

**PROJECT IMPLEMENTATION REPORT  
2021  
4<sup>TH</sup> PIR (FINAL)**

**GEF - IDB**

**IMPORTANT: The reporting period is GEF Fiscal Year (July 1<sup>st</sup>, 2020 to June 30<sup>th</sup>, 2021)**

**PROJECT GENERAL INFORMATION**

<b>Project Name:</b>	Financing Mechanisms for Private Investments in Energy Efficient (EE) Public Lighting		
<b>Project's GEF ID:</b>	9354	<b>Project's IDB ID:</b>	CO-T1423
<b>Project financial information:</b>	Date of First Disbursement	09/26/2017	
	Total disbursements of GEF Grant resources as of end of June 30 <sup>th</sup> , 2021(cumulative)	US\$ 634,014.04	
<b>Project dates:</b>	Agency Approval Date	07/09/2016	
	Effectiveness (Start) Date	10/13/2016	
	Original Last Disbursement Expiration Date <sup>1</sup> (OED)	10/13/2019	
	Current OED	10/13/2020	
	Estimated Operational Close Date <sup>2</sup> (EOC)	01/11/2021	
	Actual Date of EOC, if applicable	Click here to enter text.	
<b>Project evaluation:</b>	Mid-term Date (Expected)	n/a	
	Terminal evaluation Date (Expected)	04/30/2021	

<sup>1</sup> For the GEF, this is equivalent to the project's "Expected Completion Date".

<sup>2</sup> For the GEF, this is equivalent to the project's "Expected Financial Closure Date".

**DEVELOPMENT OBJECTIVE RATING (DO) & ASSESSMENT**

***Make an overall assessment and provide a rating<sup>3</sup> of “likelihood of achieving project objective, taking into consideration that this project has passed its Date of Last Disbursement (so it is not so much ‘likelihood’ but actually ‘achievement’). Describe any significant environmental or other changes attributable to project implementation.***

OVERALL (DO) ASSESSMENT	NEW RATING
<p>The technical cooperation (TC) aimed to support the design of a strategy that helped reduce and mitigate several barriers and risks associated with the two main kinds of financing schemes for energy efficiency (EE) light-emitting diode (LED) street lighting projects: (i) the municipality applies for financing and hires an EE project supplier to install the technology; and (ii) the municipality structures a public private partnership (PPP) or concession for the replacement of its street lighting, where the investor, provider or third party, makes the investment and receives a return from the savings generated by the project. By addressing knowledge gaps associated with risks and returns on projects, technologies and their performance among local financial institutions (LFI) and final beneficiaries, as well as clarifying the legal framework for PPP between the actors.</p> <p>It is relevant to consider this relation for the environmental assessment, considering that in 2015 (in the context of the COP21<sup>4</sup>), the Government of Colombia established a national goal to reduce consumption of electricity in commercial sectors, including public lighting, through unilateral action by 2.7%<sup>5</sup>. Public lighting represented, according to 2012 data (which served as the basis for the TC design), 3% of the country’s use, which is equivalent to 214, 228 tCO<sub>2</sub>e<sup>6</sup>. After explaining the objective of the TC, it’s important to reflect on the nature of its design and structure, conceived for creating the enabling conditions that would help Findeter finance EE LED projects in street lighting that would end up achieving the effective reduction of energy consumption and tCO<sub>2</sub>e. The TC was designed under the framework of the energy and climate mitigation goal, and its components actively contributed to the efforts of Findeter to help the Government to implement national goals through financing EE LED projects in street lighting.</p> <p>Through the deliverables of its 4 components, the TC succeeded in providing Findeter with concrete tools that support as of today, the promotion, formulation and impact assessment of EE LED street lighting projects. Those tools are available for municipalities and are already being tested on pilot cases. In that sense, the TC has kept the same coherence and contribution effort to support the environmental objectives of Findeter and the Government of Colombia. The most relevant ones are:</p>	<p><b>MU</b></p>

<sup>3</sup> See Annex 1: Definition of Ratings.

