

OFFICIAL DOCUMENTS *CL. 5601-KG*
D041-KG

Supplemental Letter

COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY

June 12, 2015

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

Re: Credit No. 5601-KG
Grant No. D041-KG
(Third Village Investment Project)
Performance Monitoring Indicators

Dear Sirs and Mesdames:

This refers to paragraph A.1 of Section II to the Schedule to the Project Agreement between the Community Development and Investment Agency (Project Implementing Entity) and the International Development Association (the Association) for the above-mentioned Project. The Project Implementing Entity hereby confirms to the Association that the indicators set out 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 objectives thereof.

Very truly yours,

COMMUNITY DEVELOPMENT INVESTMENT AGENCY

By 
Authorized Representative

Performance Monitoring Indicators**Project Development Objectives**

- (a) Building local capacity for participatory development and (b) improving access to quality community infrastructure services in targeted project areas

Project Development Objective Indicators												
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	YR5	End Target			
Number of municipal districts (AAs) with Local Development Strategy developed involving community		Number	0	0	150	180	220	266	266	Yearly	Minutes of public hearings / AK resolution/ Working groups/MIS	ARIS
Number of AAs conducting public hearings annually, where		Number	0	0	150	180	220	266	266	Yearly	MIS/minutes/AK resolution	ARIS

information is disclosed to the public on budget formulation and execution in accessible formats cumulative)												
Number of AAs with access to improved quality infrastructure services (disaggregated by non-subsidized and subsidized)		Number	0	0	8/20	11/45	15/55	19/65	19/65	Yearly	MIS	ARIS
Direct project beneficiaries (number), of which female (percentage)	X	Number/ Percentage	0	10,000/ 30	20,000/ 30	23,000/ 30	26,000/ 30	29,000/ 30	29,000/ 30	Yearly	MIS	ARIS
Beneficiaries that report improved access to infrastructure services as a result of		Percentage	0	0	0	70/40	70/40	70/40	70/40	Yearly	MIS, survey	ARIS

project activities (gender disaggregated)												
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Results indicators by components

Component 1. Capacity building and empowerment

												ARIS
Percentage of beneficiaries with increased knowledge of local governance topics covered under project trainings		Percentage	0	60	60	60	60	60	60	Yearly	Knowledge Tests/MIS	ARIS
Average number of people that participated in public hearings at village level		Number	0	0	100	100	100	100	100	Yearly	Minutes of meeting/MISMIS/interviews	
Percentage of beneficiaries that perceive their role has increased in decision-		Percentage	0	0	70/30	70/30	70/30	70/30	70/30	Yearly	Minutes of meeting/MIS/interviews/survey	ARIS

making (disaggregated by gender)												
Satisfaction rate of beneficiaries who attended exchange visits (peer to peer learning)		Percentage	0	0	0	80	80	80	80	Yearly	Evaluation forms following the exchange visits	ARIS
Number of AAs that have submitted proposals to compete for grants cumulative		Number	0	80	160	240	240	0	240	Yearly	Proposals submitted/ minutes of the evaluation committee, MIS	ARIS

Component 2. Rural Investment

Number of sub-projects completed		Number	0	0	8	16	20	24	At least 24	Yearly	MIS/ SP and MP completion and acceptance certificates	ARIS
Number of grants for micro-projects implemented (cumulative)		Number	0	0	20	40	50	60	At least 60	Yearly	MIS/ SP and MP completion and acceptance certificates	ARIS
Percentage of actually allocated vs.		percentage	0	0	0	70	70	70	70	Yearly	MIS/ costs confirmation letter	ARIS

planned funds for O&M												
Percentage of beneficiaries that feel that community investments funded by the project reflected their priority needs	X	percentage	0	0	0	80	80	80	80	Yearly	Satisfaction surveys/MIS/ interviews	ARIS

Component 3. Project Management

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	YR5	End Target			
Ratio between operating expenditures and total project budget		Number	0	2.9	4.9	7.0	9.1	10.3	10.3	Quarterly	MIS, Finance Unit	ARIS

