Ex post evaluation – Benin

Sector: Public sector policy and administrative management, 15110
Programme/project: Programme d'appui à la décentralisation et au développement communal – FADeC I and II, 2006 66 438, 2010 65 739*
Implementing agency: Ministry of Decentralisation ("Ministère de la Décentralisation et de la Gouvernance Local" / MDGL, formerly MDGLAAT)

Ex post evaluation report: 2020

All figures in EUR million	FADeC I (Planned)	FADeC I (Actual)	FADeC II (Planned)	FADeC II (Actual)
Costs of investments and complementary measures	5.50	5.47	9.00	8.66
Counterpart contribution	0.00	0.00	0.00	0.00
Funding	5.50	5.47	9.00	8.66
of which BMZ budget funds	5.50	5.40	9.00	8.66

*) Random sample 2018

Summary: "FADeC" distributes funds based on a set scheme to 77 municipalities in Benin for the construction of municipal infrastructure and partly for ongoing municipal administrative costs. More than half of the funds are uncommitted and designed for projects in municipal selection procedures. The committed FADeC funds are also prepared and implemented through the municipalities, but are tied to the guidelines of the respective sectoral ministries. Both of the FC programmes ("FADeC I" und "FADeC II") comprise an investment component (uncommitted) and an investment-supporting component. Overall, the two phases of FADeC I and II, which were largely implemented from 2011 to 2014, received EUR 14.1 million in FC funds. In addition to this, FADeC also received funds from the central government and various donors.

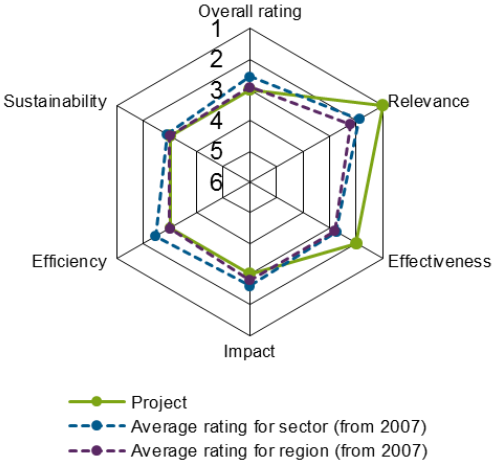
Development objectives: The following objectives were used for the ex post evaluation: (i) to strengthen the financial and administrative capabilities of Benin's municipalities with due consideration of the principles of good governance as well as FADeC's monitoring of the use of funds (structural level). (ii) to provide municipal infrastructure and ensure its use by the population on a sustainable basis (material level); (iii) to transfer fiscal funds from the national level to decentralised regional bodies. The impact-level objective underlying the ex post evaluation was (i) to improve the local population's living conditions and (ii) to improve local governance to strengthen the decentralisation process.

Target group: Directly, all 77 of the municipal authorities in Benin, indirectly, the entire population of the country.

Overall rating: 3 (both projects)

Rationale: Most of the project received a good rating. What was deemed particularly good was the review and following-up on the performance of the municipalities. The still weak maintenance received a poor rating. Furthermore, the quality of the financed infrastructure was relatively low at a considerable cost.

Highlights: It is remarkable that the programme methodology is still being improved even nine years after the start of the programme, which is also reflected, for example, in the improved regulatory standards for the municipalities. This demonstrates that particularly in the case of decentralisation, which has few standards in comparison to sectors such as water or energy supply, great perseverance over several phases is necessary to learn from the very context-specific experience gained and to bring about improvements.



Rating according to DAC criteria

Overall rating: 3

Ratings:

Relevance	1
Effectiveness	2
Efficiency	3
Impact	3
Sustainability	3

Relevance

The key problem at the time of the programme appraisal concerned three different areas:

1. The needs of the target group and/or the population with regard to the provision of infrastructure, which must be built and maintained by the municipalities, were not covered in the 2010 programme and are still nowhere near covered today. Therefore, the West African Economic and Monetary Union (UEMOA), of which Benin is a member, agreed that at least 15 % of each country's national budget would be transferred to the municipalities as part of the decentralisation efforts. Currently, the Beninese state only transfers an annual average of slightly less than 4 %. This demonstrates that transferring tasks to the municipalities is accompanied by a fiscal decentralisation that is nowhere near sufficient.
2. The municipalities' capacity was very limited: significant funds were not transferred to the municipalities according to a fixed and transparent scheme until 2008, the first operating year of FADeC, the only established fund mechanism for decentralisation so far in Benin. The funds then increased in the following years. Due to the relatively short development time, the administrative and financial capacity for planning, implementing and maintaining municipal infrastructure is still low today.
3. The central government was only able to supervise the municipalities to a limited degree. There was no mechanism enabling central government to inspect and control the efficiency of the municipalities' use of the funds and their administration.

