

Ex post evaluation – Nicaragua

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Sector: Democratic participation and civil society (CRS Code: 15150) as well as reconstruction relief and rehabilitation (CRS Code: 73010)

Project: Support of local development and good governance – FISE VI community development programme (BMZ No. 2004 65 641*) and RAAN – FISE VII reconstruction programme (BMZ No. 2007 66 444).

Implementing agency: Fondo de Inversión Social de Emergencia (FISE)



Ex post evaluation report: 2018

| All figures in EUR million | A (Planned) | A (Actual) | B (Planned) | B (Actual) |
|-----------------------------|----------------|---------------|----------------|---------------|
| Investment costs (total) | 7.90 | 10.46 | 6.25 | 6.37 |
| Counterpart contribution | 1.90 | 1.90 | 1.25 | 1.37 |
| Funding | 6.00 | 8.56 | 5.00 | 5.00 |
| of which budget funds (BMZ) | 6.00 | 8.56 | 5.00 | 5.00 |

*) Project A in random sample 2016

Summary: By means of the Nicaraguan Emergency Social Investment Fund (FISE), the FISE VI project (Programme A) supported municipal administrations and village communities in providing municipal public services and anchoring good governance. The fund provided local self-governments with financial resources to invest in basic services (basic education, healthcare, water supply and sanitation, rural road construction, etc.) and to develop their competences. FISE VII (Programme B) supported the reconstruction in the Región Autónoma de la Costa Caribe Norte (RACCN) after hurricane Felix and strengthening of the indigenous territorial governments.

Objectives: Outcome level Programme A: (i) strengthening competencies in the provision of municipal public services and (ii) expanding access to and sustainable use of socio-economic infrastructure by poor population groups; Programme B: (i) strengthening the ability of the population in the 17 indigenous territories of the RACCN to help themselves and the capacity of the indigenous territorial governments to act, and (ii) reconstructing and ensuring sustainable use of socio-economic infrastructure in the RACCN.

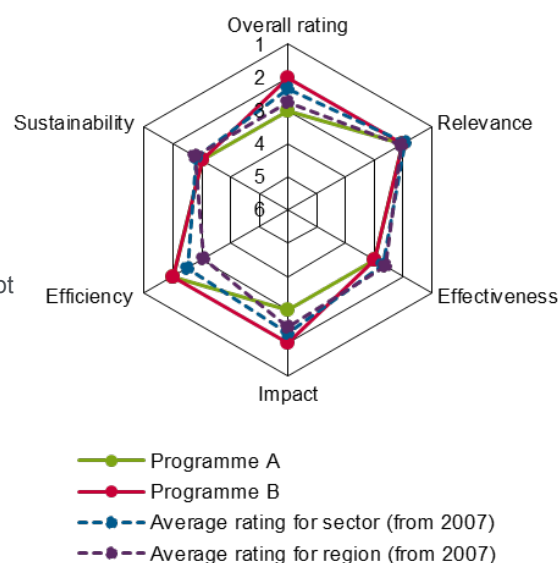
Impact level Programme A: (i) contribute to support an improvement in living conditions and (ii) to good governance; Programme B: (i) improve the living conditions of the RACCN indigenous population affected by hurricane Felix, taking into account their particular culture and identity as a contribution to their development.

Target group: The target groups were poor and extremely poor as well as indigenous village communities and local institutions.

Overall rating: 3 (Programme A), 2 (Programme B)

Rationale: The functionality of the projects visited is mostly acceptable to good in the central components. They are used. However, some considerable limitations were observed with regard to the secondary components. For example, waste management in the schools and healthcare facilities was unacceptable. Furthermore, there were no septic tanks for service water, and use of the toilets was limited. Nevertheless, the users confirmed their satisfaction with the measures (except for the latrines) and indicated to the mission that their living conditions had improved.

Highlights: Although Programme B was appraised in accordance to clause 47 of the FC/TC guidelines, no direct disaster relief was to be provided. In view of the extensive aid and reconstruction measures by the Nicaraguan government and other donors, achieving sustainable development characterised by the local and indigenous identity via an intensive integration of the municipal structures was envisaged in the project.



