Ex post evaluation – Southern Africa

Sector: Energy generation, renewable sources (CRS code: 23210)
Project: Renewable energy programme in Southern African Power Pool (SAPP Phase I and II) (BMZ no. 2009 67 299 and 2010 66 257)*
Implementing agency: Development Bank of Southern Africa (DBSA)

Ex post evaluation report: 2020

All figures in EUR million	SAPP I (planned)	SAPP I (actual)	SAPP II (planned)	SAPP II (actual)
Investment costs (total)	n.a.	312	n.a.	209.8
Counterpart contribution (ultimate borrower)	n.a.	1.4	n.a.	83.9
Counterpart contribution (DBSA)	n.a.	58.5	n.a.	0.0
Funding (other donors)	n.a.	219.5	n.a.	94.9
Funding (KfW)	35	32.6	31.4	31

(Exchange rates from time of disbursement); *) Random sample 2019

Summary: The “Renewable energies in the Southern African Power Pool (SAPP) I and II” programmes covered the creation of credit lines to finance environment- and climate-relevant investments in renewable energy (generation and transmission) and energy efficiency in the member states of the Southern African Power Pool (including Namibia and Zambia). The implementing agency was the regional development bank, the Development Bank of Southern Africa (DBSA) based in South Africa, which passed on funds from the credit lines to qualified projects (components with individual loan agreements) with FC’s approval. During phase I, promotion was awarded for the refurbishment and expansion of two hydropower plants in Zambia (Lunsemfwa 6 MW, Kariba North Bank Extension/KNBE 360 MW) and the project “Energy for Future” (EFF) for the use of biomass in Namibia. During phase II, the construction of a new 120 MW hydropower plant at the existing Itezhi-Thezi dam in Zambia was refinanced (ITT).

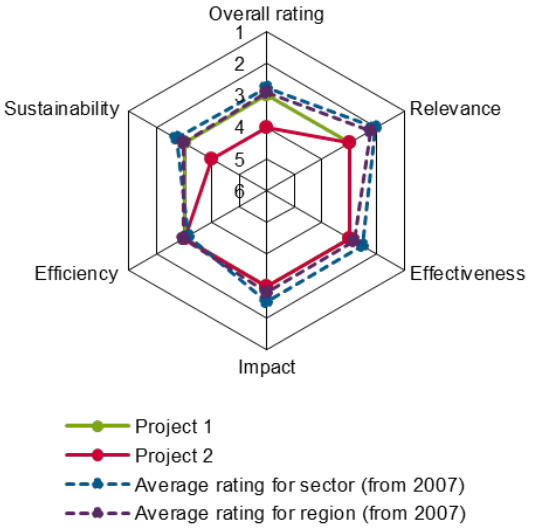
Development objectives: The objective of the programmes (outcome) was the expansion of energy production capacities from renewable energy sources, the development of the required national and regional transmission capacities and an increase to the energy efficiency in the member states of the SAPP. The overarching development objective (impact) was to contribute to protecting the climate and promoting economic development in the region as well as strengthening regional integration within the SAPP and the SADC region.

Target group: The measure’s target group was all of the customers connected to the power grid; it was not possible to identify a quantifiably or regionally distinct target group. The programmes’ direct target group was public energy suppliers, joint ventures consisting of public and private investors, and independent power producers (IPPs). The individual loans provided to this target group were intended to enable them to invest in the required infrastructure.

Overall rating: SAPP I: 3 / SAPP II: 4

Rationale: Three out of the four sub-projects promoted in total were hydropower plants in Zambia. For this reason, the success of the SAPP I and SAPP II programmes is heavily dependent on the situation of this technology in Zambia. In relation to target achievement (effectiveness) and efficiency of the application of funds, the three sub-projects received a satisfactory rating.

Highlights: Due to the worsening drought situation in Zambia in recent years and the financial problems at the national energy supplier (ZESCO), the sustainability of the sub-projects presents a major problem. Particularly in the case of SAPP II, sustainability is currently not assured due to a very difficult financial situation at the ITT hydro power plant. A unique situation also arose in the fourth sub-project, EFF in Namibia: Even though the individual project did not achieve its specific objectives, it at least served as an initial spark for the “Bush-to-Energy” approach in the country and therefore still managed to have an indirect, sustainable development impact.