Appropriateness of concept: in the first two years after FADeC was established in 2008, the central government was the only one to provide financial resources to the fund. Only from 2010 onwards did other donors gradually participate in the fund through their own contributions.This demonstrates that Benin has a clear interest in decentralisation. This is in contrast to other recipient countries, some of which were only pushed into decentralisation due to pressure from donors, with often mere lip service being paid to this reorientation of policy. Since Benin has demonstrated its own significant interest in decentralisation by establishing the fund, one major prerequisite of the complex nationwide instrument of the FADeC fund is fulfilled. Namely, this is what made it possible to effect essential changes at different levels (target groups nationwide, 77 municipalities, central government), as envisaged by the programme concept, to solve the key problem described above. In this respect the chosen concept is adequate, even though it can only alleviate the problem of the funding for the municipalities that is nowhere near adequate.

The impact logic was based on the following two result chains of the FC measure:

Results chain 1: Strengthening FADeC and supporting the municipalities in building and maintenance improves the municipalities' financial resources and capacities for providing needs-based infrastructure facilities and corresponding services. Results chain 1 is comprehensible and potentially suitable for contributing to solving the core problem at all three levels, both at the time of programme appraisal and from today's point of view.

Results chain 2: By involving the poor in drawing up municipality development plans and investment budgets, jobs can be created during the construction activities and the municipalities' infrastructure can be improved. This will result in an increase of income for the population and a decrease in poverty. Results chain 2 overestimates the impact that building infrastructure has on prosperity and/or alleviating poverty, which is why this no longer underlies the targets of the ex post evaluation. By contrast, it can reasonably be assumed that involving the poor, but also the non-poor, in drawing up municipality development plans and investment budgets contributes to improving municipal infrastructure.

The parameters for distributing FADeC funds among the municipalities have not changed significantly since FADeC was set up. Almost 28 % of the total transfers is based on the poverty measured for each municipality. This tends to put rural municipalities in a better position, although within municipalities the criterion of poverty plays no role in the distribution of funds. In this respect, the main emphasis of the project is on improving the living standards of the local population. It is not without reason that alleviating poverty is merely a secondary objective of the project (AO1).

In 2009, the Ministry of Decentralisation – established in 2007 – adopted the national strategy for decentralisation and deconcentration (Politique Nationale de Décentralisation et de Déconcentration, PONADEC) to strengthen municipalities as part of the envisaged decentralisation process. At the time of programme appraisal, the FADeC I and II programmes were in line with Benin's PONADEC strategy as well as the German Federal Government's decentralisation objectives. This still applies today.

At the time of the programme appraisal, the coordination among donors was criticised as being inadequate as the municipalities' support was implemented through a large number of projects, which increased the coordination and transaction costs. The current co-financing of FADeC by different donors lowers these costs. At present, the coordination among the donors in regular meetings is adequate. This includes an examination of the FADeC co-financing criteria, the fulfilment of which is a prerequisite for the disbursement of German funds and the variable tranche of EU funds. This coordination does not exclude the possibility that certain donors, including KfW in the water sector for example, continue to fund municipality infrastructure outside the FADeC – which does not seem to have decreased over the years despite the improvement of the FADeC mechanism. Nor is it in the spirit of donor coordination that the World Bank also supports the Water Agency. This is a relatively new central government body that is to take responsibility in the water and wastewater sector. In this context it has not yet been clarified whether the water agency should take responsibility for the entire sector, or only for complex projects that currently still demand too much of some municipalities. So far, municipalities are fully responsible for investments and maintenance in this sector. In this respect the World Bank is thwarting the decentralisation efforts.

From today's perspective, the relevance is still rated as high.

Relevance rating: 1

Effectiveness

The objective of the FC measures (module objective at outcome level) was:

(i) to strengthen the financial and administrative capabilities of Benin's municipalities with due consideration of the principles of good governance as well as FADeC's monitoring of the use of funds (structural level);

(ii) to provide municipal infrastructure and ensure its use by the population on a sustainable basis (material level);

(iii) to transfer fiscal funds from the national level to decentralised regional bodies.

Objective (iii) was moved from the impact level (see information there) to the outcome level, and rephrased. Now the only objective is the actual transfer of funds, and no longer the transfer of legal competencies.