Rating according to DAC criteria

Overall rating: 3 (Programme A), 2 (Programme B)

Ratings:

| | Programme A (FISE VI) | Programme B (FISE VII) |
|----------------|--------------------------|---------------------------|
| Relevance | 2 | 2 |
| Effectiveness | 3 | 3 |
| Efficiency | 2 | 2 |
| Impact | 3 | 2 |
| Sustainability | 3 | 3 |

Relevance

For a long time, Nicaragua was the second poorest country in Latin America, after Haiti. In 2005, general poverty stood at 48.3% and extreme poverty at 17.2% (measured against the national poverty line)¹. The Bolaños government (2001–2006) defined the fight against poverty and the process of decentralisation as key tasks in the national development plan (2003–2008). These issues were confirmed by the Ortega government (2007 onwards) in the plan for 2008–2012. Against this background, the design of both programmes and their measures addressed the inadequate performance of local governments, the inadequate infrastructure – particularly with regard to poor and very poor segments of the population – and the lack of civil participation amongst these groups. The emergency aid programme, which focused on rebuilding the infrastructure destroyed by Hurricane Felix² and promoting the independent development of the indigenous population of the North Caribbean Coast Autonomous Region (RACCN), also met the needs and interests of the partner country. To improve the indigenous population’s ability to help themselves, and in order to strengthen their traditional institutions and the deeply rooted processes of collective decision-making, which is also a declared aim of the Nicaraguan government (Law No. 445 of 2003), the planned measures were to be implemented by organised village communities and indigenous territorial governments (GTI) through their own efforts. Therefore, FISE provided funds from Programme B that were administered by the GTI. Under Programme A, funds from the Emergency Social Investment Fund (FISE) were disbursed to the municipal administrations. The idea was that this would increase transparency and citizen participation (Proyectos Guiados por la Comunidad – PGC approach). This increased the reliability of allocating the funds to the village communities, thus helping to enhance the ability of the village communities to plan and consequently to help themselves. The PGC approach was widely applied for the first time in FISE VI; in the predecessor programmes, the projects had been implemented directly by FISE or the municipalities.

A tender procedure was used to ensure that the planned measures were in line with the actual needs of the local governments. For a successful application, the local government had to prove that the project had been prioritised in the development plan and that a counterpart contribution to the financing had been provided (Programme A). In the case of Programme B, the funds were distributed in advance to the 17 indigenous territories according to their size and population. Here, too, the prioritisation of projects in the development plan was intended to ensure that these were geared to local needs.

¹ Source and method: <http://www.inide.gob.ni/Emnv/Emnv17/Reporte%20de%20Pobreza%20y%20Desigualdad%20-%20EMNV%202016%20-%20Final.pdf>

² According to estimates by the United Nations Economic Commission for Latin America and the Caribbean (CEPAL), the total damage caused by Hurricane Felix and the subsequent floods amounted to around USD 735 million. According to FISE, almost 10,000 public buildings worth USD 19.3 million alone were destroyed. Community paths, pedestrian bridges, jetties, etc. were not taken into account as these had not been identified by FISE as priority reconstruction measures. The Category 5 hurricane (highest category) also claimed around 100 lives on Nicaragua’s Atlantic coast alone. A total of 37,448 people in Honduras and Nicaragua were made homeless by the tropical storm.

In both cases, input on the plans was received through public meetings. Particularly in light of the low participation as one of the initial problems, it was therefore desirable to strengthen this process and give the development plans additional weight by focusing them on their priorities.

From today’s perspective, the underlying impact logic for both projects – taking into account the risks with regard to implementation capacities at the local level – is plausible and can be summarised as follows: the involvement of the population in the planning and implementation of the projects (PGC approach) helps to contribute to the better utilisation of the infrastructure by the population and consequently results in an improvement in living conditions. The municipal/indigenous territorial governments support the process and manage the funds, which promotes transparency and citizen participation and strengthens the capacity to provide the population with social infrastructure. The result is an improved governance at the local level, characterised by transparency, efficiency and effectiveness.

