

Ex post evaluation – Peru



Sector: 4103000 Biodiversity
Project: Sector reform programme: Environment, BMZ No. 2010 65 218*
Implementing agency: Peruvian Ministry of Economy and Finance and the Peruvian Ministry of Environment



Ex post evaluation report: 2018

| | | Planned | Actual |
|--------------------------|-------------|---------|--------|
| Investment costs (total) | EUR million | 87.00 | 87.00 |
| Counterpart contribution | EUR million | 0.00 | 0.00 |
| Funding** | EUR million | 87.00 | 87.00 |
| FC funding | EUR million | 21.00 | 21.00 |

*) Random sample 2015

**) Funding via World Bank, USD 75 million

Summary: The environmental sector reform programme was designed as sectoral budget support and implemented as co-financing of a World Bank programme. The project supported the development of legal and institutional framework conditions as well as policy advancement in the context of the Ministry of Environment formally established in 2009. Funds were disbursed in line with World Bank procedures, i.e. they were linked to the fulfilment of reform steps in the environmental sector agreed upon with the Peruvian government in a policy matrix (policy-based lending). After the agreed reform steps (prior actions) were completed, the funds were disbursed to the Ministry of Finance and placed into the general budget. The implemented reforms were to facilitate the achievement of the policy goals also agreed in advance.

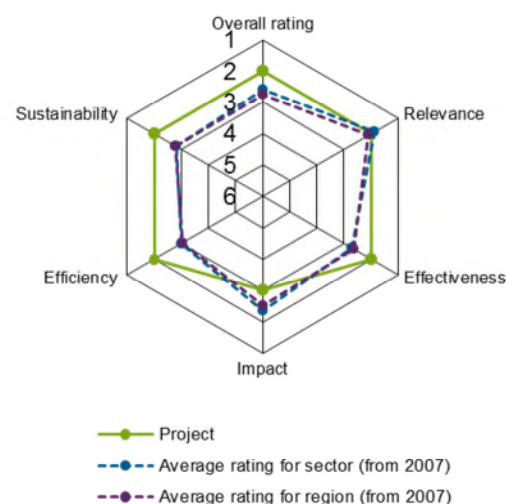
Development objectives: The aim of the project was to support the efforts of the Peruvian government, improve environmental policy as well as the regulations and institutional conditions required for this, and introduce principles of ecological sustainability in selected key sectors (mining, urban transport, and fishing – outcome). This was to contribute to the promotion of sustainable natural resource management against the background of climate change (impact).

Target group: The target group of the project was the population of Peru, especially the poor, who are particularly affected by environmental pollution and the destruction of production bases. Local communities were also envisaged as target groups, since the project supported participation in environmental decisions at a local level, as well as the international community, owing to the beneficial impact on biodiversity conservation.

Overall rating: 2

Rationale: The World Bank’s environmental sector reform programme was focused on supporting important institutional reforms, and according to the defined indicators it predominantly achieved its goals. FC participation here involved very low transaction costs. The development effectiveness is satisfactory, and it is expected that the institutional impacts will largely be maintained.

Highlights: The project does not exhibit the coordination and cooperation frameworks normally associated with budget support. It is not based on a more comprehensive sector policy dialogue, but was rather implemented on a bilateral basis between the World Bank and the partner structure. Since FC co-financed the last part of the World Bank programme only once, at a time when all the decisions had been taken in the project, little added value can be attributed to the FC contribution aside from the financing role.



Rating according to DAC criteria

Overall rating: 2

Ratings:

| | |
|----------------|---|
| Relevance | 2 |
| Effectiveness | 2 |
| Efficiency | 2 |
| Impact | 3 |
| Sustainability | 2 |

General conditions and classification of the project

The project under discussion is managed as sectoral budget support (programme-oriented joint financing, PJF). A contribution was made to the overall Peruvian budget, coupled with the achievement of certain environmental policy goals. With FC participation commencing in the last of three parts of a World Bank programme (1st, 2nd, 3rd Environmental Development Policy Loan, EnvDPL) and with there only being a one-time payment, there were virtually no opportunities to influence the course of the programme. The FC project co-financed the World Bank's sector budget support programme using delegated cooperation.

