([Step 3: Upgrade](#)), enhancing access to markets ([Step 4: Accelerate](#)) and identifying unique value proposals for these markets ([Step 5: Differentiate](#)).

Subject to further research and discussions with national partners, the two-tier approach of the strategy would focus on enhancing the companies' managerial and operational efficiencies (company level) and improving the efficiency of the relevant aspects of the country's infrastructure, policies and education that impact company performance in the industry locally and abroad (industry level).

At the company level the strategy covers methods that enable companies to plan their capacities and quality to expand operations to the EU and global market. The basic elements focus on the overall ability to run an apparel and textile production based on reliable data collection and the respective decision-making process. This provides the foundation to enhance the following four technical dimensions:

- Quality management,
- Sample management,
- Resource management,
- Social management.

The company-level actions were largely identified as learning points from the outbound trade mission of Georgian producers to Germany in September 2017. The mission generated interest from potential buyers from the EU – as evidenced by the follow-up, exploratory visit of a major German buyer to Georgia in February 2018 – but it also revealed further needs in terms of improving the companies' management and operational capacities. These needs are currently being addressed under the ongoing advisory support activities with the participating companies (see cluster development chapter on apparel in this publication).

ACHIEVEMENTS IN 2018

1. Laying the ground for a national apparel sector development strategy.
2. Industry feedback on the challenges facing the sector consolidated and presented to the MoESD and EG.
3. Actions to foster the industry and overcome challenges were identified for the relevant government bodies.
4. Exploratory visit of a major German buyer to Georgia in February 2018.



RESULT AREA 2: STRENGTHENED PUBLIC-PRIVATE POLICY DIALOGUE

SUPPORTING PPD PLATFORMS

Overall objective:

To support DCFTA-related skills development among SMEs via various PPD platforms of key stakeholders and partner institutions.

Since its launch, the project implemented and supported a series of PPD events to discuss public-private partnership opportunities in identifying and closing the gaps in DCFTA-related skills needs of Georgian businesses, in promoting trade with the EU, and in realising the benefits of innovative services and the legal amendments regulating state procurements driven by the AA/DCFTA.

The project continued to provide support to a limited number of important PPD initiatives, in line with the SME DCFTA GE project mandate, which are outlined below.

2nd Women Business Forum in Adjara

Women entrepreneurs face many obstacles in starting a business in Georgia. These range from limited access to finances due to a lack of asset ownership to a number of socio-cultural barriers.

The economic empowerment of women and promotion of women-led SMEs constitute an indispensable part of SME DCFTA GE's mandate. To this end, the project partnered with the Georgian Chamber of Commerce and Industry (GCCCI) and the Adjara Chamber of Commerce and Industry (ACCI), the Association of Businesswomen of Adjara (ABWA), Women's Rooms municipal service, Mercy Corps and others to provide support to the second Women Business Forum (WBF), held in Batumi in March 2018.

The WBF aimed to facilitate the development of small and medium-sized businesses; to highlight the contribution of women to the business community; to motivate women entrepreneurs to implement new ideas; to give an opportunity to private and non-governmental sector actors to promote their projects and to stimulate the inclusion of women participants; and to increase women's access to finance; and to give women the opportunity to make new business linkages and promote their businesses.

The event brought together more than 300 delegates, mostly women entrepreneurs, from all over Georgia and was a major highlight of the activities around International Women's Day in Batumi. The forum featured success stories of women-led enterprises and presentations from government entities and donor-funded projects on support facilities, and provided women entrepreneurs with ample opportunities to consider business expansion and reorganisation as well as connecting and partnering with fellow businesswomen across the regions.

The SME DCFTA GE project took part in the planning and implementation of the event, contributed to the development of the concept and agenda of the event, participated in the donors' panel, and arranged for the promotion of DCFTA Information Centre services as a side event.



Support to the Private Sector Development Advisory Council (PSDAC) of the MoESD

The PSDAC was established in February 2016 under the framework of the SME Development Strategy 2016–2020. The Council consists of representatives of governmental bodies and business associations. It aims to foster public-private dialogue on issues affecting private business (including SMEs) and to elaborate proposals to bolster SME entrepreneurship. This is one of the few institutionalised PPD platforms run by the MoESD, which aim to ensure that the GoG regularly consults with business sector representatives.

As per MoESD request, SME DCFTA GE supported two sessions of the PSDAC in 2018. The issues taken up in these sessions included the findings of the “Survey of skills demanded by businesses in Georgia” report and the current standing of the institutionalised system of Regulatory Impact Analysis (RIA) and its impact on private sector stakeholders. The issues indicated by the private sector representatives as factors hindering the development of selected industries were also part of the discussion. A highlight of the session held on 29 March 2018 was the introduction of the newly created PSDAC subcommittee on women entrepreneurship and the discussion of action plans for empowering women to own, run, and prosper with their businesses on par with male entrepreneurs in the country. The session held on 7 June 2018 was marked by the official start of cooperation between the PSDAC and the OECD on the preparation of the next SBA assessment survey report. The OECD presented the findings of the monitoring of the implementation of the SME development strategy, presented the revised methodology for the next SBA assessment survey and moderated the related Q&A session.



ACHIEVEMENTS IN 2018

- 1. 300 delegates attending the 2nd Women Business Forum in Adjara were informed about EU support to SMEs.**
- 2. Cooperation with MoESD’s institutionalised PPD platform, the Private Sector Development Advisory Council (PSDAC).**



DEVELOPING THE CAPACITY OF SME SUPPORT INSTITUTIONS FOR IMPROVED SERVICE DELIVERY

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DCFTA WEBSITE
OF THE MoESD

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DCFTA INFORMATION
CENTRE

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GCCI'S JOURNEY
TO EXCELLENCE

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PROMOTIONAL VIDEO
FOR THE ELECTRONIC
SYSTEM OF PUBLIC
PROCUREMENT OF THE
STATE PROCUREMENT
AGENCY

RESULT AREA 3: STRENGTHENED CAPACITIES OF SME BODIES/ AGENCIES TO CHANNEL BUSINESS SUPPORT TO SMEs TO HELP THEM MEET DCFTA REQUIREMENTS

DCFTA WEBSITE OF THE MoESD

Overall objective:

To support the MoESD in DCFTA communication with SMEs via the development of an integrated online platform (dcfta.gov.ge).

In the context of its support to MoESD's objective of ensuring transparency of government policymaking with regard to trade with the EU and implementation of the DCFTA, SME DCFTA GE focused on the development of the Ministry's in-house capacity to establish and manage an online platform for DCFTA communication. By end of October 2018, the project successfully handed over the management of the website to MoESD. As per MoESD request, consultants from GEPRA Ltd developed an assessment and a set of recommendations for further improvement

and promotion of the website as an effective tool for communication and awareness-building on DCFTA, particularly within the business sector.

Throughout the 20-month support period, SME DCFTA GE focused on ensuring sustainability of the effort by facilitating regular coordination meetings, which contributed to the transfer of knowledge from consultants to MoESD staff, enabling them to run the website independently.

dcfta.gov.ge

თავისუფალი ვაჭრობა ევროკავშირთან

🔍 ძებნა

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- ჩვენ
- სიახლეები
- რეკლამები
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- კონტაქტი
- კანონმდებლობა
- საერთაშორისო მარდაქურა
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- კონტაქტი

სიახლეები



სიახლე | იან 18, 2019

DCFTA-ს მრგვალი მაგიდა რუხთავეში
საერთაშორისო და ევროკავშირის შორის ურთიერთდასრულებული თანამშრომლობის (DCFTA) შესახებ კერძო და საჯარო სექტორის შორის დიალოგის ფარგლებში მიმდინარე წლის 18...