<sup>4</sup> Conference of Parties 21 celebrated in 2015 in Paris where the Paris Agreement was concurred

<sup>5</sup> Resolution 18-918 of 2010 of the Ministry of Mines and Energy

<sup>6</sup> Tons of Carbon Dioxide equivalent, metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential

- A methodology that allows technical, legal structuring and financing of projects to modernize public lighting in the municipalities of Colombia,
- An analysis of innovative financial mechanisms through of which investment in energy efficiency projects in public lighting could be encouraged throughout the national territory,
- A communication strategy to socialize the products and knowledge created by the TC, which includes a mini-site<sup>7</sup>.
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However, the TC faced operative challenges that delayed its implementation and low budgetary allocation, mostly due to procedural matters and institutional circumstances in Findeter and the political context in Colombia. COVID-19 also impacted procurement planning and activities. Those challenges, in addition to others (i.e. the disbursement of a subsidy for the interest rate of the credit line) also negatively impacted achieving the ultimate objective of the TC. Nonetheless, Findeter is recognizant of the big contribution the TC has been to the work they are doing as a development bank to improve the quality of the environment, enhance the territorial development and improves the quality of life of the communities. Findeter is still working on developing a project portfolio using the tools that the TC procured.

### **IMPLEMENTATION PROGRESS RATING (IP) & ASSESSMENT**

***Make an assessment and provide ratings<sup>8</sup> of overall Implementation Progress, including information on progress, challenges and outcomes on project implementation activities **since June 30<sup>th</sup>, 2020!*****

OVERALL (IP) ASSESSMENT	NEW RATING
<p>The TC had 4 components<sup>9</sup>, each component with a specific goal intending to overcome a barrier or mitigate a risk:</p> <p>Component 1: Technical assistance and Legal mechanisms            Component 2: Financial mechanisms            Component 3: Validation &amp; Monitoring and evaluation mechanisms            Component 4: Capacity building and communications</p> <p>The implementation of each component was set in a procurement plan with detailed, budgeted and scheduled consulting activities.</p> <p>In total US\$634,014.04 was allocated to hire consulting activities. The most significant deliverables for each component are:</p>	<b>MU</b>

<sup>7</sup> <https://www.findeter.gov.co/alumbradopublicoed/index.html#>

<sup>8</sup> See Annex 1: Definition of Ratings.

<sup>9</sup> [https://www.greenfinancelac.org/wp-content/uploads/2016/09/Colombia\\_\\_Financing\\_mechanisms\\_for\\_private\\_investments\\_in\\_\\_Energy\\_Efficient\\_EE\\_public\\_lighting\\_pro.pdf](https://www.greenfinancelac.org/wp-content/uploads/2016/09/Colombia__Financing_mechanisms_for_private_investments_in__Energy_Efficient_EE_public_lighting_pro.pdf)

- Component 1: the development of a methodology for the technical, legal, and financial structuring of projects for public lighting systems. Due to time constraints, it was partially applied in five pilot municipalities, which included the characterization, diagnosis, and business model of their public lighting systems (that included three geo-referencing of their luminaires). All output indicators for this component were met; even one of the three indicators exceeded the expected target. The implementation of the pilot faced delays and had to be restructured due to time limitations. However, the methodology developed is a tool used by Findeter and municipalities for EE public lighting project structuring.
- Component 2: the identification and analysis of financial mechanisms that best fit Findeter's products and services, to continue supporting Public Lighting Modernization projects in Colombia. The TC couldn't grant the expected subsidy to the interest rate of the credit line. Hence, only one of the goals set up in the indicators was achieved.
- Component 3: the design of an evaluation strategy, and monitoring & evaluation system for EE projects financed by Findeter was delivered. Both goals set up in the component indicators were achieved.
- Component 4: the design and implementation of a comprehensive strategy for communication and socialization of EE LED public lighting projects. All the goals set up in the component were achieved; even one goal exceeded the expected target.

