

**OFFICIAL
DOCUMENTS**

Ln 8561-MK

Supplemental Letter No. 2

REPUBLIC OF MACEDONIA

January 14, 2016

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

Re: Loan No. 8561-MK
(Second Municipal Services Improvement 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 Borrower and the International Bank for Reconstruction and Development (the Bank) for the Loan 8561-MK (Second Municipal Services Improvement 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,

REPUBLIC OF MACEDONIA

By 
Authorized Representative

**Loan No. 8561-MK
(Second Municipal Services Improvement Project)**

Performance Monitoring Indicators

Project Development Objectives

PDO Statement

The proposed Development Objective of MSIP2 Project (PDO) is to improve transparency, financial sustainability and inclusive delivery of targeted municipal services in the participating municipalities.

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)	0.00	0	0	20,000	60,000	100,000	100,000
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	0.00	0	0	50	50	50	50
Vulnerable/marginalized people with marginalized measured as the number of unemployed, social assistance receiving or in other ways vulnerable population that benefits from the project intervention (Percentage - Sub-Type: Supplemental)	0.00	0	0	5	7	10	10
Number of participating municipalities (i.e. the municipalities which signed sub-loan agreements) that regularly publish sub-project progress information on their official websites or elsewhere (Number)	0.00	2	4	8	14	20	20

Percentage of completed sub-projects that generated improved financial performance, including through increased revenue earnings or cost savings (Percentage)	0.00	0	0	30	50	90	90
Number of the completed subprojects that focus on social inclusion (Number)	0.00	0	0	5	9	17	17
Intermediate Results Indicators							
	Cumulative Target Values						
Number of sub-loans signed (Number)	0.00	3	5	10	15	20	20
Number of poverty/social inclusion investment grants signed (Number)	0.00	0	0	5	9	17	17
Number of sub-projects, financed by sub-loans or grants, successfully completed (Number)	0.00	0	3	10	20	37	37
Number of jobs generated, measured as the number of employees of contractors and engineering companies that perform works under the sub-projects (Number)	0.00	200	500	900	1100	1,500	1,500
Number of visits to websites that publish sub-project progress information (Number)	0.00	5,000	50,000	100,000	250,000	500,000	500,000
Participants in consultation activities during sub-projects preparation (Number)	0.00	50	100	200	300	400	400
Participants in consultation activities during sub-projects preparation - female (Number - Sub-Type: Breakdown)	0.00	15	30	60	90	120	120
Piped household water connections that are benefiting from rehabilitation works undertaken by the project (Number) - (Core)	0.00	100	200	300	400	600	600

Roads rehabilitated, Rural (Kilometers) - (Core)	0.00	0	0	10	20	30	30
Roads rehabilitated, non-rural (Kilometers) - (Core)	0.00	0	0	8	15	20	20