სიახლე | ოქტ 05, 2018

გაიმართა DCFTA-ს საკონსულტაციო უბუნის შეხვედრა
2018 წლის 4 ოქტომბერს საერთაშორისო ეკონომიკისა და მდგრადი განვითარების სამინისტროში DCFTA-ის საკონსულტაციო უბუნის შეხვედრა გაიმართა, რომელსაც საერთაშორისო...



სიახლე | ოქტ 05, 2018

საერთაშორისო ადმინისტრაცია მუშრობის ხელშეწყობა



სიახლე | მარ 21, 2018

ვაჭრობისა და მდგრადი განვითარების ევროკავშირის შეხვედრა ქ. თ...

კალენდარი



პუბლიკაციები

- ევროკავშირისა და საქართველოს შორის ურთიერთ...
- ევროკავშირისა და საქართველოს შორის ურთიერთ...

ACHIEVEMENTS IN 2018

1. MoESD staff trained in the management of the website.
2. Management of the website successfully handed over to MoESD staff.
3. Recommendations for further development of the website provided to MoESD

FACTS AND FIGURES

- The website had 21,000 unique visitors – more than 70% new visitors.
- Total number of sessions: 35,000.
- National outreach: 80% of users were from Georgia.
- Over 50% of users visited via organic search, 20% via referrals, and 15% via direct entry.
- The “DCFTA for Business” page is ranked 3rd in number of visits, after the homepage and “Agreement” pages.
- 104 SME respondents across the country mentioned the website as a major governmental reference point for their awareness on the DCFTA.
- 6 video instructions for SMEs were developed and posted on the website.

GCCI'S JOURNEY TO EXCELLENCE

Overall objective:

To develop GCCI's management capacities according to the principles of the European Federation for Quality Management (EFQM).

Since January 2017, SME DCFTA GE has been supporting GCCI with management tools according to the principles and methodologies of the European Federation for Quality Management (EFQM). GCCI adopted the EFQM Excellence Model, an internationally renowned framework for excellent leadership and management. Activities under this journey, supported by an international EFQM expert, included training GCCI's management and staff; defining improvement projects relevant to the organisation; and planning, implementing, monitoring and reviewing and documenting their results for prospective EFQM audits. Four workshops were completed in 2018, including EFQM trainings and rehearsals for the newly recruited management and staff of the GCCI as well as preparation of workshop plans and the review of the Consumer Contact Process Improvement Project, the last of the three strategic projects to qualify for

EFQM's "Committed to Excellence" recognition. In total, 10 GCCI members, including 5 newly recruited managers and staff, took part in EFQM trainings and started to apply this knowledge in their daily work.

The following topics were covered in the latest EFQM trainings and workshops:

- Overview the EFQM Excellence Model and how it relates to the Consumer Contact Process Improvement Project (fundamental concepts of excellence, the Criterion Model, RADAR logic, etc.);
- The difference between a "project" and a "process";
- Understanding processes and process management (what is process management? How can we "manage by process", and why is it a good idea?);
- Process description basics – process flow chart and process profile;
- Applying RADAR to the project plan and update of the project plan:
 - ✓ **Results** – What will be achieved by the end of the project and how to measure the success of the project (outputs and outcomes)?
 - ✓ **Approach** – In order to get the required results, what do we need to do in the project and why?
 - ✓ **Deployment** – What is the project plan (step-by-step actions, timing and responsibilities)?
 - ✓ **Assessment and Refinement** – How and when will we check progress and the results of the project?

With the completion of the Consumer Contact Process Improvement Project, GCCI took an important step towards the implementation of the EFQM Model, achieving the following results:

- Participating team members got a better understanding of the application of RADAR logic from the EFQM Excellence Model with respect to planning and implementing projects.
- Participating team members developed a good understanding of process management – in particular regarding how to describe processes and how to identify improvement opportunities. Further implementation of process management (without external support) will solidify this understanding and help GCCI to establish "management by process" over time. A critical success factor will be to sustain internal motivation and ensure con-



tinuous learning about processes and process management.

- The level of knowledge about process management increased, and the team is able to pass on this learning to their GCCI colleagues, both in the head office and in the regions.

Along with the previous two strategic projects – the cre-

ation and operation of the DCFTA Information Centres and the improvement of the GCCI representation offices in the regions – the GCCI is now fully equipped to apply for EFQM’s “Committed to Excellence” recognition. In this respect, the project has achieved the results in this area, as foreseen in the activity plan, and has handed over the process for further follow-up to GCCI Management.

DCFTA INFORMATION CENTRE

Overall objective:

To inform, consult and support SMEs in the regions of Georgia with respect to DCFTA requirements.

Service delivery

The SME DCFTA GE project continued to provide resources to the GCCI to ensure smooth delivery of DCFTA Information Centre services, including face-to-face, telephone and online consultations as well as field meetings and trainings of SMEs. The consultation topics included DCFTA requirements for various products, non-tariff barriers, rules of origin, customs duties and procedures, DCFTA-relevant state bodies, EU regulations and many more. SME trainings were dedicated to DCFTA-compliant practices in selected agribusinesses (trout breeding, beekeeping, organic viticulture, kiwi cultivation, berry cultivation, tea cultivation, digital technologies in agriculture etc.), construction materials and the DCFTA, management and marketing for rural business organisations, preparation of companies for exports to the EU and others.



IN 2018:

**384 SMEs
CONSULTED**

**699 SMEs
DIRECTLY
ENGAGED
IN THE FIELD**

**656 SMEs
TRAINED**

**OVER 4,000
SMEs SERVED
SINCE 2016**



Service development

Based on the findings and recommendations of the assessment of the DCFTA Information Centre offices and services, SME DCFTA GE decided to undertake the following capacity development measures with the involvement of an international expert:

- Trainings, workshops, face-to-face and online consultations with the long-term experts (LTEs) working at the DCFTA Information Centre offices in the regions;
- Joint preparations for public events, inter alia preparation of the Centre's presentations, fact sheets and on-site rehearsals and coaching of the LTEs at the

event venues;

- Systematic collection of quality third-party materials related to DCFTA implementation in Georgia;
- Development of administrative and monitoring systems for logistical support, and documenting the operations of the DCFTA Information Centre offices;
- Advisory services to the GCCI management team responsible for the smooth functioning of the DCFTA Information Centre offices.

In total, 12 GCCI staff and LTEs received trainings in communication skills, presenting DCFTA Information Centre services, providing quality consultancy, and collecting and analysing data about the needs of local businesses. One of the results of this measure was the joint elaboration of the methodology for surveying DCFTA-related needs of SMEs, implementation of the survey, and analysis of the obtained data. The findings of the LTE-conducted survey in the spring of 2018 in four regions provide useful insights about the SMEs' operational knowledge, perceptions and needs related to DCFTA implementation. With this experience, the GCCI is fully equipped to conduct similar surveys in the future, to improve the focus of its interventions, and to advocate more effectively on behalf of SMEs. The consultant provided a number of recommendations to the GCCI on additional actions that can ensure sustainability and further reinforce the DCFTA Information Centre services in the GCCI.

STUDY HIGHLIGHTS: DCFTA-RELATED NEEDS OF SMEs IN THE REGIONS OF GEORGIA

Purpose

- Developing options to further improve the services provided by GCCI through DCFTA Information Centres.
- Developing GCCI's in-house research and analytical capacities.

Implementation

- 104 SMEs interviewed by LTEs and data analysed, with close guidance and support by international expert.