Relevance

The World Bank programme was launched in 2009, the year following the creation of the Peruvian Ministry of Environment (Ministerio del Ambiente, MINAM). The establishment of the Ministry of Environment and of the National Service of Natural Protected Areas (Servicio Nacional de Áreas Naturales Protegidas, SERNANP), as well as the adoption of environmental quality standards and emission limits for water and air were among the prerequisites for disbursement (prior actions of the first EnvDPL). Thus the EnvDPL was highly relevant in terms of maintaining the favourable political situation as well as furthering the ambitions of the Peruvian government. The EnvDPL was the result of extensive analytical work, and was set out in both the first National Environmental Policy (Política Nacional del Ambiente, PNA) 2009 and in the National Environmental Action Plan (Plan Nacional de Acción Ambiental, PlanAA) 2010-2021 based on the 2009 policy. In this respect, the project would be expected to have a high level of congruence with national environmental policy planning, and while this is true in terms of the chosen areas of concern, the specific indicators and plan for action are compatible with national planning only to a limited extent. This reflects the fact that the EnvDPL was conceptualised prior to 2009 and illustrates the independence of national policy formulation from donor support.

Chancellor Angela Merkel personally pledged support from Germany for the new Ministry of Environment in 2008. German DC has made significant contributions to the institutionalisation of the Ministry of Environment and to the development of environmental policy. The EnvDPL suited one part of a wider German portfolio. The German Priority Area Strategy Paper included the action areas "Sustainable Rural Development" and "Preservation of Biodiversity". The project was part of the "Environmental Policy, Protection and Sustainable Use of Natural Resources" Priority Area Programme, which included measures in the areas of climate change policy, rural development, forestry policy, protected areas, integrated water resource management, and land use. The "Protected Areas" working area, for which FC also took the lead in the project, had a direct and important overlap with the EnvDPL. The EnvDPL measures in the area of environmental governance – supporting the formal establishment and gradual institutional development of the Ministry of Environment and its subordinate authorities – were certainly very relevant for the general conditions of German DC's work and were designed to generate synergies.

Since the project co-financed only the third phase of the EnvDPL, it was not developed based on the analysis of a core problem. At that stage of the appraisal, all measures (prior actions) and objectives (outcomes) had already been established, and at the time of approval all prior actions as prerequisites for disbursement of the three parts of the EnvDPL had already been fulfilled.

The World Bank programme document does not specify any target groups. The project proposal (PP) identifies the population of Peru as the target group, which benefits in particular from the environmental interventions – especially the poor population.

From today’s perspective, it should be noted that the EnvDPL, and thus also the project as a whole, were highly relevant for the sustainable development of Peru. The results framework linking activities, outcomes and impact was sound and relevant: The aim of the project was to support the development of a coherent institutional landscape and it was designed to contribute to the better environmental compatibility of the mining and fisheries sectors, which are important for economic development. The agreed measures had the potential to contribute to conditions of better pollution control, to reduce growth-related negative environmental impacts, and to ensure supporting conditions and competitive advantages for tourism in Peru. Support for the Ministry of Environment during the development phase rested on sound logic when it came to securing the general political conditions, and had the potential to be successful through the adoption and implementation of the new environmental legislation. As a result, the World Bank evaluation also assesses the project as highly relevant with regard to the objectives.¹ Direct relevance in the context of the German emphasis on environmental issues was only partially achieved, however. The EnvDPL was so advanced at the time of planning the FC contribution that no further changes in the reform programme were possible with the FC financing. German DC was, however, able to send a further political signal of its support of the Peruvian environmental reforms through sector budget financing, and to provide further financing and contribute to the ongoing individual projects in this way.

Relevance rating: 2

Effectiveness

The co-financing required the EnvDPL planning framework to be transferred into the German planning system.

