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FURTHER WORK ON THE SUSTAINABILITY OF GEF PROJECTS AND PROGRAMS

TABLE OF CONTENTS

Introduction	1
Definitions, Approaches, and Performance on Sustainability Across the GEF Partnership	1
Defining Sustainability.....	2
Assessing and Rating Sustainability	4
Performance on Sustainability	6
Lessons Learned	8
Conclusions	11
Annex I: Approaches to Assessing and Rating Sustainability Across the GEF Partnership.....	12

INTRODUCTION

1. In response to the GEF-7 policy recommendations, considering the findings and conclusions of *Sixth Comprehensive Evaluation of the GEF (OPS6)*¹ and the subsequent *Annual Performance Report 2017 (APR)*², and drawing on a conversation on sustainability that took place at an inter-Agency retreat in April 2018, the Secretariat presented document GEF/C.55/Inf.14, *Measures to Enhance the Sustainability of GEF Projects and Programs*³ for Council information at its 55th meeting in December 2018. The paper explored the available evaluative evidence on the sustainability of GEF projects and programs, considered the associated limitations and areas for further analysis, and identified challenges and opportunities to enhancing sustainability going forward.

2. While the Council did not decide on specific follow-up actions to be undertaken by the Secretariat, several members argued that there was a need to better understand the factors behind the GEF's track record on sustainability, to monitor and regularly report on sustainability across the portfolio, and to take concrete measures to enhance performance. In view of the work carried out by IEO and the Secretariat to date, and the feedback received, this document presents further analysis on sustainability, with a focus on the following questions:

- a. Is there a need to harmonize definitions and approaches related to sustainability across the GEF Partnership?
- b. Is there evidence to suggest that Agencies' GEF-financed projects differ from other projects in terms of their performance on sustainability?
- c. What lessons across the GEF Partnership can inform the GEF's efforts to enhance the sustainability of its projects and programs?

DEFINITIONS, APPROACHES, AND PERFORMANCE ON SUSTAINABILITY ACROSS THE GEF PARTNERSHIP

3. This section considers the definitions, approaches, performance, and lessons learned on sustainability across the GEF Partnership, with a focus on the GEF as a whole as well as a subset of Agencies, including the Asian Development Bank (ADB), the African Development Bank (AfDB), the Inter-American Development Bank (IDB), the International Fund for Agricultural Development (IFAD), the International Union for Conservation of Nature (IUCN), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Bank.

¹ (http://www.gefio.org/sites/default/files/ieo/evaluations/files/ops6-report_1.pdf)

² GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

³ (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.Inf_14_Sustainability.pdf)

Defining Sustainability

4. In the proposed GEF Evaluation Policy⁴, IEO defines sustainability as “[t]he continuation/likely continuation of positive effects from the intervention after it has come to an end, and its potential for scale-up and/or replication”. The definition is slightly modified from previous policy and guidelines but remains broadly consistent with the terminology used by the Development Assistance Committee of the Organisation for Economic Development and Cooperation (OECD-DAC) and the Evaluation Coordination Group (ECG). According to the OECD-DAC *Glossary of Key Terms in Evaluation and Results Based Management*⁵ (2002), sustainability can be defined as the “[t]he continuation of benefits from a development intervention after major development assistance has been completed”, “[t]he probability of continued long-term benefits”, and “[t]he resilience to risk of the net benefit flows over time”. Similarly, ECG’s *Big Book on Evaluation Good Practice Standards*⁶ (2012) defines sustainability as “[t]he likelihood of continued long-term benefits, and the resilience to risk of net benefit flows over time”.

5. As noted in the latest APR⁷, IEO’s definition of sustainability is broadly in line with the definitions used by several Agencies, including ADB, AfDB, IDB, IFAD, and UNEP (See Table 1). UNDP, which was responsible for nearly half of all projects included in IEO’s terminal evaluation database as of November 2018⁸, defines sustainability as “[w]hether the results or benefits are likely to continue once the project is concluded or UNDP withdraws from the intervention”⁹. The World Bank is an important exception in this regard. In 2005, the World Bank harmonized the performance rating criteria and scales used by the its Independent Evaluation Group (IEG), with those used for management self-assessment. As a result, sustainability – which was previously used as a criterion in project evaluation – was discontinued and replaced by risk to development outcome (RDO), defined as “the risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized)”¹⁰.