The target achievement based on the indicators of the FC measure can be summarised as follows:

Indicator	Status & target value at project appraisal	Ex post evaluation
(1) a) The investment funds provided to the municipalities through FADeC are increasing b) with at least a constant contribution from the Beninese state (%).	Status PA a) FADeC investment funds, provided only by the Benin central government at that time: FCFA 4.77 billion (2007–2009 avg.) b) 1.6 % of government expenditure (2006–2008 avg.) PA target value: a) increase in investment: 30% b) state contribution unchanged	a) Achieved In FCFA billion / Total: only Benin: 5.44 5.44 (2008) 7.44 7.44 (2009) 6.64 5.07 (2010) 16.83 11.61 (2011) 16.11 11.13 (2012) 29.64 12.54 (2013) 23.01 10.39 (2014) 39.79 14.20 (2015) 32.32 13.62 (2016) 26.43 25.30 (2017) 37.09 20.52 (2018) b) Partially achieved: 1.13 % (2015) 1.25 % (2016) 1.92 % (2017) 1.57 % (2018)
(2) a) Improvement in the quality of inspections conducted by the national inspecting institutions IGAA and IGF on how funds were used in the municipalities. b) Annual audits of an acceptable quality are available by the end of January of the following year.	Status PA: No audit (2009) PA target value: a) Maximum = 16 points b) acceptable audits are available by the end of January of the following year.	2015: a) Achieved: 16 out of 16 points b) Largely achieved: 97 %[1]
(3) The investments carried out by the municipalities increase during the project period.	Status PA: FCFA 10.2 billion (2008) PA target value: 30 % increase	Achieved: Roughly FCFA 32 billion (2015) 213 % increase
(4) Three years after commissioning, at least 80% of the infrastructure investments funded through FADeC are a) used as intended and b) maintained.	Status PA: Not specified Target at PA: 80 %	a) Achieved: 98 % (2016) 93 % (2018) b) Not achieved 34 % (2016) 69 % (2018)

[1] The measuring methodology developed later is detailed and has a reasonable structure. With a top grade of 100 %, the measurement result of 97 % can be regarded as acceptable.

The target level (increase in FADeC investment funds by 30%) defined according to Indicator 1 was over-achieved. If we only look at the increase in the FADeC investment funds of the Beninese state, an enormous increase is noted from FCFA 4.77 billion (2007–2009 average) to FCFA 19.81 billion (2016–2018 average).

Looking at the allocation of investment funds to the municipalities by FADeC, a clear increase is seen from 2008 to 2013; while the development thereafter is rather constant, with considerable fluctuations, overall the development is positive. The absolute amounts contributed by Benin to the uncommitted FADeC funds remained largely unchanged between 2011 and 2018, with a slight upwards trend, while the state's absolute contributions to the FADeC overall (i.e. committed and uncommitted funds, see Indicator 1 above) increased significantly in the same period.

The system of Indicator 2 for measuring audit quality was changed after 2015. The quality of the detailed and well-structured audit reports as well as the system for audit follow-ups have improved to date and are at a remarkable level. There is no quality standard for international or national comparison of the results, which is plausible since the subject of the audits is very context specific.

The investments conducted by the municipalities increased over time, as described in Indicator 3, but the budget implementation ratio shows that the capability for drawing up a realistic budget is not yet well developed. A comparison of the target value (30 %) with the actual increase (over 200 %) makes it clear that setting a quantifiable target value provides a very broad and subjective scope for maneuver, and is not very reasonable in such a complex and barely comparable system, in which there is no real benchmark for setting an adequate target level. That a target value was set is due solely to the predefined methodology.

Although Indicator 4 measures “intended” usage, it reveals nothing about the utilisation ratio. Intended usage merely means, for example, that the infrastructure intended for schools was indeed used by schools, but presumably does not mean that all the classrooms are used. According to a study from 2018, only 62 % of the financed infrastructure is “well used”. There can be different reasons for this low usage of the local infrastructure visited, as confirmed during the FC E mission (choice of location, quality of maintenance, funds for operation). Since the sectoral ministries are essentially responsible for financing operations (mostly personnel), but the investments using uncommitted FADeC funds are determined at municipal level, the low utilisation rate is partly caused by this decentralisation that is not fully consistent. According to the fourth indicator, doubling the share of maintained infrastructure in only two years seems somewhat unrealistic, even though constant efforts are being made to improve maintenance, the need for which is only slowly being recognized at the level of the municipalities. In FADeC there is a “fonctionnement” window for the non-investment costs of municipalities. However, this is not enough for covering the maintenance costs that need to be covered in part by the municipalities’ own revenues. As expected, the amount of this income varies depending on the prosperity and urbanisation level of the municipalities.