Target achievement at outcome level was measured in the two work areas – (A) strengthening environmental governance and (B) mainstreaming environmental sustainability in key sectors (mining, urban transport, fisheries) – across 11 indicators. The output level was accomplished via the measures to be implemented in advance (prior actions) in accordance with World Bank procedures; these conceptually underpinned the outcome indicators. The target concept thus made intrinsic sense and the indicators were all specific, measurable, and complete with initial and target values.

| Indicator | Status PA, Target value PA | Ex post evaluation |
|---|---|--|
| (1) Implementation of a monitoring system for environmental licences and adoption of a decree to increase transparency, accountability, and public participation in the licensing system. | Review of Environmental Impact Assessments (EIA) by the Ministry of Environment in at least 10 cases Baseline, 2008: 0 cases. Target values, 2013: 10 cases. | The Ministry of Environment has the capacity to also review EIAs for complex investment projects, and did so in 2011 and 2012 for 242 randomly selected EIAs issued between 2001 and 2011. The target value is met and far surpassed. |
| (2) Implementation of the financing strategy for the national protected area system and implementation of an incentive system to increase private sector involvement in the financing and management of | Increase own revenues of the protected area system by at least USD 2 million per year Baseline, 2008: Protected area system revenue: USD 14.2 million Target values, 2013: USD 24.2 | In 2015, financing totalled USD 28.5 million. The target value is fulfilled |

¹ “Highly satisfactory”; the assessment includes six ratings: highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory

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|--|--|--|
| nature reserves. | million | |
| (3) Implementation of emergency plans when air pollution emission limits are exceeded based on regular measurements | <p>a. Implementation in the five most polluted cities in Peru: Lima, Arequipa, Chimbóte, Ilo, and La Oroya Baseline, 2008: Emergency plans do not exist Target values, 2013: Emergency plans are implemented in the 5 states mentioned above</p> <p>b. Data for Lima are made public in real time. Baseline, 2008: Data are not publicly available Target values, 2013: Data are published in real time by 2 authorities</p> | <p>a. In 2015, 3 out of the 5 cities have developed and implemented emergency plans. The target value is partially (60%) fulfilled.</p> <p>b. One authority publishes reports in real time in 2015, another publishes annual reports in 2015 (monthly in 2017). The target value is partially (50%) fulfilled.</p> |
| (4) Selection of priority projects for the elimination of mining brownfields under the previously adopted directives and allocation of funds for their redevelopment | <p>Identification of and allocation of funds for at least 10 redevelopment projects Baseline, 2008: 0 projects selected, no funds Target values, 2013: Minimum of 10 projects selected and financed</p> | <p>By 2015, the Ministry of Energy and Mines (MEM) assessed 8,616 mining brownfield cases by risk, of which 2,546 were considered to be severe risk and 1,735 to be high risk. The government has confirmed the financing of 801 redevelopment cases. The target value is met and far surpassed.</p> |
| (5) Introduction of a monitoring system to document the involvement of the local population in mining activities | <p>Baseline, 2008: 35 pilot projects Target values, 2013: Minimum of 60 mining sites with participatory monitoring</p> | <p>By 2015, participatory monitoring is implemented in 101 mines. The target value is met and far surpassed.</p> |
| (6) Increased availability of low-sulphur diesel fuel in major cities | <p>Baseline, 2008: No low-sulphur diesel available in fuel stations (around 750) Target values, 2013: Low-sulphur diesel available in at least 30% of fuel stations (around 750)</p> | <p>In 2015, all fuel stations in Lima, Arequipa, Cusco, Puno, Madre de Dios, and Callao offered low-sulphur diesel. The target value is met and far surpassed.</p> |
| (7) Promoting the conversion of motor vehicles to run on natural gas | <p>Baseline, 2008: 35,000 vehicles converted Target values, 2013: 80,000 vehicles converted; 90 fuel stations offer natural gas</p> | <p>In 2015, approximately 210,000 vehicles were converted to gas and 236 fuel stations in Lima offer gas. The target value is met and far surpassed.</p> |

