



BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT
INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Agency for International Development
Washington, D.C. 20523

September 14, 1990

MEMORANDUM

TO: SEE DISTRIBUTION

FROM: C. Stuart Callison, ^{CS}BIFAD/S (Sustainability Working Group Co-Chairman)

SUBJECT: Final Report of the Sustainability Working Group

Attached is the final report of the findings and recommendations of our Working Group. The draft I circulated on August 8 has benefitted from thoughtful comments from several of you, and I especially appreciated those from Ken Kornher, Stan Peabody, John Mason and Pat Isman.

As a word of explanation to those of you who, like Stan, worried that "the presentation is now too long and detailed," our earlier, short and succinct version was turned back as we sent it forward with a request for more background information and context. We had been so succinct that those who were not members of our group couldn't understand where we were coming from. So we decided to prepare a more detailed "Committee Report," with attachments, that could stand on its own and provide both the actionable recommendations and the background rationale for them, for those who wish it. The short, succinct version remains pretty much intact on the first 2.7 pages of this report, with the primary addition of paragraph 3 on page 1 from Stan Peabody. The rest, beginning with "Determinants.." on page 3, is background.

The idea is that the Working Group deserves to have a full report of its deliberations for the record, and this attempts to fill that bill. Anybody can then use all or part of the report for whatever useful purpose it might serve. We intend to extract and emphasize its recommendations in a more succinct cover memorandum as we send it forward. That is now the next step (and we shall keep you informed). May I thank you all for your participation in this very important and fruitful effort.

Atch: a/s

DISTRIBUTION: SUSTAINABILITY (BROWN BAG) WORKING GROUP

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

September 14, 1990

REPORT OF THE
SUSTAINABILITY WORKING GROUP

Far too often, activities and benefits started by A.I.D. and other donor assistance projects fade away or die abruptly after project funding ends. Congress, U.S. taxpayers, and A.I.D. all want and expect project benefits to continue. The heart of A.I.D.'s job is to help developing countries sustain broad-based economic growth, renewable resources, income streams, key development activities and other tangible and intangible benefits for people. We can improve our performance.

An ad-hoc Sustainability Working Group of experienced middle-management professionals from six bureaus met regularly for six months and became an informal subcommittee of the Rural Development Sector Council. The group reviewed several years of work by A.I.D., the World Bank, and other donors on the sustainability problem and participated in an intensive Sustainability Workshop sponsored by the ANE Bureau. (See attachments 1 and 2.) It developed a series recommendations that would change the way A.I.D. designs and implements many of its foreign assistance programs. In this report the specific recommendations of the group for A.I.D. are presented first, followed by a summary of the most important findings of the sustainability studies reviewed and from which the recommendations were derived.

Activities and benefits are not sustained due in large measure to the way A.I.D. does business. If we are seriously committed to making our efforts effective and long-lasting, we need to change the way we define our objectives, the way we develop and implement our projects and programs, the way we monitor progress and impact, and the way we reward our staff. It is clear from the studies reviewed by the Working Group that we know what it takes for development activities and benefits to be sustained:

- 1) host-country ownership of and commitment to the development program,
 - 2) host-country institutional capacity to provide and sustain the desired activities and benefits, and
 - 3) the institutional flexibility to be responsive to changes in demand and environmental conditions in developing sustainable processes and sources of support.
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Specific Recommendations of the Sustainability Working Group for A.I.D. Action

A.I.D. needs a clear commitment to achieve these conditions and put sustainability at the center of its project assistance; and then it must design policies and procedures to move the commitment to action and results. To begin, the Working Group recommends that the Administrator undertake the following actions:

