

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME**

**DETERMINANTS OF DONOR FUND UTILIZATION
OF
UN-HABITAT**

**EI EI SAN
(EMBF 5th BATCH)**

DECEMBER 2019

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A thesis submitted as a partial fulfillment towards the requirements for the
degree of Executive Master of Banking and Finance (EMBF)

Supervised By:

Daw Htay Htay
Associate Professor
Department of Commerce
Yangon University of Economic

Submitted By:

Ei Ei San
Roll No - 5
EMBF -5th Batch (2017-2019)
Yangon University of Economic

December, 2019

ABSTRACT

This study aimed to identify the determinants of utilization of funds and to analyze the effects of determinants on fund utilization in CDD unit at UN Habitat, Myanmar. This study adopted a descriptive research design. To accomplish these objectives of the study, the analysis is conducted based on the responses of 70 respondents who are selected by convenient sampling method by using structured questionnaires. The secondary data was obtained from the records of UN-Habitat, Myanmar. The data was summarized by use of descriptive statistics of the mean and standard deviation. Descriptive statistics aimed at summarizing the data set while inferential statistics like correlation and regression analysis used the data collected to draw conclusions about the entire population being studied. The findings of the study established that there is positive and significant relationship between utilization of donor fund and financial management. However technical factors and managerial factors had weak and insignificant relationship with donor fund utilization. The study suggested that implementing sectors have to work towards improvements that will make the three determinants favorable to utilization of donor fund. .

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LIST OF ABBREVIATION

AUSAID	Australian Agency for International Development
BASF	Baden Aniline and Soda Factory
CDD	Community Driven Development
CERF	Central Emergency Response Fund
DFID	Department for International Development
DRD	Department of Rural Development
ECHO	Extension for Community Healthcare Outcomes
ERP	Enterprise Resource Planning
ICT	Information Communication And Technology
IT	Information Technology
Japan	The Government of Japan
LDC	Least Development Country
LIFT	Livelihoods and Food Security Fund
MDGs	Millennium Development Goals (MDGs)
NGOs	Non-Government Organizations
OECD	The Organization for Economic Co-operation and Development
OXFAM	Oxford Committee for Famine Relief
PSCAP	Public Sector Capacity Building Program
UMOJA	Enterprise Resource Planning Software used by the UN
UN	United Nations
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Emergency Fund
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene Services

CHAPTER 1

INTRODUCTION

Myanmar is a developing country under democratic government policies and procedures. Myanmar is implementing to grow every sector such as political, peace building, health, economic, banking sector and social development by coordination with partner agencies. The various donors have been presented in Myanmar since the country gained its independence (1948), that all provide support to the country within their specific mandates. They are implementing for community development sector such as Agriculture, Disaster Risk Reduction, Economic Infrastructure, Education, Environment, Gender, Governance, Health, Information Management, Livelihoods, Mine Action, Nutrition, Peace Building, Private Sector Development, Protection and WASH by coordination with Myanmar Government. The aim of this process is to make the organization fit to meet the Sustainable Development Goals, by making more effective, organized and accountable.

The origin of community development, as it is practiced and understood today, is traceable to certain occurrences and periods in history. According to Bridger and Lull off (2003:38), 'Community development' can be referred to as efforts to improve the economic or structural conditions of a community. Such efforts may focus on business or job creation and physical or infrastructure development. McClenaghan (2002:567) points out that community development in general is a social learning process that serves to empower individuals and involve them in collective activities aimed at socioeconomic development.

Donor funding concept involves giving funds for projects of a development nature by a donor agency or organization. The function of a donor agency is to provide fund through different channels for example through the official (government) channels as well as private channels. Private funding agencies generally channel funds through Non-Government Organizations (NGOs). There are three different kinds of donor funding agencies. The first one is national governments, which gives fund through government aid departments. Secondly, there are multilateral agencies such as the UNICEF, UNFPA and the lastly there are charitable organizations such as OXFAM.

To adapt to best practices resulting from different circumstances of various countries, donors need to be flexible in their policies and how they conduct their activities

so as to accommodate differing institutional capacities, partnerships histories, and traditions. It is a key for the donors to communicate coherently with partner governments and resolve different policies noted so as to align them to those recommended by the partner government, this will enable them make informed and constructive choices. For the donors and the partner's governments to achieve coherent, a lead donor representing all donors working in the sector on all crosscutting issues (OECD 2005) is needed. Donors need to ensure that policies they support are based on credible and sound information. Recognition towards the need of an evidence base policy has seen an increase in the amount of analytical work undertaken. It is key to note that most of this analytical work has been funded by donors as many partners have been noted to have limited capacity.

Successful utilization of fund requires a well-coordinated financial management system by which an organization or institution manages its finances. The very rationale for a sound financial management system and good accounting system is based on the assumption that knowledge and reports emanate from enhanced of decision making consistency that is applicable to donor funded projects.

A sound financial management system which sees an effective utilization of funds be it donor funds or funds from normal operations can be referred to as a system that is capable of providing accurate and reliable information, providing early warning of project implementation issues and facilitating project implementation and tracking the progress of the projects towards their agreed goals.

Myanmar, our country must improve the performance of our public sectors if we are to achieve our stated goals of reducing poverty, accelerating economic growth, and providing better services to our citizens. In general, international aid organizations are eager to purchase recipient participation, do "capacity building" and support local partners.

The community driven development (CDD) programs focus on strengthening the institutional, human capital and system of the public institutions. The CDD program is one the strategies for the long term state transformation agenda. Due attention is also given to support and strengthen the organization for economic cooperation and development. In order to implement these programs effectively and efficiently as well as for the purpose of day to day management of CDD, the regional government designed institutional and implementation arrangement that follows the CDD program

implementation plan, but with some adjustments or modification. For the purpose of day to day management of CDD, the finance department coordinates with the technical department and program coordination department, Hence this research tried to seek the major determinants of CDD fund utilization in program implementing sectors of Yangon region.

1.1 Rationale of the Study

While all functions of financial management roles are equally important, special emphasis is placed on used of fund. This is because effective and productive use of fund helps companies to optimize outputs and profits / returns, reduce capital costs, increase profitability and boost their value. When funds are optimally utilized, it will help the organization grow and flourish in the long-run.

The fund utilization is an important tool for implementation in community development sector. Effectively and efficiently utilization of fund makes the great supporting to community. Fund utilization aims to ensure that capital is not wasted on unessential items or the agency does not overpay for resources used in the field. Limiting the amount of capital spent by community may require the key players to find new vendors for acquiring project inputs, saving resources and any limitation resources.

This study is “Determinants of Donor Fund Utilization” in Community Driven Development (CDD) sector. This study will focus on determinants of fund utilization in community development sector. It will also emphasis on how these determinants effect on donor fund utilization.

In order to cover ways to ensure effective use of fund for development, this study will bear a good implication and lesson learning for other organization to maximize the output that is economic growth, community development through donor fund utilization. This study also aims at finding the limitations of fund utilization in CDD unit compare with a unique successful model for effective use of fund in making relevant suggestions.