| | | |
|--|--|--|
| (8) TÜV system in operation in Lima and in the three largest cities | Baseline, 2008: 60,000 vehicles tested annually at Lima test centres Target values, 2013: 600,000 vehicles tested in at least 20 test centres in Lima and 80,000 vehicles tested in at least 3 other test centres in the largest cities | In 2015, more than 1,000,000 vehicles were tested at 20 test centres in Lima and Callao. A 2012 survey showed 47,688 inspections at 7 test centres in Arequipa and 29,263 inspections at four test centres in La Libertad. The target value is met and far surpassed. |
| (9) Introduction and enforcement of fishing quotas | Baseline, 2008: 0% (quota system introduced in 2008) Target values, 2013: 100% of the fishing fleet is covered by the quota system | In 2015, the quota system is introduced for the entire fishing fleet. The target value is achieved. |
| (10) Use of the established incentive system to encourage workers to give up fishing and thus reduce the volume of fishing | Baseline, 2008: No fishermen use the incentive system and are giving up commercial fishing Target values, 2013: 5,000 fishermen (later changed to 3,000 fishermen) | In 2015, 2,283 fishermen made use of the incentive system. The target value has been achieved in part (76%). |

The assessment is based in particular on the final World Bank report on the sector programme in 2016, and includes survey data from 2015 as well as the assessments of the project's ex post evaluation by the World Bank's independent evaluation unit.

The World Bank evaluation rates the effectiveness of the achievement of objectives as good (satisfactory). Of the eleven indicators, three are partially fulfilled (50%, 60%, and 75%), two are achieved as planned and six are exceeded by far. The latter should be assessed taking into account the fact that the environmental landscape was institutionally very heterogeneous in the planning period prior to 2009, and when the Ministry of Environment was founded it was not foreseeable at what rate the environmental sector would consolidate, particularly against the background of the financial crisis. In addition, the absorbing capacity of the Ministry of Environment was limited in its early years, and the budget was initially not fully implemented. Here it seems plausible that the programme has advanced the momentum of political processes, and also strengthened the Ministry of Environment in terms of setting out the division of competences vis-à-vis the established ministries – also made possible thanks to intensive thematic support from the World Bank: the reporting indicates extensive consulting work. The World Bank's final report identifies 47 direct task team members on site, including 4 managers and 11 experts.

From today's perspective too, the objective appears to have been adequately formulated at the outcome level, the indicators were relevant and the objective defined by the indicators was largely achieved – and in many cases exceeded by far.

Effectiveness rating: 2

Efficiency

As a one-time endeavour, the project co-financed the last phase of a World Bank programme through delegated cooperation. In avoiding transaction costs, delegated cooperation has become established as a very efficient procedure and was therefore considered a preferred mechanism under the Paris Declaration. The use of such a mechanism to support a sector reform programme based on broad dialogue and involving FC would be understandable from a strategic perspective. This is not evident in concrete terms in the case of the EnvDPL, which is more akin to a World Bank programme that has successfully support-

ed government reforms. In this sense co-financing, while not strategically convincing, is essentially efficient and cannot be criticised.

A specific financing bottleneck was not resolved by the FC contribution. Compared to budget support in countries with a high dependency on external aid, the importance of the EnvDPL for the budget was low: in the year of disbursement in 2011, the total revenue of the Peruvian state amounted to PEN 127.6 billion (IMF, 2013), equivalent to USD 46.1 billion, and joint budget support from the World Bank and German FC amounted to USD 96 million, or 0.2% of revenue.

In addition, at the time FC entered the EnvDPL, the Peruvian government had already pushed USD 310 million into the Drawdown Option (DDO)², not retrieving this again until 2015. This does not suggest that a further EUR 21 million was used to resolve a financing bottleneck in the budget in 2011. Of course, the government has, however, been given additional flexibility and room for manoeuvre with regard to its finances. Given the low level of funds in the overall Peruvian budget, it would also have been worth considering committing funds to the generally under-funded authorities of the Ministry of Environment, for example. One positive feature of the budget support mechanism is that it allows for the financing of current budget expenditure. The expansion of the Ministry of Environment's control capacities would also carry significant personnel costs. However, a one-time payment cannot be expected to have lasting effects in this regard.