1. **Announce a commitment to achieve sustainable host country benefits as an outcome of all A.I.D. projects for which that is an appropriate goal.** Such a commitment should be articulated clearly and repeated frequently to emphasize its importance.
2. **Recognize and support the lead role of the host country.** Our planning, review and approval processes usually bring in the host country people and leaders much too late. They often have other priorities and don't "own" the objectives and activities of specific A.I.D. projects. To move our projects toward more host country ownership and leadership the Administrator should instruct regional bureaus to have all their missions:
 - a) work closely with host country leaders on Country Development Assistance Strategies (CDSSs) and report on this process in the next round of CDSSs;
 - b) include key host country actors in mission project and program planning at very early stages;
 - c) actively strengthen host country capacity to do its own strategic planning as a basis for allocating its own development resources and for coordinating foreign donor support;
 - d) strengthen and use local management systems wherever possible in project design and implementation; and
 - e) monitor and report on the success of i) collaborative strategic planning with host countries and other donors, ii) institutional reform and demonstrable improvement of capacity, and iii) host country provision of recurrent costs. These should be topics for Administrator's Review sessions at least once a year.
3. **Develop and use a longer-term strategic management process.** To move away from the "move money" and "look good for the life of the project" syndromes to the bottom line: sustained flows of benefits after the project is over, A.I.D. must change the way it does business and stretch out its time horizon. Design, implementation and evaluation must focus on factors that affect sustainability after projects end. Sustainability must be a key factor in identifying projects. Host country and A.I.D. incentives must reward flexible design, timely adjustments during implementation, and successful capacity-building with assured coverage of recurrent costs. To achieve these aims the Administrator should:
 - a) instruct all bureaus and missions to bring prolonged collaboration, flexibility to adjust to changing conditions, and project sustainability "from a center" into each phase of their programming process--i.e.,

strategy preparation, project design, choice of performance indicators, implementation, monitoring and evaluation;

b) instruct PPC/CDIE, in cooperation with the new S&T/University Center, to design and help missions implement a collaborative, management-oriented monitoring, evaluation and information system (MEIS) that:

i) tracks progress toward achieving both project objectives (purposes) and overall development program goals in each A.I.D.-assisted country, analyzing the expected causal linkages between the two and highlighting constraints or shortfalls for management action,

ii) focusses on the transition from project-funded to post-project activities, identifying mid-course corrections needed to achieve sustainability; and

iii) involves U.S. and host country academic, business and other private sector, as well as government, analysts;

c) continue to press Congress for no-year funding, the elimination of sectoral accounts, and for easing the distinction between program and operating expense funds (particularly for the more frequent travel of direct hire personnel to program/project sites);

d) permit and encourage longer tours at post for program-related personnel and insist on their achieving adequate (S-3+) language skills wherever needed;

e) provide career incentives and rewards for project sustainability achievements; and

f) provide staff training in collaboration, management flexibility and sustainability, such as in the Management Skills Course and the Project Design Course.

Determinants of Sustainability and A.I.D. Constraints

The studies reviewed (see attachment 1) point to three essential features of sustainable programs:

1) the host-country exercises responsibility for its own development program, is committed to program/project success, is engaged in collaborative planning with foreign donors, and pursues a workable national development strategy of its own choosing. Full use of competitive markets for private goods is a key element of a sound strategy.

2) host-country institutions develop capacity to provide and sustain the desired development activities and benefits;

3) host-country institutions have flexibility to be responsive to changes in demand and in environmental conditions (political, economic and social, as well as natural), to develop sustainable processes, and to tap alternative sources of recurrent cost financing.

To nurture host country responsibility and commitment to its own development strategy, developed in collaboration with foreign donors, A.I.D. must exercise great care to keep the projects it supports within the overall development context and priorities of that host country. A.I.D. must help the host-country build domestic understanding and political support for a workable development strategy, rational investment priorities and the required policy reforms. Working against this within A.I.D. are:

- Pressures for accountability that reward short-term, tangible accomplishments and encourage a "take-charge" and "do-it-yourself" mentality
- A demanding project approval process that leaves out the host country
- A demand for high-pressure "policy dialogue," often in the absence of sufficient host-country understanding and commitment

The various studies reviewed recommended several ways to counter these constraints and encourage host country responsibility and commitment:

- o Recognize the host-country's lead role in development strategy preparation, in program and project design, and in implementation
- o Require explicit attention to sustainability concerns in project and program design, implementation and evaluation
- o Emphasize program management, strategic planning, and building constituency support and government commitment as more important than by-the-book project implementation
- o Organize demand for project outputs and support for recurrent costs from constituent beneficiaries
- o Provide policy assistance to help host countries develop and apply better policies and place "more emphasis on assisting policy makers with decision-making procedures and analytical capacities," than in urging particular policy reforms
- o Use more block grants, program assistance and collaborative assistance agreements to resist the inclination for A.I.D. to "take charge" of specific projects

Institutional development and capacity building require a longer time frame than a typical A.I.D. project. Host-country institutions need the time and autonomy to gain experience and to learn from mistakes. A.I.D. needs to accept the uncertainty and complexity of longer-term development efforts and the staff-intensive nature of capacity-building and technical assistance activities. There are several powerful factors affecting A.I.D. programs that work against such a long-term approach:

-- OYB appropriations and the pressure to move money by September 30

-- Pressures for accountability that reward short-term, tangible accomplishments and encourage a "take charge" and "do-it-yourself" mentality

-- A life-of-project mindset, demand for quick results, and short project lifespans

-- A.I.D. is often insensitive to institutional capacity issues and to the need for solid institutional analysis

-- There is a natural organizational tendency to oversimplify, accept a limited information base and act with insufficient understanding.

-- Pressure on A.I.D. to reduce administrative costs

-- Competitive contracting requirements discourage continuing relationships between host-country and U.S. institutions

-- Inattention to maintenance needs of institutions and human capital as well as of physical plant and equipment

There are several things A.I.D. could do to deal with these constraints:

o Adopt extended planning horizons and continuing collaboration

o Require better institutional analysis

o Provide training and assistance to build host-country institutions for development activities not funded by A.I.D., as well as for those that are, including the capacity for domestic institutional and management support and networking, and continue critical "maintenance" support activities beyond the end of a project

o Continue to press Congress for no-year funding

o Support critical recurrent costs for institutional building, perhaps through endowments

o Use collaborative assistance agreements between U.S. and host-country institutions

o Provide technical assistance personnel as catalysts and facilitators rather than as temporary technical experts

Institutional flexibility would be enhanced by decentralized implementation by local, autonomous organizations and by a determination to measure and evaluate performance by results achieved rather than by inputs delivered. For A.I.D. projects and programs, this is often hampered by:

-- Stipulations for predetermined, scheduled activities and quantifiable project outputs. A preoccupation with inputs rather than with ultimate impacts

-- An evaluation system that ends with the particular project or program, instead of looking for sustainable results beyond the activity in question

-- Congressional pressures for demonstrable and almost immediate results

The following actions were suggested as ways to deal with these constraints:

- o Build flexibility into project/program design to adjust to changing demand and conditions
- o Utilize organizations with popular legitimacy and local linkages
- o Consider alternative and multiple sources of recurrent cost financing
- o Install collaborative, management-oriented Monitoring and Evaluation Information Systems focussing on:
 - 1) progress and constraints toward sustainable purpose and goal achievement,
 - 2) the transition from project-funded to post-project activities and support, and
 - 3) mid-course corrections needed to achieve sustainability
- o Internal A.I.D. incentives should reward continuity and adaptability

Summary Conclusions from Donor Studies

The more important conclusions derived from the studies reviewed can be grouped under two main headings:

- 1) that we need to recognize the essential ownership, commitment and lead role of the host country in its own development programs and to help it develop its capacity to exercise that responsibility; and
- 2) that we need to adopt an extended planning horizon and a long-term strategic management process, combined with the flexibility to deal with constantly changing circumstances without losing sight of the goal.

The first need requires us to emphasize program management, strategic planning, building constituent support and government commitment for project outputs, training and institution-building assistance, supported by better institutional analysis. We must focus policy assistance on building host country capacity to analyze development problems, choose wisely among policy alternatives, and implement policy reform programs. We must maintain institutional support long enough to achieve success, with prolonged collaboration and support for critical recurrent costs built in, including the use of alternative and multiple sources of financing. Technical assistance people should serve as catalysts and facilitators, not as temporary staffers.

