

**OFFICIAL
DOCUMENTS**

W. 8483-AM

Supplemental Letter No. 2

ARMENIAN SOCIAL INVESTMENT FUND

April 8, 2015

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

Re: Loan No.8483-AM
(Social Investment and Local Development Project)
Performance Monitoring Indicators

This refers to paragraph A of Section II of Schedule 2 to the Project Agreement of this date between Armenian Social Investment Fund of the Republic of Armenia (the Project Implementing Entity) and the International Bank for Reconstruction and Development ("Bank") for the above-captioned Project.

The Project Implementing Entity hereby confirms to the Bank that the indicators set forth in the attachment to this letter shall serve as a basis for the Project Implementing Entity to monitor and evaluate the progress of the Project and the achievement of the objective thereof.

Very truly yours,

ARMENIAN SOCIAL INVESTMENT FUND

By U. Z. / [Signature]
Authorized Representative

Results Framework and Monitoring

Social Investment and Local Development Project

Project Development Objectives										
PDO Statement										
Improve quality and use of and access to community and intercommunity infrastructure.										
These results are at		Project Level								
Project Development Objective Indicators										
Indicator Name	Baseline	Cumulative Target Values								
		YR1	YR2	YR3	YR4	YR5				End Target
Direct project beneficiaries (Number) - (Core)	0	18,037	70,026	131,564	169,760	186,736				186,736
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	0	50	50	50	50	50				50

Average percentage increase in access to and use of SILD infrastructure		Targets to be defined following data collection in early calendar year 2015.									
Percentage of beneficiaries in project areas (Component 1) who are satisfied with the quality of infrastructure (Percentage)	85 ¹			85		85					85
Percentage of beneficiaries (female) in project areas (Component 1) who are satisfied with the quality of infrastructure (Percentage)	85			85		85					85
Percentage of beneficiaries in project areas (Component 2) who are satisfied with the quality of infrastructure (Percentage)	0			70		75					80
Percentage of beneficiaries (female) in project areas (Component 2) who	0			70		75					80

¹ Baseline values other than zero are current values of the ASIF 3 project, which Component 1 continues.

are satisfied with the quality of infrastructure (Percentage)												
Intermediate Results Indicators												
Indicator Name	Baseline	Cumulative Target Values										
		YR1	YR2	YR3	YR4	YR5					End Target	
Percentage increase in primary visits to health centers rehabilitated under SILD (Percentage)		Targets to be defined following data collection in early calendar year 2015.										
Percentage increase in events held in community centers rehabilitated under SILD (Percentage)		Targets to be defined following data collection in early calendar year 2015.										
Percentage increase in enrollment in kindergartens rehabilitated under SILD (Percentage)		Targets to be defined following data collection in early calendar year 2015.										
Percentage decrease in absences in schools rehabilitated under SILD (Percentage)		Targets to be defined following data collection in early calendar year 2015.										
Percentage increase in supplied water quantity in communities with	70	No data will be	70	70	70	70					70	

a SILD water related intervention (Percentage)		available yet									
Percentage of SILD micro and intercommunity projects that are well-maintained according to the quality, maintenance, and cost of civil works assessment (Percentage)	60			65		70					70
Number of microprojects completed (Number)	0	17	52	90	110	120					120
Number of intercommunity projects completed (Number)	0	0	7	17	25	28					28
Percentage of microprojects in the vulnerable and most vulnerable communities (Percentage)	81.8	80	80	80	80	80					80
Grievances registered related to delivery of project benefits that are actually addressed (Percentage) (Core)	0	50	75	100	100	100					100
Number of key stakeholders (municipal officials, village council members, community leaders)	0	51	198	372	480	528					528

trained in FM, budgeting, accounting, and asset management (Number)											
Percentage of key stakeholders (municipal officials, village council members, community leaders) trained in FM, budgeting, accounting, and asset management who are satisfied with the training (Percentage)	80			80		80					80
Number of proposals for new Component 2 projects evaluated (Number)	0	0	8	20	31	35					35
Amount of new funding for ATDF's operations mobilized (USD million) (Amount)	0	0	0	3	5	5					5
Institutional assessment completed and recommendations implemented (Yes/No)	No		Yes								Yes
Communications/outreach/fund-raising strategy developed and implemented (Yes/No)	No		Yes								Yes

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Direct project beneficiaries	<p>Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information.</p> <p><i>Supplemental Value: Female beneficiaries (percentage).</i> Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage.</p>	Semiannually	ASIF semiannual reports. Defined as the total number of direct beneficiaries in the recipient communities of either micro or intercommunity projects. Official definition of direct beneficiaries is described in the POM.	ASIF
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female.	Semiannually	ASIF semiannual reports. Defined as the total number of direct female beneficiaries in the recipient communities of either micro or intercommunity projects.	ASIF