It is not clear whether the project has forced out other DC contributions. The German FC commitment for the protected areas was expanded in 2010, while planning of the participation in the EnvDPL was underway. With regard to further cooperation between German DC and other donors in the sector (e.g. Switzerland, Global Environmental Facility, GEF), there is no evidence of a crowding out effect, in part because these donors had a different thematic focus. On the contrary, we are positive that sector budget financing represents a useful addition to the ongoing individual projects.

In this respect, the project implementation carried a very low cost both for German DC and for the Peruvian government and industry. The reforms addressed by the World Bank were relevant to environmental improvements in Peru. The German project was able to continue to support the reform programme at very low cost and can therefore be assessed as efficient.

Efficiency rating: 2

Impact

At the impact level, the aim of the project was to contribute to the promotion of sustainable natural resource management against the background of climate change. The concrete objectives to be achieved (impact) are: (a) the implementation of Peruvian environmental policy, (b) the preservation of Peru's economic foundations with the achievement of Millennium Development Goal 7 ("Ensure environmental sustainability").

With regard to (a): the criterion "Implementation of Peruvian environmental policy" is examined based on the development of the Ministry of Environment and monitoring of policy planning (MINAM 2015):

The Ministry of Environment, which was set up in 2009, was in the process of consolidation during the project term and remains so today: an "Environment Framework" was developed in 2010 and an "Environmental Action Plan" 2011-2021 was created in 2011. Managing the implementation of this action plan is a complex task: in addition to the 17 departments and other institutions under the direct responsibility of the Ministry of Environment, the plan also involves 13 ministries and a further 10 institutions with competences relevant to environmental policy. The monitoring report on the action plan (MINAM 2015), which runs from 2011 to 2021, shows that overall, 9% of the 55 strategic objectives have been fully met, while 42% have been partially met, 33% have seen at least some progress, and only 10% show no progress at all. Among the 87 indicators (of the 55 objectives), 46% show very good to satisfactory progress, while 26% show minimal and 21% no progress. In summary, there has been clear progress in implementing environmental policy.

² A World Bank account for funds available at very short notice.

However, the area of “environmental governance” shows some weaknesses: the National Environmental Information System (Sistema Nacional de Información Ambiental; SINA) is developing well. The environmental impact assessment system was introduced only in part and adapted at the sector or institution level. 62.5% of public institutions at the national level – including in the EnvDPL sectors – use some form of environmental assessment. However, this is not the case at the regional or municipal level (MINAM, 2015: 56–). Furthermore, the involvement of the population in environmental mechanisms has shown no progress (ibid., p. 60), which, given the indicator PG 1, cannot be assessed as satisfactory. That said, the Ministry of Environment is generally believed to have based environmental planning on a sound multi-stakeholder process and to be taking a participative approach to updating planning (Benavides et al., 2016: 39).

It is also possible that, following the financial crisis, the programme indirectly helped to secure the budget for the environmental sector when tax revenues declined in the short term in 2008 and 2009 (OECD statistics).

With regard to (b): MDG 7 (by 2015) “Ensure environmental sustainability” comprised four targets, including two on which the EnvDPL was conceptually oriented: (7A) Integrate the principles of sustainable development into country policies and programmes; (7B) Reduce biodiversity loss, achieving a significant reduction in the rate of loss by 2010, and reverse the loss of environmental resources. The latest MDG report for Peru (2013 with 2010 data) indicates that there have been positive developments with regard to these targets, but progress is relatively slow. Furthermore, there is no further reporting on MDG 7 for Peru. The indicators for describing the sub-goals give the following breakdown with current figures:

- CO₂ emissions (t per capita) have increased approximately in line with economic growth, rising steadily from 1,432 (2008) to 1,961 (2010) and, following a slump in 2011 at 1,668, rising to 1,993 (2014). The climate action tracker downgraded Peru’s efforts to reduce climate-related emissions in 2017 by one notch compared to 2015.³
- Air pollution levels in Lima and the surrounding area have dropped by 2014 for some substances and in certain quarters of the city.⁴ The Ministry of Environment continues to work on improving air quality, e.g. in 2015, a number of three-year action plans were newly adopted for a total of five regions and cities. Despite this, Lima still has the highest levels of air pollution in Latin America. In June 2017, the Ministry of Environment updated the maximum permissible levels,⁵ reducing particulate matter and ozone thresholds, but increasing the limit value for sulphur dioxide tenfold, among others. The number of days on which levels are exceeded also increased.
- The rate of deforestation declined by 0.169% over the 2000-2014 period, with a target of 50% (MINAM 2016: 31). On average, 118,000 ha of forest was destroyed each year, although this is on a downward trend.
- Controls in the sea fishing sector remain effective – 82% of fishing boats surveyed for MINAM 2016 had complied with catch restrictions.
- The extension of the protected areas remains substantial, both in the national protection system and in regional and private complementary efforts; this is in line with environmental planning (MINAM 2016: 37–). As of 2016, just under a third (31.4%) of Peru’s surface area was designated as protected area, well above the Latin American average (23.3%).

The EnvDPL was primarily aimed at changing the general institutional conditions for environmental policy. Since the effects of environmental destruction disproportionately affect the poor population, it is conceptually plausible that there would be effects on the target group (especially the poor population), though these would only arrive indirectly. In addition, national environmental standards are still insufficiently implemented in regions and municipalities, despite this being a prerequisite for improving the living conditions of the poor. However, certain measures are also of direct benefit for the poor: for example, social schemes and retraining measures offer fishermen new prospects and the redevelopment of mining brown-fields improves environmental conditions in rural areas.

³ <http://climateactiontracker.org/countries/peru.html>

⁴ E.g. particulate matter (PM10) in central Lima declined steadily between 2008 and 2014 (World Bank 2017a: 20)

⁵ Decreto Supremo No. 003-2017-MINAM, see <https://es.mongabay.com/2017/06/peru-eca-aire-contaminacion-minam/>

The expectation usually associated with budget support, i.e. that it will contribute to improving public finance management, is not addressed in either the World Bank or PP programme planning. The donor community in Peru has financed other projects in these areas. In view of the advanced state of the public financial system in Peru and given the small share of the project in the overall budget, such effects could not have been expected to result from sector budget support in Peru in any case. Some measures of the project, however – in particular the establishment of the environmental licensing system and the TÜV system, as well as the management of fishery quotas – are very prone to corruption. As a result, the monitoring of potential negative project effects at the very least would have proven useful. Neither the World Bank nor German FC conducted such monitoring.

Overall, Peru's environmental policy has developed in the desired direction and important structural changes have been supported. Although it is not possible to attribute these developments to the project, it is highly plausible that the EnvDPL has made a contribution in this regard. However, all the conditions for this contribution were already in place before co-financing began.

Impact rating: 3

Sustainability

The Ministry of Environment consolidated at the institutional level during the programme, thus providing the basis for a sustainable environmental policy. Strategic environmental planning and action planning provide the framework for the medium-term sustainability of the structures created during the project and thus for a portion of the project impact.

Public spending on environmental tasks increased by around 250% since 2008 (Corderi Novoa 2017: 31). In comparison with other Latin American countries, however, Peru is still somewhere in the midfield (ibid.) and further efforts would be needed. In sub-areas which are important for the EnvDPL, such as biodiversity or fishing for example, spending is not increasing as much as in previous years. Funding in the sector is not dependent on external financing, however: public services are financed increasingly less by loans or transfers (Corderi Novoa 2017: 47). In 2013, more than 90% of environmental expenditure was made up of tax and environmental levies.

Environmental policy has also been retained as a political priority under the new Presidents of 2014 (Ollanta Humala) and 2016 (Pedro Pablo Kuczynski). A further indication of the continuity of the environmental agenda that has been launched is the fact that some of the key issues have been included in the Peruvian recommendations for the prioritisation of the 2030 agenda (Benavides et al. 2016: 41–): including improvement of air quality, protection of ecosystems and biodiversity, and environmental controls for extraction companies. The process of possible future accession to the OECD also provides incentives for maintaining political priorities in the EnvDPL work areas.

From today's perspective, there are no serious indications that Peruvian environmental policy will fall far short of what has already been achieved, even if further consolidation efforts are necessary.

Sustainability rating: 2

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).