Supplemental Letter to the Project Agreement

ARMENIAN SOCIAL INVESTMENT FUND

February 24, 2012

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

Re: IDA Credit No. 5071-AM
(Third Additional Financing for the Social Investment Fund III Project)
Performance Monitoring Indicators

Dear Sirs and Mesdames:

This refers to the provisions of Section II.A of the Schedule to the Project Agreement of this date between the International Development Association (the Association) and the Armenian Social Investment Fund (ASIF) for the above-captioned Project.

ASIF hereby confirms to the Association that the indicators set forth in the attachment to this letter shall serve as a basis for ASIF to monitor and evaluate the progress of the Project and the achievement of the objectives thereof.

Very truly yours,

ARMENIAN SOCIAL INVESTMENT FUND

By Authorized Representative

Attachment
Attachment to the Supplemental Letter No. 2
to the Project Agreement

Revised Project Results Framework

**Project Development Objective (PDO):** Support the Government’s policy to raise the living standards of the poor and vulnerable groups through: (i) improving the quality and access, and increasing the coverage of community infrastructure and services in poor communities, and for the most vulnerable groups in response to critical needs; (ii) promoting complementary institutional capacity building at the community and municipal level so as to improve the quality and sustainability of community investments and service delivery, increase accountability, and enhance greater stakeholder empowerment at the local level; and (iii) creation of employment associated with the provision of community infrastructure and services.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators</th>
<th>UOM¹</th>
<th>Baseline Origina l Project Start (2006)</th>
<th>Progress To Date (2011)</th>
<th>Cumulative Target Values 2012 2013 2014</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator One: Increased coverage of community infrastructure and services providing higher quality and better access in poor and vulnerable communities targeted under the project.</td>
<td>numbe r</td>
<td>619</td>
<td>852</td>
<td>867</td>
<td>892</td>
<td>902</td>
<td>Quarterly and annual</td>
<td>ASIF MIS, M&amp;E reports</td>
</tr>
<tr>
<td>Indicator Two: Capacity building the municipal level to train municipal officials directly involved in community micro-projects in financial management</td>
<td>numbe r</td>
<td>1800</td>
<td>2315</td>
<td>2365</td>
<td>2515</td>
<td>2515</td>
<td>Quarterly and annual</td>
<td>ASIF MIS, M&amp;E reports</td>
</tr>
<tr>
<td>Indicator Three: Strengthened service delivery systems through integrated social service centers, specialized centers for vulnerable groups.</td>
<td>numbe r</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>Quarterly and annual</td>
<td>ASIF MIS, M&amp;E reports</td>
</tr>
</tbody>
</table>

¹ UOM = Unit of Measurement.
### Revised Project Results Framework

**Indicator Four:** Empowerment of beneficiary communities through capacity building to effectively plan and manage their investments on a sustainable basis and strengthen partnerships with local government.

**Indicator Five:** Enhancement of project targeting through a community mapping and profiling exercise designed to identify the neediest communities in Armenia.

<table>
<thead>
<tr>
<th>Number</th>
<th>123</th>
<th>133</th>
<th>153</th>
<th>158</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

### Project Beneficiaries

- Number: 1,250,627
- Number: 1,280,000
- Number: 1,437,000
- Number: 1,508,000

<table>
<thead>
<tr>
<th>Number</th>
<th>657,388</th>
<th>673,000</th>
<th>751,000</th>
<th>786,000</th>
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<tbody>
<tr>
<td></td>
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</table>

### Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Core</th>
<th>Unit of Measurement</th>
<th>Baseline and Original Project Start (2006)</th>
<th>Progress To Date (2011)</th>
<th>Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No MPs</td>
<td>0</td>
<td>233</td>
<td>248, 273, 283</td>
<td>Quarterly and annual</td>
<td>ASIF MIS, M&amp;E reports</td>
<td>ASIF, Bank Task Team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% points</td>
<td>0</td>
<td>22.7, 24.2, 26.6, 27.6</td>
<td></td>
<td>Quarterly and annual</td>
<td>ASIF MIS, M&amp;E reports</td>
<td>ASIF, Bank Task Team</td>
<td></td>
</tr>
</tbody>
</table>
### Revised Project Results Framework

#### Intermediate Result Indicator: Number of jobs to be treated from completed micro-projects
- **Indicator:** Number of jobs to be treated from completed micro-projects
- **Data:** 0
- **Unit:** job days
- **Value:** 447,400
- **Frequency:** Quarterly and annual
- **Source:** ASIF MIS, M&E reports

#### Intermediate Result Indicator: Number of jobs to be treated from the local manufacturing of new school furniture
- **Indicator:** Number of jobs to be treated from the local manufacturing of new school furniture
- **Data:** 0
- **Unit:** job days
- **Value:** 39,345
- **Frequency:** Quarterly and annual
- **Source:** ASIF MIS, M&E reports

#### Intermediate Result Indicator: Total income generated from micro-projects
- **Indicator:** Total income generated from micro-projects
- **Data:** 0
- **Unit:** US$ 7,231
- **Frequency:** Quarterly and annual
- **Source:** ASIF MIS, M&E reports

#### Intermediate Result Indicator: Total income generated from the local manufacturing of school furniture
- **Indicator:** Total income generated from the local manufacturing of school furniture
- **Data:** 0
- **Unit:** US$ 432,795
- **Frequency:** Quarterly and annual
- **Source:** ASIF MIS, M&E reports

#### Intermediate Result Indicator: Number of schools and kindergartens benefiting from the consumption of school furniture and equipment
- **Indicator:** Number of schools and kindergartens benefiting from the consumption of school furniture and equipment
- **Data:** 0
- **Unit:** No of schools
- **Value:** 802
- **Frequency:** Quarterly and annual
- **Source:** ASIF MIS, M&E reports

#### End of project target has been modified to exclude double counting of the schools that received furniture and equipment in two rounds.

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**From improved social/economic infrastructure and services. For explanation see “Revisions to the Results Framework” section above.**
## Revised Project Results Framework

<table>
<thead>
<tr>
<th>Intermediate Result Indicator</th>
<th>comm unity centers</th>
<th>annual</th>
<th>reports</th>
<th>Team</th>
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<tr>
<td><strong>Intermediate Result Indicator</strong></td>
<td>% points</td>
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<td>70</td>
<td>70</td>
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<tr>
<td><strong>Intermediate Result Indicator</strong></td>
<td>number</td>
<td>1800</td>
<td>2315</td>
<td>2365</td>
</tr>
<tr>
<td><strong>Intermediate Result Indicator</strong></td>
<td>rating</td>
<td>s</td>
<td>s</td>
<td>s</td>
</tr>
</tbody>
</table>

**Note:** The baseline value represents the number of trained municipal officials in financial management under ASIF I and II.