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EUROPEAN NEIGHBOURHOOD PROGRAM FOR AGRICULTURE AND RURAL DEVELOPMENT (ENPARD)

Final Evaluation of ENPARD III and Mid-term Evaluation of ENPARD IV



DURATION: August 2024 until March 2025

EVALUATION OBJECTIVES



Identify key lessons learned from ENPARD III and IV to guide decision-makers on how to improve current and future interventions in the agri-food sector.



Evaluate measures supporting value chain development, sustainability, EU market access and community engagement, aligned with EU LEADER/ CLLD principles.



Update indicators to monitor sustainable, inclusive development and gender equality goals.

OVERALL ASSESSMENT

KEY ACHIEVEMENTS:



BUDGET SUPPORT:
Fostered further regulatory alignment and gradual reform of the sector.



AGRICULTURE:
Advanced policies, vocational training, and targeted sub-sector improvements.



RURAL DEVELOPMENT:
Legally & institutionally established as a strategic priority; Contributed to diversification, value chain development enhanced local community engagement.



FOOD SAFETY:
Achieved measurable progress with regulatory alignment with EU standards.

IDENTIFIED GAPS:

- Insufficient focus on long-term, sustainable reforms.
- Limited impact on sector productivity, competitiveness and value chains.
- Challenges in LAG sustainability, involvement in decision-making and rural development coordination.
- Weak monitoring systems and enforcement in food safety.

FUTURE DIRECTIONS:

- Address gaps through enhanced monitoring of strategic reforms, introduction of more innovative agri-food financing mechanisms and enhanced stakeholder collaboration.
- Further promote climate-smart agriculture, sustainable practices and EU standards alignment through enhanced financial incentives, technical advice and support.
- Support LAG financial sustainability and participation in local decision-making processes.



BUDGET SUPPORT

Main Conclusions:

- **Alignment and Reforms:** ENPARD III and IV effectively aligned with national policy objectives, introducing essential public expenditure changes to support rural development and food safety. However, state budget allocations still lack a balanced approach to fully implement ARDS (2021-2027) priorities.
- **Strategic Vision and Monitoring:** The absence of a clear strategic vision for ENPARD implementation limited coherence and sustainable impact, emphasizing the future need for the use of more blended short-, medium-, and long-term result indicators and targets.
- **Policy Dialogue:** High-level mechanisms fostered important reform discussions, but insufficient investment in targeted technical support and data systems to enhance evidence-based policy analysis, constrained informed decision-making and monitoring.
- **EU Standards Alignment:** Aligning agri-food regulations with EU standards requires phased implementation, impact forecasting, more specialised technical support, and enhanced stakeholder engagement with civil society and the private sector.

Main Recommendations:

- Conduct a rapid assessment of EU integration potential impacts on Georgia's agri-food sector.
- Update ENPARD IV's strategic framework with balanced quantitative and qualitative targets.
- Strengthen MEPA evidence-based policy analysis and budgeting capacities and systems.
- Enhance rural stakeholder engagement by broadening and strengthening the Georgian National Rural Network functions and support services.
- Improve programme budgeting, with more integrated planning and regulatory impact assessments of key reform actions.



AGRICULTURE, VALUE CHAINS AND COMPETITIVENESS

Main Conclusions:

- **Policy and Productivity:** Progress in policies and regulations benefitted targeted subsectors, yet broader productivity improvements remain limited, evidenced by a growing agri-food trade gap (i.e. agri-food imports are increasing faster than exports).
- **Advisory Services and TVET:** Improvements in advisory services and vocational education (notably for women) were significant but require further alignment with market demands.
- **Financial Instruments:** Current reliance on grants is insufficient; alternative financial tools and incentives to promote climate-smart agriculture and enhance risk management are needed.
- **Market Access:** Gaps in producer cooperation, market intelligence, and value chain integration continue to limit sector growth and competitiveness.

