



# Guideline Sustainability Compact

A sustainability compact ("Duurzaamheidscompact") stipulates the roles and responsibilities of the FDW consortium and other relevant parties towards ensuring the sustainability of the project results and outcomes after the project ends.

A sustainability compact entails an agreement which is signed during the Project Inception Phase – Result 1, between the FDW consortium and other relevant parties<sup>1</sup>. The implementation of the agreements made in the sustainability compact will be monitored in the form of a yearly sustainability check, during the duration of the FDW project. This documents should be seen as a living document, not something that should be looked at once a year. Based on the results of the yearly sustainability check, a signed copy of an adjusted final sustainability compact is part of the final result – *requirement & closure phase of the FDW results chain – logframe* <sup>2</sup>.

There is no standard format for the sustainability compact. It can take the form of a Letter of Intent, a Memorandum of Understanding or a contract. This guideline gives a suggestive outline of the seven topics which could be addressed in the sustainability compact. If you have other suggestions/additions/changes, please discuss this with your RVO project advisor before submission. You may wish to contact existing FDW project partners to discuss their experiences with the compact.

## 1. Preamble

*Instructions: Please include a preamble which states the name of the project. For example:*

**The underwriting parties to this sustainability compact have agreed on the actions needed to sustain the results of project FDWxxxx after project conclusion and the responsibilities of each of the parties to implement the actions.**

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<sup>1</sup> Copy of signed sustainability compact is part of result 1- inception phase of the FDW results chain-logframe, annex II.

<sup>2</sup> The adjusted sustainability compact needs to be signed by the relevant parties that will be responsible for continuation of the activities after the project period ends. The adjusted sustainability compact is part of the final result – requirement & closure phase of the FDW results chain - logframe, annex II.

## 2. Project Summary

*Instructions: Based on your project plan, please describe;*

- *The projects' main goal, objectives, envisioned outcomes and impact*
- *The main national and/or local counterparts in project implementation other than your national consortium members*

## 3. Parties

*Instructions: Please state the name of the parties and their contact persons signing the sustainability compact.*

*Parties besides the FDW consortium members should include all the key stakeholders who can influence or are responsible for the sustainability of the project results, such as the national/local government(s), service providers, private sector, association of service providers, NGOs, CBOs, etc.*

## 4. Sustainability Risks

*Instructions: Describe the main risks for ensuring sustainability of the project results/business case after project conclusion. Risks should be identified for each of the FIETS sustainability criteria. Examples are provided in the table below of possible risks for each of the FIETS sustainability criteria.*

*Describe how the analysis has been carried out and which tools for analysis have been used. We recommend: The analysis should be carried out jointly by project partners together with the main national and/or local counterparts in project implementation, other than your national consortium members. This can be done for example in the form of a workshop or a meeting. Add a summary of the workshop outputs to the compact as appendice.*

**Table 1 Risks to the sustainability of the project results after project completion**

<b>F.I.E.T.S. sustainability criteria</b>	<b>Sustainability risk</b>
<b>Financial</b>	No provision for the financing of the costs of maintenance or large rehabilitation of the service/product after project conclusion.
	Risks associated to market competition, suppliers
	Risks associated to business operating environment
	There is a risk that pit latrines are not (correctly) emptied as it is unclear who will be responsible for the costs of emptying. It is also unclear how this can be financed and who will monitor the services delivered.

	Risk of products/services that cannot be delivered after the project period
<b>Institutional</b>	There is a risk that capacity built by the project cannot be maintained due to expected high turnover of people trained by the project. It is also unclear how capacity building activities will be repeated and refreshed after project conclusion.
	As it is unclear who is responsible for asset management of the service/product after project conclusion, there is a risk that assets will not be maintained and replaced.
	It is unclear who is responsible for regulation of water quantity and quality and no benchmarking exists.
<b>Environment and Climate</b>	There is a risk that continued groundwater extraction will cause water scarcity.
	There is a risk that fecal sludge is discharged unsafely and causes health and water quality concerns.
<b>Technical</b>	There is a risk that spare parts of product/ service will not be locally available after project conclusion.
	There is a risk that the product/service cannot be maintained after project completion because of lack of local technical knowledge to operate or maintain the technology.
	There is a risk that the proposed technology cannot be afforded locally after project completion
	There is a risk that the technical option that is implemented, is not the best given the local context.
<b>Social</b>	No willingness of users to pay for project/service after project completion
	Project results are not affordable for the poor after project completion
	The social prerequisites are not institutionalised enough to remain intact after the project period

## 5. Sustainability Conditions

*Instructions: Please define the necessary conditions which need to be in place for sustaining the project results by project completion in order to minimise the risks to the sustainability of the project results which were identified (see previous section).*

*The table below gives examples of conditions for each of the FIETS sustainability criteria, and the main actors responsible for implementing the condition.*

**Table 2 Examples of conditions for sustainability which need to be in place at project completion and person responsible**