1.2 Objectives of the Study

The study has the following basic objectives.

- (1) To identify the determinants of donor funds utilization
- (2) To analyze the effects of determinants on fund utilization in Community Driven Development unit

1.3 Scope and Methods of the Study

The scope of this study is confined to mainly the determinants of donor funds using in community driven development unit in Yangon. There were managerial levels staffs that are experience in CDD unit of UN-Habitat, Myanmar conducted in this survey.

In this study, descriptive method was used. Primary and secondary data were applied in this research. For this, survey questionnaires were distributed to the 70 respondents out of 85 staff, who have working experience in CDD unit. Respondent was selected by using simple random survey method. The target population was from Procurement, Finance, Property Administration, Internal Audit and other technician at management level.

1.4 Organization of the Study

This study is organized into five chapters. Chapter (1) includes the introduction, rational of the study, objective of the study, scope and method of the study and organization of the study. Chapter (2) will cover the literature review on determinants of donor fund utilization. Chapter (3) will provide the overview of fund utilization in community driven development sector in Myanmar. In Chapter (4), the data collection from CDD unit will be evaluated and analyzed. Chapter (5), the conclusion chapter, gives suggestions and proper solutions to problems encountered in fund utilization.

Chapter 2

LITERATURE REVIEW OF THE STUDY

This chapter primarily clarifies basic concepts and definitions relevant to the study subject. Therefore, the chapter comprises the systems and participatory approach to capacity building, nature of donor funds, determinants of donor funds utilization (financials management, technical factors, and managerial factors), utilization of donor funds and conceptual framework of the study.

2.1 Systems and Participatory Approach to Capacity Building

This study based on the theory of “Systems and Participatory Approach to Capacity Building” by Qualman and Morgan (1996). They found that capacity building encompasses institutional development of organizations and networks. It addresses complex multi-faceted problems requiring the participation of various actors’ organizations and institutions. (Qualman A. and P.Morgan, 1996)

According to the (Monica Blagescu and John Young, January,2006) Individuals operate within organizations, individual organizations operate within a wider sector, and these sectors operate within a broader environment. Interventions at one level need to recongnize the interactions with other levels.

Individual level refers to individuals as social or organizations actors. Their skills or ability are strengthened to contribute to the realization of development objectives. Yet too often capacity-building projects have focused on training of individuals without paying adequate attention to organizational issues or broader process of empowerment. Research over the past decade shows that there is possibility of this form of investment being of limited benefit.

Organizational level focuses on organizational structure, processes, resources and management and governance issues. This has been the preferred point of entry for bilateral donors. Yet, capacity building not only is about a thorough analysis of issues at the organizational level, but also is an assessment of how factors at other levels either constrain or support organizational change. Organizations are only part of the vast development picutre.

Sector/network level that capacity-building efforts have recently focused on this level, reflecting an increased awareness of the importance of coherent policies, strategies

and effective coordination within and across sectors. Yet, change at this level poses challenges such as competing organisational priorities, lack of coordination, and lack of organisational capacity. On the positive side, change at this level can contribute to synergies and promote more effective use of existing capacities.

Enabling environment level represents the broader context within which the development process takes place and which can either constrain or enable prospects for success.

Capacity building approach to systems is a multidimensional idea, referring to a multi-level, interrelated definition where each system and component is concerned to another. This approach suggests that capacity building should build on what exists in order to improve it, rather than necessarily build new systems. This becomes a dynamic process through which actor networks try to improve their performance capacities through their own initiative as well as support from outside. While this approach lacks focus, it is comprehensible, flexible and emphasises linkages between elements.

Those who view development as people-centred and non-hierarchical believe that unless capacity building interventions are participatory, empowering partnerships for which those involved feel a high degree of ownership, intended results cannot be achieved. A participatory approach to capacity building can apply at most of the above levels, although the tendency, more often than not, is again on the individual. As a consequence, there is a danger that programs focused on preparation, for example, could be considered capacity building because they were carried out in a participatory manner though not necessarily contributing to the building of capacity in the sense that it has been developed in this paper. Donors need to internalise some of the principles learned about capacity building within their own organisations and adapt their procedures.

2.2 The Nature of Donor Funded Projects

A developing country or Least Development Country (LDC) cannot sustain the national development without any supporting or donor funding or international aids. So, they play a crucial role in developing country and it becomes more and more important hence forward. In this section, emphasis has been placed on how prescriptive expenditure affects project operations. Donor funding is received as loans (payback with interest or without interest) or grants (no payback) and comes from bilateral (between countries), financial institutions and international institutions.

Donors owe a responsibility to their funders (governments or boards) of ensuring that the funds disbursed to the recipients are used for the intended purpose. To meet this objective, disbursements are preceded by a funding agreement which stipulates how the funds will be spent among their other conditions. Expenditure ceilings are thus built into these agreements to prevent misuse, align the impact and outcome of these projects to the countries' direction of development as well as to the Millennium Development Goals (MDGs). Whether the projects are implemented by governments, local Non-Government Organizations or the donor's own local management teams, these strict expenditure ceilings within which implementers have to operate in order to warrant a continued flow of funds from the donors, leave little room for the establishment of sound and effective reporting.

The operational costs include staff salaries, vehicle maintenance and the implementation of a sound reporting process among others. The nature and demand of the other costs elements (salaries and other logistics) in this category ended-up taking a higher priority compared to the setting-up of a sound financial framework capable of delivering organizational-wide reporting.

2.3 Determinants of Donor Funds Utilization

According Daniel Asrat (2015), the determinants of donor funds utilization are financial management factors, technical factors and managerial factors.

2.3.1 Financial Management Factors

Financial management is concerned with accounting and monitoring the origins and uses of the funds used by an entity in its service. It aims at providing the needed money is the most economical way from borrowing owner's investments or sale. Financial management controls how money is used to produce the highest production. Financial management may be in the hands of Chief Financial Officer, a person who acts as a treasurer or finance vice president. The function is to obtain money and then control the use of that money effectively. Financial planning and controlling are aspects of financial management. Financial planning involves analyzing short-term and long term money flows to and from the organization.

Financial management consists of all the activities related to the collection and efficient use of fund. Effective financial management involves careful planning and efficient use of the resources. Poor financial management should ensure that financial targets are set in line with organizational goals and objectives; spending is planned and

managed according to priorities and adequate funding is available when appropriate. Good financial management reduces government and private expenditure by ensuring that the services needed by the citizens especially the poor are actually delivered, maintained and worked properly. Financial managers must ensure that their organizations have enough funds on hand to purchase the materials and human resources that they need to produce goods and services.

According to financial management for non-profits, budgets are tools of the financial management system used for two central management functions: decision making (planning) and monitoring and controlling. A budget is a technically formulated action plan. An organization determines its purpose, mission, objectives, tactics and activities in the process of planning. Through the budget process, decision-makers look at their plan's financial implication: how much a program would cost, and what the projected revenues are. Within the limits of scarce resources, priorities are set and budgets are created.