Findings

- Financing, qualified staff, and access to laboratories are among the key needs reported by SMEs in the regions.
- The dcfta.gov.ge website has a significant reach and is associated with high levels of awareness.

Recommendations for GCCI

- Reinforce DCFTA information services in the regions through additional measures (e.g. communication efforts, additional staff for DCFTA Info Centres etc.).
- Continue to provide agricultural expert support and to develop new assistance mechanisms, especially in the regions.

RENOVATION OF KUTAISI OFFICE

Monitoring visits to the DCFTA Information Centre offices in the regions showed that there was a need to upgrade the infrastructure in Kutaisi. Together with GCCI, it was decided to undertake a comprehensive renovation project to refurbish the entire second floor of GCCI's premises in Kutaisi. The funds were provided by the German Federal Ministry for Economic Cooperation and Development (BMZ) (through Sequa gGmbH and The IHK Academy Munich and Upper-Bavaria), the EU (through SME DCFTA GE) and GCCI. The contributions as well as the arrangements for bidding, contracting and monitoring and accepting renovation works were jointly agreed upon by the parties. The renovation works were completed on time, with the desired quality, and within the agreed budget. The refurbished office space as well as the repaired and upgraded amenities provide a productive working environment for both staff and SME visitors.

ESTABLISHMENT AND PROMOTION OF BATUMI OFFICE

Upon completion of the refurbishment of the office space for the DCFTA Information Centre in Batumi and the recruitment and pre-entry training of a suitable expert, the office became operational in December 2017. The SME DCFTA GE project team conducted an evaluation visit of the office in the beginning of 2018, and after this review it was decided to improve the visibility of the office and promote its services in the region. To this end, SME DCFTA GE together with GCCI and ACCI worked on branding the Batumi Office, introduced its services to local business associations, and organised an open-door day, attended by major private sector development stakeholders and businesses from Adjara. SME DCFTA GE also supported the participation of the DCFTA Information Centre in public events co-funded by the project – the Women's Business Forum (Batumi, March 2018) and Europe Day (Batumi, October 2018) – and facilitated appearance of the DCFTA Information Centre expert on Adjara TV.



CONNECTING SMEs

The activities of the DCFTA Information Centres in the regions increased the intensity of interaction among industry players, building trust and momentum for private sector actors to cooperate more closely by forming industry associations to promote common interests. GCCI welcomed these developments and promoted the establishment of industry associations by co-founding and providing further support through the centres and its other regular services. In total, two industry associations were established or expanded their operation in 2018, the Kiwi Producers' Association and the Alliance of Beekeepers of West Georgia. The associations, along with the Green Producers' Association established in 2017, are actively engaged in the tailored SME trainings and supported via facilitated dialogues with government bodies and enhanced connections with sales companies, industry technology leaders and consultancies on quality assurance, marketing and exports.

ACHIEVEMENTS IN 2018

1. GCCI is fully equipped to apply for EFQM's "Committed to Excellence" recognition.
2. The DCFTA Information Centre opened in Batumi.
3. The DCFTA Information Centre office in Kutaisi was renovated.
4. A study on DCFTA-related needs of SMEs in the regions of Georgia was conducted.
5. DCFTA Information Centre team members were integrated into GCCI's structure, following training and capacity development.
6. Around 1,500 SMEs benefited from trainings or consultancy services.



PROMOTIONAL VIDEO FOR THE ELECTRONIC SYSTEM OF PUBLIC PROCUREMENT OF THE STATE PROCUREMENT AGENCY

As part of SME DCFTA GE support to state institutions in fulfilling obligations undertaken in accordance with the DCFTA and in response to the request from the State Procurement Agency (SPA), the project provided funding for the production of a promotional video on SPA's e-procurement system, focusing on the Agency's latest achievements in this area and SME success stories. An overall objective of SPA for this activity was to inform private sector about the e-procurement system, to promote a higher level of SME participation in public tenders, and to increase competition in public tenders, as a result.

The project engaged a leading local PR and marketing company to develop the concept and produce this promotional tool. The video describes the system, its advantages, its impact on budgetary spending as well as SME development and achievements in Georgia. It informs SMEs about the ways in which the e-procurement system increases transparency as well as free and fair access to public tenders. It focuses on the new developments in the area of electronic procurement and talks about the respective rules, regulations, data, and services, while encouraging

more active SME participation in public tenders.

The video was produced in two versions (short and long) and in two languages (Georgian and English). It can be accessed on SPA's website and via its social media channels, and forms an integral part of the Agency's regular public outreach events and activities.



ACHIEVEMENTS IN 2018

1. SPA is provided with an effective tool to raise the awareness of private sector actors, including SMEs, about the electronic system of public procurement.
2. Georgian SMEs have a better understanding of the new services provided by SPA that support their participation in public tenders.



PROMOTING ENTERPRISE DEVELOPMENT VIA CLUSTERING / SUPPORT TO BUSINESS NETWORKS AND ENHANCED INTEGRATION OF GEORGIAN CLUSTERS WITH THE EU

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RESULT AREAS 4 AND 5: IMPROVED CAPACITY OF BUSINESS AND SECTOR ASSOCIATIONS, BUSINESS SERVICE PROVIDERS, AND BMOS; AND ENHANCED INTEGRATION OF GEORGIAN SME BODIES/AGENCIES WITH EU, REGIONAL AND/OR INTERNATIONAL PLATFORMS

SUPPORTING GEORGIAN BUSINESS CLUSTERS

Overall objective:

To help Georgian SMEs link up in business clusters in order to strengthen their competitiveness and develop export capabilities.

SME DCFTA GE currently supports more than 95 Georgian SMEs via business clustering initiatives across 5 sectors: furniture/interior design, film production/post-production, ICT, and apparel. Cluster member SMEs currently employ more than 1,350 staff.

The following chapters provide highlights on each of the supported industry cluster. The overall framework and the perspective for cluster development in Georgia is described above in the “Cluster Policy” chapter.

GEORGIAN FURNITURE CLUSTER

This is the first business cluster that has been established with SME DCFTA GE support under the EU4Business Initiative in Georgia. The Georgian Furniture Cluster (GFC) connects **32 local furniture producers** and is governed by a Management Board. Since June 2018, a dedicated Cluster Manager runs the operations of the cluster, financed partially by contributions from cluster members and partially by the project. The cluster has its own showroom, where members exhibit their furniture and accessories. It is located at the premises of the Craftsmen City – a geographical agglomeration of around 170 furniture producers and service providers in Tbilisi's Avchala district. Additional members of the cluster are spread out in Kutaisi and in the other regions. With SME DCFTA GE support, GFC has developed a joint brand identity and online presence (www.cluster.ge).

GFC's vision is to act as a gateway for Georgian producers and designers to exports markets as well as to provide a contact point for international players looking to enter the region.

The mission of the GFC is to enhance the profitability and competitiveness of cluster members on both local and export markets. The cluster aims to position itself as a key actor in dialogues with the national government. At the same time, the cluster strives to be a productive partner for governmental agencies working on private sector development in the country, by facilitating their linkages with the industry.

With key contributions by international industry experts from Bulgaria and the UK, SME DCFTA GE support to the Georgian Furniture Cluster encompasses the following focus areas:

- Development of cluster management body and capacity building for cluster members;
- Elaboration of GFC's Development Strategy, Competitiveness and Internationalisation Plan;
- Creation of a Public-Private Dialogue (PPD) platform;
- Provision of advisory services in cluster management;
- Continuous analysis of Georgia's furniture industry.

