

G2 - 5573-IN

Supplemental Letter No. 2

**INDIA  
STATE OF TELANGANA**

January 27, 2016

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

INDIA: Credit No. 5573-IN  
(Telangana Rural Inclusive Growth Project)  
Performance Monitoring Indicators

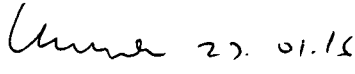
Dear Sirs and Mesdames:

We refer to: (a) Section II.A of Schedule 2 to the Financing Agreement of even date herewith between India (the Recipient) and International Development Association (the Association); and (b) Section II.A of the Schedule to the Project Agreement of even date herewith between the Association and the State of Telangana (the Project Implementing Entity).

Unless otherwise agreed with the Association, we shall monitor and evaluate implementation of the Project in accordance with the Performance Monitoring Indicators attached to this letter.


Very truly yours,

**INDIA**

By   
Authorized Representative

Very truly yours,

**STATE OF TELANGANA**

By   
Authorized Representative

Attachment – Performance Monitoring Indicators

### Annex 1: Results Framework and Monitoring

PDO Level Results Indicators	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR 1	YR 2	YR 3	YR 4	YR 5			
<b>PDO Indicator One:</b> <i>Enhanced income of 250,000<sup>1</sup> producers in selected project mandals.</i>											
<b>Indicator 1:</b> 50% incremental income increase of the target households <sup>2</sup>	<input type="checkbox"/>	%	0	0	10	20	30	50	Mid Term/EOP	Household Survey	Implementing agency supported by technical partners
<b>Indicator 2:</b> 70% of the producers benefiting are from poorest and SC/ST households	<input type="checkbox"/>	%	0	0	15	30	50	70	Mid Term/EOP	Household Survey	Implementing agency supported by technical partners
<b>PDO Indicator Two:</b> <i>250,000 poor households obtain improved human development status</i>											
<b>Indicator 1:</b> % increase in pregnant and lactating women who practice core child nutrition and health care behaviors <sup>3</sup>	<input type="checkbox"/>	%	0	0	5	10	15	20	Mid Term/EOP		Implementing agency supported by technical partners
<b>Indicator 2:</b> % increase in use of HD services (ICDS, health and sanitation services) by households	<input type="checkbox"/>	%	0	0	10	15	20	30	Annual	Household Survey	Implementing agency supported by technical partners
<b>PDO Indicator 3:</b> <i>500,000 poor households have enhanced access to systems that deliver improved information, enrollment and</i>											

<sup>1</sup> The project will intervene in 150 mandals and about 5000 villages. It is expected that nearly 50 households from each of the village would be covered

<sup>2</sup> % increase in income from the selected value chain

<sup>3</sup> In this context, core child nutrition and health behaviors are defined as: (1) initiation of breastfeeding within one hour of birth; (2) exclusive breastfeeding upto 6 months of age; (3) immunizations; (4) complementary feeding which includes breastfeeding up to 2 years of age and feeding with 3+ food groups a minimum number of times per day; (5) diarrhea management; and (6) hand washing.

<i>payment for social protection and entitlement programs..</i>												
<b>Indicator 1:</b> Where one stop shop has been established, percentage of eligible households with access to at least three entitlement programs or key services	<input type="checkbox"/>	%	0	0	50	60	70	80	Yearly	Survey	Implementing agency supported by technical partners	
<b>Intermediate Level Results Indicators</b>		<b>Unit of Measure</b>	<b>Baseline</b>	<b>Cumulative Target Values</b>					<b>Frequency</b>	<b>Data Source/ Methodology</b>	<b>Responsibility for Data Collection</b>	
				YR 1	YR 2	YR 3	YR 4	YR 5				
<b>Component 1: Value Chain Development</b>												
<b>Indicator1 :</b> % of targeted households organized into producer organizations		%	10	10	20	40	60	70	Monthly	Project MIS	Implementing Agency	
<b>Indicator 2:</b> % increase in productivity from improved practices among target farmers		%	0	0	10	20	30	30	Annual	HHs survey	Implementing agency supported by technical partners	
<b>Indicator 3:</b> % increase in per unit price realization		%	0	0	10	15	20	20	Annually	HHs survey	Implementing agency supported by technical partners	
<b>Indicator 4:</b> % Increase in quality and size of consumer basket purchased at a KRuSHE Mart		%	0	0	10	20	30	40	Monthly	Project MIS and Agreed Index	Implementing Agency	
<b>Component 2: Human Development</b>												
<b>Indicator 1:</b> % of villages in the target mandals that have prepared and are implementing Village HD/WASH plans		%	0	0	20	60	80	90	Quarterly	Project MIS	Implementing Agency	
<b>Indicator 2:</b> % of exception reports generated by the Mother		%	0	0	50	80	90	95	Monthly	Project MIS	Implementing Agency	

and Child Tracking system acted upon by the field functionaries											
<b>Indicator 3:</b> Percentage of villages reporting data in the integrated Mother and child tracking system	%	0	0	60	80	90	95	Monthly	Project MIS	Implementing Agency	
<b>Indicator 4:</b> Number of VHNSC and PRI members trained	No.	0	125	1000	5000	9000	10,000	Monthly	Project MIS	Implementing Agency	
<b>Component 3: Digital Local Government</b>											
<b>Indicator 1:</b> No. of targeted panchayats that have operationalized <sup>4</sup> one stop Shop services for safety nets and entitlements	No.	0	0	700	1400	2100	2800	Monthly	Project MIS	Implementing Agency	
<b>Indicator 2:</b> % of enrolled beneficiaries in targeted gram panchayats who receive payments on time for key entitlements (NREGA, social pensions, Insurance)	%	15	15	20	30	50	80	Quarterly	MIS	Implementing Agency	
<b>Component 4: ICT, TA &amp; Partnerships</b>											
<b>Indicator 1:</b> Extent of utilization of ICT for measurement and decision support ( index to be developed)		0	40	60	80	80		Periodically	External Studies	External Agency	
<b>Indicator 2 :</b> Number of good quality technical support agencies working with project		0	4	6	8	8	8	Periodically	External Studies	External Agency	
<b>Indicator 3:</b> No of partners working with project in providing		0	4	6	8	8	8	Annually			

<sup>4</sup> Includes those that have reliable connectivity and are providing package of select services

market access for producers											
<b>Component 5 : Project Implementation Support</b>											
<b>Indicator 1:</b> Project Monitoring, Evaluation and Learning ( M,E & L) System including MIS established		NA	NA	Baseli ne compl eted  MIS establi shed	MIS fully automa ted  Feedbac k from Monito ring studies and MIS operati onalize d			Evaluati on studies complet ed.  Credibl e Project Informa tion Availab le	Periodic	External Studies	External Agency
<b>Indicator 2:</b> Project Implementation procedures and agreed business standards <sup>5</sup> are followed for at least 80% of the project interventions		%	NA	20	30	50	70	80		External Studies	

<sup>5</sup> Project shall develop business standards for the services being delivered by the project