The budget is also a tool to monitor and control the ongoing activities of the organization. Once a plan has been developed, the organization needs information to see whether it is keeping to its plan. If the company is "off course" it is possible to consider various responses. It provides a basis for tracking progress as the budget defines the program in dollars.

An accounting system is important for the business in keeping records. This is also a necessity for organization in order to ensure effective and efficient financial management. An accounting system is important also because it enables an enterprise to record, classify, analyze, summarize, interpret and present accurate and timely financial data for management purposes.

An accounting practice is designed to implement the accounting practices and procedures of a business. This serve as the regular recoding of financial data that is essential for the evaluation and monitoring of the business activities of the company. Accounting practice refers to the standard, practical application within a business of accounting and /or auditing policies.

2.3.2 Technical Factors

Computer science is a bridging discipline that is fundamentally interested in the application within the organization of information, information technology and

information systems. Therefore, computer science is the study of information systems and information technology applied to different phenomena. Wide range of information technologies, such as the Wide Area Networks, Internet, and Mobile Computing, are used by e-computing to transform organizational operations through the department in order to improve effectiveness, efficiency and service delivery.

An information system collects stores and disseminates information from the environment and internal operations of an organization from a technical perspective to support organizational functions and decision making, communication, coordination, control analysis and visualization. Information systems transform raw data into useful information through three basis activities: input, processing and output. An information system provides a solution to a company's problem or issue and is a blend of elements of management, organization and technology.

The information systems management dimension involves issues such as leadership, strategy and behavior in management. The technology aspect consists of computer hardware, software, data management technology, (including the Internet) and networking/ telecommunications technology. The organizational dimension of information systems includes issues such as the hierarchy of organization, functional specialties, business processes, culture and groups of political interest.

Information systems have become critical, electronic, collaborative devices that are deeply involved in major corporations ' minute-to-minute activities and decision-making. Information systems technology can be reviewed as a factor of production that can be substituted for traditional capital and labor. When information technology costs decline, labor is substituted, which traditionally been an increasing cost has. Therefore, information technology should lead to a decline in the number of middle managers and clerical workers as substitutes for their work in the field of information technology. As IT costs decline, it also replaces other forms of capital, such as buildings and equipment, which remain relatively costly. Hence, the organization should expect managers to increase their investments in IT because of its declining cost relative to other capital investment.

Clearly, IT also impacts the cost and quality of information and influences the information economy. IT helps companies to contract in size as transaction costs can be reduced. IT, especially, the use of networks, can help firms lower the cost of market participation (transaction costs), making it worthwhile for firms to contract with external

suppliers instead of using internal sources. Information technology also can reduce internal management costs. When corporations grow in size and scope, the expense of organizations or organization rises, when owners are increasingly expected to supervise and manage employees. Information technology, by reducing the costs of acquiring and analyzing information, permits organizations to reduce agency costs because it becomes easier for managers to oversee a greater number of employees.

2.3.3 Managerial Factors

The extent of success of donor funded projects is determined by managerial capacity of the human resources of the implementing agencies. The poor management skills may lead to weak understanding of the donor expenditure protocols resulting in ineligible expenditures, which lead to rejection for further funding by the donor. This may be affected by the quality and timeliness of the liquidation documents which complicate the donor fund release, with obvious implications on levels of donor aid effectiveness.

Anthony(2007) described management control as the mechanism through which managers influence other organization members to execute the objectives of the organization as set out in their mission and vision. Management control systems are tools for controlling to help guide an enterprise towards its strategic goals and competitive advantage. Management controls are just one of the methods that administrators use to execute the techniques they like. However, strategies are implemented through controls on management, organizational structure, management of human resources, and culture. Management control system involves the behavior of managers and these behaviors cannot be expressed by equations. Management control system is, according to Eilon (2005), an integrated method for gathering and using information to inspire employee actions and performance evaluation.

Management Control acts in sequence through the following phases: planning, in which a set of goals must be defined for the unit of any organization, that is, specific expected results, which need to be: understandable, agreed, measurable in extent and time, reachable, consistent with one another and with the available resources, programming, where a program is drawn up in order consideration of the internal and external constraints on the product, results testing, where the unit of each company is assessed whether or not the specified goals have been accomplished, changing analysis, where potential differences between targets and outcomes are evaluated, the execution of

corrective actions to improve the performance of the units against the intended goals. To order to carry out a management control project, the reference context must be carefully analyzed where it is meant to be implemented and in particular: the distribution of the management control culture into the company, the availability of appropriate computer and accounting systems (March & Herbert,1998).

2.4 Utilization of Donor Funds

Utilization of donor funds had been a challenge to both the donor community as well as the agencies that are responsible for effective utilization of the same. Therefore, there is need for institutions that are response for the management of these funds to come up with the right framework and procedures in order to ensure that funds given are utilized as expected and that the funds serve the purpose (Fowler, 1995). With an effective framework and policies governing utilization of donor funds nothing much will be expected in form of results. All relevant organizations must work in harmony if the expected outcomes are to be achieved. It is clear that there is need for coordination and collaboration among various stakeholders to ensure that funds received are made use of efficiently and effectively (Edwards & Hulme, 1995).

The utilization of donor funding were faced with some serious issues, which lead to the donors to withhold the funds Corruptions and lack of transparency of the distribution of the funds were the major ones, and therefore resulting in the funds not being utilized within the agreed duration for the implementation of the project and the donors.

2.5 Previous Studies of the Determinants of Donor Fund Utilization

Daniel Asrat, (Oct 2015) conducted a research which title is “Determinants of Donor Fund Utilization: The Case of Public Sector Capacity Building Program (PSCAP) Fund in implementing Sectors of Oromia National Regional State”. His general objective of the study was to examine the determinants of donor fund utilization with specific reference to PSCAP fund utilization in implementing sectors of Oromia National Regional State of Ethiopia.

The study was undertaken in regional public sectors which were beneficiaries of PSCAP program such as Civil Service and Good Governance Bureau, Oromia Revenue Authority, Oromia Urban Development Bureau, Oromia Information Communication and technology Agency and Oromia Bureau of Finance and Economic Development.

Quantitative research approaches and descriptive type of research design was selected as it produces quantitative information about the social world and analyze several variables simultaneously (Babbie,1986;Neuman,1994). The target population was from procurement, finance and property administration and internal audit department of all PSCAP. The sample size was 64 out of 127 employees.

According to Daniel Asrat, (2015), he found that implementing sectors are expected to have effective capacity of management with managerial knowledge and skills, skilled staff in ICT and financial management to implement the program properly and to use the resource allocated efficiently, as having strong capacity leads an organization to perform its operation in a better way and utilize its resources efficiently. And he suggested that the study is better to be replicated at national level, in other regions and in different Non-Governmental Organizations (NGO's) to further identify and compare the determinants of donor fund utilization.

According to the "Titus M.Mweta and Grace A.Musa from the School of Management and Commerce, Kenya University of Technology (February 2018), they have conducted a study titled" Assessment of The Determinants of Funds Allocations and Utilization by NGOs and Donor Agencies in Kenya". This study used a descriptive research design aimed at investigating the methods of allocating and utilizing funds that permit NGOs to be moved rapidly to appropriate point of the association network, which must be improved to respond adequately to emerging crisis. The population of study was 9257 NGOs and Donor agencies in Kenya according to 2015 statistics.