⁴ GEF/ME/C.56/02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C56_02_GEF_Evaluation_Policy_May_2019_0.pdf)

⁵ (<https://www.oecd.org/dac/evaluation/2754804.pdf>)

⁶ (<https://www.ecgnet.org/document/ecg-big-book-good-practice-standards>)

⁷ GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

⁸ (<http://www.gefio.org/data-maps>)

⁹ *Synthesis of UNDP Independent Country Programme Evaluations* (2018) (http://web.undp.org/evaluation/evaluations/adr/ICPE_synthesis.shtml)

¹⁰ *IEG World Bank Project Performance Ratings Codebook* (2015) (https://ieg.worldbankgroup.org/sites/default/files/Data/reports/ieg-wb-project-performance-ratings-codebook_092015.pdf)

Table 1: Definitions of Sustainability Across the GEF Partnership

Agency/ Organization	Definition of Sustainability
OECD/DAC	"[t]he continuation of benefits from a development intervention after major development assistance has been completed", "[t]he probability of continued long-term benefits", or "[t]he resilience to risk of the net benefit flows over time" ¹¹
ECG	"[t]he likelihood of continued long-term benefits, and the resilience to risk of net benefit flows over time" ¹²
GEF IEO	"[t]he continuation/likely continuation of positive effects from the intervention after it has come to an end, and its potential for scale-up and/or replication" ¹³
ADB	"the likelihood that project outcomes and outputs will be maintained over the economic life of the project (for investment operations) or over a meaningful timeframe, demonstrating the persistence of results from the policy supported and institutional actions taken (for policy-based operations)" ¹⁴
AfDB	"Likelihood that project results, actual and expected at time of evaluation will be maintained over the intended useful project life" ¹⁵
IDB	"Extent to which environmental, social, technical, financial, economic, and political risks to continuation of project development results have been mitigated and safeguards performance has been satisfactory" ¹⁶
IFAD	"The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life." ¹⁷

¹¹ *Glossary of Key Terms in Evaluation and Results Based Management* (2002)

(<https://www.oecd.org/dac/evaluation/2754804.pdf>)

¹² *Big Book on Evaluation Good Practice Standards* (2012) (<https://www.ecgnet.org/document/ecg-big-book-good-practice-standards>)

¹³ GEF/ME/C.56/02, *The GEF Evaluation Policy* (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C56_02_GEF_Evaluation_Policy_May_2019_0.pdf)

¹⁴ *Guidelines for the Evaluation of Public Sector Operations* (2016) (<https://www.adb.org/documents/guidelines-preparing-performance-evaluation-reports-public-sector-operations>)

¹⁵ *Revised Guidelines on Project Completion Report (PCR) Evaluation Note and Project Performance Evaluation Report (PPER)* (2014) (<https://www.afdb.org/en/documents/document/revised-guidelines-on-project-completion-report-pcr-evaluation-note-and-project-performance-evaluation-report-pper-9271/>)

¹⁶ *IDB and IIC Project Performance: OVE's Review of 2016 Project Completion Reports and Expanded Supervision Reports* (2018) (<https://publications.iadb.org/bitstream/handle/11319/8727/IDB-and-IIC-Project-Performance.-OVEs-Review-of-2016-Project-Completion-Reports-and-Expanded-Supervision-Reports.PDF?sequence=1&isAllowed=y>)

¹⁷ *Evaluation Manual* (2016) (<https://www.ifad.org/en/web/ioe/evaluation/asset/39984268>)

IUCN	IUCN's sustainability criterion considers the extent to which "the enabling environment within which the project operates [is] supportive to its continuity" and the extent to which "the activities and outputs [will] be maintained after development support is withdrawn" ¹⁸
UNDP	For GEF-financed projects, UNDP applies IEO's definition. ¹⁹
UNEP	"the probability of direct outcomes being maintained and developed after the close of the intervention" ²⁰
World Bank	The World Bank defines "risk to development outcome" as "the risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized)[, which] refers to outcomes that have actually been achieved (or are expected to be achieved)" ²¹ .