The main challenges faced during the TC implementation were:

- The change of Colombia's President in 2018, also implied changes in Findeter's board of directors which brought changes in internal procurement procedures and policies. In particular, there were major stakes settling with a "procurement committee" conformed by high level members.
- There were also changes in local (mayoralties) and sub-national (governorates) governments, which generated official's rotation at all levels, demanding additional efforts of socialization, awareness and outreach to the new officials.
- The COVID-19 context and quarantine completely paralyzed the field work with some municipalities for a few months. That affected the already planned activities for the period between March and August, restarting with some limitations towards the end of the TC, causing delays, especially related to the georeferencing activities.
- The Colombian peso (COP) was devalued, which implied an effect on the exchange rate when returning unused resources to the Inter-American Development Bank (IDB).

<p>The IDB envisaged ways to adapt the TC according to the needs of the context, specifically in the area of contracting, by using Article 10<sup>10</sup>, and also by adjusting the procurement plan as many times as required by the circumstances. The IDB worked as a partner to Findeter and supported suggestions for modification to the procurement plan and try to deliver as many products as possible within the available deadlines. In some cases, the goals weren't met due to additional factors (i.e. consultancy for component 2 and restructuring of consultancy for component 1).</p>	
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**RISK RATING & ASSESSMENT**

***Make any adjustments necessary to the assessment and ratings<sup>11</sup> of overall Project Risk<sup>12</sup> that you provided in the last PIR (2019-2020). [Text and rating of last PIR included for your convenience.]***

OVERALL RATING FOR PROJECT RISK	NEW RATING
<p>Overall, the project's risk is rated as Substantial since during the execution of the project the following new risks have been identified:</p> <ol style="list-style-type: none"> <li><b>1. Lack of coordination with beneficiary entities could delay the implementation of the TC</b>            Mitigation strategy: strengthen inter-institutional relations based on constant communications (email, calls) allowing the beneficiary entity to understand the scope and importance of the TC, taking into account that they are resources from a cooperation source with specific implications.            Status: the risk was effectively managed given the close coordination and follow-up to the implementation of the activities programmed with the beneficiaries.</li>   <li><b>2. Decline in processes due to schedule issues or quality of proposals</b>            Mitigation strategy: present viable options for procurement processes that would be nulled for not finding the adequate technical and economical bidder.            Status: the risk persisted and materialized when the procurement process for the consultancy 3 (for the component 1) was cancelled after not finding the right specialized firm. However, the option chosen to move forward rapidly was to hire five consultants individually with lower unitary costs.</li>   <li><b>3. Disruption of a catastrophic or epidemic event</b>            Mitigation strategy: prepare in advance safety protocols to mitigate any foreseen operative risk that ensure the continuity of activities as planned.</li> </ol>	<p><b>S</b></p>

<sup>10</sup> Article 10. Selection and contracting of different consulting services, acquisition of goods and selection and contracting of consulting services. " (d) The Bank will review the selection, contracting and acquisition processes, as established in the Procurement Plan. At any time during the execution of the Project, the Bank may change the mode of review of said processes, previously informing the Beneficiary or the Executing Agency. The changes approved by the Bank must be reflected in the Procurement Plan. "

<sup>11</sup> See Annex 1: Definition of Ratings.

<sup>12</sup> These should include risks identified at CEO Endorsement AND any new risks identified during implementation.

<p>Status: the risk became a reality with the appearance of COVID-19. The TC team was in close coordination with the risk unit in Findeter to set the safety protocols, but there were national lockdown measures that generated delays in scheduled activities and field work.</p> <p><b>4. Abrupt changes in the Representative Market Rate (RMR)<sup>13</sup></b> Mitigation strategy: Monetize the transferred resources in USD to COP as soon as the RMR was favorable to Findeter. Status: the risk became a reality and Findeter faced a loss when returning the unallocated amounts of the TC. Better coordination with the bank’s currency desk would have helped to mitigate this risk.</p> <p><b>5. Potential delays in the TC implementation due to problems with vendors</b> Mitigation strategy: applying strict evaluation criteria during the contractor selection process and permanent monitoring of the quality of the products delivered. Status: the risk was effectively managed during the implementation of all the consultancies and services hired.</p> <p>Likewise, the IDB’s team had meetings every week with executing and sub-executing agencies to improve the coordination, monitoring and particularly, be aware of potential causes of delay and be able to solve them on time. Taking into account the abovementioned comments, the Project Risk is considered as Substantial Risk.</p>	
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**GENDER**

