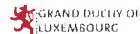




Livelihoods and Food Security Trust Fund



Date: 03 June 2016

Ref. No: MYA/01/P/004/33/2016

U Ohn Myint
General Secretary,
Radanar Ayar
No-40, Bogyoke Aung Sann Road,
Ward-5, Bogalay 10231

Subject: Project Management Indicators 2015

Dear U Ohn Myint,

Based on your submitted inception phase report and annual reports for 2015, we would like to send you the outcome of our analysis using the “traffic light” or project management indicators. Please refer to Annex A for an explanation of the indicators and the traffic lights tool. This tool was introduced to enable the Fund Board, the LIFT Office and Implementing Partners to monitor progress on a set of five simple indicators of project and contract management performance.

The results for all LIFT projects active in 2015 are summarised in Table 1 below. It also shows you the progress over the last years since this tool was introduced in 2012. In Table 2 you’ll find the report for your projects for 2015:

Table 1: Implementing Partners 2012 - 2015

Indicator	Low risk (green)		Medium risk (yellow)		High risk (red)	
	Threshold	% of grants	Threshold	% of grants	Threshold	% of grants
1 Implementation rate	> 90% on track	35%	71 – 90% on	30%	≤70% on	35%
2 Annual expenditure	>90% spent	23%	71 - 90% spent	32%	≤70% spent	45%
3 Reporting timeliness	0 days late	61%	1 - 7 days late	30%	>8 days late	9%
4 Report completeness	100% complete	95%	71 - 99%	0%	≤70%	5%
5 Management controls	0 open observations	88%	1-3 open observations	13%	>3 open observations	0%
Overall rating¹ 2015	41%		45%		14%	
2014	51%		37%		12%	
2013	48%		41%		11%	
2012	32%		41%		32%	

¹ The overall rating is assigned through a weighting of the risk assessment on each of the five indicators.

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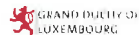


Table 2: Radanar Ayar 2015

Inception Phase: R2.1/001/2015 – Food Safety Project (Heineken)

Name of IP	MoA #	Implement rate	Expenditure rate for inception phase	Reporting (timeliness)	Reporting (completeness)	Management controls	Overall
Radanar Ayar	R 2.1/001/2015	● 14.08%	● 74%	● 0	NA	Note 2	●

Note 2: Inception Phase not yet audited

Annual 2015: R1.3/0008/2012 – Socio-Economic and Environmental Development in Bogalay (SEED)

Name of IP	MoA #	Implement rate	Expenditure rate for 2015	Reporting (timeliness)	Reporting (completeness)	Management controls	Overall
Radanar Ayar	R1.3/0008/2012	● 98.58%	● 95%	● 0	● 100%	● 0	●

We would like you to review the findings and address any red and yellow traffic lights for the next reporting period.

Please also keep our program staff updated on delays and difficulties in implementation so that we can assist and advise as required.

Please note that the risk ratings from this exercise will be used by the Fund Board in future funding decisions.

Sincerely

Andrew Kirkwood

LIFT Fund Director

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Annex A – Project Management Indicators

Below you find the definition for each traffic light followed by some common findings across all ongoing projects for the year 2014:

Indicators used to monitor project management performance

Based on the five indicators, each LIFT-funded project is assigned a number of “traffic light” status indicators, which the FMO uses to identify high-risk grants.

Indicator	Definition used	Rationale and assumptions
1 Implementation rate	Proportion of budget spent/ Proportion of project elapsed	An assumption is made that expenditure is evenly spread over the project life, and that if spending falls behind this average rate, there are issues with project implementation that should be investigated.
2 Annual expenditure rate	Reported expenditure for the reporting year	LIFT is keen to ensure partners have sufficient funds to implement projects, but funds should not be disbursed before they are required. Fund Manager monitors IPs' ability to budget accurately.
3 Reporting (timeliness)	No. of days late for submission of annual report	The Fund Manager requires reports to be submitted on time so that all LIFT annual and semi-annual reports can be submitted in a timely manner to the Fund Board and Donor Consortium.
4 Reporting (completeness)	No. of LIFT logframe indicators reported on/No. of indicators previously agreed	The reporting of IPs is crucial to the Fund Manager's ability to report on aggregate progress against LIFT's log frame. IPs agree to report annually against some of LIFT's logframe indicators and the Fund Manager records the degree to which this is done.
5 Management controls	No. of open audit observations from 2011 audit	Having adequate management controls in place is crucial to avoiding fraud (among other things). The Fund Manager requires all IPs to report regularly on whether or not they implement audit findings.

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