The study found that key determinants of funds allocation, lack of development approach, absence of strategic planning, poor networking, political interference, lack of adequate funds, poor governance policies, limited operational capacity and poor improved NGOs efficiency have a great impact on the development funds utilization to projects by NGOs, while geographical dispersion, poor communication strategies, poor relationships with NGOs, costs of the strategized projects, management experience, and poor NGO council and oversight board rated to have a moderate influence.

This study also suggested that NGOs or affiliate agencies should ensure that they adopt and implement framework interlinked with the preferred strategies to ensure efficient management and monitoring regulations are put in place and their performance well evaluated when the economic conditions are not favorable. (www.garph.co.uk)

Adan Haji Dakane (2013) also researched the “Factors Influencing Effective Utilization of Donor Funding: Case Study of United Nations High Commissioner for Refugees (UNHCR) Funded Projects in Dadaab Refugee Camp in North Eastern Province, Kenya” and expected to determine the factors influencing effective utilization of donor funding Kenya, to investigate how financial management has affected the utilization of funds of UNHCR funded projects, to explore how the environment of operations of NGOs in Dadaab affected utilization of funds for UNHCR funded projects and to find out the purpose of the successful use of donor funds is influenced by NGOs in Dadaab executing UNHCR funded projects.

The researchers focused on employees, beneficiaries (refugees) and host community of all donor funded by UNHCR projects in Dadaab region of Hagadear, of, Kambioos and Dagahaley capms. This study revealed that the three main factors identified in the project objectives; financial management, operating environment, and purpose of NGO, play a key role in the utilization of donor funds by the organization working in Dadaab. The suggestion of the previous study is to be conducted on other factors that affect utilization of donors in the areas of the impact of donor funding, the challenges of financial accountability and the effect of donor requirements on financial accountability in NGOs.

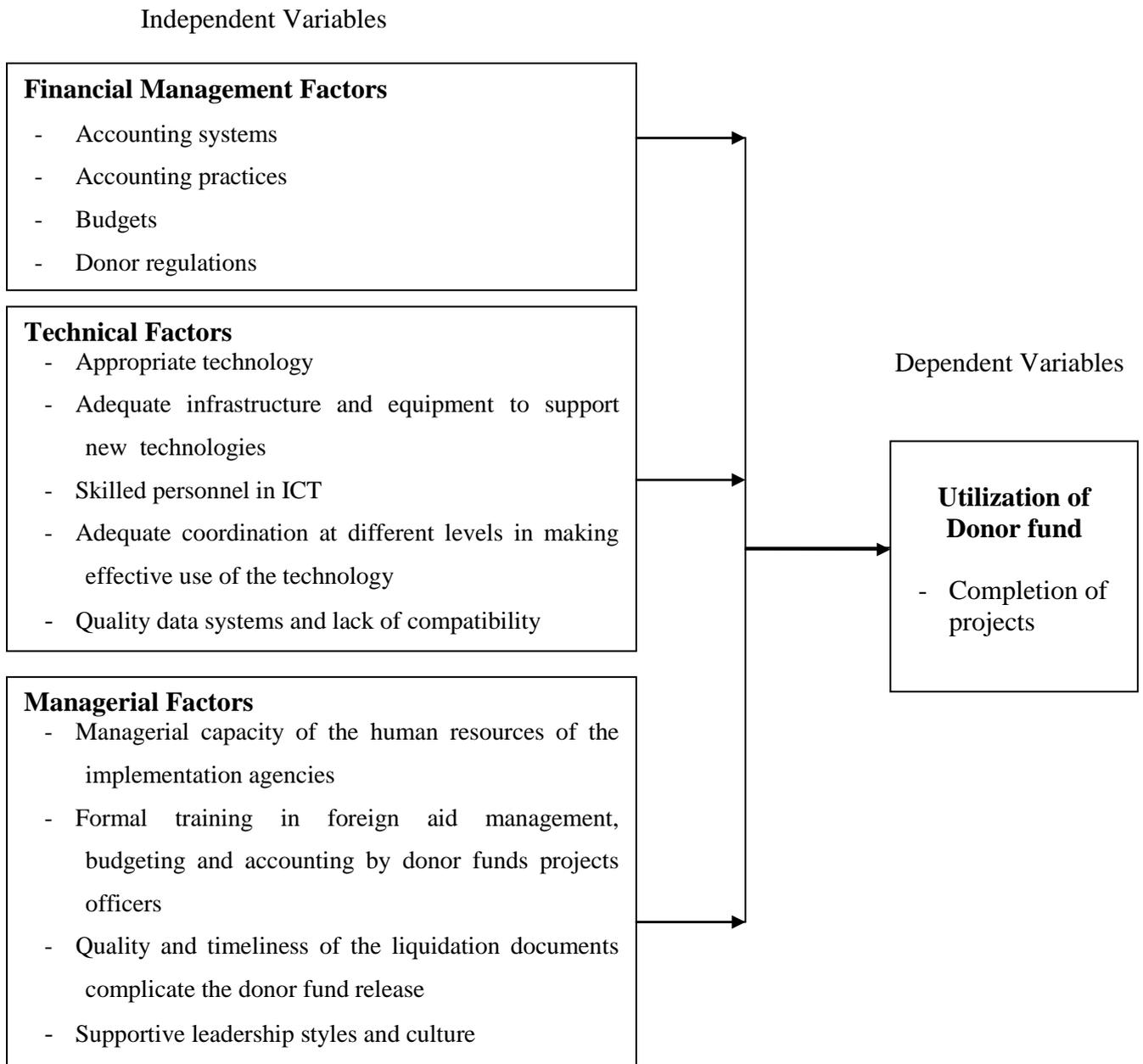
2.6 Conceptual Framework of the Study

The conceptual framework proposed relationships between variables in the study and show the same graphically or diagrammatically. In this study, financial management, managerial factor and technical factor influence the dependent variable of utilization of donor funds.

The frame works of the research was depicted in the following section. Dependent variable: Utilization was considered dependent variable. It is influenced by the following factors among others: Financial Management factors includes the comprises of Accounting systems, Accounting practices, Budgets and Donor regulations. The obligation to provide reliable, full and timely financial information allows donors and other stakeholders to comply with the reporting requirements of the rules and regulations. This information also assists management to plan and coordinate their programs effectively. Technical factors, which comprise appropriate technology, adequate infrastructure and equipment to support new technologies, skilled personnel in ICT, adequate coordination at different levels in making effective use of the technology,

quality data systems and lack of compatibility, and supportive ICT policies. Managerial factors, which comprise managerial capacity of the human resources of the implementing agencies, formal training in foreign aid management, budgeting and accounting by donor funds projects officers, quality and timeliness of the liquidation documents which complicate the donor fund release, and supportive leadership styles and culture.

