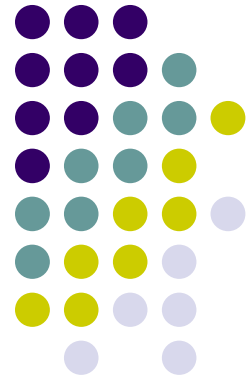


Evaluation Report

UNDP Turkey

Partnership for Development with the Private Sector Project



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Executive Summary

This report presents findings from the evaluation of UNDP Turkey's Private Sector Partnerships for Development Project (PSPDP). The evaluation was carried out by an independent consultant at the request of UNDP Turkey during December 8-25, 2006¹. The evaluation used the intended project objectives outlined in the Project Document as benchmarks. At the request of the UN Resident Representative, the evaluation used a participatory approach to develop recommendations for the Project's next phase. Specifically, the objectives of the evaluation were:

1. Assess whether the project has achieved its stated objectives
2. Assess the added value of the Istanbul office
3. Assess the financial sustainability of the Istanbul office
4. Provide strategic input for and assess the potential for future engagement with the private sector.

The methodology of the evaluation consisted of 43 semi-structured interviews with 53 individuals, conducted between December 10 and 20; a desk review of related UNDP; and Project documents. The evaluation also included a 38 question survey to capture data on the modalities and execution of the partnerships.

Overall, the evaluation concludes that the objectives of the PSPDP has shifted during its lifetime, however, nonetheless, the Project has largely achieved both its stated and assumed objectives. The evaluation finds that the Istanbul office has laid substantive ground work for future partnerships and resource mobilization, and that there is improved recognition of private sector roles in development and UNDP's value added. However, the evaluation also recommends that revisions to the existing private sector engagement strategy should be considered to take increased advantage of private sector's desire to become more involved in Turkey's development. The evaluation also finds that the financial sustainability of operating an office in Istanbul can be improved and financial sustainable can be achieved (although this does not appear as one of the objectives in the reviewed project documents) by both containing costs and increasing revenues.

Seven projects have been initiated during the life of the Istanbul office. The Istanbul office has contributed to the initiation, development, or execution of each project, however, support from Ankara office and private sector's own initiatives have also been critical in each stage. The experiences of the Istanbul office, and the diverse nature in which each project has evolved, offers valuable and rich lessons for future operations. Success factors contributing to development of existing partnerships, areas for improvement, and recommendations for new private sector engagements are presented below:

Success factors identified by the stakeholders:

1. Personal qualities of the team: responsive, collaborative, reliable and creative
2. Presence in Istanbul and proximity to the business world

¹ This report was written by Can Atacik. For comments and questions, please contact the author at atacik@businessanddevelopment.org

3. Focus on media coverage
4. Inherited relationships with the private sector and NGO partners
5. Trends in the business sector, and CSR's rise in Turkey.

Areas for potential improvement, based on input from all stakeholders:

1. The Istanbul Program Coordinator has conflicting roles: responsible for both for business development as well as his own portfolio
2. Unsystematic approach to the private sector, resulting in spreading the team too thin.
3. Limited resource recovery mechanisms in project design
4. Over-reliance on one NGO
5. Weak Government involvement
6. Weak relations and limited collaboration among UNDP staff

Financial sustainability, based on desk review and input provided from Ankara and Istanbul offices:

1. Cost recovery remains limited—(awaiting exact figures)
2. Financial arrangements with partners vary significantly—almost 7% management fee from the Efes Pilsen Coruh Project compared to approximately 0.7% from the Coco-coal Regional Water Project (awaiting verification on ratios).

Broad recommendations:

1. Accelerate phasing out of UNDP's lead role in Global Compact to free up staff time for project identification, development and execution.
2. Develop a more systematic approach to the private sector. Map potential partners with resources, initiate relations at the highest level possible (CEO), transfer follow up to Istanbul office, learn the partners well, target them, and time UNDP's engagement based on the fiscal cycle of the private sector.
3. Resolve the conflicting role of the Istanbul Program Manager by focusing on either business development or portfolio management. Currently, the position has conflicting interests between growing the Program Manager's own portfolio and the portfolio of Ankara based Program Managers.
4. Increase and improve communication between Ankara and Istanbul, define roles and responsibilities more clearly from the beginning and as individual projects evolve.
5. Balance time allocation between regional and local initiatives. Regional initiatives may be significantly more time consuming to develop, yet not yield proportional financial and development impact. Development of such initiatives could be financed with larger allocations from the regional office.
6. Build on existing private sector partnerships to leverage good relations and interest from the partners. Most companies that have been interviewed have expressed satisfaction from existing initiatives, and willingness to consider larger scale and longer term projects.
7. Increase government buy-in through more regular and pro-active reporting, including at higher levels.
8. Continue the successful PR efforts, shifting focus from the GC to UNDP and development, and in closer coordination with the Ankara office.

The full report provides detailed findings from the evaluation as well as more specific recommendations. It is structured in 3 sections. The report first presents the objectives and

methodology of the evaluation as well as the report's structure. Section II presents the background and the development context for the project, the main findings, strengths, and weaknesses. Finally, Section III concludes with concrete recommendations in three areas: (1) Engagement with the private sector, (2) Istanbul-Ankara relations, and (3) Financial Sustainability. The attached annexes provide details on the interviews conducted, documents reviewed, and results of the Rapid Partnership Appraisal Survey. This report is also accompanied with a detailed presentation prepared for the Resident Representative.