Percentage of beneficiaries in project areas who are satisfied with the quality of infrastructure (disaggregated by gender)	Defined as the percentage of surveyed beneficiaries rating their satisfaction as 4+ on a five-point scale of satisfaction, with the quality of the project according to the post-completion beneficiary assessment. Under Component 2 targets were set lower than under Component 1 given that projects are new and innovative and may not have the same satisfaction rates.	Twice. Year 3 and Year 5	ASIF beneficiary surveys	ASIF
Average percentage increase in access to and use of SILD infrastructure	This indicator aggregates use and access measures of the various project subtypes. It is a weighted average of that project subtype's share in the total SILD portfolio. For example, if out of a total portfolio of 120 projects, 60 are schools with 20% average increase in attendance; 40 are kindergartens with 30% average increase in attendance; and 20 are water projects with 80% increase in water quantity, the average increase will be calculated as follows: [60*20%+40*30%+20*80%]/120.	Semiannually starting in Year 3	ASIF project appraisal and post-project review report	ASIF

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Percentage decrease in absences in schools rehabilitated under SILD	Average percentage of days absent per student per year before and a year after an ASIF project is implemented	Semiannually starting in Year 2	ASIF project appraisal and post-project review reports	ASIF

Percentage increase in enrollment and decrease in absences in kindergartens rehabilitated under SILD	Average percentage of increase in enrollment based on data before an ASIF project and a year after it is implemented; and average percentage of days absent per child per year before and a year after an ASIF project is implemented	Semiannually starting in Year 2	ASIF project appraisal and post-project review reports	ASIF
Percentage increase in water available in communities with an SILD water-related intervention	Average change [%] in supplied water quantity (liters/second) in ASIF water projects	Semiannually starting in Year 2	ASIF project appraisal and post-project review reports	ASIF
Percentage increase in primary visits to health centers rehabilitated under SILD	Average increase in the number of primary health visits per year before and a year after ASIF project implementation.	Semiannually starting in Year 2	ASIF project appraisal and post-project review reports	ASIF
Percentage increase in events held in community centers rehabilitated under SILD	Number of cultural events (concerts, performances) and classes as reported by the community before and after ASIF project implementation.	Semiannually starting in year 3	ASIF project appraisal and post-project review reports	ASIF
Percentage of SILD micro and intercommunity projects that are well-maintained according to the quality, maintenance, and cost of civil works assessment	Percentage of well-maintained infrastructure (those with a score of 3 and higher on a scale 1 to 4 (bad, satisfactory, good, excellent) in the quality of civil works assessment. This assessment will be conducted at Year halfway through year 2 and halfway through year 4 and then reported in Year 3 and 5 respectively.	Year 3 and Year 5	Quality, maintenance and cost of civil works assessment	ASIF

Number of microprojects completed	Number of ASIF Component 1 projects completed	Semiannually	ASIF semiannual reports	ASIF
Number of intercommunity projects completed	Number of projects completed under Component 2	Semiannually	ASIF semiannual reports	ASIF
Percent of microprojects in the vulnerable and most vulnerable communities	Vulnerable and most vulnerable communities are identified by ASIF through an econometric analysis of 13 statistically significant and objective indicators on community vulnerability. ASIF has targets to commit 40 percent of resources to the most vulnerable and 40 percent of resources to vulnerable communities. Targets were set lower than the baseline given that Component 2 projects will be differently designed and perhaps not reach the current baseline in vulnerable communities.	Semiannually	ASIF semiannual reports	ASIF
Grievances registered related to delivery of project benefits that are actually addressed	ASIF is implementing a new complaints system and will start tracking complaints received and responded to. Because it is new, there is no baseline.	Semiannually	ASIF semiannual reports	ASIF
Number of key stakeholders (municipal officials, village council members, community leaders) trained in FM, budgeting, accounting, and asset management	Defined as the number of trained officers (municipal officials, village council members, and community leaders).	Yearly	ASIF semiannual Reports	ASIF

Percentage of key stakeholders (municipal officials, village council members, community leaders) trained in FM, budgeting, accounting, and asset management who are satisfied with the training	Defined as the percentage of training recipients rating their satisfaction as 4+ on a five-point scale of satisfaction, with the training according to the post-training beneficiary assessment.	Year 3 and Year 5	ASIF beneficiary assessments	ASIF
Number of proposals for intercommunity projects evaluated	Number of proposals for Component 2 projects received and evaluated	Semiannually	ASIF MIS	ASIF
Amount of new funding for ATDF's operations mobilized	New donor, private sector, and/or community funding mobilized	Yearly	ASIF	ASIF
Institutional assessment completed and recommendations implemented	ASIF has fully implemented the SDC-funded institutional assessment recommendations, including hiring for new positions, training staff and creating new departments, all where relevant.	Year 3	SDC consultant, ASIF, and process evaluation	SDC consultant and ASIF
Communications/outreach/fund-raising strategy developed and implemented	SDC-funded communications and outreach strategy developed with ASIF fully implementing it, including hiring staff where relevant and implementing other recommendations	Year 3	SDC consultant, ASIF, and process evaluation	SDC consultant and ASIF