Figure (2.1) The Conceptual Framework of the Study



Source: Adopted from Daniel Asrat, 2015

CHAPTER 3

DETRMINANTS OF DONOR FUND UTILIZATION

The profile of the community driven development unit in UN-Habitat, implemented activities which are done by CDD programs, technology which is being applied by organization and donor fund utilization by CDD units were described in this chapter.

3.1 Profile of Community Driven Development Unit

The United Nations (UN) has been presented in Myanmar since the country gained its independence (1948). Today, the UN family in Myanmar consists of (23) resident UN entities that all provide support to the country within their specific mandates as shown in table (3.1). The aim of this process is to make the organization fit for purpose to achieve the Sustainable Development Goals, by making the UN more efficient, coordinated and accountable. They are implementing for community development sector such as Agriculture, Disaster Risk Reduction, Economic Infrastructure, Education, Environment, Gender, Governance, Health, Information Management, Livelihoods, Mine Action, Nutrition, Peace Building, Private Sector Development, Protection and WASH by coordination with Myanmar Government.

UN-Habitat has also been involved to develop the community by collaboration with Ministry of Construction, Ministry of Environmental Conservation and Forestry, Ministry of Livestock, Fisheries and Rural Development, Ministry of National Planning and Economic Development, Ministry of Social Welfare, Relief and Resettlement, Yangon City Development Committee since August 2008. Under Myanmar Government rules and procedures, UN-Habitat was implementing (37) projects by various donors and implementing partner organizations in Myanmar. This organization has (7) units including CDD unit and all of them are implementing for community development.

CDD Unit (Community Driven Development Unit) of UN-Habitat is especially leading in WASH (Water, Sanitation and Hygiene Services) program. This program assumed that access to clean water and proper waste disposal systems is fundamental to maintain hygiene and health. So, they allocated and utilized fund in this sector for rural communities' development.

Community Driven Development Program is a development program that explicitly provides community groups with influence over the development process,

resources, and decision-making authority. The underlying assumption of CDD projects is that communities are the best judges on how to improve their lives and livelihoods and can organize themselves to meet their immediate needs if they are provided with adequate resources and information. CDD projects work by providing direct development funding to poor communities and then choosing how to spend the money. Eventually, the society is preparing and constructing the project and is responsible for monitoring its success.

According to the field practitioners at the World Bank have denoted five key characteristics of CDD projects. Firstly, a CDD operation primarily targets a community-based organization or a representative local council of a community. This community orientation ensures that the essential characteristic of a CDD initiative is that implementation recipients or grants are community members. Because the emphasis is so broad on small communities, the CDD usually targets small-scale development subprojects. Secondly, in CDD operations, community- or locally based representation is responsible for designing and planning the subprojects in a participatory manner. Because the emphasis on participatory planning in CDD operations is substantial, the potential categories of subproject investment options are often very broad with only a small list of subprojects that cannot be implemented.

As the third one, defining characteristic of CDD projects is that a transfer of resources to the community occurs and control of the resources is delegated to the community. The amount of resource transfer and control would depend on the application of the CDD. The fourth one, community is directly involved in the implementation of the subproject. Often the participation of the community comes directly in the form of labor or funds. However, when completed, the community may also contribute indirectly to the subproject in the form of contractors' management and oversight or infrastructure operation and maintenance. Finally, an element of community-based monitoring and evaluation has become a characteristic of CDD subprojects. Most often it is social accountability tools such as participatory monitoring, community scorecards and grievance redress systems which allow for the community to ensure accountability of the CDD implementation.

Table (3.1) List of UN Organization in Myanmar

Sr	Name of Organization	
1	UN RC/HC	Office of the UN Resident / Humanitarian Coordinator
2	UNFPA	United Nations Population Fund
3	UN-HABITAT	United Nations Urban Settlements Programme
4	UNHCR	United Nations High Commissioner for Refugees
5	UNICEF	United Nations Children's Fund
6	WFP	World Food Programme
7	FAO	Food and Agriculture Organization
8	ILO	International Labour Organization
9	UNESCO	United Nations Educational, Scientific & Cultural Organization
10	WHO	World Health Organization
11	UNIC	United Nations Information Center
12	UNOCHA	United Nations Office for Coordination of Human Affairs
13	UNODC	United Nations Office on Drugs and Crime
14	UNDSS	United Nations Department of Safety and Security
15	IOM	International Organization for Migration
16	UNAIDS	United Nations Joint Programme on HIV/AIDS
17	UNOPS	United Nations Office for Project Services
18	UNDP	United Nations Development Programme
19	UNCDF	United Nations Capital Development Fund
20	UNIDO	United Nations Industrial Development Organization
21	UN-WOMEN	United Nations WOMEN
22	World Bank Group	World Bank Group
23	IMF	International Monetary Fund (IMF)

Source: MIMU,2019

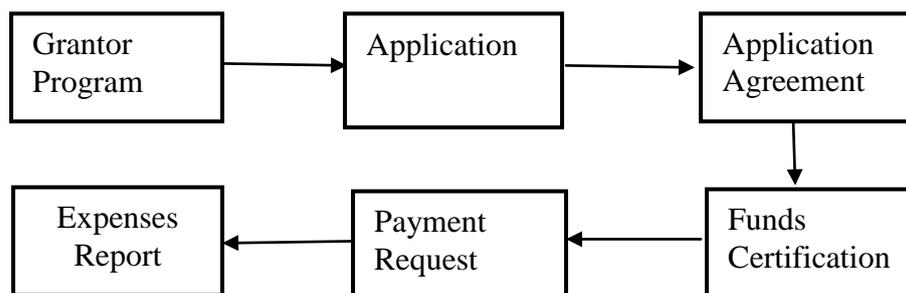
3.2 Activities of CDD Unit in UN-Habitat, Myanmar

According to the UN-Habitat report, UN-Habitat organization implemented (37) projects in various areas of Myanmar, they were implemented by donor funded of DFID, Japan, BASF Social Fund, LIFT, Newzealand, USAID, AUSAID, CERF, Norway and ECHO. (18) out of (37) projects, UN-Habitat Myanmar under its Community-Driven Development Programme Unit has benefit across 35 townships with access to safe drinking water, improved sanitation, and community infrastructure and renewal electrification. This support was succeeding by the kind contribution of USAID, LIFT and the Government of Japan, as well great support by and coordination with the Department of Rural Development (DRD). These projects are supporting communities to jointly engage in the construction/ upgrading of water supply quality services and create demand for construction of latrines to eliminate open defecation that badly increases women and children’s malnutrition.

3.3 Financial Management Procedure by UN-Habitat in Myanmar

As the UN-Habitat organization, they apply UMOJA system for their financial and approval mechanism. Umoja is a holistic solution that will enhance the United Nations’ capacity to manage its financial, human and physical resources. UN staff will have the opportunity to learn new skill sets and perform more value added tasks. Umoja is also about implementing new ways of working and new processes. For the implementing partner process, it has to be created six levels (Grantor, Application, Application-Agreement, Fund Certification, Payment Request and Expenses Report). This system makes the double checking system in step by step by respective department and directly through to suppliers. To improve finance and budget capacity, to enhanced human resources tools and to modernize supply chain objectives, UN-Habitat is applying it.