SME DCFTA GE ensures regular communication with the GoG regarding achievements and further plans in the implementation of cluster activities. EG, as a key partner of the GFC, is engaged in planning joint events with the cluster and continuously updated on the main developments in the industry.

The efficiency and quality of the services provided through the cluster to member and non-member SMEs, as well as the visibility of the GFC in the industry, are ensured through capacity building of the management board and cluster manager.

Background

Shortly after its launch, the project identified an agglomeration of over 100 furniture companies in Tbilisi. The enterprises operate in different components of the value chain and are very diverse. For example, in terms of their premises they range from micro enterprises with 20 m² of production space to companies with up to 2,000 m² of processing facilities. Up that time period, several companies had been working together in particular cases, and this cooperation provided a good basis for cluster development.

The initial industry assessment identified good opportunities for business clustering in Georgia's furniture industry





as well as expressed interest by several major players to cooperate with other companies. This readiness was further confirmed in December 2016 at a workshop introducing the principles of cluster development as well as during the follow up workshop in February 2017, where the companies outlined a pilot project, to test their capacity to cooperate, and defined joint objectives that address their individual needs for further development and internationalisation.

The initial pilot project consisted of the establishment of working groups focused on developing joint cluster products, cluster structure and development plan, communication and marketing plan, and on identification and addressing of key skill needs. In order to support these activities, in January 2017 the project supported outbound missions of potential GFC members to leading industry fairs (IMM Cologne and Passagen) as well as a study tour

to Sofia for Georgian furniture producers and interior designers committed to entering into joint production with their Bulgarian counterparts. Linkages to a peer cluster in Bulgaria were established. Equipped with the knowledge of current trends in both Western and Eastern European markets, the Georgian furniture producers and designers cooperated by creating a joint wine furniture collection, which was presented at Wine Expo 2017, an annual wine exhibition event in Georgia. Building upon this initial successful cooperation, producers and designers formalised and registered the cluster in July 2017.

Developing capacities for product development and branding

A series of workshops and events for companies and designers was conducted with support from international consultants. The “Let’s do it through the cluster – product development and branding through design” workshop brought together 70 participants from the industry. The exchange offered ideas and strategies how to create brands and launch them on the international market.

Engagement of aspiring and talented interior and product designers

The project’s efforts to link producers with creatives resulted in the establishment of a group of talented Georgian designers willing to cooperate with producers within the cluster. The designers are now featured on the cluster’s website. In 2018, technical assistance and capacity development sessions provided by Italian furniture expert, Mirko Tattarini, helped the designers improve their work in line with international market requirements. Their current offerings are lighter and have a unique, local Georgian look, rather than the interpretations of popular Scandinavian and Italian design trends visible in their older portfolios.

The preparation of the collection for export provided cluster management and the companies with practical knowledge on export-oriented production. Producers and designers improved the transport efficiency of the objects, not only in terms of weight but also shape, which was never an issue for the local market. This adaptation also raised interest in standardisation of production and certification of factories (i.e. through international certification) as a necessary step for export-minded expansion.

International linkages for equipment upgrades

GFC members were linked with Bulgarian furniture producers by Ligna Group, enabling them to access second-hand machinery that matched the companies' scale and needs criteria. Despite being second-hand, the machinery still provided superior performance to the previously used low-cost equipment. The companies' willingness to invest in additional machinery speaks volumes for their enhanced confidence in pursuing expansion. This is a notable shift from the initial situation during the 2016 needs assessment conducted by the project, when the surveyed companies mostly looked for grants for procuring equipment, rather than expressing readiness to invest themselves.

Attending international exhibitions

Cluster member companies participated in two important industry events during 2018. From 2 to 4 September, 3 outdoor furniture producers visited a leading outdoor furniture expo in Cologne (spoga+gafa), accompanied by EG representatives. From 11 to 14 September, 3 Cluster members visited the Metal Expo Istanbul in Turkey. Taking part in international expo events is a valuable experience encouraging companies to diversify production and find new business partners; to grow their ambitions and present their own products at international industry events; and to better understand and adapt to current international trends and customer demands.

Integration with EU projects and networks

On 5 September 2018, the GFC hosted EC representatives at the cluster showroom, organising a tour of cluster member companies and showcasing their products. In October 2018, the GFC took a major step towards internationalisation with its official registration on the **European Cluster Collaboration Platform (ECCP)**, the service facility of the Cluster Internationalisation Programme for SMEs (funded under COSME), launched in 2016 by the European Commission's DG GROW. The ECCP provides networking and information support to clusters and their members, aiming to improve their performance and increase their competitiveness through transnational and international cooperation.

Promotion of the industry in sector prioritization by the GoG

SME DCFTA GE's work with the furniture industry has had a strong impact on raising the awareness and popularity of the sector in Georgia, especially among key governmental authorities. The industry was customarily seen as primarily targeting the domestic market, despite its turnover and employment numbers. In October 2018, at a high-level international event, Giorgi Kobulia, the Minister of Economy and Sustainable Development of Georgia, publicly announced the prioritisation of the Georgian furniture industry for export and called for investors to explore this opportunity – specifically mentioning the efforts of establishing and strengthening of the Georgian Furniture Cluster.

As a result of the project's prioritisation of the industry, Enterprise Georgia assigned a dedicated staff member to manage the furniture, toys and architecture and design services portfolio for export promotion and development. EG also conducted an in-house furniture industry research and supported a number of local and international study tours for industry players.

Regional analysis and promotion of the cluster

To strengthen the cluster's standing and visibility within the industry across the country, and to simultaneously gather information regarding value chain processes beyond Tbilisi, the project commissioned a regional analysis. The comprehensive data, collected during 4 missions to





Tbilisi, Kutaisi, Batumi and other regions, will feed into the export VC analysis and the furniture VC map, depicting the locations of cluster members and regional enterprises.

Promotion and expansion of the clustering approach

The furniture cluster tour of toy producers (organized by EG, SME DCFTA GE and GFC's management board) encouraged toy producer companies to amalgamate geographically as part of their internationalisation strategy. Three companies applied to EG's training course for export managers, where they presented this strategy at the final certification exam.

ACHIEVEMENTS IN 2018

1. **Avangardi, Master Sign and House Service submitted a joint bid and won the public tender to equip one of the service centres of the Ministry of Internal Affairs.**
2. **KN Service and MG Group built the pavilions for the 43rd Chess Olympiad in Batumi.**
3. **Two cluster members collaborated to produce prototypes for a large-scale project by the biggest Georgian construction company, JSC m² Real Estate.**
4. **GFC registered on the European Cluster Collaboration Platform (ECCP).**
5. **GFC website was launched (www.cluster.ge).**

GEORGIAN FILM CLUSTER

The Georgian Film Cluster unites **40 leading companies and professionals** from the audio-visual industry. Its diverse membership enables the cluster to offer clients a full range of services to ensure a customised, integrated suite of production and post-production services or stand-alone services at any stage of the production process. The cluster is pursuing the following main goals:

- To establish linkages between Georgian and international film producers, including the identification of new opportunities for trainings and apprenticeships abroad.
- To serve as a unified voice to lobby for industry interests and programmes with the GoG and international partners.
- To assist government agencies in developing film industry-related policies and obtaining industry data.
- To promote the Georgian film industry abroad.

Background

With the film industry being a major focus of GoG support over the past few years, SME DCFTA GE was requested to explore support opportunities for the sector in March 2016. In the Ministry's view, the film industry possessed high potential for generating wide economic impact and spillover effects – positively affecting and driving demand for catering, accommodation, entertainment, transportation, logistics, security and other types of services during production projects (especially in rural areas which otherwise see limited economic activity). It has recently become a government priority through the governmental incentive programme “Film in Georgia”.