Main Recommendations:

- Prioritise targeted, integrated value chain development and enhance alignment of agri-food research with market needs.
- Expand access to advisory services and vocational education and enhance private sector collaboration in their design and delivery.
- Expand access to alternative financial instruments such as microfinance, leasing, insurance and value chain financing.
- Promote climate-smart agriculture and eco-friendly practices through better incentives.
- Address market access and producer cooperation gaps to strengthen competitiveness.



RURAL DEVELOPMENT

Main Conclusions:

- **Legal and Institutional Framework:** ENPARD support played a critical role in establishing rural development as a strategic priority.
- **Economic Diversification:** ENPARD projects contributed to rural diversification but achieved limited value chain development and sustainable job creation.
- **Local Action Groups (LAGs):** Inconsistent support and insufficient sharing of lessons learned from past implementation have hindered progress.
- **Sustainability:** Lack of unified regional and rural development approaches limits long-term growth and sustainability.

Main Recommendations:

- Develop a unified approach for LAG development, based on implementation lessons learned
- Develop consistent grant management and LAG strategies, tailored to Georgia's rural needs.
- Facilitate enhanced Georgian best practice sharing via the Georgian National Rural Network.
- Strengthen coordination between municipalities and regions.
- Foster stronger links between LAGs and regional growth strategies.



FOOD SAFETY AND SANITARY/PHYTOSANITARY (SPS) STANDARDS

Main Conclusions:

- **Regulatory Alignment:** Progress in adoption of new food safety regulations have accelerated alignment with EU standards but gaps in enforcement and compliance remain, due to limited resources, effective awareness-raising campaigns and capacities.
- **Grant Support:** Current grant eligibility criteria and support mechanisms inadequately address compliance needs. Grant supported improvements have mostly been achieved at the individual producer level, with limited spillover effects on value chains.
- **Monitoring Systems:** Lack of outcome-focused metrics hinders impact assessment.

Main Recommendations:

- Update grant eligibility criteria to ensure greater inclusivity and compliance.
- Strengthen advisory services and pre-grant assessments for regulatory adherence.
- Establish robust monitoring systems with defined progress indicators.
- Engage stakeholders early and invest more in training and capacity-building initiatives.

NON-STATE ACTORS (NSA'S)

Main Conclusions:

Limited Institutional Capacity & Financial

Sustainability: Key rural development actors (inc. GNRN, GALAG, and GFA), lack stable funding, sufficient technical capacities and structured engagement in policy-making.

Weak Coordination & Policy Influence:

NSAs struggle to influence rural development policy due to fragmented efforts and limited collaboration with government bodies.

Challenges in Producer

Organisation Development:

Producer groups remain weak, with low farmer participation due to governance issues and scepticism toward cooperatives.

Uncertain Future for LAGs:

Many LAGs face sustainability challenges due to unclear legal status, limited funding, and restrictive new legislation impacting upon their operations.

Inefficient Grant Utilisation & Limited Financial Instruments:

Grants have lacked strategic integration with broader financial tools, limiting their long-term impact.



NON-STATE ACTORS (NSA'S)

Main Recommendations:



Strengthen Institutional and Financial Capacity: Secure diversified funding for GNRN, GALAG, and GFA, and enhance their governance and technical support capabilities.



Improve Coordination & Policy Engagement: Establish GNRN as a key platform for rural stakeholder engagement and align NSA efforts with the IACC for policy influence.



Develop Sustainable Producer Organisations: Introduce phased financial incentives, business training, and market integration support for smallholder farmer groups.



Ensure Legal & Financial Stability for LAGs: Define a clear legal framework, implement state-supported funding, and ensure transparency in grant allocation.



Expand Financial Support Beyond Grants: Promote microfinance, leasing options, and risk-sharing mechanisms to improve long-term financial sustainability for rural enterprises.



Enhance Private Sector & Value Chain Integration: Strengthen collaboration between NSAs, agribusinesses, and local governments to support rural economic growth.



Facilitate Knowledge Exchange: Develop a national repository of best practices and strengthen peer-learning networks to ensure scalable and sustainable development initiatives.