Rating according to DAC criteria

Overall rating: SAPP I: 3 / SAPP II: 4

Ratings:

	SAPP I	SAPP II
Relevance	3	3
Effectiveness	3	3
Efficiency	3	3
Impact	3	3
Sustainability	3	4

Relevance

The electricity shortages that prevail in all countries in southern Africa were and still are a central problem for the region's economic and social development. Investments in production capacities for renewable energy sources (RE) and energy efficiency (EE) therefore exhibit a high degree of development relevance. The Southern African Power Pool (SAPP) is a merger of the energy utility companies from twelve of the sixteen member states of the Southern African Development Community (SADC) (Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe), which has set itself the goal of providing cost-efficient, environmentally friendly and affordable energy and driving forward integrated development in the region. The sub-projects promoted as part of the SAPP I and SAPP II programmes therefore blend in very well with the SAPP's plans and also support Namibia's and Zambia's efforts to strengthen renewable energies and private sector involvement.

There is a clear link between the project objectives (outcome) and the overarching development goal (impact level), which can be described with the following chain of logic: A reliable energy supply generally increases the efficiency of local businesses and improves trust in the location. When additional businesses start to settle in a location, jobs and sources of income are created, thereby promoting economic and social development. Furthermore, a reliable power supply tends to improve conditions for an improved supply of social and administrative infrastructure.

The establishment of credit lines was a suitable approach for achieving the programme's objectives. Based on the SADC Regional Infrastructure Development Master Plan, the list of potential sub-projects that could be promoted under the credit line was very extensive at the time of the appraisal. The credit lines had a high potential for additionality because the main business of the Development Bank of Southern Africa (DBSA) is based in South Africa and this bank was potentially able to access international energy projects outside of South Africa via the refinancing. The credit lines could also be used to consolidate FC's involvement in the energy sector in the SAPP region and support the reinforcement of private producers. The DBSA was therefore also a suitable partner for an energy credit line in the region as the majority of its environmental and social standards were in line with those of FC at the time of the programme appraisal conducted by FC. These have continued to improve over recent years since the DBSA introduced its own system for environmental and social protection measures, which is geared around the IFC performance standards.

The promotion of the three hydropower plants in Zambia[1] made an important contribution to covering the country's increasing demand for power. While almost 23% of the population had access to electricity in 2006, this figure rose to 40.3% in 2017.[2] However, almost all of the energy mix in Zambia is already generated from hydropower and the risk of long periods of drought is rising, as also identified during the pro-

[1] Three promoted hydropower plants (HPP) in Zambia: Lunsemfwa HPP, Kariba North Bank Extension (KNBE) HPP and Itezhi-Tezhi (ITT) HPP.

[2] Source: World Development Indicators.

ject implementation. For this reason, the diversification of the energy mix in the SAPP countries and, in this case, in Zambia is an important part of the solution to the core problem and should have been incorporated into the programmes' objectives. From today's perspective, the financed hydropower plants in Zambia are therefore only partly suited for counteracting the core problem of electricity shortages. Equally, the promotion of a peak-load power plant (Kariba North Bank Extension – KNBE) was less relevant in view of the lack of a basic power supply in Zambia, which is also true even at the current point in time (2019) as KNBE is used to cover the basic load due to a shortage in power although it is not actually designed to do so.

The "Bush-to-Energy" approach used in Namibia – the fourth of the four sub-projects in the two credit lines to the DBSA promoted by FC – was generally a clever approach for, firstly, taking into account the need for locally available energy sources and, secondly, for coping with the so-called "Encroacher Bush" or "Invader Bush", which is a long-standing problem for agriculture and biodiversity in Namibia. The thinning out of areas of bush, the subsequent production of wood chips and the use of the biomass as energy help to restore these areas for agricultural use.

On the whole, the relevance of the credit line programmes and the individual projects promoted by them is satisfactory.

Relevance rating: SAPP I: 3 / SAPP II: 3

Effectiveness

The objective of the programmes (outcome) was the expansion of energy production capacities from renewable energy sources, the development of the requisite national and regional transmission capacities and an increase to the energy efficiency in the member states of the SAPP.