Figure (3.1) Financial Management Procedure by UN-Habitat



Source: Umoja, OICT, 2018

3.4 Donor Fund Utilization by Community Driven Development Unit

UN-Habitat is implementing by using Umoja system (as a technical factor), accounting standard and procedure, and others managerial factors, CDD unit of UN-Habitat implemented (18) projects. According to the internal report of UN-Habitat, Myanmar, their usage fund of donor by CDD unit in 18 projects were showed in table (3.2).

Table (3.2) Project Implemented by CDD Unit, UN-Habitat, Myanmar (2008-2019)

No	Projects Title	Donor	Budget (USD \$)
1	Support to the Coordination of Early Recovery Shelter Interventions-Shelter Cluster Lead	DFID	499,590
2	Community Water Supply and Sanitation Recovery Project	Japan	4,000,000
3	Semi-permanent Schools in Ayeyarwaddy Delta in Myanmar	Japan Habitat Association	25,000
4	Multi-purpose Schools (Schools, Health and Community Centers)	BASF Social Fund	154,096
5	Coastal Communities Livelihoods Assistance Program (CLAP)	LIFT	1,092,012
6	Rebuilding Homes – Rebuilding Lives Coastal Settlements Support Program (CSSP)	New Zealand	250,000
7	Rebuilding Homes – Rebuilding Lives Coastal Settlements Sustainable Recovery Programme (CSSR) Phase I	USAID	946,000
8	Rebuilding Homes – Rebuilding Lives Coastal Settlements Sustainable Recovery Programme (CSSR) Phase II	USAID	446,000
9	Safe and Sustainable Access to WASH for Rural Communities	AUSAID	541,110
10	Emergency Shelter Package for the homeless vulnerable families-Cyclone Giri, Myebon	CERF	499,904
11	Rebuilding Homes - Rebuilding Lives Rakhine Settlements Support Programme (RSSP)	Norway	1,046,051
12	Post-Cyclone Giri Community-Based Emergency and Early recovery Initiative	ECHO	983,758
13	Shae Thot	USAID	13,016,065
14	Community Development and Rehabilitation in Ethnic Minority Areas of Myanmar	Japan	6,853,528
15	The Programme for Emergency Assistance to Poor and Vulnerable Communities in Ethnic Minority Areas and Yangon	Japan	5,264,475
16	A short step from improved WASH to healthier communities (Dry Zone)	LIFT	4,400,000
17	Emergency Support to Poor and Vulnerable Communities in Ethnic Areas	Japan	5,917,332
18	Rakhine Settlements Support Programme (RASSP)	Japan	4,785,468
			50,720,389

Source: Internal Report of UN-Habitat, Myanmar (2008 Aug- 2019 April)

CHAPTER 4

ANALYSIS OF THE DETERMINANTS OF DONOR FUND UTILIZATION

This chapter presents results arising from the analysis of data collected using questionnaires. The data collected was analyzed using descriptive and inferential statistical methods for each variable and the findings are presented in tabular summaries, and their implication discussed.

4.1 Research Design

This study applied quantitative approaches and descriptive type of research design is selected as it produced quantitative information about the social world and analyzes several variables simultaneously. The target population was from Procurement, Finance, Property Administration and Internal Audit Department and Technician of all CDD implementing sectors of UN-Habitat, Myanmar. Total number of target population is 85 employees. The population chosen has no homogeneous characteristics. Hence, a stratified sampling technique was used for this research paper. The populations were stratified into team or crews based on their special technical skills as finance, procurement and property administration team and Internal audit team or crews. After stratification as finance, procurement and property administration and internal Audit team, the questionnaires were administered to all crews or teams, and simple random sampling technique/lottery method was used for all teams in whom every single element in the population has a known and equal chance of being selected as a subject.

This study used Yamane, Taro (1967) formula to determine the sample size “n” form that the target population, N and e are the probability of error (within the desired precision of 0.05 for 95% confidence level). Target population of 85 employees, implying was approximately 70.

$$\begin{aligned}n &= \frac{N}{1 + N(e)^2} \\ &= \frac{85}{1 + 85(0.05)^2} \\ &= 70\end{aligned}$$

4.2 Profile of the Respondents

The biographical variable that is presented in this research is gender, age of the respondents, whereas the organizational variables are educational level, job/level/ position and experience of the employees which are shown and discussed in the table in the following sections.

As indicated in table (4.1) below, of the total number of 70 respondents, 64.3 % were female and 35.7 % were male. With the respect to the age of the employees, 22.9% of the respondents were between 18 and 29 year of the age, 47.1% of the respondents were between 30 and 40 year of the age, 12% of the respondents were between 51 and 60 year of the age and 3% of the respondents were above 60 year of the age.

Concerning the educational level, 54.3 % of the respondent held bachelor, 8.6% held diploma, 34.3 % of respondents were master degree holders and the last 2.9% were PhD holders. According the table indicates the responsibilities of respondents. 25 out of 70 respondents were finance officer, 5 were internal audit department, 7 were procurement specialist, 12 were property administration officers and the remaining 21 out of 70 was technician.

Regarding the working experience, 51.4% of respondents worked up to 5 years, 34.3% of the respondents worked up from 6 to 10 years and 14.3% of the respondents worked up from 11 to 20 years.

Table (4.1) Demographic Profile of Employees

Gender		No of Respondents	Percent
Valid	Female	45	64.3
	Male	25	35.7
	Total	70	100
Age (Year)		No of Respondents	Percent
Valid	18-29	16	22.9
	30-40	33	47.1
	41-50	12	17.1
	51-60	6	8.6
	60 and Above	3	4.3
	Total	70	100

Level of Education		No of Respondents	Percent
Valid	Bachelors	38	54.3
	Diploma	6	8.6
	Masters	24	34.3
	PhD	2	2.9
	Total	70	100
Responsibility of the respondents		No of Respondents	Percent
Valid	Finance officer	25	35.7
	Internal Audit Officers	5	7.1
	Procurement Specialist	7	10.0
	Property Administration Officers	12	17.1
	Technician	21	30.0
	Total	70	100
Experience of the respondents		No of Respondents	Percent
Valid	1-5 years	36	51.4
	6-10 years	24	34.3
	11- 20 years	10	14.3
	Total	70	100

Source: Survey Data,2019

4.3 Analysis of Determinants of Donor Fund Utilization

4.3.1 Financial Management Factors

As shown in below table 4.2, under financial management variables; the dimensions scored mean of 3.7571 to 4.2286, which means majority of the respondents agreed on the statements. The overall average summed up mean score of 3.9155 and standard deviation of 0.86956, which is strongly agree or agree. This shows that financial management factor has a strong effect on utilization of the fund.