Effectiveness rating: 2

Efficiency

The implementing agency is the Secrétariat Permanent de la CONAFIL, which manages the daily business of the Commission for Local Finance (CONAFIL). CONAFIL, operational since the end of 2008, is the control unit of FADeC, with an equal number of representatives from the municipalities and central government. It is responsible, among other things, for the planning, monitoring and reporting on the use of funds by FADeC in the municipalities. The CONAFIL secretariat is a relatively lean yet efficient organisation with five professional staff. The administration costs amount to less than 1 % of the funds transferred each year by FADeC. The cost ratio is appropriate.

The preparation costs (technical and feasibility studies commissioned by the municipalities) and the construction supervision costs do not exceed 3 % of FADeC investment funds. This rather low percentage makes it clear that studies, especially in the case of complex projects and construction supervision are not implemented adequately. This might indicate that the quality of the buildings and the economic use of the funds were not taken into sufficient consideration during the implementation, which is still acceptable in the early stages of decentralisation.

The four professional staff of the international consultant regularly support CONAFIL's work and draw up "Contrôles Techniques Externes" as needed, i.e. examining irregularities in the municipalities. These costs amount to 1.3 % of the total funds of FADeC, or 2.1 % of FADeC's uncommitted funds. Since the consultant's work predominantly covers the annual audits of the municipalities, it seems appropriate to relate consulting costs to the total FADeC volume, even if part of its work involves managing uncommitted FADeC funds. The cost level is appropriate.

The annual audits require about 12 working days of one employee each from IGAA and IGF (the two general inspectorates) per municipality and year, and are funded by the Beninese state. This expenditure seems justifiable, especially since the audit office (Chambre de Comptes) only inspects the municipalities' annual reports with a significant delay, randomly, and in a rather formal manner without checking content on-site.

Due to the lean implementation structure at the implementing agency and the international consultant, it is of little relevance in terms of the efficiency rating that some donors outside FADeC have implemented projects directly at the municipal level. The donors' regular coordination means that it can be assumed that the division of work among donors is largely reasonable. What is less efficient, however, is that Benin, supported by the World Bank, is in the process of setting up the water agency. This central government body is to take over part or all of the water and wastewater sector. Thus far, non-urban municipalities have been responsible for investments and maintenance in this sector. Therefore capacities were established in the municipalities in the past that will become obsolete in the future, which reduces efficiency.

The costs and quality of complementary measures have to be compared when assessing efficiency (comparison of input and output). The complementary measures of the international consultant and CONAFIL's administration are characterised by a lean implementation structure – as explained above. The system of well-structured annual audits with extensive recommendations that are systematically tracked is of high quality and is continuously refined. Special audits, such as the "Contrôles Techniques Externes" for inspecting irregularities, are another adequate instrument of control. If provisions are breached, sanctions are indeed applied in some cases against persons in public office and the entire investment amount is paid back, for example if FADeC funds are used for projects that are not eligible for grants. The rating of municipalities in the audit reports influences the allocations to municipalities. At present, 21 % of the allocations to municipalities are performance-based. The intention is to gradually increase this share to 35 % over the next seven years. This gives the municipalities a significant incentive to meet regulatory requirements and perform well.

Since unfortunately no information on specific construction costs is available, unit costs were examined instead – i.e. the costs based on which the total cost of the given infrastructure can be calculated with due consideration of the quantities used. According to a rather controversial study in the context of the World Bank's decentralisation project in Benin that creates infrastructure within the framework of a FADeC window, the costs of the projects implemented from 2013 to 2015 were compared to the costs of comparable projects implemented by sectoral ministries. According to the study, 55 % (2013), 50 % (2014/15) and 21 % (2015) of the projects are overpriced. Overpricing can largely and understandably be explained by deliberate manipulation of the awarding process. Independent of how this is handled, manipulation generally results in poorer quality, even if the municipalities' often insufficient expertise and experience compromise the quality as well. According to the same study, quality is not satisfactory for 45 % (2013), 15 % (2014/15) and 30 % (2015) of municipality infrastructure. Another study from 2015 conducted within the same World Bank project assumes that 76 % of the municipalities have not reached a sufficient level in the awarding of contracts. Accordingly, the dubious application of the awarding criteria gives reason to assume "fraudulent actions and secret agreements at supplier level", which lowers quality as a result. What is true is that setting up municipal infrastructure in a complex decentralisation project such as FADeC, with different objectives and a large number of players, often with little experience, is generally less efficient than in a programme with a single implementation structure and the sole objective of creating infrastructure. This is why the low efficiency as far as prices and quality are concerned is still acceptable.