F.I.E.T.S. sustainability	Sustainability condition
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<b>criteria</b>	
<b>Financial</b>	There is agreement of who will take care of and how to cover maintenance and large rehabilitation of the service/ product after project conclusion.
	Continues market and competition analysis carried out and incorporated into business case.
	Regular review of operating environment.
	There is agreement of who will be responsible for, and how to cover the costs of, emptying pit latrines.
	There is agreement on the conditions under which the products and services will be delivered after the project period (based on local revenues through taxes or pricing of products/services). There is a realistic revenue model in place on which all partners agree.
<b>Institutional</b>	After project conclusion, training can be locally offered and facilitated. (capacity building throughout the project has taken institutional sustainability into account)
	Institutional agreements are in place stipulating who will be responsible for and how asset management will be conducted after project conclusion.
	A regulatory framework will be institutionalised by project completion to monitor water resources (in line with national legislation and directives).
<b>Environment and Climate</b>	By project completion, norms and capacity to monitor and regulate groundwater extraction will be in place. Sustainable technologies are being used and maintained.
	Institutional framework for safe emptying, transport and discharge are in place and capacities to implement the framework are ensured by project completion.
<b>Technical</b>	By project completion a supply chain for all spare parts of the product/service is in place or spare parts can be produced locally. (institutional arrangements for management and maintenance and sustainable forms of local financing)
	Capacity to maintain the product/service after project completion is available locally.
	The proposed technology is affordable for the local users, including the costs of management, maintenance and replacement
	The choice for a specific technology is based on a comparison between different options, taking into account environmental and social (e.g. gender) issues, preferably through a participatory process including all relevant stakeholders
<b>Social</b>	Water Users Groups are institutionalized and can hold its members accountable to pay for services/product received.
	Appropriate financing strategy and/or alternative sources of income generation for the poor are institutionalized by project completion.
	The project is demand-driven and focuses on basic needs, contributing to empowerment and self-reliance. It has taken into account the specific needs of women, vulnerable groups and the poorest in society. The project has guaranteed a good working environment in the broadest sense, taking into account environmental and social issues ("Corporate (Social) Responsibility (CSR)"). The project has taken into account social-cultural values of society. The project has

stimulated desired behavioral patterns in relation to hygiene, through e.g. "social marketing". By the end of the project, it has provided sufficient incentives to maintain these social prerequisites and has institutionalized who is responsible for the monitoring.

## 6. Monitoring

Describe who will bear the main responsibility for implementing the conditions (defined in the previous section).

**Table 3 Examples of conditions for sustainability which need to be in place at project Completion.**

<b>F.I.E.T.S. sustainability criteria</b>	<b>Sustainability condition</b>	<b>Main actor responsible</b>	<b>Frequency of monitoring</b>	<b>Sources of Verification</b>
<b>Financial</b>	There is agreement of who will take care of and how to cover maintenance and large rehabilitation of the service/ product after project conclusion.	Ministry of Water		
	There is agreement of who will be responsible for and how to cover the costs of emptying pit latrines.	Local government		
	Market and completion analysis	Private Partner		
<b>Institutional</b>	After project conclusion, training can be locally offered and facilitated.	University or training centre		
	Institutional agreements are in place stipulating who will be responsible for and how asset management will be conducted after project conclusion.	National government		
	A regulatory framework will be institutionalised by project completion to monitor water resources.	Ministry of Water		
<b>Environment and Climate</b>	By project completion, norms and capacity to monitor and regulate groundwater extraction will be in place.	Ministry of Water		
	Institutional framework for safe emptying, transport and discharge are in place and capacities to implement the framework are ensured by project completion.	Ministry of Water		
<b>Technical</b>	By project completion a supply chain for all spare parts of the product/service is in place or spare parts can be produced locally.	Chambers of Commerce, Association of local private sector		
	Capacity to maintain the product/service after project completion is available locally.			

<b>Social</b>	Water Users Groups are institutionalized and can hold its members accountable to pay for services/product received.	Association of Water Users		
	Appropriate financing strategy and/or alternative sources of income generation for the poor are institutionalized by project completion.			
<b>Business Case Risks</b>	Continues assessment and feedback mechanism of market conditions. Upskilling of workers and incentives to sustain productivity/staff stratification.			

*As an annex to the sustainability compact please provide milestones and a time line for each condition. Based on the provided milestones and time line, the implementation of the agreements made in the sustainability compact will be monitored in the form of a yearly sustainability check.*

*Based on the results of the yearly sustainability check, a signed copy of an adjusted sustainability compact is expected as part of the final result- requirement& closure phase of the FDW results chain – logframe<sup>3</sup>.*

## **7. Signatures**

**Consortium (i.e lead, partner 1 etc)**

**Other party(ies);**

**Date:**

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<sup>3</sup> The adjusted sustainability compact needs to be signed by the relevant parties that will be responsible for continuation of the activities after the project period ends and is part of the final result - requirement& closure phase of the FDW results chain – logframe annex II.