The second need requires us to devote explicit attention to sustainability and flexibility in program design, implementation and evaluation, including better institutional analysis from the beginning. We should support prolonged institutional collaboration by a joint management-oriented monitoring and evaluation information system (MEIS) that tracks progress and constraints toward sustainable purpose and goal achievement. We must expect and encourage mid-course corrections to achieve sustainability and the transition from project-funded to post-project activities. We must use more block grants, program assistance and collaborative assistance agreements to prevent A.I.D. managers from "taking charge" of specific projects. We must redirect internal A.I.D. incentives toward continuity and sustainability rather than toward frequent new initiatives and new projects. And we must insist that Congress provide no-year funding and longer timeframes for expected impacts.

- Atchs:
1. "Notes from Sustainability Brown-Bag Discussions," CSCallison, 5/11/90
 2. "Enhancing the Sustainability of A.I.D. Development Impact," International Development Management Center (IDMC), University of Maryland, June 1990, Proceedings of the ANE/TR-UMS/IDMC Sustainability Workshop, 5/2/90

Sustainability Brown-Bag Working Group; CSCallison/NVreeland/KLKornher; 0566A;
8/7/90 :Revised:9/14/90

NOTES FROM SUSTAINABILITY BROWN-BAG DISCUSSIONS

On the question, "What can this group do?", it was suggested that we could try to develop a consensus on the definition of "sustainability" and explain the consequences of A.I.D. policies & legislation, of the operational year budget (OYB), of the discontinuity of A.I.D. programs, of the evaluation process, of the internal incentive and reward system, etc.

A World Bank review of 550 projects identified the following "determinants of sustainability":

1. **Institutional development** to sustain benefit flows, including cultural fit and general level of education
2. **Macroeconomic policy environment** (depends on political will & wisdom)
3. **Good Management**
4. **Resource mobilization** for recurrent costs
5. **Commitment of government** (to necessary institutional and policy reforms) and **constituency support** of participating beneficiaries
6. **National development strategy** providing project rationale and context
7. **Appropriate and adaptable technology**

A DAC evaluation group identified the following "Factors of Sustainability":

1. **Commitment** of leaders and constituencies to objectives
2. **Government policies** must be supportive
3. **Management**, leadership defines objectives and builds constituencies
4. **Organization**, institutional capacity
5. **Finance**, recurrent cost budgets, access to foreign exchange, user fees
6. **Technology**, capacity to select, adapt and maintain
7. **Socioculture**, objectives & technology acceptable & sensitive to beneficiary demands, gender roles defined
8. **Environment**, conditions supportive, preserved
9. **Project design & implementation**, flexible, monitoring & evaluation
10. **External influences**, political stability, int'l economy, access to technology

An FVA/PVC study noted the importance of **support building** during design, **capacity building**, **monitoring and revising** during implementation, and collapsed the "conditions of sustainability" into four categories:

1. **Institutional framework** (structure, linkages, systems, incentives, participation)
2. **Human resources** (leadership, admin., capacity, beneficiary skills)
3. **Financial resources** and cost control
4. **Context** (political, social, economic and cultural)

IDMC of U. of Md. reduces the results of its extensive research into 3 critical "elements of sustainability":

1. **Responsive output flows** (high quality and valued goods & services)
2. **Cost-effective delivery mechanisms** (organization & management)
3. **Continued resource flows** (for recurrent costs, capital investments, and necessary human resources)

from "Institutional Sustainability, the SCOPE Framework,"
(Draft Executive Summary), by Arthur A. Goldsmith, MU/IDMC, May 1990:

Lessons learned:

1. Secure internal **commitment**
2. Pick **feasible objectives**
3. Choose the right moments for strategy formulation (early on) & for changes
4. **Build alliances and support networks** and neutralize opposition
5. Differentiate **perceived vs. actual benefits**
6. Offer **long-term overseas training**--a critical mass of well-trained personnel promotes sustainability
7. Set **extended planning horizons**, "...prolonged collaboration, based principally on the international exchange of scholars, allowed the differing points of view to be accommodated, and is one reason these institution-building projects have generally done so well in sustaining themselves."