The development of power production capacities from renewable energy was successfully promoted and the use of fossil energy sources to generate power in the SAPP fell as anticipated (from around 74% in 2009 to around 64% in 20183). The competitiveness of the DBSA outside of South Africa was successfully reinforced by the credit lines from the FC refinancing. The credit lines have enabled additionality to be achieved as it is very likely that the DBSA would not have been able to offer competitive interest rates without the affordable refinancing and therefore would also not have been able to conclude the four individual loan agreements (ILAs). However, later on, the DBSA was unable to conclude additional transactions that had already been reviewed as it was defeated by other financiers with cheaper conditions despite the favourable KfW refinancing in the credit portfolio for renewable energy (RE) projects. This applied in particular to various smaller-scale projects, which made up the majority of the region's RE projects under preparation during this period. For this reason, the project pipeline ultimately stagnated, which means that just one sub-project was financed as part of SAPP II and follow-up programme phases planned in the meantime (SAPP III and SAPP IV) had to be cancelled.

As part of the project, additional (hydro) power generation capacities totalling 366 MW (SAPP I) and 120 MW (SAPP II) were successfully installed. During a period of very heavy drought (2014–2016), however, the water levels in the reservoirs for all three hydropower sub-projects in Zambia fell dramatically, which means that the promoted hydropower plants were only able to produce a very limited amount of energy. During this period, all three hydropower plants' production levels were below their regular annual levels. The Lunsemfwa and Kariba North Bank hydropower plants are still suffering from the effects of the drought: The water levels of the Kariba reservoir and the Mita-Hill dam (Lunsemfwa) are still below the ideal values for use in hydropower. The Itezhi-Tezhi hydropower plant has since recovered from the drought between the years 2014 and 2016, though rainfall is currently lower than normal. This is leading to a situation in which the water level in the Itezhi-Tezhi reservoir is slowly but continuously dropping, which means that Ithezi-Tezhi was unable to produce at full capacity during the second half of 2019. For this reason, Zambia's dependence on expensive energy imports and domestic power produced by independent power producers (IPPs) at diesel power plants grew during the drought period as opposed to dropping.

[3] Source: Southern African Power Pool (2009): SAPP 2009 + 2018 Annual Report

The financed sub-projects failed to achieve the sub-objective of expanding national or regional transmission capacities because no power transmission projects were directly financed under the DBSA programmes. However, the high-voltage line from the Ithezi-Tezhi power plant to the Lusaka region (220 KV) was only set up by the Zambian energy supplier ZESCO due to the ITT project. For this reason, this high-voltage line could be regarded as an outcome of the ITT sub-project. The power supply from the ITT hydropower plant to directly adjacent local communities also reduced transmission losses, which were previously caused by a long low-voltage line (33 KV) on the way to these villages.

Due to its innovative nature, the sub-project in Namibia did not achieve any of the individual project-specific indicators (see table below). As part of this project, the so-called “Invader Bush” was harvested to produce wood chips, which were then due to be processed into a combustible for a cement plant. However, due to frequent breakdowns of the harvesting machinery, full capacity was not achieved and only half of the anticipated quantity of wood chips were produced. The DBSA’s individual loan to the project company EFF was therefore paid back early. During the last few years, the cement plant has had contracts with private harvesters. Its own subsidiary, which was responsible for producing the wood chips, no longer exists. Looking back, the indicators defined for a pilot project were too ambitious.

The FC financing of the DBSA enabled additionality to be achieved to the extent that it is likely that, without it, the DBSA would not have been able to finance the sub-projects under the conditions needed to meet the projects’ financial structure. The favourable financing conditions for both of the SAPP credit lines were passed on to the sub-projects.

The target achievement at outcome level can be summarised as follows:

Indicator	Target value	Actual value at EPE
(1) Financing of at least two projects under the credit line, at least one of which is in line with the SADC Regional Infrastructure Development Master Plan	SAPP I: 2 projects SAPP II: 2 projects	SAPP I: 3 projects (1 part of the SADC’s development plan) SAPP II: 1 project (part of the SADC’s development plan)
(2) Provision of additional production capacity and power production (hydropower/wind/solar)	ILA 1[4]: not relevant Target values for hydropower projects: ILA 2: 6 MW, 28 GWh/year ILA 3: 360 MW, 421 GWh/year ILA 4: 120 MW, 611 GWh/year	ILA 1 (EFF): not relevant ILA 2 (Lunsemfwa): Achieved: 2012: 6.7 MW, 43.7 GWh 2013 6.8 MW, 49.9 GWh 2014: 6.8 MW, 30.2 GWh Not achieved: 2015: 6.8 MW, 19.4 GWh 2016: 6 MW, 11.1 GWh 2017: 6 MW, 21.4 GWh 2018: 6 MW, 21.7 GWh ILA 3 (KNBE): Achieved: 2016: 362 MW, 672.3 GWh 2017: 364 MW, 600.4 GWh 2018: 367 MW, 1,611.7 GWh

[4] ILA = Individual Loan Agreement (between KfW and the DBSA regarding the individual projects under the credit line).
ILA 1: “Energy for Future” project, Namibia; ILA 2: Lunsemfwa HPP, Zambia, ILA 3: Kariba North Bank Extension HPP, Zambia;
ILA 4: Itezhi-Tezhi HPP, Zambia

		ILA 4 (ITT): Not achieved: 2016: 120 MW, 545.0 GWh Achieved: 2017: 120 MW, 759.5 GWh 2018: 120 MW, 734.0 GWh
(3) Provision of additional transmission capacity and quantity of conducted power	Target value was supposed to be defined at individual project level.	No transmission capacity ended up being promoted. For this reason, the indicator is not relevant.
(4) Implementation of energy efficiency measures and energy savings of at least 20%)	At least 20%	No energy efficiency measures ended up being promoted. For this reason, the indicator is not relevant.
(5) Total quantity of carbon emissions permanently avoided, saving of at least 20%	ILA 1: 120,000 t p.a. ILA 2: 11,200 t p.a. ILA 3: 178,000 t p.a. ILA 4: 245,000 t p.a.	ILA 1 (EFF): Not achieved: 2014: < 120,000 t p.a. ILA 2 (Lunsemfwa): Achieved: 2012: 42,146 t p.a. 2013: 48,126 t p.a. 2014: 29,126 t p.a. 2015: 18,710 t p.a. Not achieved: 2016: 10,705 t p.a. Achieved: 2017: 20,639 t p.a. 2018: 20,929 t p.a. ILA 3 (KNBE): Achieved: 2016: 648,400 t p.a. 2017: 579,056 t p.a. 2018: 1,554,404 t p.a. ILA 4 (ITT): Achieved: 2016: 525,625 t p.a. 2017: 732,500 t p.a. 2018: 707,906 t p.a. [Source: All figures calculated retrospectively based on the Zambian “Grid Emission Factor” (“Combined Margin”) as specified by IGES[5]]

[5] “Combined Margin” for Zambia: 0.9644 t CO2 / MWh
Source: https://pub.iges.or.jp/pub_file/igesgridefv10420190207xlsx/download

Additional indicators specific to the individual projects:

Indicator	Target value	Actual value at EPE
ILA 1:		
(1) Attainment of full performance capacity no later than the end of 2014	Full performance capacity	Not achieved (2014)
(2) Following the attainment of full performance capacity, at least 70% of the coal needed for Ohorongo Cement is replaced by wood chips.	At least 70%	Not achieved (2014) Status as of 2019: <30% (under contracts with private harvesting firms)
(3) The availability of the wood chip production facilities is at least 90% in order to ensure the Ohorongo cement works can be powered by wood chips	At least 90%	Not achieved (2014)
ILA 2, 3, 4 (hydropower projects):		
(1) The turbines are available at least 90% of the time	At least 90%	ILA 2 (Lunsemfwa): Achieved: 2012–2015: > 94% 2016: 91.9% Not achieved: 2017: 48.6% 2018: 74.2% ILA 3 (KNBE): Not achieved: 2016: 74.9% 2017: 89.2% Achieved: 2018: 95.9% ILA 4 (ITT): Not achieved: 2016: 83.0% Achieved: 2017: 99.9% 2018: 99.1%

On the whole, the DBSA's reports regarding the development of these indicators were in need of improvement. For instance, the reports were not always submitted to FC on time. Furthermore, it became clear that the indicators agreed between FC and the DBSA in the ILA for KNBE were not transferred over to the DBSA's loan agreement for the KNBE sub-project. At the time of the ex post evaluation, the DBSA did not have any existing consolidated information regarding the development of the individual indicators for the FC-promoted programmes and had to gradually obtain this information from the project owners instead.

