Subject: IBRD Loan No. 8549-UA
Road Sector Development Project
Revised Performance Monitoring Indicators

This refers to: (a) paragraph A.1 of Section II of Schedule 2 to the Loan Agreement, dated November 19, 2015, between Ukraine (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”); and (b) the Project Agreement between the Bank and STATE ROAD AGENCY OF UKRAINE UKRAVTODOR of the same date as the Loan Agreement (“Project Agreement”).

The Borrower confirms below to the Bank that the indicators set forth in Annex 1 to this letter shall serve as a basis for the Borrower to monitor and evaluate the progress of the above-mentioned Road Sector Development Project and the achievement of the objectives thereof.

Very truly yours

Baher El-Hifnawi
Acting Country Director
Belarus, Moldova and Ukraine
Europe and Central Asia Region

AGREED:

UKRAINE

By: [Signature]

Name: Serhiy Keletny
Title: Deputy Minister of Finance of Ukraine
Date: 03.02.2020
**Road Sector Development Project**

**ANNEX I**

PDO Indicators

Improve transport connectivity, maintenance operations and road safety

1. Reduction in travel time between Poltava and Valky (Minutes). From 140.0 to 96.
2. Reduction in traffic accidents involving injury and fatalities on Poltava to Kharkiv road (Number). From 139 to 85.
3. Fatalities on Poltava-Kharkiv road (Number). From 26 to 16.

Improve road network management

4. Road network management modernized measured by percentage reduction in number of over-weight trucks (Percentage). From 30 to 15.
5. Strategy for Maintenance Reform prepared and adopted (Yes/No). This measures the steps towards implementation of the maintenance reform program, in particular the role of the DAKs. From No to Yes.

Intermediate Results Indicators

Road Rehabilitation and Safety Improvement

6. Roads constructed, non-rural (M-03) (Kilometers). From 0.0 to 66.
7. Beneficiaries that feel project investments reflected their needs (%) gender disaggregated (Percentage). From 0 to 80.
8. Ukravtodor publishes annual report on GRM and how issues were resolved [including resolution rates] (Yes/No). From No to Yes.
9. Short-term construction jobs (Number). From 0 to 1200.
10. Direct daily road-user beneficiaries (Number). From 0 to 27,000.
11. Indirect road-user beneficiaries in Poltava and Kharkiv regions (Number). From 0 to 4,400,000.
12. Roads rehabilitated with improved road-safety (M-12) (Kilometers). From 0 to 41.

Network Management and Development

13. First phase implementation of modern network management tools:(i) weigh-in-motion control system (Yes/No). From No to Yes.
14. Tolling strategy, system specification and bidding documents prepared and adopted (yes/no). From No to Yes.
15. Strategy for maintenance reform prepared and adopted (yes/no). From No to Yes.
16. Digital Passport implemented on National Roads (with up-to-date conditions and traffic data) (Kilometers). From 0 to 590.
17. Feasibility and detailed design completed (Kilometers). From 0 to 500.

Maintenance of Core National Road Corridors

18. OPRC Template Bidding Documents prepared. (Yes/No). From No to Yes.