Upon MoESD request, SME DCFTA GE conducted a fact-finding mission of the film industry's post-production sector to identify perspectives for clustering. Next, the project piloted the cluster cooperation model with key industry players (including companies and individual professionals), which resulted in the formalisation and registration of the cluster in August 2017. Since then, the cluster has grown from its 13 initial members to over 40, as it strives to position itself, on the one hand, as a private sector-driven institution for development that provides a sustainable, institutional industry partner to the government and, on the other hand, as a network of businesses seeking to secure foreign market business opportunities for its members.

Capacity building in soft and technical skills and trainings with EU-based providers

The supply of adequate technical skills, as well as soft skills tailored to industry needs, is one of the principal challenges of the Georgian film industry. In response to this problem, the priority of the cluster was the elaboration of a comprehensive list of the needed skills and identification of relevant service providers.

Thanks to support from the project, 5 cluster members benefitted from trainings at leading international institutions:

- Erich Pommer Institut, Potsdam, Germany: Two producers took part in an intensive workshop course “Clearing Rights for Film and TV”. They acquired practical knowledge how to identify and clear rights



fast and efficiently, and acquainted themselves with best practices and strategies for clearing rights.

- School of Film Agents, Cologne, Germany: A post-production supervisor received tailored tutoring from European post-production houses to develop a “Post-production Platform”.

The “Post-production Platform” is a map of post-production capacities in the Georgian film industry, offering access to technicians and artists, freelance specialists, and experienced companies. The platform is envisioned to function as a planning tool, allowing users to estimate their project’s budget and build up a dedicated team of professionals for post-production in Georgia.

- International Federation of Film Archives, Bologna, Italy: A film restoration specialist attended a summer school in film restoration technologies and techniques.
- APoStLab, Amsterdam, the Netherlands: An audio post-production project manager was trained and coached during intensive workshops on post-production chain management.

Long-term cluster development strategy

One of the key aspects of the cluster’s action plan for 2018 was to put in place a long-term institutional development strategy. The strategy would address numerous topics and challenges, from mapping the organisation’s way forward following the completion of the project to solidifying its long-term vision, mission, objectives and actions. The strategy includes a SWOT analysis of the cluster, to provide a stepping stone for mapping the organisation’s way forward. It also includes a comprehensive roadmap with milestones and KPIs with regard to the strategy’s key pillars: organisational development, sustainability, private-public dialogue (PPD), internationalisation, and education.

Integration with EU networks and projects

One of the key objectives of the cluster is identifying funding opportunities with international organisations (public and private). The project supports the cluster via a senior international expert familiar with international financing schemes for similar organisations. The expert, tasked with identification and solicitation of funding opportunities, works on the capacity building of cluster members in preparing applications for funding opportunities and formulation of joint projects.

Cluster branding and website

The Georgian Film Cluster has developed joint branding and an online presence via its website (www.filmcluster.org). It communicates the cluster’s key messages to Georgian and foreign industries, and serves as a gateway to the country’s film industry for foreign players who want to explore business opportunities in Georgia, from co-production with local companies to outsourcing post-production services. The site provides comprehensive information about Georgia’s film industry as well as the general business environment, infrastructure, international flight linkages, tourism, etc.

Expanding the cluster: membership and international linkages

The cluster has undergone significant expansion, starting with 13 in the initial stage, growing to 33 in 2017, and now with over 40 companies and professionals. This was achieved through project-supported industry networking meetings, which served to introduce the cluster to its potential members. Such meetings also helped link Georgian film industry players to potential foreign partners. For example, the September 2018 networking meeting with Luxembourg-based producer Paul Thiltges was attended not only by current but also by prospective members of the cluster.

On the international level, the cluster established cooperation agreements with institutional partners that help enhance its outreach with industry players in Europe and beyond:

- In July 2018, the cluster signed an MoU with Bridging the Dragon, a Berlin-based networking platform that provides advisory services on identifying and utilising collaboration opportunities between film production companies from Europe and China. This partnership will further enhance the Georgian film industry’s channels to the Chinese market, while promoting it as an integral part of the European film industry.



- Partnership agreements with international training providers opened new opportunities for Georgian professionals to benefit from trainings (often with scholarship support).
 - Adam Mickiewicz Institute: The link with the renowned centre in Warsaw, established in May 2018, enabled three cluster members to participate in a workshop.
 - Film Spring Open Foundation: This partnership agreement provides for preferential placement of cluster members at workshops organised by Film Spring Open in Poland.

selected to have their productions screened at international festivals.



Participation at international industry events

Contact signings as well as the promotion of the cluster as a whole were some of the successes from cluster member participation in major film industry events in Cannes, Berlin and Annecy Animation Film Festival, among others. During the project-supported visits to film markets, 7 contracts were signed by 4 cluster members. One producer is currently finalising 2 co-production contracts and an agreement with a Dutch co-producer. A project managed by two cluster members was picked up by the distribution company Pluto Film and screened at the Tokyo International Film Festival and other events. One Georgian post-production studio was able to close a financing gap during a meeting at the European Film Market in Berlin and successfully completed a film project. Four members of the cluster met film festival organisers, and three were

Improvement of business processes

In order to streamline the establishment of linkages between Georgian and foreign industry players, SME DCFTA GE supported the enhancement of cluster members' business management processes and capacities by equipping them with Movie Magic Scheduling and Movie Magic Budgeting. These software products are the international gold standard in the industry and will allow local companies to optimise their budgets and schedules for film production, thus greatly improving project and business operations management.

ACHIEVEMENTS IN 2018

1. 5 cluster members trained at leading international institutions.
2. A long-term cluster development strategy was developed.
3. Joint cluster branding and website were launched.
4. An MoU was signed with the Bridging the Dragon platform, regarding mutual promotion and endorsement.
5. Partnerships were signed with international training providers Adam Mickiewicz Institute and Film Spring Open Foundation.
6. 7 contracts were signed by 4 cluster members, in the framework of cluster members' participation in international film markets.

GEORGIAN ICT CLUSTER

As a priority sector for Georgia's economy, the creation and development of the ICT cluster is an important step towards increasing the sector's competitiveness. A well-developed ICT sector can support growth in other sectors by providing creative and innovative solutions for a range of industries (apparel, filmmaking, design, architecture, and others). Also, it can provide quality services to the public sector at municipal, regional and national levels. From the beginning of 2018, a team of international consultants, mobilised by SME DCFTA GE, from Estonia, Latvia, Austria and Germany brought in their substantial practical experience in operation and growth of ICT clusters. Under the leadership of the Baltic Innovation Agency, they provided assistance in developing tailor-made solution for the Georgian ICT cluster.

The first workshop, held in March 2018, focused on the "why" and "how" of setting up an ICT cluster in Georgia. The event was attended by 25 companies and representatives of private sector support institutions. The participants

defined the key focus areas for the Georgian ICT Cluster, thus setting the directions for future joint efforts: policy advocacy and legislation, workforce development and internationalisation. The future members of the ICT cluster agreed to jointly address regulative and legislative barriers to the development of the sector, in close cooperation with the GoG and other stakeholders; to address workforce skill challenges, in cooperation with educational institutions; and to join forces to increase the export competitiveness of cluster member companies.

Two workshops, held in May 2018, were devoted to the development of the cluster's vision, leading to a joint understanding of the trends in Georgia's ICT industry and the cluster's role. Also, key factors with highest potential impact on cluster members were identified, and the structure of the cluster was elaborated, including organisation and management, legal aspects, leadership and management, balancing competition and cooperation, financial model, cluster charter, role and qualifications of cluster manager.