Table (4.2) Financial Management Factors

Statement	Mean	Std. Deviation
All financial transactions of your organization are properly documented and recorded.	4.23	0.98
There is adequate supervision of accountants in your organization fund program.	4.00	0.99
There is an approval system for all transactions by the authorized managers in your organization 'fund utilization	4.19	1.05
There is a chart of accounts used to categorize expenditures in implementing sectors for the program fund.	3.91	1.03
The balance in the cashbook is reconciled to the balance on the bank statement every month for every bank account.	3.87	1.08
Financial duties are split between different members of staff.	3.77	1.11
Donors and government has a system of regularly reviewing expenditures against approved budgets.	3.79	1.12
The government and donors are aware that they are responsible for ensuring strong internal control systems.	3.76	1.03
Any irregularities in financial management are promptly reported.	3.77	1.08
All assets owned by program fund are recorded in an asset register.	4.03	1.12
My organization uses donor compliance financial system.	3.87	1.06
Terms and Conditions of the sub agreement are adhered to by all implementing sectors.	3.80	1.03
Overall Mean	3.92	0.87

Source: Survey Data, 2019

4.3.2 Technical Factor

As it is depicted in table 4.3, lack of appropriate technology, poor data system and lack of compatibility scored 2.8000 and 2.8143 respectively. This shows respondents either strongly disagrees or disagrees with the statements and viewed as there is no problem with issue of technology on one hand and, data system and compatibility on the other. The other statements of technical factors scored a mean of 3.0143, 3.0286 and 3.0429. This means respondents agreed with the statements “Inadequate infrastructure and equipment to support new technologies, Lack of coordination at different levels in making effective use of the technology and Shortage of skilled personnel in ICT

(Information Communication Technology)”. Therefore, more attention is required to have coordination at different levels, skilled ICT staff, infrastructures and equipment to support new technologies. Generally the technical factors summed up to a mean score of 2.9400 and standard deviation of 1.06177 indicating that on average respondents either strongly disagree or disagree to the issues of technical factors and further shows low effect of technical factors on CDD fund utilization.

Table (4.3) Technical Factor

Statement	Mean	Std. Deviation
Lack of appropriate technology	2.80	1.29
Inadequate infrastructure and equipment to support new technologies	3.01	1.19
Shortage of skilled personnel in ICT (Information Communication Technology)	3.04	1.10
Lack of coordination at different levels in making effective use of the technology	3.03	1.10
Poor data systems and lack of compatibility	2.81	1.24
Overall Mean	2.94	1.06

Source: Survey Data, 2019

4.3.3 Managerial Factors

As two can see from table 4.4, above the statement “Lack of managerial capacity of the human resource of the implementing agencies” and Lack of formal training in foreign aid management, budgeting and accounting by donor funds projects officers revealed the mean score of 2.9143 and 2.9857. The scored of other statements are 3.0000, 3.0429 and 3.1000 respectively. The managerial factors summed up overall average mean score of 3.0310 and standard deviation of 1.19893 indicating neutrality which means medium effect of managerial factor on donor fund utilization. However, more attention should be given to train in fund management, budgeting and accounting for donor funds projects to improve managerial factors stated.

Table (4.4) Managerial Factor

Statement	Mean	Std. Deviation
Lack of managerial capacity of the human resources of the implementing agencies	2.91	1.25
Lack of/or inadequate technical and managerial knowledge and skills of implementers	3.04	1.24
Lack of formal training in foreign aid management, budgeting and accounting by donor funds projects officers	2.99	1.26
Inadequate understanding of the donor expenditure protocols resulting in ineligible expenditures, which lead to rejection for further funding by the donor.	3.14	1.31
Poor quality and timeliness of the liquidation documents complicate the donor fund release	3.00	1.30
Poor leadership styles, culture, and bureaucracy	3.10	1.37
Overall Mean	3.03	1.20

Source: Survey Data , 2019

4.3.4 Utilization of Donor Fund

As it is indicated in the below table 4.5, all variables of fund utilization scored;” More than 90% of the funds received are utilized for projects and less funds goes for overheads” was 3.5143, mean of Donor funds are utilized for the purpose it was meant was 3.7286, mean of implementing sectors have managed to complete all projects and realized the intended impact 3.6714, for purpose of transparency in the way funds were utilized, implementing sectors prepare donor reports that reflect the true status of implementation in the sectors’ mean was 3.8143, mean of Stakeholders are involve on the planning and utilization of the funds was 3.4714, The financial accountability for your organization fund can be rated as satisfactory was 3.7000, Implementing sectors in the region properly account for funds advanced to them was 3.6571 and mean of “the Federal and regional government and donors have developed detailed Implementation strategies and budgets detailing how they expect the targets decided in conversation with others to be accomplished. Implementation strategies are likely to be modified in light of input and other new circumstances during the course of a project "was 3.4857, respectively. Generally, the utilization of donor fund summed up grand mean of 3.6304 and standard

deviation of 0.86915 which shows that majority of respondents agree as there was medium effect on utilization of the funds.

Table (4.5) Utilization of Donor Fund

Statement	Mean	Std. Deviation
More than 90% of the funds received are utilized for projects and less funds goes for overheads	3.51	1.06
Donor funds are utilized for the purpose it was meant.	3.73	0.92
In my view, implementing sectors have managed to complete all projects and realized the intended impact	3.67	0.99
For purpose of transparency in the way funds were utilized, implementing sectors prepare donor reports that reflect the true status of implementation in the sectors.	3.81	0.92
Stakeholders are involve on the planning and utilization of the funds	3.47	0.99
The financial accountability for your organization fund can be rated as satisfactory	3.70	1.00
Implementing sectors in the region properly account for funds advanced to them	3.66	0.99
The Federal and regional government and donors have developed detailed Implementation plans and budgets, setting out how they expect to achieve the goals agreed in dialogue with others. Implementation plans are likely to be adapted to reflect feedback and other new circumstances during the course of a project.	3.49	0.99
Overall Mean	3.63	0.86

Source: Survey Data, 2019

4.3.5 Correlation Coefficient between the Independent and Dependent Variables

The statistical treatment of the study included the determination of the correlation between the different variable dimensions and fund utilization. The Pearson's correlation coefficients were used to determine the level of association. The level of association as measured by Pearson's co-efficient that falls between -1.0 and +1.0, which indicates the strength and direction of association between the two variables.

The importance of each coefficient of correlation is also shown in the table of correlation. The degree of meaning or p-value is the chance that outcomes will be as serious as the one observed. If the degree of significance is very small (less than 0.05), the correlation is significant and the two variables are linearly related. If the significance

level is relatively large (for instance, 0.50) then the correlation is not significant and the two variables are not linearly related.

Table (4.6) Correlations Coefficient between the Independent and Dependent Variables

		Financial Management	Technical Factor	Managerial Factor	Utilization of Fund
Financial Management	Pearson Correlation	1	.149	.063	.821
	Sig. (2-tailed)		.220	.603	.000
	N	70	70	70	70
Technical Factor	Pearson Correlation	.149	1	.846	.065
	Sig. (2-tailed)	.220		.000	.594
	N	70	70	70	70
Managerial Factor	Pearson Correlation	.063	.846	1	.035
	Sig. (2-tailed)	.603	.000		.776
	N	70	70	70	70
Utilization of Fund	Pearson Correlation	.821***	.065	.035	1
	Sig. (2-tailed)	.000***	.594	.776	
	N	70	70	70	70

* ***. Correlation at level 0.01 (2- tailed) is relevant.