*Please add information on any progress, challenges and outcomes with regards to any and all gender-responsive measures that were undertaken in the project’s activities.*

*Also: Were indicators on gender equality and women’s empowerment incorporated in the project’s results framework? (Yes/No). If applicable, include the indicator with its baseline, target and current value (2019-2020).*

Even though the project did not consider the gender dimension during the design phase, Findeter tracked record of the number of direct beneficiaries disaggregated by gender. During the program execution 400 people among municipalities were trained in the program methodologies, disaggregated by gender; 155 females and 245 males received direct support from the program.

<sup>13</sup> The weighted daily average of the exchange rate between the Peso Colombiano (COP) and the United States Dollar (USD),

## **STAKEHOLDER ENGAGEMENT**

***Please add information on any progress, challenges and outcomes with regards to stakeholder engagement, based on the project's activities since June 30<sup>th</sup>, 2020. As applicable, please include information on issues and solutions related to COVID-19.***

The key stakeholders for the TC activities since June 30<sup>th</sup>, 2020 were Findeter, the pilot municipalities, the IDB and the consultants hired to deliver the planned activities. Findeter and the pilot municipalities signed cooperation agreements within the framework of the TC in order to achieve the objectives, products and results of the TC in a more effective and coordinated way, creating synergies with municipalities.

COVID-19 generated delays in procurement processes for contracting consultants and firms and also deploying field work, which was very restricted, especially with municipalities regarding expected pilot testing. Fortunately, the TC's procurement plan was flexible and the close coordination between IDB and Findeter helped to find options for moving forward with the planned activities. The most important challenges and outcomes that illustrate stakeholder engagement are:

### **Component 1: Pilots**

Considering that the procurement process based in quality and cost BID- 002-2020 launched in May 2020 couldn't be ruled out and was canceled, Findeter and IDB opted instead for directly contracting five consultants (two legal consultants, two financial consultants and an engineering professional) to carry out a comprehensive diagnosis and business model of the Public Lighting System in five municipalities: Paipa, Popayán, Nariño (Cundinamarca), Fusagasugá and Saravena. These services started in July 31<sup>st</sup>, 2020 and ended in October 7<sup>th</sup>, 2020.

They also agreed to hire the specialized firm Electro Software to carry out a geo-referenced survey for the collection of the information on luminaires, for three of the municipalities: Paipa - Boyacá, Saravena - Arauca, and Nariño - Cundinamarca. Considering that the number of luminaires was less than ten thousand; the products were available in a little over than two months (from July 31<sup>st</sup> to October 8<sup>th</sup>, 2020), adjusting positively to the time constraints of the TC.

The worked done by the five consultants and the specialized firm required active interaction with the pilot municipalities to exchange information and implementing the technical, financial and legal EE LED public lighting project methodology developed by the TC to identify the most efficient business model for project structuring for each municipality. The municipalities were committed and actively participated with the consultants. As a result, they acknowledge the usefulness of concrete tools provided by the TC that can be used in public bids, in the current management of public lighting infrastructure and for implementing future upgrades towards LED technology.

### **Component 3: Validation, monitoring and evaluation mechanisms**

The specialized firm IDOM was hired in July 10<sup>th</sup>, 2020 until October 10<sup>th</sup>, 2020 to design a strategy to assess the EE projects to be financed by Findeter.

