

UJ 8393-UZ

Supplemental Letter No. 2

REPUBLIC OF UZBEKISTAN

April 8, 2015

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

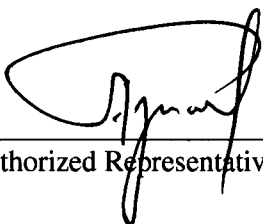
Re: Loan No. 8393-UZ
(Horticulture Development Project)
Performance Monitoring Indicators

Dear Sirs and Mesdames:

This refers to paragraph 1 of Section II.A of Schedule 2 to the Loan Agreement between the Republic of Uzbekistan (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above-mentioned Project. The Borrower hereby confirms to the Bank that the indicators set out 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 UZBEKISTAN

By 
Authorized Representative

**Horticulture Development Project
Performance Monitoring Indicators**

Project Development Objective: The project development objective is to enhance the productivity and profitability of the horticulture sector in the project area.												
Indicator Name	Core	Unit of measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	
				YR 1	YR 2	YR 3	YR 4	YR 5				End Target
Project Development Objective Indicators												
Increase in overall farmer productivity		%	0	5	9	12	16	20	annual	Annual survey reports	RRA, PFIs	
Increase in overall gross sales of farmers		%	TBC		6	10	15	20	annual	Annual survey reports	RRA, PFIs	
Increase in overall gross sales of agribusinesses		%	TBC		5	10	15	20	annual	Annual survey reports	RRA, PFIs	
Direct beneficiaries engaged in profitable small-scale agri-business ventures in the horticulture sector of which women	X	Number	0	50	200	400	500	500	annual	Subject monitoring and PFI reports	RRA, PFIs and RAA	
Change in aggregate portfolio lending by participating financial institutions to horticulture sector		%	0 ¹	4	8	12	15	18	Bi-annual	Progress reports of PFIs	PFIs and RRA	
Intermediate Results Indicators												
Component 1: Agricultural Support Services (Strengthened institutional capacity to provide timely information, services and technical support for promotion of competitiveness in horticulture sector development)												
Number of Client days of training provided of which women	X	Number	0	960	2880	4800	6720	8640	9600	annual	Progress reports of RRA	RAA
Farmers and traders trained in real-time information on markets and pricing on horticulture products of which women	X	Number	0	200	800	1600	2400	3200	4000	annual	Progress reports of RRA	RAA
Introduction of new horticulture crop/crop varieties		Number	0	0	5	2	6	10	12	annual	Progress reports of RRA and Research institution progress reports	RAA and Research institution

¹ The absolute values would be defined in Year 1

Horticulture crops for which pest and diseases mapping completed at the regional level		Number	0	0	0	3	8	12	15	+20	annual	Progress reports of RRA and Research institution progress reports	RAA and Research institution
New horticulture crops/crop varieties demonstrated in project areas (planting techniques, disease and pest management, water management, etc.)	X	Number	0	0	2	4	6	8	20	annual	Progress reports of RRA	RAA	
Number of studies of new markets for horticulture crops undertaken		Number	0	0	1	2	4	5	+5	annual	Progress reports of RRA and Research institution progress reports	RAA	
Component 2: Access to Credit (Improved access to financial services for agri-business development)													
Change in financing for horticulture within agriculture portfolio in participating financial institutions		%	10%	10%	12%	14%	16%	18%	+20%	Bi-annual	PFI reports and financial audits	PFI's	
PFI's staff trained and supporting investments in horticulture sector (cumulative values)	X	number	0	150	250	250	250	250	250	250	Bi-annual	Progress reports of PFI's and RRA	PFI's and RRA
Loans/sub-loans appraised and approved under credit line	X	number	50 (under RESP II)	100	250	350	450	550	650	quarterly	Progress reports of PFI's and RRA	PFI's and RRA	
Farmers and traders accessing project supported cold-storage, packaging and marketing, production and value addition facilities		Number	0 ²	200	800	1600	2400	3200	4000	annual	Progress reports of RRA	RAA and PFI's	
Component 3: Project Management (Strengthened capacity for project management, monitoring and evaluation)													
Well-staffed national project coordination/management team in place		text	RAA staffed, but needs additional capacity for HDP	+	+	+	+	+	+	+	quarterly	Progress reports and WB supervision missions	RRA and WB
Monitoring and evaluation system used by MAWR and RRA for assessing project performance and guiding project adjustment		text	Not in place yet	+	+	+	+	+	+	+	quarterly	Progress reports and WB supervision missions	RRA and WB

² The absolute baseline number will be determined in Year 1