It can be assumed that essentially meaningful projects covering the needs of the municipal populations will be supported (allocation efficiency). The selection of the infrastructure projects for all 77 municipalities takes place in a multi-stage procedure. First, during public consultations the opinions of the population, i.e. the target group, are sought at the lowest (village) level. The opinions of experts are considered at the administrative level, and the final decision is made by the representatives of the people. Overall, the balanced selection procedure seems to be reasonable for the purposes of meeting the target group's needs. This is confirmed when looking at the distribution of funds among the different sectors. For instance, 48 % of the funds are used for social infrastructure – 31 % alone for school construction. However, the fact that some of the administrative buildings or town-halls for the municipalities (16 % of funds) are oversized is not unusual and does not reduce efficiency, and reflects the marked influence of administration and the representatives of the people.

The implementation processes take longer than expected, but this is acceptable in view of the complexity of the project.

In short, the project can be deemed as generally efficient, although the relatively high unit prices and limited construction quality impair this result.

Efficiency rating: 3

Impact

The impact-level objective underlying the ex post evaluation was to improve the local population's living conditions and improve local governance to strengthen the decentralisation process.

This objective was added ex post, since an original sub-goal was moved from the impact level to the outcome level ex post. Another sub-goal should have been moved to the outcome level as well, but it would not have fit into the FC programme there as it does not give special consideration to the poorer population. Therefore it was completely eliminated from the ex post evaluation. Moreover, the municipalities are essentially not responsible for providing services. In the original formulation it was obviously overlooked that the central government was paying the salaries for example, in the areas of education and health.

The DC programme objective of alleviating poverty does not fit in with the programme measures. Therefore, the objective of alleviating poverty should be waived here.

Indicator	Ex post evaluation
(1) In 2014, 80 % of the municipalities confirm that the central government has made a full transfer of the tasks falling under their authority along with the related resources.	With the transfer of funds by FADeC, the project contributes to increasing the resources needed to fulfil the tasks they are responsible for.
(2) Increase in the ratio of men and women in municipalities by 50 % who declare in surveys that they are aware of the key municipal services defined in the decentralisation reform and are satisfied with them.	Thanks to the participatory local development plans as well as the construction and maintenance of municipal infrastructure, FADeC has plausibly contributed to the knowledge of the municipalities' new competencies and to the satisfaction of the population. No data was collected on this topic.
(3) 90 % of the investment spending the municipalities are responsible for and that is envisaged in the programme budgets of the ministries for water, basic education and health are transferred by FADeC to the municipalities as committed allocations.	The project only increases FADeC's uncommitted funds. However, it strengthens the municipalities' implementation capacities and self-identity, and therefore increases the expectations with regard to adhering to the formal decentralisation objectives. This means it can also exert a positive influence on determining the amount of committed investment spending.

The FC project is embedded in the DC programme, and more or less contributes to achieving the latter's objectives according to the 3 indicators described above. However, this contribution can only be described in a qualitative manner – i.e. without quantification. Three of the originally six indicators at the level of overarching development policy were eliminated due to a lack of any causal links with the module measures, or because of duplication with the indicators at module level.

With regard to the third indicator, only a fraction of the investment expenditures that fall within the municipalities' area of competence is transferred to the municipalities via FADeC. For example, FCFA 42 billion (2018) of investment and non-investment funds were transferred through FADeC. However, over and above this, the sectoral ministries have themselves planned and implemented FCFA 416 billion (2018, not including the water agency for which no figures are available) in fields the municipalities are responsible for – i.e. contrary to the formal decentralisation principles for determining municipal responsibilities. It is thus obvious that the target value of 90 % for Indicator 3 is far beyond the current reality.

Impact rating: 3

Sustainability

The fund's sustainability depends to a significant degree on the extent to which FADeC continues to receive the financial resources needed by the municipalities for investment. Benin established FADeC in 2008, two years before the donors paid into the fund for the first time. Since 2013, the state has paid 50 % or more of the FADeC funds (committed and uncommitted) every year, with one exception. The central government's absolute contributions to uncommitted FADeC funds have remained largely the same ever since, showing a slight overall increase, whilst the central government's absolute allocations to committed funds have increased continuously and significantly since the fund was established. This difference in emphasis shows that the state is relatively less sympathetic towards the selection process for infrastructure at municipal level (procedure for uncommitted funds). The relative trend, i.e. the share of state spending in the total resources of the FADeC, is not increasing, but is rather variable, or constant.