During the first stage, the consultant carried out the necessary activities to develop a diagnosis, the theoretical framework, the indicators and the strategy for choosing the Impact Assessment methodology<sup>14</sup>. During the second stage, the consultant built a data collection strategy and procedure; and then tested the methodology in two EE projects structured by Findeter, building a matrix of base data necessary to carry out regression

<sup>14</sup> Differences in Differences-DIFF IN DIFF, an econometric technique that measures the effect on the dependent variable or quantitative response, of a treatment, in a certain period in time.

exercises in Stata. Finally, a "Technical Guide for Impact Assessment Methodology" was developed, allowing the testing exercise to be replicated in the future. As an additional product, Findeter's Technology Department is working on a Business Intelligence dashboard that will allow reporting the data of the evaluations in a didactic and consolidated way. This consultancy was closely coordinated between IDOM's team and Findeter's TC team.

#### **Component 4: Capacity building on communication**

The firm Grupo Holísticas S.A.S. started its contract on July 6<sup>th</sup>, 2020 until September 30<sup>th</sup>, 2020 to design and implement a complete strategy for the communication and socialization of EE public lighting projects. This strategy was the framework to socialize the TC with the civil society and key stakeholders whom Findeter's was doing the diagnosis with for the methodology to structure EE public lighting projects. As a result, it was possible to position the benefits of modernization in public lighting among stakeholders, socialize Findeter's methodology for structuring this type of projects, and offer the support that Findeter provides to municipalities in their lighting modernization projects, among others.

The above was obtained thanks to the development of:

- 11 socialization events that had the participation of 400 attendees from different interest groups.
- The management of free press that achieved 25 effective interviews and 59 publications in the media throughout the country.
- The development of a mini-site for the project that received more than 4,500 visits<sup>15</sup> thanks to the publication of more than 100 graphic pieces on social networks (Facebook, LinkedIn and Twitter<sup>16</sup>).
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For this component, the stakeholder interaction was more active between the consultant, the key stakeholders of the project and groups of interest that Findeter was interested in reaching out. There was also a close coordination between the consultant and Findeter's TC team.

During the TC implementation period there was enough flexibility from Findeter and IDB to adapt and find solutions in response to the changing context and challenges. In addition to that, the TC team achieved a good stakeholder engagement due to the following measures that were implemented during the whole TC duration:

- Internal technical coordination meetings at least once a month, in which the implementation status was evaluated and the general work plan was drawn up and the monthly work plans were adjusted.
- Meetings with the municipalities to create awareness, associate them with the TC and determine the actions to follow.
- Missions with IDB, virtually or in person on a permanent basis, whenever requested to share updates on the achievement of objectives, goals and products; and operational challenges were addressed.

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<sup>15</sup> As of January 2021

<sup>16</sup> On Twitter, 37,369 interactions were achieved; on Facebook the publications were shared 198 times and 7 comments and 776 likes were received; on LinkedIn, 797 clicks, 510 recommendations and publications were achieved, and they were shared 70 times (data as of January 2021).



**KNOWLEDGE**

**Please add information on knowledge activities and products developed in relation to the project (with GEF or non-GEF resources), with special emphasis on activities carried out since June 30<sup>th</sup>, 2020. As applicable, please include information on issues and solutions related to COVID-19.**

As mentioned above, regarding the design and implementation of the design and implementation of the strategy for the communication and socialization of EE public lighting projects many activities related to knowledge and socialization were implemented, as follows:

- 11 socialization events that had the participation of 400 attendees from different interest groups.
- The management of free press that achieved 25 effective interviews and 59 publications in the media throughout the country.
- The development of a mini-site for the project that received more than 4,500 visits thanks to the publication of more than 100 graphic pieces on social networks (Facebook, LinkedIn and Twitter).

A friendly version of the methodology<sup>17</sup> for structuring EE public lighting projects is available to download in the mini-site as well as videos of the pilots on the five municipalities.

**PROJECT MODIFICATIONS**

**Please report any significant modifications made to the project design since June 30<sup>th</sup>, 2020. (The basis for comparison is the Project Results Framework Matrix included in the original Request for CEO Endorsement Document.) As applicable, please include information on issues and solutions related to COVID-19.**

CHANGE MADE TO	YES/NO	DESCRIPTION OF CHANGE AND EXPLANATION
Objective	NO	N/A
Outcome	NO	N/A
Output/Activities	NO	N/A
Other	YES	12 month extension was granted in 2019.