6. While substantively similar to other Agencies' definition of sustainability, the World Bank's RDO criterion underscores an important aspect of all sustainability ratings collected across GEF-financed projects and programs. At project completion, sustainability is assessed in terms of the *likelihood* that outcomes will be realized and/or maintained or, conversely, the *risk* that those outcomes will not be realized and/or maintained. Based on the analysis carried out by the Secretariat, and drawing on IEO's June 2018 APR²², Agencies' do not systematically assess the *actual* sustainability project or program outcomes through post-completion verification or otherwise.

Assessing and Rating Sustainability

7. IEO's approach to rating projects for sustainability is set out in detail in the June 2018 APR²³ as well as its *Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-Sized Projects*²⁴. To assess sustainability in its terminal evaluation reviews, IEO identifies and assesses the key risks that could undermine continuation of benefits at the time of the evaluation, including but not limited to the absence of or inadequate financial resources, an enabling legal

¹⁸ IUCN Project Guidelines and Standards: Module 5: Evaluation and Closure (2016)

(<https://www.iucn.org/resources/project-management-tools/project-guidelines>)

¹⁹ Project-Level Evaluation Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects (2012) (<http://web.undp.org/evaluation/documents/guidance/GEF/UNDP-GEF-TE-Guide.pdf>)

²⁰ Evaluation Criteria and Ratings Table (2018)

(https://wedocs.unep.org/bitstream/handle/20.500.11822/27352/2_Evaluation_Criteria_17.04.18.pdf?sequence=1&isAllowed=y)

²¹ DRAFT Guidelines for Reviewing World Bank Implementation Completion and Results Reports: A Manual for IEG ICR Reviewers (2017) (https://ieg.worldbankgroup.org/sites/default/files/Data/More-on-IEG/icrr_evaluatoremanual_august2018.pdf)

²² GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

²³ GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

²⁴ (<http://www.gefio.org/evaluations/guidelines-gef-agencies-conducting-terminal-evaluation-full-sized-projects>)

framework, commitment from key stakeholders, and enabling economy. Four types of risk factors are assessed to rate the likelihood of sustainability of project outcomes: financial, sociopolitical, institutional frameworks and governance, and environmental (See Box 1).

Box 1: Guiding Questions on Sustainability for IEO's Terminal Evaluation Reviews²⁵

The following questions guide IEO's terminal evaluation reviews in terms of the likelihood of sustainability of project outcomes:

Financial resources. What is the likelihood that financial resources will be available to continue the activities that result in the continuation of benefits (income-generating activities, and trends that may indicate that it is likely that in future there will be adequate financial resources for sustaining project outcomes)?

Sociopolitical. Are there any social or political risks that can undermine the longevity of project outcomes? What is the risk that the level of stakeholder ownership is insufficient to allow for project outcomes/benefits to be sustained? Do the various key stakeholders see in their interest that the project benefits continue to flow? Is there sufficient public/stakeholder awareness in support of the long-term objectives of the project?

Institutional framework and governance. Do the legal frameworks, policies, and governance structures and processes pose any threat to the continuation of project benefits? While assessing this parameter, consider if the required systems for accountability and transparency, and the required technical know-how, are in place.

Environmental. Are there any environmental risks that can undermine the future flow of project environmental benefits? The terminal evaluation should assess whether certain activities in the project area will pose a threat to the sustainability of project outcomes. For example, construction of dam in a protected area could inundate a sizable area and thereby neutralize the biodiversity-related gains made by the project.

8. Based on the above assessment, IEO rates projects for sustainability, using the following, four-point scale:

Likely (L): There is little or no risks to sustainability.

Moderately Likely (ML): There are moderate risks to sustainability.

Moderately Unlikely (MU): There are significant risks to sustainability.

Unlikely (U): There are severe risks to sustainability.