Both programmes were assigned to the development cooperation priority of “Democracy, civil society and public administration” and were thus in line with the priorities of the Federal Ministry for Economic Cooperation and Development (BMZ). There was a close exchange with the GIZ programme MASRENACE and the AVAR method which this programme applied, whereby this promoted the preparation of local development plans. Programme A was designed in close coordination with a similar programme of the Inter-American Development Bank. The PRASNICA programme of the World Bank began in 2010; despite there being no need for close coordination, PRASNICA adopted the PGC approach, further illustrating its relevance.

Relevance rating: 2 (FISE VI), 2 (FISE VII)

Effectiveness

Both programmes are based on a dual objective: Programme A: i) strengthening expertise in the provision of municipal public services (structural objective) and ii) expanding access to and sustainable use of social and economic infrastructure by poor population groups (material objective); Programme B: i) strengthening the ability of the population in the 17 indigenous territories of the RACCN to help themselves and the capacity of the indigenous territorial governments to act (structural objective) and ii) reconstructing and ensuring the sustainable use of social and economic infrastructure in the RACCN (material objective). Achievement of the target that the ex post evaluation (EPE) is based on can be summarised as follows:

| Programme A indicators | Status PA, Target value PA | Ex post evaluation |
|---|----------------------------|---|
| (1) At least 75% of the projects were adequately implemented by the municipalities/federation of municipalities ³ /village communities (construction quality, compliance with procedures and implementation time). | - / min. 75% | Achieved: 92% (2013) |
| (2) At least 75% of the projects are adequately used, operated and maintained. | - / min. 75% | Achieved: 75% (2018) |
| (3) At least 75% of the drinking water systems have a recognised user committee. | - / min. 75% | Achieved (for systems): 100% ⁴ |
| (4) At least 75% of the municipalities have adequate technical departments (personnel, funds) | - / min. 75% | Achieved: 100% |

³ The concept of the federation of municipalities was meant to be promoted by Programme A in Nicaragua, but it never found favour with the municipalities and is no longer relevant as no federation exists and no government documents mention it.

⁴ Data on user committees and tariffs (see following indicator) relate to all projects financed by FISE VI. Source: FISE database.

| | | |
|--|---------------------------------------|--------------------------------|
| for the maintenance of the public infrastructure. | | |
| Programme B indicators | Status PA, Target value PA | Ex post evaluation |
| (1) At least 75% of the projects were adequately planned and executed (technical solutions, quality, procedures, implementation). | - / min. 75% | Achieved: 100% (2016) |
| (2) At least 75% of the projects are adequately used, operated and maintained. | - / min. 75% | Not achieved. 60.4% (EPE 2018) |
| (3) At least 75% of the drinking water projects have an organised and qualified user committee. | - / min. 75% | Achieved: 100% |
| (4) At least 75% of the indigenous territorial governments have adequate technical departments for the maintenance of public infrastructure. | - / min. 75% | Not achieved: 0% |

Results for the material objectives (A and B): The buildings of the schools and health centres visited were in an acceptable to good condition, with one exception. The secondary components⁵ exhibited major problems. In many of the projects visited, the drinking water system stopped working after a short time. These had been replaced only in two exceptional cases. None of the school or health centre projects visited had a septic tank for service water; all of the schools visited had just one working water tap for 100 or more pupils – the rest were broken. The latrines were technically unusable or had serious issues (e.g. no doors – this is especially problematic for girls), but were often still in use due to a lack of alternatives. Only around half of the schools visited had an acceptable waste management system (rubbish is collected and buried, for example); in the others, rubbish is collected in open dumps within the school grounds. The health centre visited had no drinking water, and as a result the lavatories were closed; waste is incinerated, which is considered inappropriate by the WHO. These shortcomings pose considerable risks to health and the environment, and as such the schools and health centres can be considered only partly functional.

The main components (source, pump, distribution system) of the drinking water systems visited were also in an acceptable to good condition, with one exception. One problem is that the planning of the systems does not take into account the collection and/or removal of wastewater. Service water is not disposed of systematically: it either seeps into the ground or is diverted a few metres through makeshift gutters, resulting in health risks for the local population. According to a survey conducted by FISE in 2017, 16 out of 24 drinking water systems with electric pumps are operated and maintained by a user committee (CAP) and 8 by the Nicaraguan water supplier ENACAL. All 20 gradient drinking water systems and 63% of hand pump wells are also operated and maintained by user committees; the rest are operated by informal committees.