Project Development Objective Indicators (PDO)

Indicator Name	Description (indicator definition etc.)
Number of municipal districts (AAs) with Local Development Strategy developed involving community members	This indicator measures “participatory development” part of the PDO. This cumulative indicator will measure whether local development plans have been developed in a participatory manner and whether each Development Strategy is at a basic acceptable quality that covers 3-5 year planning that includes a feasible budget.
Number of AAs conducting public hearings annually, where information is disclosed to the public on budget formulation and execution in accessible formats	This is a PDO indicator to demonstrate that capacity has been built in one of the key participatory local governance dimensions, participatory budgeting. If local self-governments are able to hold these meetings and report to the community how they have managed/executed budget in a given year, and disclose information in accessible formats, this is an indication that their budgeting capacity has improved. The law on financial and economic foundations of the Local Self-Governments (Article 13, item 7) stipulates that the review and approval of the budgets should be done transparently and publicly in open sessions of the local council (<i>ayil kenesh</i>) and in public hearings, and the budgets must be published in mass media. This indicator requires at least one meeting annually (where local self-government bodies discuss with public the budget execution update from the previous year and the budget formulation for the current year.
Number of municipal districts (ayil aymaks) with access to improved quality infrastructure services	This indicator will measure the second part of the PDO, ‘access to improved quality infrastructure services’. ‘Infrastructure services’ refers to successfully constructed/rehabilitated infrastructure + fully functioning facility+ existence of operations and maintenance plan and budget. This indicator will be disaggregated by subsidized and non-subsidized municipalities.
Direct project beneficiaries (number), of which female (percentage)	This indicator measures individuals actively using the infrastructure services supported by the project, or those who participated in trainings or peer-to-peer learning activities funded under the project.
Beneficiaries that report improved access to infrastructure services as a result of project activities (gender disaggregated)	This indicator will rely on a perception survey to measure satisfaction with improved access to infrastructure services.

Intermediate Results Indicators	
Indicator Name	Description (indicator definition etc.)
Component 1	
Percentage of beneficiaries with increased knowledge of local governance topics covered under project trainings	ARIS will rely on interviews with beneficiaries and a series of before and after knowledge tests in communities to obtain data for the measurement of this indicator.
Average number of people that participated in public hearings at village level	This indicator will ensure that decisions on community priorities were made with the participation of average 100 people per village.
Percentage of beneficiaries that perceive their role has increased in decision-making (disaggregated by gender)	This indicator will be based on a qualitative perception survey.
Satisfaction rate of beneficiaries who attended exchange visits (peer to peer learning)	This indicator will be based on an evaluation form that will be provided to the participants of study tours, which will have a scoring method for measuring satisfaction.
Number of municipal districts (AAs) that have submitted proposals to compete for grants	This indicator seeks to measure 'increasing local level capacity for participatory development'. AAs would need to use all the knowledge and skills learned in trainings in order to complete and submit proposals. As part of the project proposal ,they need to submit their local development strategies, investment plans, procurement, O&M planning
Component 2 indicators	
Number of sub-projects completed	ARIS will use this indicator to measure the number of sub-projects completed, including new or renovated exiting schools, kindergartens, bridges, health clinics, and other physical facilities. Data for this measurement will come from the MIS.
Number of grants for micro-projects implemented	ARIS will use this indicator to measure the number of small-scale/micro-projects completed, including minor repair works and beautification works. Data for this measurement will come from the MIS.

Percentage of actually allocated vs. planned funds for O&M	ARIS will analyze MIS/costs confirmation letters to measure the percentage of funds that were allocated for Operations and Maintenance. Calculations: (Actual/Planned)x100 percent = Percent of O&M budget spent relative to planned for each sub-project and micro-project, then the total summation of percentages for all Bank-financed projects divided by the total number of projects in service during that year (calculated as weighted average).
Ratio between operating expenditures and total project budget	ARIS will analyze data supplied by MIS and Finance Unit to quarterly assess what percentage is the operating costs of the total project budget. This information will help to gauge overall progress with project's implementation.