from "Increasing the Sustainability of Development Assistance Efforts:
Lessons Learned & Implications for Donor Agencies,"
--USDA/OICD and MU/IDMC for AID/S&T/RD, Nov. 1987:

Sustainability Guidelines for A.I.D.:

1. Require **explicit attention to sustainability** in project design, implementation & evaluation
2. Require **flexibility in design** to adjust to changing demand & conditions
3. Give **host country (HC) the lead role** in project design & implementation
4. Use more **block grants and program assistance**
5. Provide **policy assistance** to help HC develop & apply better policies
6. Utilize **national organizations with popular legitimacy & local linkages**
7. Provide training & assistance to **build institutions for development activities not funded by A.I.D.**, and continue institutional building activities beyond end of formal project
8. Improve HC **institutional capacity** for domestic institutional and management support, encourage networking
9. Consider **alternative sources of recurrent cost financing**
10. **Support critical recurrent costs** for institutional building
11. **Technical assistants (TA) should be catalysts & facilitators** rather than temporary technical experts
12. Continue training and TA for **management systems** after project completion
13. Internal A.I.D. incentives should **reward continuity & adaptability**

A.I.D. contradictions:

1. Life-of-project mindset vs. need for longer time-frame
--pressure to move money, OYB appropriations, demand for quick results
vs. need for institutional development and capacity building
2. Natural organizational tendency to over-simplify, accept limited information base & pursue "bounded rationality" vs. uncertainty & complexity of longer-term development
3. Pressure on A.I.D. for short-term accountability vs. need for host country responsibility, collaborative planning, decentralized implementation by local organizations
4. High pressure policy dialogue vs. need for domestic understanding and support for long-run success with policy reforms --need for "more emphasis on assisting policy makers with decision-making procedures and analytical capacities," than in urging particular policy reforms --Joan Nelson, "Diplomacy of Policy-Based Lending" in Between Two Worlds, 1986
5. A.I.D. stipulations for predetermined, quantifiable project outputs and scheduled activities vs. need for institutional flexibility to be responsive and develop sustainable processes
6. Pressure on A.I.D. to reduce administrative costs vs. the staff intensive nature of capacity building and technical assistance activities
7. Pressures for accountability rewards short-term tangible accomplishments rather than long-term learning & institutional development, which requires the autonomy to learn from mistakes

Sustainability "requires more disciplined attention to institutional development and management systems..."

from Haven North:

A.I.D. Problems:

1. Demanding PP approval process leaves out host country
2. Competitive contracting requirements discourages continuing relationships
3. Preoccupation with inputs rather than ultimate impacts
4. Congress wants results/impact, but too soon
5. Project lifespan is too short
6. Inattention to maintenance needs of capital equipment (also of institutions and human capital)
7. Evaluation ends with project, needs longer time-frame
8. A.I.D. insensitive to institutional capacity issues and need for solid institutional analysis

Needs for change:

1. Better national strategies with host country input
2. Better institutional analysis
3. Shift to strategic activities & planning to keep projects in overall development context & within HC sense of priorities
4. Program management, strategic planning, constituency development are more important than project implementation
5. Performance should be measured by the results achieved rather than the inputs delivered
6. Concentrate on institutional capacity building, holistically
7. Install management-oriented Monitoring & Evaluation Information Systems
8. Build constituent support and government commitment, organize demand from constituent beneficiaries

ENHANCING THE SUSTAINABILITY OF A.I.D. DEVELOPMENT IMPACT

**Proceedings of the ANE/TR - UMS/IDMC
Sustainability Workshop**

**May 2, 1990
Washington, D.C.**

June 1990

Prepared by

**International Development Management Center (IDMC)
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Enhancing the Sustainability of A.I.D. Development Impact
ANE/TR - UMS/IDMC Sustainability Workshop

May 2, 1990
Washington, D.C.