Furthermore, the DBSA did not provide FC with any coherent reports relating to the carbon emissions reductions stemming from the individual projects. To ensure a coherent calculation basis for the purpose of

the ex post evaluation, FC and the DBSA agreed during the evaluation trip to calculate the carbon emissions reductions for each of the Zambian hydropower plants on a retrospective basis. The FC method was applied for the purpose and was based on the data collected by IGES (see table above).

Overall, we rate the programmes' effectiveness as satisfactory.

Effectiveness rating: SAPP I: 3 / SAPP II: 3

Efficiency

The programme measures were generally implemented in a cost-efficient manner. Furthermore, the results were achieved with a comparatively low use of FC funds (production efficiency):

The DBSA efficiently passed on the interest concession from the favourable FC refinancing to all sub-projects. The specific investment costs for the promoted hydropower plants were generally appropriate. On the whole, the use of existing infrastructure instead of building new hydropower plants with the same capacity was a cost-efficient approach to promoting capacity expansions in Zambia. Only the specific investment costs for the ITT sub-project – amounting to around USD 2 million per installed MW – appeared slightly high in view of the fact that the ITT dam already existed and was only expanded to include one power production component.

If microeconomic and macroeconomic requirements are taken into account, there were a few (unexpected) challenges in the financed hydropower projects (allocation efficiency):

Due to an extraordinary drought between 2014 and 2016, all three of the hydropower plants suffered from a low capacity utilisation rate. It is precisely the availability of sufficient water levels that is a crucial factor in the efficient operation of hydropower plants and in their production of energy. Furthermore, some of the operating processes at the Kariba dam do not meet the highest standards, which is obstructing the efficient use of its water resources.

At the moment, the Zambian energy supplier ZESCO is purchasing electricity at prices that are significantly higher than those it is permitted to sell electricity for. Various attempts to increase energy tariffs for Zambian consumers have so far failed. Due to the resulting deterioration of its economic situation, ZESCO was unable to meet its payment obligations to other power producers in the country. This in turn had a substantial effect on the financial stability of the individual hydropower plant projects. The liquidity situation at Lunsemfwa Hydro Power Company and Itezhi-Tezhi Power Company (ITPC) is particularly problematic as ZESCO is their only customer.

The loans for all four sub-projects were always serviced on time by the borrowers.

In summary, we rate the efficiency as satisfactory.

Efficiency rating: SAPP I: 3 / SAPP II: 3

Impact

According to the programme appraisal, the overarching development objective (impact level) was to contribute to protecting the climate and promoting economic development in the region as well as strengthening regional integration within the SAPP and the SADC region. No indicators were defined at impact level.

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

Even though no financing was used for regional transmission capacities that could have had a direct influence on economic or political integration in the SADC region, the hydropower plant sub-projects and their additional generation capacities contributed to the regional power pool, which can be used via the existing transnational transmission capacities.

Furthermore, the heavy drought in Zambia was a risk, whose extent could not have been foreseen at the time of the project appraisal in 2010. As a result of the individual projects proposed by the DBSA, there ultimately ended up being a strong programme focus on hydropower projects in Zambia. Due to the frequent periods of drought in Zambia, the reliability of hydropower in the country is lower than in other countries less susceptible to drought. Regular power cuts, which can mainly be attributed to a production

shortage caused by low rainfall and, as a result, reduced power produced by the hydropower plants, impair social and economic development in Zambia.

However, the hydropower plants were able to achieve verifiable development impacts at local level: This was confirmed during the evaluation trip, particularly for ITT, as the surrounding villages benefit from improved voltage following the construction of the hydropower plant and from the increased potential to connect additional customers to the power grid. The villages surrounding the Itezhi-Tezhi dam therefore benefited from electrification and the resulting economic development. For instance, the last few years have seen various small supermarkets and stores open, which are able to use the improved services to refrigerate their produce.