**Has the project been granted any extension or other modification covered by the IDB’s OA-420 since June 30<sup>th</sup>, 2020? If yes, please explain below.**

No.

<sup>17</sup> <https://www.findeter.gov.co/alumbradopublico/docum/Cartilla%20final.pdf>

**LESSONS LEARNED / BEST PRACTICES**

*If the project generated any lessons learned or best practices implemented since June 30<sup>th</sup>, 2020, please provide a short description. As applicable, please include information on issues and solutions related to COVID-19.*

TOPIC/THEME	LESSONS
Political Risk	The design of the TC should have taken into consideration the political context of the presidential and sub-national election and the potential impact that that scenario would have in the selection and implementation of the activities.
Operational Risk	The design of the TC should have brought Findeter and IDB into a reflection exercise to contemplate precautionary alternatives in anticipation of complexities in procurement processes and finding other viable options caused delays during outstanding project time that could have been reduced if previous alternatives could have been analyzed and prepared as back-up. The figure of public procurement and administrations in this case was very complex and delayed; therefore, it is best to seek an easier operating alternative. Furthermore, the FINDETER must streamline the communication and non-objection process applicable to requests from the FINDETER.
Institutional involvement	During the design of the TC, a whole-of institutional approach should have been contemplated by the officials in charge of its implementation. Involving the legal unit, procurement unit and other IDB units that were going to be actively participating in the project implementation was critical in the design phase to ensure the viability of the proposed components and the detailed activities and indicators.
Outreach and dissemination	It is important for products prepared in this project to be available to the general public and advertised in electronic media.
Capacity building	The project left personnel trained in EE project structuring and evaluation. The beneficiaries who participated in the development of the project's products may help scale this project and meet the demand not satisfied by EE projects.
Stakeholder ownership	The design of the project must include a consultation with the key stakeholders, especially those that are ultimately responsible for implementing the proposed activities, in this case, municipal mayor and governor offices.
Market demand	EE LED public lighting projects are profitable by themselves; therefore, they require awareness, technical assistance, accompaniment, and a special fund from local governments. If proper structuring is performed, it will be easier to find funding. FINDETER may develop a project pipeline for funding. Furthermore, it is important to work with concessionaires, where applicable, and to extend this program to other public entities such as hospitals, schools and other citizen service providers. Other key stakeholders for sustainability purposes are municipalities, associations of municipalities, local banks, and public utility companies, among others, that may be important to carry out PPP.
Key roles in the project	The technical leadership for this type of projects is indispensable to achieve good performance. A team must be defined in order to create an implementation unit, which shall be responsible for carrying out the project's activities under a clear scheme of cooperation with the various units in the organization. This must be carried out with clearly defined planning, including goals, responsible persons and lead times

TOPIC/THEME	LESSONS
Cost benefit analysis	EE LED public lighting projects offer multiple environmental, social, and economic benefits. It is vital to develop more EE projects and to carry out a cost/benefit study/analysis of their implementation.
Close monitoring of the project	The project should have performed a Mid-Term Evaluation/Review, which may be carried out upon an implementation of 50% of the funds or in the middle of the implementation period, with the object of clarifying limitations and providing recommendations for its implementation. FINDETER should have employed project monitoring to trigger alarms sufficiently in advance.

## ANNEX 1. DEFINITION OF RATINGS

### Development Objective Ratings

1. **Highly Satisfactory (HS):** Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
2. **Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
3. **Marginally Satisfactory (MS):** Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.
4. **Marginally Unsatisfactory (MU):** Project is expected to achieve **some** of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.
5. **Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.
6. **Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

### Implementation Progress Ratings

1. **Highly Satisfactory (HS):** Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.
2. **Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.
3. **Marginally Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.
4. **Marginally Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.
5. **Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.
6. **Highly Unsatisfactory (HU):** Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

### Risk ratings

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

1. **High Risk (H):** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.
2. **Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.
3. **Modest Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.
4. **Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.