I. Introduction

A. Background

The issue of sustaining benefit flows of A.I.D. supported activities following the phase-out of development assistance has received increasing attention over the past several years. The ANE/IDMC Sustainability Workshop held May 2, 1990 at the Westin Hotel in Washington, D.C. discussed the preliminary results of the ANE sustainability initiative, and examined the draft sustainability guidance prepared in cooperation with the University of Maryland International Development Management Center (IDMC). The draft guidance reviewed at the workshop builds on an applied research effort carried out through the ANE/IDMC Cooperative Agreement.

The objectives of the workshop were:

1. Test and refine sustainability guidelines before sending them to the field for validation.
2. Examine sustainability guidance in light of new ANE Bureau concerns and examine their utility for new projects.
3. Obtain input regarding what is needed in addition to the guidelines to increase probability that they will be used.

B. Welcome and Objectives

Richard Blue, Deputy Director ANE/TR opened the morning session emphasizing that while many of the sustainability concerns were not new, but had been around for many years, what was new was the systematic treatment of the issues within the draft guidance, synthesizing accumulated experience and adding some new insights. He challenged the 32 participants to address the validity of sustainability issues within the context of new policy directions of the Agency, and stated that he was pleased that the draft guidance was going to be discussed not only in terms of general implications within the project cycle, but also examined in light of several new, non-traditional projects. After this, Alan Hurdus (ANE/TR/ARD) reviewed workshop objectives and introduced participants.

C. Overview of the ANE Sustainability Initiative and the Draft Guidance

Jim Lowenthal (ANE/TR/ARD) presented a brief overview of the activities leading up to the draft guidance and the workshop, within the context of the ANE Sustainability Initiative. Sustainability was highlighted as a major concern at the 1987 ANE ARD Conference in Bangkok. This concern coincided with other AID sustainability activities such as the S&T/RD review of literature and project experience, a Devres study of the sustainability of AID projects, several IDMC papers coming out of the Performance Management Project, and CDIE sustainability reviews of health and agriculture projects.

The ANE/IDMC sustainability initiative consisted of the elaboration of a theoretical framework, testing it in the field, and preparing sustainability guidance for mission staff. Pilot applications of the model were conducted in ANE countries with the dual aim of assisting missions to better incorporate sustainability dimensions into planned or ongoing development activities, and providing ANE with a rigorous experiential

base for refining field guidance. To date, pilot applications have been completed in six countries: Thailand (Northeast Rainfed Agricultural Development Project); Morocco (Hassan II Agricultural and Veterinary Institute Project); Indonesia (credit component of the Provincial Area Development Project); Bangladesh (Higher Agricultural Education Project); Pakistan (Transformation and Integration of the Provincial Agricultural Network Project); South Pacific (University of the South Pacific at Alafua). From this work, IDMC and ANE wrote the draft guidance, reviewed at the May 2 workshop, building on the basic information contained in A.I.D. Project Assistance Handbook 3, intended to identify the most critical sustainability issues that mission staff should address at each stage of the investment cycle.

Following this presentation, Marcus Ingle (IDMC) outlined the conceptual framework upon which the guidance is built. The framework is called SCOPE, a conceptual model that provides a systematic way to think about the numerous components of development investments that must be factored into developing country systems to promote enduring impact. Sustainability is defined in the SCOPE framework as the ability of a system to produce outputs that are sufficiently well valued so that enough inputs are provided to continue production, and maintain at least a steady state. SCOPE takes a political economy approach to understanding sustainability, placing emphasis on the valuation of outputs of institutions as the key to their sustainability.

The IDMC/ANE sustainability initiative has shown that development sustainability depends upon maintaining:

- o Responsive output flows (high quality and valued goods and services),
- o Cost-effective delivery mechanisms for goods and services (organization and management), and
- o Resource flows (recurrent costs, capital investments, human resources).

Various definitions of sustainability focus on one or another of these elements, but the field studies undertaken have demonstrated that all three must be addressed to assure sustainable development benefits and impacts.

II. Small Group Discussion and Feedback on Guidance

Following Dr. Ingle's presentation four small groups were formed to discuss and present feedback on the guidance. Each of the groups looked primarily at one section of the document, focusing on identification and selection, design, implementation, or evaluation issues and guidelines. There were two questions the groups

addressed, what are the strengths of the document, and what needs to be changed and/or added?

