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Project sustainability is a major challenge for implementers of projects in many countries with regard to secure impacts of projects after the end of individual projects. Large number of projects implemented at huge costs often tend to experience difficulties with sustainability. Many financers of projects have been expressing concerns on this matter. According to several recently conducted studies, while the trend with implementation is showing significant improvement, the trend with post implementation sustainability is rather disappointing - increasingly, less projects are being sustained. This means that while huge expenditures are being incurred by these countries in implementing projects, poor sustainability is depriving them from the returns expected of these investments.

Sustainability can be defined as the ability of a project to maintain its operations, services and benefits during its projected life time.

However, the issue of sustainability should also be seen within time and changing social, economic and political contexts. A project that is seen as worth sustaining today, may not be so in future. However, what is also important to note is that if a government for reasons better known to itself, decides to provide support to a certain activity and maintain its sustainability without regard to its economic viability, then that is a choice that the government has made and that the issue of sustainability of such an activity should be seen purely from the perspectives of a decision taken by the government.

In general project sustainability is defined as the percentage of project initiated goods and services that are still being delivered and maintained after five years of termination of implementation of the project; the continuation of local action stimulated by the project and generation of successor services and initiatives as a result of project built initiatives. This definition implies that sustainability concerns itself with:

* Level of continuation of delivery of project goods and services
* Changes stimulated / caused by the project
* New initiatives caused by the project

The core indicators that contribute to sustainability vary from sector to sector. For the economic sector projects, the core indicator will be economic and financial returns, whereas, the main indicator for social sector projects will be the extent and degree to which the delivery of goods and services, have been continued and the proportion of target area population that continue to receive the benefits from project activities.

There are several dimensions to project sustainability. Depending on the nature of a sector or a project each of these dimensions has the capacity to influence project sustainability in one or way or another. These dimensions are listed below.

* Continued operation and maintenance of project facilities - i.e., has the project received necessary support (both budgetary and institutional) to enable it to maintain required level of facilities ? (Logistics Dimension)
* Continued flow of net benefits - i.e., (for economic sector projects) has all the cost and benefits under varying conditions weighted properly and does the project guarantee an acceptable level of financial and economic return ? (Economic Dimension)
* Continued community participation (in projects where active community participation is crucial for both stimulating new actions as well as for cost recovery) - i.e., has the project involved the community ? has it succeeded in maintaining a desirable level of participation of the community in the project activities ? (Community Dimension)
* Equitable sharing and distribution of project benefits - i.e., has the project incorporated mechanisms that guarantee equitable access to and distribution of project benefits on a continuous basis ? (Equity Dimension)
* Institutional stability - i.e. has the project considered adequately the institutional requirements and thus made provisions so that management support to project operations continue, during the life of the project? (Institutional Dimension)
* Maintenance of environmental stability - i.e., has the project considered environmental implications so that negative impacts on environment are either avoided or mitigated during the life of the project? (Environmental Dimension)
* Consideration of all these dimensions is Key to sustainability of projects. Experience suggests that weakening of any one of these has the potential to jeopardize the sustainability of the entire project, in the long run.

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