While the "Bush-to-Energy" biomass project in Namibia was unable to achieve its direct objectives at outcome level, it still managed to make an impact beyond the boundaries of the project: It has had a certain degree of influence over the development of the new industry of wood chip processing in Namibia. Thanks to the project, initial experience has been gained in this area in Namibia, training courses have been held and discussions have arisen regarding the use of bush biomass in Namibia. The fact that the project concept can in principle be successfully replicated is demonstrated by a Namibian brewery, which is now generating steam with the help of "Invader Bush". Several private harvesting firms have entered the sector and even the national energy provider NamPower has long been looking into the construction of a biomass power plant, which is due to be run on wood chips created from "Invader Bush". However, it must also be noted that the DBSA has failed to provide aftercare for the cleared areas, which were contractually within the remit of the public farmers during the project execution phase, and that the amount of bush on these pilot areas is now worse than ever.

By reducing carbon emissions (as explained above under Effectiveness), all four sub-projects contributed to international climate change mitigation.

Under the SAPP programmes, the DBSA did everything possible to ensure compliance with technical, environmental and other project-specific stipulations. Since all three of the sub-projects in Zambia were purely expansion and refurbishment projects, their impact on the environment and social issues is generally low. According to ZEMA, the project owners responded appropriately to the aspects raised by ZEMA. However, significant problems relating to occupational safety arose during the construction of KNBE, which led, among other things, to the death of several workers during a large fire and further accidents on the building site. While the fire took place before the DBSA concluded its loan agreement with KNBE, additional accidents still took place following the conclusion of the contract. On the whole, the contractor Sinohydro's compliance with occupational safety standards during the construction of KNBE was unsatisfactory. Since the DBSA itself only provided a small portion of the total financing in several of the sub-projects promoted under the SAPP programmes (particularly true in the case of KNBE), its influence over compliance with content and development requirements was low for these sub-projects. KfW's influence was even lower as the FC funds made up around 5% of the total. As such, the structure made it significantly more difficult to implement FC environmental, social and occupational safety standards and other general FC technical standards.

In summary, we consider the impact to be satisfactory.

Impact rating: SAPP I: 3 / SAPP II: 3

Sustainability

Since the first SAPP credit line was signed in 2010, the DBSA has promoted 33 RE projects to date, the majority of which are in South Africa. Overall, the bank has committed funds of around ZAR 17 billion for these projects (roughly EUR 1 billion according to the current exchange rate). However, after the 4 SAPP sub-projects, the DBSA only promoted very few additional EE projects outside of South Africa. While the DBSA has generally established a relatively good market position based on its experience and relationships with various market stakeholders, there is strong competition within the regional EE market.

Overall, the power production capacity in Zambia was increased and the technical sustainability of the hydropower plants is satisfactory. During the on-site visit on the EPE trip, the operator of the Itezhi-Tezhi power plant demonstrated a great deal of commitment and professionalism in running the power plant.

The situation related to the power plant's maintenance is satisfactory; the most important spare parts are available locally.

However, the financial sustainability of all three of the financed hydropower plants in Zambia is under a great deal of risk as ZESCO is currently paying less than half of the prices agreed with the operating companies in the power purchase agreement (PPAs). The operator of the Itezhi-Tezhi power plant ITPC is currently receiving an even lower percentage of the PPA value from ZESCO, which has put it in a very critical financial situation. For this reason, the ITT sub-project (SAPP 2) in particular is in a situation where the financial sustainability over the short term and the technical sustainability over the medium term – due to a lack of funds for the requisite larger-scale maintenance jobs and replacement investments – depends greatly on an improvement to ZESCO's economic situation and the introduction of customer tariffs that cover costs.

As the drought in Zambia can be traced back to a change in El Niño related to climate change, it can be assumed that periods of drought like this may repeatedly occur in the future. This presents a high risk for the effectiveness, efficiency and development impact of the three financed hydropower plants. Over the long term, an optimal management of the water resources in Zambia in general and the water level of the promoted hydropower plants in particular is required for the sustainable operation of the plants.

While the sub-project in Namibia only reached its direct objectives to a very limited extent, it still served as an initial spark for the development of the bush biomass sector in Namibia and therefore should have a sustainable development effect.

In summary, the sustainability of SAPP I is regarded as satisfactory, while only adequate sustainability is currently visible for SAPP II.

Sustainability rating: SAPP I: 3 / SAPP II: 4

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).