9. IEO's approach to assessing projects for sustainability mirrors guidance provided by OECD/DAC, although the latter is considerably less detailed. OECD notes that "projects need to be environmentally as well as financially sustainable" and proposes the following guiding questions when evaluating the sustainability of projects and programs: "To what extent did the

²⁵ GEF/ME/C.54/Inf.02, *Annual Performance Report 2017* (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE_ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

benefits of a programme or project continue after donor funding ceased?” and “What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?”²⁶. ECG’s good practice standards provide more detailed guidance for the assessment of sustainability, suggesting, *inter alia*, that it consider the technical, financial, economic, social, political, as well as environmental dimensions of sustainability; stakeholder ownership and commitment; and that it span outcomes that have been achieved, partially achieved, or intended at the time of the evaluation²⁷. Neither OECD/DAC nor ECG recommend a specific rating scale for sustainability.

10. In its June 2018 APR²⁸, IEO found that its approach to assessing and rating sustainability was broadly consistent with that of most Agencies²⁹. Notwithstanding differences in terms of the level of detail provided in Agencies’ applicable evaluation policies and guidelines, as well as differences in rating scales, a broader review of approaches to assessing and rating sustainability supports IEO’s earlier finding (Annex I). Meanwhile, several Agencies’ guidelines note that the assessment and rating of a project’s sustainability should be adapted to the nature and context of the project, including e.g. the sector, the stakeholders involved, and the financial instruments applied. While Agencies’ approaches are broadly consistent, the factors that could influence a project’s sustainability are complex and context specific and the assessment and rating of a project’s sustainability at the time of completion relies to a considerable extent on the judgment of the evaluator(s) involved.

Performance on Sustainability

11. The GEF’s performance on sustainability, as reported by IEO and relying in large part on Agencies’ ratings, is discussed extensively in the June 2018 APR³⁰ as well as the Secretariat’s December 2018 paper on sustainability³¹. Consistent with IEO’s finding, and based on limited additional analysis by the Secretariat, the share of GEF projects rated likely or moderately likely for sustainability is “in the same ball park” as the equivalent share across Agencies³² (Table 2). While UNEP represents a clear outlier at 78%, for other Agencies and the GEF the share of projects rated in the likely or satisfactory range for sustainability falls between 52% and 65%.

²⁶ (<https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>)

²⁷ *Big Book on Evaluation Good Practice Standards* (2012) (<https://www.ecgnet.org/document/ecg-big-book-good-practice-standards>)

²⁸ GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

²⁹ GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

³⁰ GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

³¹ GEF/C.55/Inf.14, *Measures to Enhance the Sustainability of GEF Projects and Programs* (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.Inf_14_Sustainability.pdf)

³² GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

The available data also shows that the share of projects rated in the satisfactory range in terms of their outcomes tends to be larger than the share of projects rated in the likely range for sustainability. It should be noted, however, that there is considerable variation in the data in terms of assessment periods and sample sizes, in addition to the differences in definitions, assessment methodologies, and rating approaches discussed above.

Table 2: Sustainability Ratings Across the GEF Partnership

Agency/ Organization	Assessment Period	Outcomes rated in the satisfactory range	Sustainability rated in the likely/ satisfactory range
GEF IEO ³³	2005–17	80% (n=1358)	62% (n=1299)
ADB ³⁴	2010–17	70% (n=507)	65% (n=501)
AfDB ³⁵	2008–09	58% (n=124)	52% (n=120)
IDB ³⁶	2014–16	81% (n=21)	62% (n=21)
IFAD ³⁷	2002–2017	75% (n=405)	59% (n=400)
UNEP ³⁸	2014–2017; 2010–17	83% (n=127)	78% (n=216)
World Bank	2002–2018; 2005–2015	74% (n=4,262) ³⁹	55% (n=2,571) ⁴⁰

12. It is not possible to meaningfully compare the sustainability ratings of GEF projects with the equivalent ratings of Agencies' non-GEF projects. Apart from UNDP, UNEP, and the World Bank, most Agencies have too few completed and evaluated GEF projects in IEO's terminal

³³ GEF/ME/C.54/Inf.02, *Annual Performance Report 2017* (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