The outbound mission to Latvia and Estonia in June 2018, brought together Georgian ICT companies and representatives of the MoESD, EG and GITA. The 11 ICT company representatives learned about the experiences of the Latvian and Estonian ICT clusters, met with peer companies, and learned about the roles of the ministries of economy and private sector support agencies in cluster development.

In July 2018, supported by international consultants, the Georgian ICT Cluster companies discussed the vision, mission and main goals of the cluster as well its strategic objectives and the required actions for achieving the stated goals.

On 25 July 2018, the Georgian ICT Cluster was officially registered with membership of 11 companies. The establishment of the cluster has already yielded positive results, as reflected in the vibrant cooperation among member companies. Two companies, AzRy and Wandio, jointly developed a mobile application on municipal travel planning. Two other companies, DoSo and Innotech, jointly developed ICT banking solutions under an open bid by a local commercial bank. In addition, the Georgian ICT Cluster is a partner and supporter of the projects "Teaching Entrepreneurship in Vocational Schools", financed by the US Government and implemented by the NGO Environment and Development, and the action on introduction of dual TVET programmes in the ICT sector in Georgia implemented by GIZ's PSD TVET SC.





ACHIEVEMENTS IN 2018

1. The vision, mission and objectives of the Georgian ICT cluster were defined.
2. The Georgian ICT Cluster was officially registered, with joint branding and website (www.ictcluster.ge).
3. Cluster strategy and action plan are currently being implemented.
4. Two projects co-developed by member companies under the framework of the cluster.
5. Via study visits to Estonia and Latvia, cluster members improved their knowledge and experience regarding cooperation modalities with educational and governmental institutions, organisational setup of ICT clusters as well as leadership and management issues.



GEORGIAN APPAREL CLUSTER INITIATIVE

SME DCFTA GE continued to support four local apparel producers – MPT Georgia, Materia, Elselema and Eurotex – through on-site advisory services provided by national and international experts. The support efforts focused on the following key areas:

- Implementing Business Social Compliance Initiative (amfori BSCI) standards for social responsibility, workplace safety and workforce protection;
- Improving management system and marketing;
- Enabling full service package delivery;
- Generating new business linkages.

Improving production management

Through a hands-on sampling process, the project provided trainings on quality of sample production as well as operational and marketing management.

The next steps of SME DCFTA GE support will include improvement of the marketing and sales aspects of management systems and supply chain improvement, as well as finalising the concept for establishing new export linkages.

Matching producers with designers

One of the overarching industry challenges identified in the assessment phase was the weak linkage between Georgian fashion designers and producers. As the project advanced from implementation of industry standards to improving management and marketing capabilities, it actively worked on enhancing cooperation between these two key stakeholders.

In September 2018, the project supported the participation of Georgian fashion designers at the Paris Fashion Week. During the event a round table was held, to understand current challenges as well as clarify objectives and ambitions, for designers and the industry as a whole. Following up on this initiative, designers met with producers in Tbilisi and agreed to explore opportunities for further cooperation.

amfori BSCI Code of Conduct

Our enterprise agrees to respect the following labour principles set out in the amfori BSCI Code of Conduct.

amfori BSCI Principles



The Rights of Freedom of Association and Collective Bargaining

Our enterprise respects the right of workers to form unions or other kinds of workers' associations and to engage in collective bargaining.



Ethical business behaviour

Our enterprise does not tolerate any acts of corruption, extortion, embezzlement or bribery.



Fair remuneration

Our enterprise respects the right of workers to receive fair remuneration.



No discrimination

Our enterprise provides equal opportunities and does not discriminate against workers.



Occupational health and safety

Our enterprise ensures a healthy and safe working environment, assessing risk and taking all necessary measures to eliminate or reduce it.



Decent working hours

Our enterprise observes the law regarding hours of work.



Special protection for young workers

Our enterprise provides special protection to any workers that are not yet adults.



No child labour

Our enterprise does not hire any worker below the legal minimum age.



No bonded labour

Our enterprise does not engage in any form of forced servitude, trafficked or non-voluntary labour.



Protection of the environment

Our enterprise takes the necessary measures to avoid environmental degradation.

amfori BSCI Approach



Code Observance

Our enterprise is obliged to protect workers' rights as mandated by the law and the amfori BSCI Code.



Supply Chain Management and Cascade Effect

Our enterprise uses the amfori BSCI Principles to influence other business partners.



Workers' Involvement and Protection

Our enterprise keeps workers informed about their rights and responsibilities.



Grievance Mechanism

Our enterprise provides a system to collect complaints and suggestions from employees.

www.amfori.org

amfori  BSCI
Trade with purpose

ACHIEVEMENTS IN 2018

1. All 4 partner companies upgraded their operations and management in line with international BSCI standards and are ready for auditing.
2. MPT Georgia already passed the amfori BSCI audit, attaining the highest rank – “Grade A”.
3. The ability of producers to prepare samples for new products was enhanced.
4. Cooperation between fashion designers and producers was strengthened

SUPPORTING OTHER SECTORS

SUPPORT TO GEORGIAN HONEY PRODUCERS/BEEKEEPERS

Overall objective:

To contribute to improved beekeeping practices and identify honey products with export potential.

Honey remains a high priority sector for Georgian agriculture, with emphasis on the production of high-quality honey for export to the EU and other high-income markets. In 2018, SME DCFTA GE support to the beekeeping and honey industry focused on the following aspects:



- **Mapping of quality honey producers.**

Honey samples from major honey production areas in the country were sent to Germany and analysed according to international criteria and the latest technological standards (quality parameters of Georgian honey, chemical profiles, compliance with quality guidelines, and others). From the 104 samples analysed by the specialised laboratory, only 20 samples fulfilled European standards. Nevertheless, as the 20 honey products fulfilled the highest criteria for premium honey, they can provide the basis for the first mapping of Georgian quality honey.

- **Introduction of good beekeeping practices.**

Preparations are underway to draft national guidelines for beekeeping: technical skills for honey processing, quality monitoring during honey production, monitoring of traceability of produced batches, developing a legal framework for the quality and safety of honey, good sanitary and veterinary practices in beekeeping, improvement of productivity, and the maximisation of the added value of honey.

- **Marketing strategy for Georgian premium honey.**

A concept for the marketing of Georgian premium honey was developed, including specific promotional products (a professional toolkit, logos and a brochure).

- **Cooperation with donors in the honey sector.**

To ensure the sustainability of project activities in the sector, a plan was developed how other donors can continue supporting the sector beyond the current project phase. Initial discussions with representatives of international organisations were held.

To achieve these objectives, several visits of international consultants were organised. In June 2018, expert from the University of Bayreuth visited cooperatives in the Racha and Samtskhe-Javakheti regions, examining production facilities and beekeeping sites. Their recommendations focused on the improvement of workflow plans, safety of processing, hygiene rules, better utilisation of production capacities, and marketing options. To enhance the coordination of activities with other stakeholders, meetings were held with NFA, ADA and the World Bank.

Further, experts of the Bavarian Institute for Viticulture and Horticulture (Bayerische Landesanstalt für Weinbau und Gartenbau – LWG) visited Georgia in July 2018 and met with national beekeeping experts and representatives of the Racha-based cooperative Geo Naturali. They monitored the honey harvest and homogenisation processes, and provided recommendations for the improvement of harvesting and processing as well as disease treatment, queen rearing and colony selection, renewal of honeycombs, winter feeding, inspection of bee colonies, standardisation of honey supers and frames, hygienic measures, placement of extracted honey, and the consultation system for beekeepers. The work progressed so well that by the end of 2018 the first Georgian premium honey under the newly created brand “Tapli” was ready for export to the EU.