It is reasonable to assume that provided there is no major refocusing of policy, the state contributions will keep coming even after the potential withdrawal of the donors, as already announced by the EU for the end of 2021. Benin had already established FADeC several years before donor participation and continuously provided it with funding, thus demonstrating that it has its own interest in decentralisation, independent of the donors. This contrasts with many other governments that only launched decentralisation measures when urged to do so by donors. A future withdrawal of all donors would result in a decrease of FADeC funding by about 40 %, which would affect the municipalities with their high need for investment, but the distribution mechanism as such would still remain in place. It is presumably less likely that the Beninese state will completely fill the donor gap, but no specific statement can be made on this. The resources would certainly be available if the state were to allocate a portion of the funds that the sector ministries themselves implement directly in the municipalities despite their responsibilities thereof, to FADeC. After all, these funds are more than ten times the size of the FADeC funds. The current establishment of the water agency could signal the beginning of a refocus in decentralisation policy and a divergence from FADeC; it is intended that the water agency will take over the municipalities' responsibilities in the fields of water supply and wastewater disposal in part or in full. However, there is currently too little evidence that really speaks for a fundamental reorientation of policy.

Even after the end of FADeC II, FC will continue to support the FADeC fund – currently through FADeC III and in the future through FADeC IV. Once the donors leave, there would be a gap in resources for complementary measures that might compromise FADeC's smooth operation, since the Beninese state is not likely to fill the gap completely:

a) support of FADeC by the FC-financed international consultant.

b) the annual audits of the 77 municipalities are partly supported by FC-financed measures.

c) the "Contrôles Techniques Externes", i.e. the special content-based audits in the case of irregularities, are partly FC-financed.

The activities described above also mean that the FADeC methodology will continue to be refined and its quality will continue to be improved. If Benin only partially finances the above FC-financed activities from its own budget after the donors leave, which is not unlikely, then this will probably lower the quality of FADeC's performance in a few years.

At present, the municipalities have few financial resources at their disposal, while maintenance is not yet important enough for them; if the lack of maintenance persists, this would cast doubt on sustainability (see Indicator 4 under Effectiveness). Municipalities are supposed to spend 8 % of their administrative budget on maintenance, but they rarely achieve this. In 2016, on average, municipalities were able to cover 68 % of their administrative budget from their own revenues (mainly taxes and fees, but also rents). The remainder was covered by FADeC “fonctionnement”, i.e. the fund’s non-investment component that the central government shares with the municipalities. A maximum of 5 % of the municipalities’ investment budget is covered from their own revenues on average, the remaining amount comes from FADeC “investissement” (investment resources). The municipalities are encouraged (i) to generate more own revenue and (ii) to increase spending on maintenance. Both areas are graded during the annual audits based on a scheme. Recently, the weighting of maintenance has been increased in order to better address the maintenance problems. The grading influences the amount of the annual FADeC allocations and thus has a specific impact on the actions of the municipalities. Only in the last year have municipalities been required to draw up a maintenance plan for better expenditure planning. It is intended that this plan will in future be based on a list of municipal property that is subject to an inventory. Furthermore, budget guidelines have recently been drawn up that stipulate minimum spending on maintenance. A budget that does not meet the requirements should, in principal, be rejected by the prefecture. It remains to be seen whether the latest measures for improving maintenance are indeed effective.

With FADeC, a stable and well-functioning mechanism was established that has been well balanced over the years, has made significant contributions to implementing the national decentralisation strategy and will continue to do so in the future.

Sustainability rating: 3

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being **relevance, effectiveness, efficiency** and **overarching developmental impact**. The ratings are also used to arrive at a **final assessment** of a project's overall developmental efficacy. The scale is as follows:

Level 1	Very good result that clearly exceeds expectations
Level 2	Good result, fully in line with expectations and without any significant shortcomings
Level 3	Satisfactory result – project falls short of expectations but the positive results dominate
Level 4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
Level 5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
Level 6	The project has no impact or the situation has actually deteriorated

Rating levels 1-3 denote a positive assessment or successful project while rating levels 4-6 denote a negative assessment.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Rating levels 1-3 of the overall rating denote a "successful" project while rating levels 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (level 3).