³⁴ Success Rates Database (<https://data.adb.org/dataset/success-rates-database>)

³⁵ *Quality of Project Results' Reporting at the African Development Bank, 2008-09* (2011) (<https://www.oecd.org/derec/afdb/2011-Quality-of-Project-Results-Report.pdf>)

³⁶ *IDB and IIC Project Performance: OVE's Review of 2016 Project Completion Reports and Expanded Supervision Reports* (2018) (<https://publications.iadb.org/bitstream/handle/11319/8727/IDB-and-IIC-Project-Performance.-OVEs-Review-of-2016-Project-Completion-Reports-and-Expanded-Supervision-Reports.PDF?sequence=1&isAllowed=y>)

³⁷ IFAD's independent evaluation ratings database (<https://www.ifad.org/en/web/ioe/-/ifad-s-independent-evaluation-ratings-database>)

³⁸ UN Environment Evaluation Office Synthesis Report 2016-2017 (2018) (https://wedocs.unep.org/bitstream/handle/20.500.11822/27296/2016-17%20Evaluation%20Synthesis%20Report_17.04.2018.pdf?sequence=1&isAllowed=y)

³⁹ IEG Data and Ratings (<http://ieg.worldbankgroup.org/data#>)

⁴⁰ Risk to Development Outcome rated "negligible to low" or "moderate" from 2005 to 2015 (*World Bank Project Performance Ratings – Codebook* [2015] [<https://ieg.worldbankgroup.org/reports/ieg-world-bank-project-performance-ratings-codebook>])

evaluation database. On the other hand, many Agencies do not maintain publicly available datasets of evaluation ratings with assessment periods similar to those of IEO. Table 3 shows the data collected for the purpose of this paper. Given the aforementioned limitations, the differences in ratings for GEF projects and all Agency projects may or may not be indicative of actual differences in performance.

Table 3: Sustainability Ratings of GEF Projects vs Agency Projects

	GEF Projects			Agency Projects		
	% rated in likely range for sustainability	n	Assessment Period	% rated in likely range for sustainability	n	Assessment Period
ADB ⁴¹	91%	11	from GEF-2	65%	501	2010–2017
IFAD ⁴²	80%	15	from GEF-3	59%	400	2002–2017
UNEP ⁴³	66%	172	from Pilot Phase	78%	216	2010–2017
WB ⁴⁴	60%	415	from Pilot Phase	55%	2,571	2005–2015

Lessons Learned

13. Agencies’ assessments have frequently highlighted sustainability as a major area for improvement and there is rich analysis of the factors that underpin performance on sustainability, as well as lessons learned and recommendations for improving such performance.

14. In 2010, ADB carried out a study of the post-completion sustainability of its projects, assessing (i) evidence on the continuation of net benefits, or its likelihood, after completion; (ii) major factors that influenced the achievement or non-achievement of sustainability; (iii) major risks to sustainability; and (iv) implications for ADB’s approach to ensuring sustainability.

⁴¹ Success Rates Database (<https://data.adb.org/dataset/success-rates-database>)

⁴² IFAD’s independent evaluation ratings database (<https://www.ifad.org/en/web/ioe/-/ifad-s-independent-evaluation-ratings-database>)

⁴³ *UN Environment Evaluation Office Synthesis Report 2016-2017* (2018) (https://wedocs.unep.org/bitstream/handle/20.500.11822/27296/2016-17%20Evaluation%20Synthesis%20Report_17.04.2018.pdf?sequence=1&isAllowed=y)

⁴⁴ Risk to Development Outcome rated “negligible to low” or “moderate” from 2005 to 2015 (*World Bank Project Performance Ratings – Codebook* [2015] [<https://ieg.worldbankgroup.org/reports/ieg-world-bank-project-performance-ratings-codebook>])

Mirroring some of IEO's findings of GEF projects, ADB found considerable variation in ratings across countries and sectors, and that the policy and regulatory environment played a critical role in either ensuring or undermining sustainability. The study recommended strengthening ADB's approach to identifying and mitigating risks to project sustainability; paying more attention to risks to sustainability of outputs and outcomes and their mitigation during project preparation and implementation; and undertaking post-completion monitoring of selected projects and programs with emphasis on outcomes, sustainability, impact, and monitoring arrangements.⁴⁵