The office buildings of the indigenous territorial governments visited as part of the project were in a state of serious neglect. The rooms were obviously not cared for and all equipment had been removed; even the sanitary facilities were out of order. The meeting rooms, on the other hand, still had the necessary furniture and were clearly still in use. The municipal projects visited (footpaths, small bridges, quay walls) were fully operational. The main building components of the infrastructure projects were generally in line with the standardised national design concept.

Results regarding the structural objective: the municipalities have sufficient financial resources to maintain the existing infrastructure; the technical departments are well equipped. However, these results were achieved mainly as a result of the orders issued by the central government, and there is no evidence of

⁵ In relation to schools and health centres, this refers to the water supply, sanitary facilities, playgrounds and fences.

any development at the local level (Programme A). In the case of Programme B, progress can be observed compared with the situation in 2011–2015; however, the fact that the offices of the indigenous territorial governments were deliberately rendered inoperative raises doubts about the sustainability of the approach of working exclusively with territorial governments; the inclusion of the municipalities from the outset might have contributed to more control and self-control, but at the cost of greater political influence on the part of the municipalities (cf. impacts).

Many projects are utilised and are operational with regard to their planned purpose (pupils are taught, water comes from pipes or wells, patients are cared for), but fall short of fulfilling their full potential. Particularly in light of the major problems with the secondary components, the effectiveness of Programme A is only rated as satisfactory despite the high target achievement. Programme B has considerable maintenance problems and the indigenous territorial governments have no technical departments to deal with these issues. The municipal projects in particular are all operational, however, progress has been observed compared to the situation in 2011–2015. Programme B is therefore assessed as marginally satisfactory.

Effectiveness rating: 3 (FISE VI), 3 (FISE VII)

Efficiency

The specific investment costs for wells and drinking water systems in both programmes, at around EUR 47 and EUR 123 per capita respectively, were lower than the regional comparative costs of EUR 55 and EUR 144 per capita respectively⁶. This is particularly remarkable in view of the project locations, which in some cases are remote. At around EUR 129⁷, the costs per pupil were also below the average construction costs for schools. The overall costs are somewhat higher for B than for A, which can be explained by the greater distance of the projects from urban centres. The average cost per person in relation to all measures was EUR 65, which can be considered appropriate compared to social investment funds in neighbouring countries. According to the final inspection report for Programme B, the estimated total costs were exceeded very slightly (1%) and financed by the counterpart contribution. In view of the implementation delays (an average of 13 months for B) and the associated additional costs, this is considered to be positive. In addition, Programme B received EUR 585,000 in residual funds from Programme A. Despite the considerable implementation delays of 42 months on average for Programme A – attributable to the change within the implementation structure from municipalities to village communities – there were no budget overruns overall. However, the amount earmarked for consulting services did increase significantly in both programmes, from EUR 300,000 to EUR 600,000 for A and from EUR 450,000 to around EUR 872,000 for B. The consulting share consequently rose to 5.7% and 7% of total costs respectively, which is still considered reasonable in view of the complexity of the tasks – especially for B.

The projects which were operational showed good to very good capacity utilisation. A total of 258,536 people in 68 municipalities and 17 indigenous territories benefited from both programmes, corresponding to around 5% of Nicaragua's total population. In the projects visited, the number of actual users was generally higher than the number anticipated at the start of the project. Overall, the efficiency of both programmes is rated as good.

Efficiency rating: 2 (FISE VI), 2 (FISE VII)

Impact

At the impact level, a contribution was due to be made i) to improved living conditions (material objective) and ii) to good governance (structural objective) (Programme A). Programme B was aimed at improving the living conditions of the RACCN indigenous population affected by Hurricane Felix (material objective), taking into account their particular culture and identity as a contribution to their development (structural objective).

