

W. 8489-AL

Supplemental Letter No. 2

REPUBLIC OF ALBANIA

April 10, 2015

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

Re: Loan No. 8489-AL
(Results-Based Road Maintenance and Safety Project)
Performance Monitoring Indicators

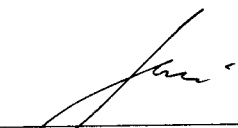
Dear Sirs and Mesdames:

This refers to the provisions of Section III.A of Schedule 2 to the Loan Agreement of this date between the Republic of Albania (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 forth in the attachment to this letter shall serve as a 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 ALBANIA

By: 

Authorized Representative

PERFORMANCE MONITORING INDICATORS

Project Development Objectives

PDO Statement

(a) To maintain the condition and improve the safety of the Albanian Primary and Primary-Secondary road network, and (b) strengthen sustainable and efficient road asset management and safety practices, for the benefit of road-users.

These results are at Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values									End Target	
		YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9		
Road Condition, as a function of the average IRI of the project road network, does not deteriorate (IRI measured as m/km) (Text)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Fatalities on an annual basis across the National road network. (Number)	295.00	286.00	277.00	268.00	259.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00

Preparation and implementation of fully-costed multi-year maintenance plans, on an annual basis (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values										End Target										
		YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9												
Length of project roads under routine maintenance through Performance Based Contracts (Kilometers)	0.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	1,335.00	
Social Transparency System being used to monitor feedback trends, with issues being closed out and monthly reports being prepared. (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

iRAP surveys completed showing an improvement in Safety Star ratings across the project roads. (Text)	TBC - Star Rating from First Year Survey																		A better value than the original Star Rating
Length of national road network for which condition survey data obtained and entered into RMS database. (Kilometers)	0.00	850.00	1600.00	2450.00	3400.00	3400.00	3400.00												3400.00
Road Safety Media Campaign developed and in use. (Yes/No)	No	No	No	Yes	Yes	Yes	Yes												Yes
Accident Information Database enhanced and in	No	No	Yes	Yes	Yes	Yes	Yes												Yes

use by end of Year 2 (Yes/No)																					
Finalize Beneficiary Impact Assessments and Completion Reports (Yes/No)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes
Preparation of Transport Sector Strategy (Yes/No)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Road Condition, as a function of the average IRI of the project road network, does not deteriorate (IRI measured as m/km)	Based on HDM4 analyses, the average IRI should not deteriorate. This analysis of IRI will be confirmed by measurements of the project roads.	Annually	Estimated from Project Preparation Maintenance Strategy Report.	ARA through the Monitoring Consultant
Fatalities on an annual basis across the National road network.	Annual fatalities using the official Albanian statistics (which does not	Annually	MoTI Annual Road Safety Report	IMRSC

	include fatalities that subsequently occur after hospitalization)			
Preparation and implementation of fully-costed multi-year maintenance plans, on an annual basis	This is a measure of the sustainability of the process and outcome of maintenance activities being institutionalized under the project.	Annually	ARA	ARA

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Length of project roads under routine maintenance through Performance Based Contracts	Performance Based maintenance Contracts will be awarded for five-year periods, which will include a routine maintenance component covering the project roads.	Annual review of progress.	Contract records which will be provided through the Monitoring Consultants to ARA, to be confirmed by annual technical audits and DLI audits.	ARA through Technical Assistance.
Social Transparency System being used to monitor feedback trends, with issues being closed out and monthly reports being prepared.	Within the Monthly Feedback and Trend Reports, information will be disaggregated by gender and other socio-economic criteria)	Monthly	ARA through the STS	ARA
iRAP surveys completed showing an improvement in Safety Star ratings across the project roads.	An iRAP Safety Star survey will be done across all project roads - initially to obtain baseline data, then at mid-project and again prior to project completion.	Baseline, Mid-project, Project completion.	Base-line from first year annual iRAP survey of project roads.	ARA through TA under Monitoring Consultant

Length of national road network for which condition survey data obtained and entered into RMS database.	Condition data to be surveyed on an annual basis	Data collected continuously, but indicator to be reviewed annually.	ARA road database.	ARA, initially with technical assistance.
Road Safety Media Campaign developed and in use.	Media campaigns will be developed and be in use to communicate key safety messages to the public.	Annual review of progress.	ARA through IMRSC, under Technical Assistance for Component 2	ARA through IMRSC
Accident Information Database enhanced and in use by end of Year 2	ARA will procure Technical Assistance who will work with key stakeholders including IMRSC, MoTI and Traffic Police, to develop a comprehensive, digitally based, Road Accident Database.	Annual review of progress	ARA through IMRSC, under TA for Component 2	ARA through IMRSC
Finalize Beneficiary Impact Assessments and Completion Reports	To ensure that a full assessment of the strengths and weakness of the project is made prior to project completion, including lessons-learned.	Once, just prior to project completion.	ARA Records	ARA through Technical Assistance.
Preparation of Transport Sector Strategy	As part of sector reforms, GoA has committed to preparing a Transport Sector Strategy	Once	MoTI	MoTI