15. A comprehensive evaluation of AfDB's performance found that financial and economic viability was the weakest component of sustainability in public sector operations, and that only 28% of projects had robust mechanisms for economic and financial sustainability to ensure that the achieved outputs and outcomes were maintained beyond project closure. Like others, AfDB found that sustainability was closely associated with ownership at the country level. The evaluation recommended stronger coordination with other development partners, more context-informed project design, and building institutional capacity as ways to enhance the enabling conditions for sustainability.⁴⁶

16. In addition to the above, multi-lateral development banks have tended to emphasize the importance of financial viability, and adequate financing for post-completion operation and management, particularly in infrastructure projects.

17. Among UN Agencies, UNEP's latest *Synthesis Report* found that "[f]inancial factors associated with the sustainability of outcomes have consistently been a challenge for most projects". It notes that some project outcomes, once achieved, do not require further financial inputs, but that most outcomes will depend on a continuous flow of action and financing in order to be maintained.⁴⁷ UNDP's *Independent Country Programme Evaluation Synthesis (2002–2017)* found that national ownership and political will, sustained national capacity, as well as community and CSO engagement were key elements of sustainability. Sustainability was hindered by inadequate exit strategies; insufficient monitoring evaluation and learning; lack of capacity and political support; funding shortfalls; and an excessive focus on short-term projects.⁴⁸

⁴⁵ *Special Evaluation Study on Post-Completion Sustainability of Asian Development Bank-Assisted Projects* (2010) (<https://www.adb.org/documents/post-completion-sustainability-asian-development-bank-assisted-projects>)

⁴⁶ *Comprehensive Evaluation of the Development Results of the African Development Bank Group 2004-2013* (<https://idev.afdb.org/en/document/comprehensive-evaluation-development-results-african-development-bank-group-2004-2013>)

⁴⁷ *UN Environment Evaluation Office Synthesis Report 2016-2017* (2018) (https://wedocs.unep.org/bitstream/handle/20.500.11822/27296/2016-17%20Evaluation%20Synthesis%20Report_17.04.2018.pdf?sequence=1&isAllowed=y)

⁴⁸ (http://web.undp.org/evaluation/evaluations/adr/ICPE_synthesis.shtml)

18. Overall, the lessons cited by Agencies evaluation units converge around a few recurrent areas of emphasis, most of which are mentioned in the analysis presented in IEO's latest APR⁴⁹, including, *inter alia*:

- a. Broad support for project preparation;
- b. Effective stakeholder engagement to build ownership;
- c. Private sector engagement and mobilizing private financing;
- d. Institutional capacity development;
- e. Robust risk assessment and management throughout the project life cycle;
- f. Clearly defined exit strategies; and
- g. Effective monitoring and adaptive management.

⁴⁹ GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

CONCLUSIONS

19. An overview of definitions, approaches, performance, and lessons learned on sustainability across the GEF Partnership suggests a reasonable degree of convergence in terms of how Agencies define and assess the sustainability of their projects, how they have performed in terms of sustainability, and what they have learned about the factors that contribute to or adversely affect sustainability.

20. While there are differences and divergent trends across Agencies in terms of the sustainability ratings of their GEF-financed projects, as noted in the Secretariat's paper in December 2018⁵⁰, it is not clear that those differences would reflect fundamental differences in definitions or assessment methodologies. Accordingly, the Secretariat does not see major value in attempting to harmonize definitions and approaches across the GEF Partnership. It is also not clear that GEF-financed projects would be significantly more or less sustainable than other Agency operations.

21. Several Agencies have evaluated the sustainability of their projects over extended time periods based on approaches that have remained broadly unchanged. Agencies' evaluation units have consistently found that sustainability ratings have fallen below ratings for outcomes and efficiency, and considerable efforts have been made to identify the factors behind Agencies' performance on sustainability. With some variation reflecting Agencies' business models as well as sector and regional differences, the factors identified overlap to a significant extent with the findings of IEO's 2018 APR⁵¹.

