

LN 8420-MK

Supplemental Letter No. 2

PUBLIC ENTERPRISE FOR STATE ROADS

October 21, 2014

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Loan No. 8420-MK
(National and Regional Roads Rehabilitation Project)
Performance Monitoring Indicators

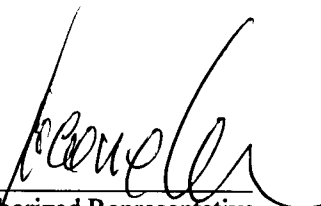
Dear Sirs and Mesdames:

This refers to paragraph A.1, Section II of Schedule 2 to the Loan Agreement between the Public Enterprise for State Roads (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above captioned Project.

The Borrower hereby confirms to the Bank that the indicators set out in the attachment to this letter shall serve as the basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives thereof.

Very truly yours,

PUBLIC ENTERPRISE FOR STATE ROADS

By 
Authorized Representative

**(National and Regional Roads Rehabilitation Project)
Performance Monitoring Indicators**

Results Framework

Project Development Objectives

PDO Statement

The Project Development Objectives are to enhance the connectivity of selected national and regional roads, primarily to Corridors X and VIII, and to improve the Public Enterprise for State Roads' capacity for road safety and climate resilience.

These results are at | Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values				
		YR1	YR2	YR3	YR4	End Target
Reduction in travel time for passenger cars, in percentage, along the project roads sections to be rehabilitated	0.00	4.00	6.00	8.00	10.00	10.00
Reduction of vehicle operating costs for heavy trucks, in Euro per vehicle-km, along the project road sections to be rehabilitated	0.79	0.75	0.73	0.71	0.69	0.69
Percentage of all PESR road projects that incorporate road safety audit recommendations	0.00	0.00	10.00	50.00	100.00	100.00
Climate resilience design guidelines prepared and integrated by PESR in their internal design process	No	No	No	Yes	Yes	Yes

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values				
		YR1	YR2	YR3	YR4	End Target
Roads rehabilitated (km)	0.00	37.00	61.00	86.00	112.00	112.00
Roads in good and fair condition as a share of total classified roads (percentage)	79.00	80.00	80.00	81.00	81.00	81.00
Road safety design audit guidelines prepared	No	No	No	Yes	Yes	Yes
Climate resilience design guidelines prepared	No	No	No	Yes	Yes	Yes
Number of kilometers of road network surveyed for road safety (iRAP)	500.00	500.00	3000.00	3000.00	4000.00	4000.00
Five year rolling program for national and regional roads preservation works prepared based on the RAMS	No	No	Yes	Yes	Yes	Yes
Percentage of beneficiaries expressing satisfaction with condition of the project roads	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)
Direct project beneficiaries (number), of which female (percentage).	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)	N/A (to be defined during the 1 st year program)
Annual performance report prepared and published by PESR	No	No	Yes	Yes	Yes	Yes

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Reduction in travel time for passenger cars, in percentage, along the project roads sections to be rehabilitated	This indicator measures the average travel times of passenger cars along the roads to be rehabilitated under the project. The travel time reduction is expressed in percent relative to the baseline that is a zero reduction. This indicator will be measured at the end of the project and will be monitored annually for the roads rehabilitated under the project.	Annual	Project Progress Reports	PESR
Reduction of vehicle operating costs for heavy trucks, in Euro per vehicle-km, along the project road sections to be rehabilitated	This indicator measures the vehicle operating costs for trucks along the roads to be rehabilitated under the project. Vehicle operating costs are expressed in Euro per vehicle-kilometer. This indicator will be measured at the end of the project and will be monitored annually for roads rehabilitated under the project.	Annual	Project Progress Reports	PESR
Percentage of all PESR road projects that incorporate road safety audit recommendations	This indicator measures if PESR requires that all PESR projects have road safety design audits included and its recommendations implemented. This indicator will be measured annually and at the end of the project.	Annual	Project Progress Reports	PESR
Climate resilience design guidelines prepared and integrated by PESR in their internal design process	This indicator measures if PESR requires that all PESR projects have climate resilience measures included. This indicator will be measured annually and at the end of the project.	Annual	Project Progress Reports	PESR

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Roads rehabilitated (km)	Kilometers of national and regional roads rehabilitated under the project.	Annual	Project Progress Reports	PESR
Roads in good and fair condition as a share of total classified roads (percentage).	Percentage of the total national and regional road network that is in good or fair condition depending on the road surface and the level of roughness. The total classified roads are considered the state roads as defined by national legislation.	Annual	Road Asset Management System	PESR
Road safety design audit guidelines prepared	This indicator measures the actual preparation of guidelines for road safety design audits for inclusion in all PESR road projects.	Annual	Project Progress Reports	PESR
Climate resilience design guidelines prepared	This indicator measures the actual preparation of guidelines for climate resilience design for inclusion in all PESR projects.	Annual	Project Progress Reports	PESR
Number of km of road network surveyed for road safety (iRAP)	Kilometers of national and regional roads surveyed with iRAP or similar methodology.	Annual	project Progress Reports	PESR
Five year rolling program for national and regional roads preservation works prepared based on the RAMS	This indicator measures the actual preparation of a five year rolling program for national and regional roads preservation works prepared based on the RAMS road network database and a life cycle economic evaluation of project alternatives.	Annual	Project Progress Reports	PESR
Percentage of beneficiaries expressing satisfaction with condition of the project roads	This indicator measures the satisfaction of local communities and other road users with the condition and safety of the project roads.	Annual	Project Progress Reports	PESR
Direct project beneficiaries (number), of which female (percentage).	This indicator measures the number of direct project beneficiaries and percentage of female beneficiaries among them.	Annual	Project Progress Reports	PESR

Annual performance report prepared and published by PESR	This indicator measures the improved transparency and accountability of PESR through annual performance report to be done and published by PESR.	Annual	PESR website	PESR
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