The following is a summary of the main points presented by each group.

A. Identification and Selection

This group found as particular strengths of the guidance document the importance attached to actions required at the identification and selection stage, the collaborative involvement of host country counterparts, and the long-term investment perspective captured in the language of the document.

Specific recommendations for improvement included strengthening the idea of shared risk along with ownership of the projects by stakeholders and the need to address the issue more directly of where money will come from in the long run.

B. Design

The small group dealing with the implications for design reported that a particular strength of the guidance was the political economy thread running through it, and felt that the guidance was good for current projects and provided kernels of help for transition-type projects, but needed more development for new programs. The emphasis on the AID transition to private sector was found to be useful, but in need of more development. The group recommended that the guidelines needed to relate better to the Agency's new assistance mechanisms, and not just projects. In addition, the group recommended that the document be strengthened to clarify the job of finding the appropriate private/public mix; to address more directly the issue of who benefits and loses from interventions; and to take into consideration the "rent-seeking" versus production orientation of stakeholders.

C. Implementation

The implementation group liked the fact that the guidance highlights conventional wisdom, but which is often lacking in practice. This group found the guidance comprehensive, touching on a range of issues. However, by calling these concerns "new" and "additive" they felt the guidelines might offend or appear naive to field professionals.

The guidance should state that it is intended for individual project officers and not for the Agency as a whole. The document should place more emphasis on host country collaboration, leadership and program development. Although project officers should be able to raise sustainability issues to higher levels during routine evaluations, the ability of project managers to divest resources when sustainability appeared improbable to the group, who thought that this issue needed more attention in the guidelines.

D. Implementation

This group also approved of the emphasis on long-term impact of investments rather than 'return' at end of projects. Likewise the document's emphasis on "interim" evaluations to provide feedback for adjusting implementation to changes was well-placed according to this group.

To improve the document, the focus of evaluation should change from discrete evaluation activities to an ongoing process of monitoring and feedback, integrated into the other phases. The evaluation group also saw a need for clearer definition of what is to be sustained (indicators) at the design phase, and on how to

"sustain" the post-project evaluation process to measure impact. The emphasis on strategy for recurrent costs should be part of the design phase rather than an evaluation activity, and the document should include greater description of existing AID evaluation guidelines and how sustainability factors are incorporated into the process. Finally, the question of how to define/measure success (outputs, objectives) of sustainability in the post-investment period needs greater attention.

III. Small Group Discussion on Application of Guidance to New Projects

The first small group discussion session of the afternoon focused on the application of the guidelines to three new projects: the Morocco New Enterprise Development Project, the Nepal Agroenterprise Technology Systems Project, and the Jordan Family Health Services Project. The objective of this session was not to critique or pass judgment on the projects themselves, but to use them as real world examples for trying out the new guidelines. The questions for the groups were:

1. Are the sustainability considerations reflected in the project? If not, how would you address them in relation to this project?
2. What insights or ideas does analysis give regarding applicability of guidance? Does it appear relevant? Is it user friendly?

All three groups found the application of the guidelines useful in thinking through the issues concerning the sustainability of the projects. Specific insights to come out of this session included the following.

It is important to incorporate a time-phased commitment check which builds over time.

If the sustainability guidelines are taken seriously, there must be a change in how PIDs are developed, increasing interaction.

How to determine the appropriate mix of public and private institutions to assure responsiveness needs to be strengthened in the document.

It will be necessary to identify who is responsible for seeing that the guidelines are utilized.

The process of applying the guidelines should be seen as cumulative, building over time throughout the investment and post-investment periods. If, at the end of each phase the conditions for sustainability are not met, stop, go back and re-design if necessary. Continuous review is required to see that the pre-conditions favorable to sustained impact endure through each phase of the development investment cycle.

The guidance should discuss the logical framework--especially the EOPS concept in relation to sustainability. Other inputs also need attention in guidance -- the "assumptions" in the log frame, and outputs in the log frame which are "precursors" to sustainability.