⁶ National Center for Biotechnology Information, U.S. National Library of Medicine, <https://www.ncbi.nlm.nih.gov/books/NBK11755/>

⁷ The TI-UP Resource Centre:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/67620/del-cost-eff-sust-sch-infra.pdf

The achievement of the objectives at the impact level can be summarised as follows:

| Programme A indicators | Status PA, Target value PA | Ex post evaluation |
|---|-----------------------------------|--|
| (1) Annual publication of the budget | - / - | Achieved: 100% |
| (2) The municipalities have transparent municipal development plans. | - / - | Achieved: 100% |
| (3) The municipalities have institutionalised mechanisms for citizen participation. | - / - | Achieved: 100% |
| (4) Poverty in rural areas has declined measurably. | 67.8% (2009) / - | Achieved: 58.8% (2015) ⁸ |
| Programme B indicators | Status PA, Target value PA | Ex post evaluation |
| (1) The indigenous territorial governments have the necessary financial resources to fulfil tasks relating to the provision of social infrastructure and services. | 0% / - | Not achieved, average allocation per territorial government 2017 = EUR 47,556 ⁹ |
| (2) The indigenous territorial governments have development plans which have been drawn up in a transparent manner. | 12% / 100% | Achieved: 100% |
| (3) The indigenous territorial governments are in a position to carry out projects in a self-determined manner, taking into account their particular cultural and social context. | 0% / - | Achieved 80% |
| (4) Poverty in rural areas has declined measurably. | 67.8% (2009) / - | Achieved: 58.8% (2015) ¹⁰ |

The majority of users of the operational projects were very satisfied with the measures (less so for the latrine projects) and confirmed to the mission that their living conditions had improved (Programmes A and B). The PGC method of implementation, which saw the village community members take over paid work for the project in addition to the counterpart contribution, also made a contribution here. A total of 67.3% of the projects in Programme A were implemented in high and extreme poverty municipalities, 20% in medium poverty municipalities and just 12.7% in low poverty municipalities. In the case of Programme B, all of the projects financed were implemented in extreme poverty municipalities. Using data on poverty

⁸ Official reports no longer distinguish between urban and rural poverty. These figures are taken from budget surveys conducted by the independent institute FIDEG (http://fideg.org/wp-content/uploads/2017/02/INFORME_DE_RESULTADOS_DE_LA_ENCUESTA_2015_-_Versin_WEB_270616.pdf).

⁹ In 2005, the indigenous population of the RACCN totaled 150,463 people. A total allocation of EUR 1,141,344 across all GTIs corresponds to an allocation of EUR 7.60 per person per year.

¹⁰ Source: see footnote 5. The study by FIDEG only differentiates by country and city, not by region, which is why the indicator for Programme B is identical to A.

development in rural areas (see indicator 4), it is plausible to assume that the projects have made a contribution to poverty reduction and thus to the improvement of living conditions.

The problems with the secondary components of schools and health centres (sanitary facilities, waste management) – which pose considerable health risks for pupils and patients as well as problems for a holistic education geared to health, the environment and appropriate gender relations – are considered highly disadvantageous (cf. Effectiveness).

The indicators for measuring the structural objectives have also been fulfilled – at least formally – for Programme A. The budget for all of the project municipalities is now published on the Internet (indicator 1). The community development plans are drawn up in at least four public meetings involving the population (family councils) and implemented by the technical departments of the municipalities responsible for the construction and maintenance of the public infrastructure (indicator 2). Citizen participation (indicator 3) takes place via special family councils. These “Gabinetes de la Familia, la Comunidad y la Vida” were enshrined in law in 2014. In principle they are open to all citizens, but are based on “Christian values, socialist ideals and solidarity-based practices”; in practice, they serve the purpose of social control by government bodies.

Programme B: At the beginning of the programme, two out of the 17 indigenous territorial governments had development plans; transfer payments were extremely rare and sporadic. Today, all indigenous territorial governments have plans and receive regular transfer payments; since these payments are small, however, the plans cannot be fully implemented. The indigenous territorial governments only had limited influence on the construction plans during the implementation of Programme B. Standardised plans were used that did not take cultural characteristics into account. Today, indigenous territorial governments are in a position to implement projects in a self-determined manner within the limits of their financial resources. Overall, the project has contributed to the sustainable strengthening of the territorial governments. The structural objective was thus largely achieved in the case of B. The most threatening long-term problem for the indigenous peoples is persistent and widespread colonisation by the inhabitants of the coastal region, who are appropriating land and increasing power without regard for the Statute of Autonomy and are increasingly marginalising the indigenous population.