ACHIEVEMENTS IN 2018

1. **Samples of Georgian honey were analysed at a specialised laboratory in Germany, with 20 premium honey sorts fulfilling the highest European standards.**
2. **The first batch of Georgian premium honey was exported to the EU.**
3. **Draft national guidelines for good beekeeping and a map of quality honey producers were developed.**
4. **Handover coordination with other donors was initiated.**

SUPPORT TO THE TROUT FARMING SECTOR

Overall objective:

To provide targeted advisory services on trout farming in western Georgia and develop recommendations for the sector.

Based on the results of a study on the development of a comprehensive action package for trout export and sector development in Georgia, and upon requests from governmental partners, SME DCFTA GE conducted a targeted initiative in the Adjara Autonomous Republic, one of the most

promising regions for the trout industry. SME DCFTA GE mobilised international expertise from a leading international consulting company in the aquaculture sector to implement an intervention consisting of two measures: (a) provision of on-site technical advice to selected farms in Adjara and nearby regions (focused on farms that operate hatcheries), to address shortcomings in hatchery management and rearing of fry; and (b) organisation of a two-day workshop on trout breeding, hatchery, nursery and grow-out operations, biosecurity and fish health (focused on preventative measures), water quality management and other issues.

On-site consultancy support to trout farms was provided in March 2018, covering 20 farms in Adjara and Guria. The findings of the mission were summarised in a report, which served as a basis for the selection of topics for a follow-up workshop.

A two-day technical advisory workshop was conducted in June 2018, bringing together 45 trout producers from Adjara as well as representatives of local authorities, MEPA agencies, ACCI, business associations, and VET colleges from western Georgia. Also, a delegation of 10 trout producers from Shida Kartli joined the workshop with project support, based on the farmers' requests channelled through the DCFTA Information Centre in Gori.

In order to maximise information sharing, the international experts prepared a guideline manual on documenting and treating trout diseases – the main export barrier. The manual was translated into Georgian and distributed among the workshop participants. The electronic version was delivered to MEPA, GCCI and ACCI for further distribution through their networks and channels.





ACHIEVEMENTS IN 2018

1. 20 trout farmers in Adjara received on-site advisory services.
2. A guidebook on documenting and treating trout diseases developed and shared with MEPA, business organisations and farmers in Adjara and Shida Kartli.

CONTRIBUTING TO EU4BUSINESS COMMUNICATION AND VISIBILITY

**The key message of SME DCFTA GE communication:
Helping Georgian SMEs become more competitive in order to benefit from opportunities under the DCFTA**

SME DCFTA GE communication and visibility actions are aligned with the **EU4Business framework in Georgia**. The project ensures that all visibility standards for EU-funded projects are duly applied to the respective project actions.

SME DCFTA GE provided contributions to the Georgia page

of the EU4Business website (www.eu4business.eu), and stories of project activities were published on the website of the EU Delegation in Georgia.

SME DCFTA GE visibility actions in 2018 included the following:

Articles

- **6 articles** highlighting project activities and success stories were published in various media outlets: EEAS-Georgia, EU Neighbours East, EU4Business website/newsletter, Front News, Agenda.ge, The Messenger, Fortuna.ge, bpn.ge, interpressnews.ge, eugeorgia.info.

TV and radio

- **5 TV feature stories** on the support provided to business clusters were broadcast on Rustavi 2 and BMG/TV Pirveli.
- **TV guest appearances of 7 project beneficiaries and consultants in 4 TV programmes** were broadcast, including the shows Business Morning, Business Analitika and Women's Narrative on BMG/TV Pirveli; and #Hashtag on Adjara TV.
- **12 radio programmes** on GCCI's DCFTA Information Centres were broadcast on Pirveli Radio.

Event publicity

- **News coverage of 9 events:** Women's Business Forum, Opening of DCFTA Information Centre in Batumi, 2 sessions of MoESD PSDAC, Georgian ICT Cluster presentation at EuroDIG 2018, Georgian Furniture Cluster workshop, Georgian ICT Cluster workshop, Georgian ICT Cluster registration, Georgian Film Cluster event (Paul Thiltges in Tbilisi).



IN WORDS OF OUR PARTNERS



“Thanks to the support and efforts of our international partners, all means are in place for the SMEs in western Georgia to receive most needed consultation services, attend trainings and be provided with the space for business meetings. These renovated premises will play a great role in terms of providing a venue for raising awareness in Imereti and beyond about the government services and the services offered in the area of on-the-job training.”

– **Nino Chikovani**, President of GCCI about the renovated premises of GCCI's Imereti Regional Office and local DCFTA Information Centre to which SME DCFTA GE contributed to.

“This has been quite arduous process with many aspects we had to tackle along the way. While we had theoretical knowledge of the standards and procedures to be put in place, it would have been impossible to apply them without the support from the project.”

– **Giorgi Iashvili**, founder of Geo Naturali Ltd, about the preparation of the first batch of Georgian honey for export to the EU with support from SME DCFTA GE.



“When the auditor arrived and assessed us for the first time the evaluation was very low – we received a ‘D’ grade. The auditor left us with recommendations we had to implement in order to improve labour safety and other mandatory standards. With the help of international experts engaged by GIZ we changed everything: starting from the production process and ending with document turnover. Eventually, it all led us to the result we have today.”

– **Mikheil Getia**, Head of MPT Georgia, an apparel producer company, which received highest ranking “Grade A” on amfori BSCI audit with advisory support from SME DCFTA GE.



“Georgia’s film industry is already established. When foreign producers see what Georgia offers, be it a diverse landscape or various creative products, they expect that the country can also provide for professional production and post-production services. Georgian Film Cluster has the potential to increase foreign film production and post-production services in Georgia.”

– **Vladimer Katcharava**, producer/founder of 20 Steps Productions and a co-founder of the Georgian Film Cluster.



“We need a cluster to support entrepreneurs in this sector and to enable the companies to develop their production and export capabilities in the course of next few years. Production and management standards should be improved for creation of quality products suitable for European market.”

– **Mariam Lezhava**, representative of JSC Trialeti and governing board member of the Georgian Furniture Cluster.

“Georgian ICT companies have little experience in export of goods and services. Access to international market is associated with specific marketing costs, and it is difficult for SMEs to bear these costs on their own. Besides, it is tough to compete with other companies that are already established on the market. Through the cluster, we can consolidate resources and compete with experienced international companies with joint forces.”

– **George Mzhavanadze**, Executive Partner at DoSo Management and a member of the Georgian ICT Cluster management board.



“Generally, it appears that the ongoing GIZ-implemented project SME Development and DCFTA in Georgia is rather spot-on in servicing and developing further the SME needs in the country, but the demand for this type of support far outnumbers what the project alone can cover and effectively manage. Therefore, a simple continuation or even expansion of this project and the likes would greatly support the SME cause and DCFTA implementation.”