⁵⁰ GEF/C.55/Inf.14, *Measures to Enhance the Sustainability of GEF Projects and Programs* (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.Inf_14_Sustainability.pdf)

⁵¹ GEF/ME/C.54/Inf.02 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GE.ME_C.54.Inf_02_Annual_Performance_Report_2017_0.pdf)

ANNEX I: APPROACHES TO ASSESSING AND RATING SUSTAINABILITY ACROSS THE GEF PARTNERSHIP

Agency/ Organization	Dimensions of Sustainability	Rating Scale
OECD/DAC	<p>“Projects need to be environmentally as well as financially sustainable.</p> <p>When evaluating the sustainability of a programme or a project, it is useful to consider the following questions: [1] To what extent did the benefits of a programme or project continue after donor funding ceased? [2] What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?”⁵²</p>	
ECG	<p>“The assessment of Sustainability is based on the risk that changes may occur that are detrimental to the continued benefits associated with the achievement or expected achievement of the project’s objectives, and the impact on that stream of benefits if some or all of these changes were to materialize.”⁵³</p>	
GEF IEO	<p>“sustainability will be assessed taking into account the risks related to financial, sociopolitical, institutional, and environmental sustainability of project outcomes. The evaluator may also take other risks into account that may affect sustainability”⁵⁴</p>	<ul style="list-style-type: none"> • Likely: little or no risks to sustainability • Moderately Likely: moderate risks to sustainability • Moderately Unlikely: significant risks to sustainability • Unlikely: severe risks to sustainability
ADB	<p>“Assessments of sustainability should consider risks such as political, economic, institutional, technical, social, environmental, and financial events that might limit the extent to which the project’s achievements continue to be felt.”⁵⁵</p>	<ul style="list-style-type: none"> • Most likely sustainable: The positive effects exceed expectations on institutional, environmental, social criteria, and material risks to sustainability are fully mitigated. • Likely sustainable: Positive effects meet expectations. The probability of any

⁵² (<https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>)

⁵³ *Big Book on Evaluation Good Practice Standards* (2012) (<https://www.ecgnet.org/document/ecg-big-book-good-practice-standards>)

⁵⁴ *Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-sized Projects* (2017) (<http://www.gefio.org/evaluations/guidelines-gef-agencies-conducting-terminal-evaluation-full-sized-projects>)

⁵⁵ *Guidelines for the Evaluation of Public Sector Operations* (2016) (<https://www.adb.org/documents/guidelines-preparing-performance-evaluation-reports-public-sector-operations>)

ADB provides specific guidance for evaluating the financial, institutional, environmental, and social sustainability of projects and programs.

material risks occurring is moderate and they are largely mitigated.

- **Less than likely sustainable:** This applies where positive effects are below expectations and limited and there are no measures to mitigate negative impacts. The probability of material risks occurring is significant and these risks have not been sufficiently mitigated.
- **Unlikely sustainable:** This applies where highly negative effects have been identified for which no mitigating measures have been put in place.

AfDB

“Eight factors to be considered in establishing likely sustainability (no priority ranking intended) are: (1) technical soundness, (2) government commitment, including supportive legal/regulatory framework, (3) socio-political support, (4) economic viability, (5) financial viability, (6) institutional, organisational and management effectiveness, (7) environmental impact and (8) resilience to exogenous factors.”⁵⁶

- **4:** most project achievements and benefits **highly likely** to be sustained;
- **3:** project achievements and benefits **likely** to be sustained;
- **2:** sustainability of most achievements and benefits is **uncertain**;
- **1:** sustainability of most achievements and benefits is **unlikely**.