In particular, the intended effect of strengthening the decentralisation process is essentially being counteracted by the authoritarian influence of the central government. This complex situation is even more evident when we consider the indigenous territorial governments. The composition of these governments is determined by the rules of the individual ethnic groups (Miskito, Mayangna and Rama) and therefore also reflects the ethnic and cultural situation of the region; these groups claim to be free from political influence too. In the meantime, however, political influence has increased significantly and is also affecting the indigenous territorial governments via the regional government and the higher-level municipalities, seven of which (out of eight) are in the hands of the ruling party.

Despite the formal target achievement, a rating of 3 is considered appropriate for Programme A due to the strong influence of the central government. Programme B is given a rating of 2, despite some compromises in relation to the achievement of the indicators. Starting from a situation in which barely any local government structures existed, the project has made a significant contribution to strengthening local administrations and improving their operation, in particular through cooperation with indigenous territorial governments.

Impact rating: 3 (FISE VI), 2 (FISE VII)

Sustainability

The improved funding of the municipalities and indigenous territorial governments has fundamentally positive effects on the sustainability of the projects – even though the different types of infrastructure present a heterogeneous picture, especially with regard to maintenance.

It was evident at the drinking water and wastewater projects visited that maintenance works had been carried out. These works tend to be carried out by the user committees themselves. The costs of these works are covered partly by user charges and partly by transfer payments from the state.

The schools and health centres paint a very diverse picture, especially with regard to the secondary components (sanitary facilities, waste management). The buildings themselves are in good to acceptable condition and are being maintained. The municipalities and the relevant ministries are responsible for maintenance and repairs. However, the interventions by ministries are rather sporadic and decrease in line with the distance of the sites to the centres. Staffing in both the schools and the health centres is provided by the ministries. Most of the sanitary facilities, on the other hand, were in a state of neglect. It did not appear that maintenance work had been carried out here. It can be assumed that the situation with regard to the existing health risks for pupils and patients will worsen in the long term.

Roads, footpaths and bridges are still usable, with the low maintenance effort required to maintain them handled by the village communities.

The PGC approach in particular ensured that the population identified strongly with the projects; this had a positive impact on maintenance and repairs and thus also on sustainability.

Since 2010, the municipalities have received legally guaranteed transfer payments amounting to 10% of state income. The maintenance fund originally set up by FISE, and through which the municipalities received additional funds, was discontinued in 2012. In addition, at least 7.5% of the transfer payments from the central government have since been reserved for drinking water and waste water, 5% for education, 5% for health and 5% for the environment. The municipalities have therefore seen a reduction in overall funding, and are additionally restricted by the legal requirements relating to the use of the allocated transfer payments.

According to the programme concept, the sustainability of the projects should be guaranteed by the population's counterpart contributions (especially in the case of drinking water projects), a (maintenance) fund set up by FISE and the transfer payments to the municipalities. The municipalities have technical departments for public infrastructure, which are also responsible for maintenance. There is, however, a strong tendency within the municipalities to build new infrastructure to the detriment of the maintenance or expansion of existing infrastructure, which has a negative impact on sustainability. While the shortcomings identified in the projects not related to drinking water were in some cases considerable (see section on Effectiveness), the majority of the projects for central components are currently expected to be utilised beyond their normal technical lifetime. Financed by programmes of the World Bank and the Central American Development Bank (USD 30 million each), FISE has been working exclusively in the area of drinking water and sanitation in rural areas since 2013, supporting the establishment and/or strengthening of technical departments for drinking water and sanitation within municipalities. Both programmes are set to end in 2019; no additional funding is currently intended and the future of FISE is uncertain.

Other risks to sustainability include the high personnel turnover and the lack of knowledge management in the municipalities. Even the succession to office by a representative from the same party does not guarantee the appropriate transfer of documents, knowledge and skills.

From today's perspective, in light of the improved financial resources of the indigenous territorial governments – and despite the percentage-based commitment of the municipalities' funds and the shortcomings with regard to the allocation preference of these funds – a rating of 3 is considered appropriate for both programmes.

Sustainability rating: 3 (FISE VI), 3 (FISE VII)

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

Projects (and programmes) 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).