The guidance does help think about elements like termination of parts of a project.

The guidance is not yet sufficiently user friendly because of the packaging of items and the density of ideas presented.

IV. Next Steps

The second afternoon session discussed what is needed at the level of project officer, mission, and AID/W to

increase the probability that the guidelines will be used. Suggestions coming from the three groups were as follows.

Project Officer Level

1. Train of project officers on:
 - a) use of log frame in sustainability concerns
 - b) guidance and implementation (stakeholder analysis and coalition building, and risk analysis).
2. Set up incentives to encourage use of guidance such as EER's, awards, promotion based on sustainability design.
3. Prepare a check-list for incorporating sustainability in selection, design, and implementation review (including scopes of work).
4. Introduce a long-term tracking system to hold them accountable for sustainability.

Mission Level

1. Incorporate sustainability concerns into CDSSs and mirror at project level by conducting contextual analysis (stakeholders) prior to design.
2. Conduct impact evaluations that cover sustainability--hold missions accountable for results.
3. Use PD&S funds for sustainability.
4. Increase collaborative planning with host country.
5. Have a "sustainability officer" in missions or a mid-level matrix group to carry out this function.

AID/W

1. Obtain policy determination on sustainability, demonstrate continued high-level commitment with a statement on sustainability, get PPC involvement, and send guidance with a cover letter to the field giving expectations.
2. Make resources available for building sustainability into ID and design stages--Bureau-wide funded or using PD&S funds--streamline resource access for sustainability.
3. Require instream sustainability reviews--tie to continuation of funds.
4. Have a sustainability newsletter with success and horror stories.
5. Promote sustainability training, such as: a project design course, state-of-the-art on sustainability within existing SOTA, targeting sustainability at regional conferences, and re-teach, re-introduce logical framework with sustainability emphasis.
6. Take advantage of cross-bureau experiences through working groups or a select committee of sector

councils.

7. Incorporate sustainability into performance budgeting as an incentive.
8. Look for ways to get contractors involved with implementation aware of sustainability concerns.
9. Factor sustainability into formal form -- Handbook 3 and PIRs which refer to sustainability issues.

V. Closing

In closing the workshop, Richard Blue summarized the progress that had been made with regard to sustainability. He acknowledged the progress made in linking the demand and supply sides--the market is a key element of sustainability, but not the only element. He also stressed that the political economy focus is taking hold, as the coalition of interested parties is increasingly recognized--although this idea has been around for some time it is now part of our progress. Likewise, he pointed out that good interventions come from good specification of the problem by "owners" of those problems--the sustainability framework presented requires us to look at the broader incentives of the system. He closed his comments highlighting the issue of how to incorporate sustainability concerns into the personnel system of A.I.D. and into all levels of operation.

Attachment

List of Workshop Participants

Alan Hurdus	ANE/TR/ARD
Richard Blue	ANE/TR
Jim Lowenthal	ANE/TR/ARD
Stan Peabody	ANE/TR/ARD
Sharon Fee	ANE/TR/ARD
Faul Novick	ANE/TR/ARD
Chuch Aanenson	ANE/TR/HR
Bruce Odell	ANE/PD
Diane Ponasik	ANE/DP/E
Harry Wing	FVA/PVC/CDS
Tom Marchione	FVA/PPM
Ken Kornber	S&T/HR/RD/DM
Jeanne North	S&T/HR/RD/DM
Gary Bittner	S&T/FVF
Loren Schulze	S&T/AGR
Bob Emrey	S&T/H
Gary Hansen	PPC/CDIE/PPE
Stuart Callison	PPC/PDPR
Marcus Ingle	UMS/IDMC
Derick Brinkerhoff	UMS/IDMC
Art Goldsmith	UMS/IDMC
Dan Gustafson	UMS/IDMC
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Pat Isman	S&T/HR/RD/IDM
Jerry Norris	ANE/TR/HPN
Deborah Miller	FVA/PVC/CDS
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Taryn Rounds	S&T/HR/RD/IDM
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Ted Field	FVA/PVC
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Richard Burns	USAID/Morocco