IDB

In sovereign-guaranteed operations: “Extent to which environmental, social, technical, financial, economic, and political risks to continuation of project development results have been mitigated and safeguards performance has been satisfactory”

- **Excellent**
- **Satisfactory**
- **Partly Unsatisfactory**
- **Unsatisfactory**

In non-sovereign-guaranteed operations: “safeguards performance [and] extent of unmitigated risks to continuation of project results”⁵⁷

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⁵⁶ Revised Guidelines on Project Completion Report (PCR) Evaluation Note and Project Performance Evaluation Report (PPER) (2014) (<https://www.afdb.org/en/documents/document/revised-guidelines-on-project-completion-report-pcr-evaluation-note-and-project-performance-evaluation-report-pper-9271/>)

⁵⁷ IDB and IIC Project Performance: OVE's Review of 2016 Project Completion Reports and Expanded Supervision Reports (2018) (<https://publications.iadb.org/bitstream/handle/11319/8727/IDB-and-IIC-Project-Performance.-OVEs-Review-of-2016-Project-Completion-Reports-and-Expanded-Supervision-Reports.PDF?sequence=1&isAllowed=y>)

IFAD	<p>“(i) Do project activities benefit from the engagement, participation and ownership of local communities, grass-roots organizations and the rural poor, and are adopted approaches technically viable?</p> <p>(ii) Is there a clear indication of government commitment after the loan closing date, for example, in terms of provision of funds for selected activities, human resources availability, continuity of pro-poor policies and participatory development approaches, and institutional support?</p> <p>(iii) What are the chances that benefits generated by the project will continue after project closure and what is the likely resilience of economic activities to post-project risks?”⁵⁸</p>	<ul style="list-style-type: none"> • 6 Highly satisfactory • 5 Satisfactory • 4 Moderately satisfactory • 3 Moderately unsatisfactory • 2 Unsatisfactory • 1 Highly unsatisfactory
UNDP	<p>For GEF-financed projects, UNDP applies IEO’s guidelines⁵⁹.</p>	
UNEP	<p>“The evaluation will identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of achieved direct outcomes (i.e. ‘assumptions’ and ‘drivers’). Some factors of sustainability may be embedded in the project design and implementation approaches while others may be contextual circumstances or conditions that evolve over the life of the intervention. Where applicable an assessment of bio-physical factors that may affect the sustainability of direct outcomes may also be included.”⁶⁰</p> <p>UNEP evaluations consider socio-political, financial, and institutional sustainability.</p>	<ul style="list-style-type: none"> • Highly Likely (HL) • Likely (L) • Moderately Likely (ML) • Moderately Unlikely (MU) • Unlikely (U) • Highly Unlikely (HU)

⁵⁸ *Evaluation Manual* (2016) (<https://www.ifad.org/en/web/ioe/evaluation/asset/39984268>)

⁵⁹ *Project-Level Evaluation Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects* (2012) (<http://web.undp.org/evaluation/documents/guidance/GEF/UNDP-GEF-TE-Guide.pdf>)

⁶⁰ *Evaluation Criteria and Ratings Table* (2018) (https://wedocs.unep.org/bitstream/handle/20.500.11822/27352/2_Evaluation_Criteria_17.04.18.pdf?sequence=1&isAllowed=y)

World Bank	<p>“The IEG ICR Reviewer should consider the operational, sector, and country context in weighing (in each case) the relative importance of these individual criteria of risk as they may affect planned outcomes.</p> <ul style="list-style-type: none"> • Technical (where innovative technology and systems are involved) • Financial (including the robustness of financial flows and financial viability) • Economic (at both the country and global levels) • Social (in terms of the strength of stakeholder support and/or mitigation of any negative social impacts) • Political (for example, volatility of the political situation) • Environmental (including both positive and negative impacts) • Government ownership/commitment (for example, continuation of supportive policies and any budgetary provisions) • Other stakeholder ownership (for example, from private sector/civil society) • Institutional support (from project entities; and/or related to legal/legislative framework) • Governance • Exposure to natural disasters.”⁶¹ 	<ul style="list-style-type: none"> • Negligible to Low • Moderate • Significant • High
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⁶¹ DRAFT Guidelines for Reviewing World Bank Implementation Completion and Results Reports: A Manual for IEG ICR Reviewers (2017) (https://ieg.worldbankgroup.org/sites/default/files/Data/More-on-IEG/icrr_evaluatormanual_august2018.pdf)