



Livelihoods and Food Security Trust Fund



Date: 22 June 2018

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U Ohn Myint
General Secretary
Radanar Ayar
No. 40 Bogyoke Aung San Road
Ward 5
Bogalay 10231

Subject: Project Management Indicators 2017

Dear U Ohn Myint,

Based on your submitted annual reports for 2017, we would like to send you the outcome of our analysis using the LIFT “traffic light” or project management indicators. This tool enables the Fund Board, the LIFT Office, and Implementing Partners to monitor progress based on a set of five indicators of project and contract management performance. Please refer to Annex A for an explanation of the indicators and the traffic lights tool, and Annex B for an overview of all LIFT partners with projects active in 2017. In regards to your project’s progress, please refer to Annex C for full traffic light breakdown.

General Findings and Recommendations

Integrated Agribusiness and Rural Development (IARD) Project

The project presents outstanding results for all the traffic lights indicators and we congratulate the project team for meeting all LIFT requirements. LIFT encourage the project to continue to deliver the same standards across the entire project implementation period with the recommendation to dedicate more accuracy in data collection and record keeping of important technical indicators relevant to the seed production and marketing.

Radanar Ayar has still 1 outstanding audit observations that have been not resolved yet. Please ensure that senior management involve in the swift resolution of the audit observation since the next round of audit is already ongoing

Food Safety Project (Heineken)

The project ended in March 2018, and LIFT acknowledges the challenges faced by the project and specifically the ones related to the engagement between farmers and private sector. LIFT

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recognized the efforts of the project to shift the direction and the focus on GAP certification process and we are pleased to know that other funding have been availed to build up on these initiated efforts.

In reference to Annex C and the above findings and recommendations, we would like you to review 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 may serve as a reference to the Fund Board in future funding decisions.

Sincerely,



Katy Webley

LIFT Fund Director

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Annex A – Project Management Indicators

Below, you will find the definition for each “traffic light” indicator, followed by some common findings across all ongoing projects for the year 2017. Such indicators are 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 log frame 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 log frame indicators and the Fund Manager records the degree to which this is done.
5	Management controls	No. of open audit observations from previous audit(s)	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.

Annex B – Implementing Partners 2012-2017¹

Indicator	Low risk (green)		Medium risk (yellow)		High risk (red)	
	Threshold	% of grants	Threshold	% of grants	Threshold	% of grant
1 Implementation rate	> 90% on track	28%	71 – 90% on track	36%	≤70% on track	35%
2 Annual expenditure	>90% spent	24%	71 - 90% spent	39%	≤70% spent	36%
3 Reporting timeliness	0 days late	88%	1 - 7 days late	8%	>8 days late	4%
4 Report completeness	100% complete	100%	71 - 99% complete	0%	≤70% complete	0%
5 Management controls	0 open	38%	1-3 open observations	49%	>3 open observations	13%
Overall rating 2017	44.6%		44.6%		10.8%	
2016	49%		45%		6%	
2015	41%		45%		14%	
2014	51%		37%		12%	
2013	48%		41%		11%	
2012	32%		41%		32%	

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

¹ This is a preliminary draft table; please refer to the Annual Report 2016 published in June for the final data.

Annex C–Radanar Ayar

Annual Traffic Lights 2016

Integrated Agribusiness and Rural Development (IARD) Project

Name of IP	MoA #	Implement rate	Expenditure rate for 2017	Reporting (timeliness)	Reporting (completeness)	Management controls	Overall
Radanar Ayar	R 1.7/006/2016	114.29%	98%	0	100%	1	

Food Safety Project (Heineken)

Name of IP	MoA #	Implement rate	Expenditure rate for 2017	Reporting (timeliness)	Reporting (completeness)	Management controls	Overall
Radanar Ayar	R 2.1/001/2015	100.25%	99%	0	100%	0	

Annual Traffic Lights 2016

Integrated Agribusiness and Rural Development (IARD) Project

Name of IP	MoA #	Implement rate	Expenditure rate for 2016	Reporting (timeliness)	Reporting (completeness)	Management controls	Overall
Radanar Ayar	R 1.7/006/2016	158.95%	100%	0	100%	1	

Food Safety Project (Heineken)

Name of IP	MoA #	Implement rate	Expenditure rate for 2016	Reporting (timeliness)	Reporting (completeness)	Management controls	Overall
Radanar Ayar	R 2.1/001/2015	79.77%	81%	0	100%	0	