– *“Investing in SMEs in the Eastern Partnership” – EU4Business Georgia Country Report 2018.*

ANNEX 1: KEY PERFORMANCE INDICATORS (KPIs)

NR. INDICATORS RELATED TO PROJECT OBJECTIVES		
1	Indicator	A number of specific measures aimed at supporting SMEs in adapting to the DCFTA are regularly designed and implemented by relevant central administrations.
	Current value	<p>Achieved:</p> <ol style="list-style-type: none"> 1. SME Strategy and Action Plan <p>In progress:</p> <ol style="list-style-type: none"> 2. Data Analysis of Export Opportunities 3. National Apparel Strategy
	Target value	At least 3 specific priority measures related to the adaptation of the DCFTA are designed and implemented.
	Relevant objective	Improved institutional capacities of central administrations to design and implement specific measures within the SMEs context.
2	Indicator	Institutionalised political dialogue processes with regular, structured meetings on the enterprise development agenda are positively evaluated by public and private sector participants.
	Current value	<p>Achieved: 2 conferences and 12 events</p> <ol style="list-style-type: none"> 1. A conference on IPR 2. A conference "Skills for DCFTA" 3. PPD event series (5) with SPA 4. PPD event series (4) with ICC Georgia (INCOTERMS) 5. PPD event series with MoESD-PSDAC (2) 6. 1 sectoral dialogue event (honey) <p>In progress:</p> <ol style="list-style-type: none"> 7. Cluster Conference
	Target value	A regular topic-oriented PPD process on the enterprise development agenda, following up on the recommendations of 3 annual conferences is managed, including the monitoring of results of the meetings.
	Relevant objective	Strengthened PPD for improved cooperation between line ministries, SMEs, bodies/agencies, and concerned stakeholders (including business membership and sector associations, CSOs, R&D institutions and others) involved in SME- and DCFTA-related areas.

3	Indicator	Services provided by public SME support institutions are diversified with satisfactory performance results (customer evaluation).
	Current value	<p>Achieved: 6 services launched or developed further</p> <ol style="list-style-type: none"> 1. MoESD: DCFTA website (dcfta.gov.ge) and video instructions (5) for business on export of products to the EU market 2. GCCI: Over 3,000 consultations and referrals on the DCFTA in the regions via DCFTA Information Centres 3. GCCI: Over 70 trainings on DCFTA topics for more than 1,500 SMEs in the regions 4. GCCI: Management advisory services 5. EG/GITA/GCCI: information and service package to SMEs on the Enterprise Europe Network 6. SPA: Information and outreach service package (3 publications and 1 video) for SMEs on procurement under DCFTA <p>In progress:</p> <ol style="list-style-type: none"> 7. Advisory services to EG on e-commerce to SMEs
	Target value	At least of 6 business support services (information, advice, training, etc.) are newly designed or adapted/ tested and further developed.
	Relevant objective	Strengthened capacities of SME bodies/agencies (EG/GITA and others) to channel business support to SMEs to help them meet DCFTA requirements.
4	Indicator	Business and sector associations, business service providers and BMOs provide diversified services to business networks/clusters, showing satisfactory performance (customer evaluation).
	Current value	<p>Achieved:</p> <ul style="list-style-type: none"> • 26 sectors analysed • 10 business networks studied in depth • 95 SMEs served through clusters/networks • Current cluster SMEs employ more than 1,350 staff <p>In progress:</p> <p>205 SMEs as potential members for the existing 5 clusters/networks</p>
	Target value	5 business networks/clusters in the main regions/sectors, 300 SMEs
	Relevant objective	Improved capacity of business and sector associations, business service providers, and BMOs to provide effective services to SMEs
5	Indicator	Business clusters identified as suitable for integration into existing EU clusters establish sustainable, institutionalised connection to EU networks.
	Current value	<p>Achieved:</p> <ul style="list-style-type: none"> • 5 sectors studied: plastics, scrap metal, dairy, poultry, and trout • 5 sectors identified as suitable: apparel, furniture/interior design, honey, film, and ICT • 5 clusters connected <p>In progress:</p> <p>Deepening and ensuring sustainability of international linkages.</p>
	Target value	5 business networks/clusters in the main regions/sectors, 300 SMEs
	Relevant objective	Improved capacity of business and sector associations, business service providers, and BMOs to provide effective services to SMEs

THE TEAM

In alphabetical order:

Rati Anjaparidze

SME DCFTA GE
Programme Expert
rati.anjaparidze@giz.de

Ketevan Gigiadze

SME DCFTA GE
Administration Expert
ketevan.gigiadze@giz.de

Katja Kammerer

PSD TVET SC
Programme Director
katja.kammerer@giz.de

Aleksandre Katamadze

SME DCFTA GE
Logistics Support
aleksandre.katamadze@giz.de

Eka Kharabadze

PSD TVET SC
Programme Regional Administration Officer
eka.kharabadze@giz.de

Thea Kentchadze

SME DCFTA GE
Communication Expert
thea.kentchadze@giz.de

David Okropiridze

SME DCFTA GE
Programme Expert
david.okropiridze@giz.de

Melita Pachulia

PSD TVET SC
Programme Assistant
melita.pachulia@giz.de

Anzelika Rieck

SME DCFTA GE
Deputy Team Leader
anzelika.rieck@giz.de

Mikheil Skhiereli

SME DCFTA GE
Programme Expert
mikheil.skhiereli@giz.de

Philipp Steinheim

SME DCFTA GE
Team Leader
philipp.steinheim@giz.de

LIST OF ABBREVIATIONS

AA	Association Agreement
ACCI	Adjara Chamber of Commerce and Industry
ADA	Austrian Development Agency
BMO	Business Membership Organisation
BMZ	German Federal Ministry for Economic Cooperation and Development
BSCI	Business Social Compliance Initiative
COSME	The EU programme for the Competitiveness of Small and Medium-Sized Enterprises (SMEs)
DCFTA	Deep and Comprehensive Free Trade Area
EFQM	European Foundation for Quality Management
EG	Enterprise Georgia
EU	European Union
EU4Business	Initiative of the European Union that encompasses a technical and financial assistance package of EU-funded projects that support SMEs
FDI	Foreign Direct Investment
GCCI	Georgian Chamber of Commerce and Industry
GITA	Georgian Innovation and Technology Agency
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GoG	Government of Georgia
GNFC	Georgian National Film Centre
ICC Georgia	International Chamber of Commerce in Georgia
ICT	Information and Communication Technology
KPI	Key Performance Indicator
LTE	Long-Term Expert
MEPA	Ministry of Environmental Protection and Agriculture of Georgia
MoESD	Ministry of Economy and Sustainable Development of Georgia
MoU	Memorandum of Understanding
NFA	National Food Agency
OECD	Organisation for Economic Co-operation and Development
PPD	Public-Private Dialogue
R&D	Research and Development
PSD TVET SC	Private Sector Development and TVET South Caucasus Programme
PSDAC	Private Sector Development Advisory Council of the MoESD
SBA	Small Business Act
SME	Small and Medium-sized Enterprise
SME DCFTA GE	“SME Development and DCFTA in Georgia” Project
SPA	State Procurement Agency
SWOT	Strengths, Weaknesses, Opportunities and Threats
ToR	Terms of Reference
VC	Value Chain
VET	Vocational Education and Training

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GIZ Office South Caucasus
42 Rustaveli Ave./31a Griboedov Street
0108 Tbilisi, Georgia
T +995 32 2201833
F +995 32 2201831
E giz-georgia@giz.de
I www.giz.de

“SME Development and DCFTA in Georgia” Project
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Responsible

Philipp Steinheim, Tbilisi

Text and editing

Thea Kentchadze, Tbilisi

Proofreading

Nikola Stalevski, Tbilisi

Design

Tamar Korakhashvili, Tbilisi

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GIZ/Tornike Turabelidze: page 51.

GIZ/Levan Gabechava: page 27.

GIZ/Lasha Bakuradze: page 36.

GIZ/Anzelika Rieck: page 42, 44.

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