Source: Survey Data (2019)

The result of Pearson correlation in table 4.6, above indicated positive and significant relationship between donor fund utilization and financial management factors ($r = 0.821$, $n = 70$, $p = 0.000$) as $P < 0.01$ which implies the existence of strong positive and significant correlation between the variables. However, Technical and Managerial factors had weak and insignificant relationship with dependent variable ($r = 0.635$ & 0.035 , $n = 70$, $p = 0.594$ and 0.776) as $P > 0.05$.

4.3.6 Regression Analysis of Fund Utilization

Below table 4.7 illustrate the model summary of multiple regression models, the results showed that all the three predictors (Managerial factors, Technical Factors, Financial Management factors) explained 68.1 percent variation of fund utilization, this showed that using the three tested variables fund utilization can only be predicted by 68.1% ($R^2 = 0.68$). The remaining 31.9% is by extraneous uncontrollable variables. This result also indicates that there may be other variables that could have been neglected by the current study in predicting fund utilization.

The result of multiple regression analysis in table 4.7 showed that financial management factors in relation to the independent factors (donor fund utilization) was significant; ($\beta_1=0.84$, $p\text{-value} = 0.00$) which is less than 0.01. However, the two predicted parameters in relation to the independent factors were not significant; ($\beta_2= -0.16$, $\beta_3= 0.11$; $p= 0.25$ & 0.39) which is greater than 0.05).

Study findings in the ANOVA in Table 4.7 indicates that the below discussed variation was significant as evidence of F ration of 46.87 with $p\text{-value} = 0.00 < 0.01$ (level of significance). Thus, the model was fit to predict fund utilization using managerial, technical and financial management factors.

Table 4.7 Regression Analysis of Fund Utilization

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.507	.309		1.643	.105
Financial Management	.829 ^{***}	.070	.837	11.809	.000 ^{***}
Technical Factor	-.126	.108	-.155	-1.166	.248
Managerial Factor	.081	.095	.113	.857	.394
R square	.68				
Adjusted R square	.67				
F Value	46.87 ^{***}				.000 ^b

Source: Survey Data (2019)

***. Coefficient is significant at the level of 0.001 level (2-tailed)

CHAPTER 5

CONCLUSION

This chapter presents the summary of findings, conclusion, and need for further study. There are the results of the analysis of data collected using questionnaires. The data collected was analyzed using descriptive and inferential statistical methods for each variable and the findings are presented in tabular summaries, and their implication discussed.

5.1 Findings

The ultimate purpose of this study is to analyze the determinants of donor fund utilization in CDD units of UN-Habitat, Myanmar. Total number of target population was 85 employees. The target populations were from finance, procurement, property administration, internal audit department and technicians of the CDD implementing sector of UN-Habitat.

This study conducted descriptive type and quantitative research method. Based on this all dimensions of donor fund utilization is analyzed descriptively. Among the dimensions, according to mean score, technical factors was strongly disagreed or disagreed by the respondents than other factors. These show the technical factors have a bit low effect on donor fund utilization. However, there are certain issues like inadequate infrastructure and equipment to support new technologies, shortage of skilled man power in ICT, lack of coordination at different levels in making effective use of technology need attention. In addition, managerial factor scored mean is rated as neutral. The result shows that managerial factors have medium effect on donor fund utilization. Financial management factors scored highest mean among the dimensions.

Regression analysis was undertaken and the results showed that all the three predictors (Managerial factors, Technical Factors, Financial Management factors) explained 68.1 percent variation of fund utilization can only be predicted .ANOVA analysis indicated that the below discussed variation was significant as evidence of F ration. Thus, the model was fit to predict fund utilization using managerial, technical and financial management factors. Moreover, based on the multiple regression analysis, that financial management factors in relation to the independent factors (donor fund

utilization) was significant. And the two predicted parameters in relation to the independent factors were not significant with dependent variable.

5.2 Suggestions

This study has attained its objectives which were to identify the determinants of utilization of funds and to analyze the effects of determinants on fund utilization in CDD unit. Financial management is one of the key factors that affect how funds are utilized by organization. Good practice in financial management is important for the effective utilization of funds in every project. This study exposes that there is a relationship between financial management in the implementing sectors and how they utilize fund of donor. It is therefore paramount that all the implementing sectors institute good financial management practices so as to ensure successful management of donor fund.

Statements of technical factors showed at different levels scored mean was medium. Therefore, this study recommended that the concerned parts has to provide sufficient infrastructures such as (servers, internet options, power and enough work space and furniture) with skilled ICT staffs to use existing technologies which help to deliver efficient service of the program. This study also agreed that having coordination at different level of organization in making use of technologies is necessary to reduce cost of implementing new technologies at different departments in the organization and at different level of government.

From the view of the fact that managerial factors (managerial knowledge and skill) is about planning, organizing, leading, coordinating, controlling projects or project activities to achieve intended purposes, formal training of CDD staff in foreign aid management, budgeting and accounting should be planned by donor and implementing organizations to have capable human resource in enhancing management of CDD program to serve the purpose. Management capacity of the human resources of the implementing agencies need to be addressed to enhance the management of the projects, besides providing formal training in foreign aid management, budgeting and accounting by donor funds projects officers.

Finally, implementing sectors are expected to have effective capacity of management with managerial knowledge and skills, skilled staff in ICT and financial management to implement the project properly and to use the resource allocated efficiently, as having strong capacity (human, financial and technology) leads an organization to perform its operation in a better way and utilize its resources efficiently.

5.3 Needs for Further Study

Myanmar, our country is still developing country, and it is not at the level of covering its full expenditure from domestic sources and dependent on foreign aid or the fund from different donor agencies to spend in different sectors of economies for issue of developmental aspect or reforms, the study is better to be replicated at different organization to further identify and compare the determinants of donor funds utilization. Moreover, this study would like to suggest that should be conducted on other factors that affect utilization of donors, specifically in the impact of donor funding in organization in Myanmar, the challenges of financial accountability in organization and the effect of donor requirements on financial accountability in organization.

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APPENDICES

APPENDIX I: Questionnaires

Questionnaire for conducting research on “ **Determinants of Donor Fund Utilization of UN-Habitat Myanmar**”.

Questionnaire is to be filled by concerned officers implementing sectors. To achieve relevant information the honest and relevant information you give to the questionnaire make the study complete and reliable. All your response are confidential and are not used other than the purpose of the study.

Accordingly, no need of writing your name, select your response among the choices and write smartly your reason where you are asked to do so.

For all the efforts and time you sacrificed to fill and return the questionnaire that would not otherwise make this study complete, and representative, I would like to say thank you in advance.

PART I: PERSONAL INFORMATION

1. Gender:

Male Female

2. Age:

18-29 30-40 41-50 51-60 61 and Above

3. Your level of Education:

Diploma Bachelors Masters PhD

4. Your responsibility in organization:

1. Finance officer
2. Procurement Specialist
3. Property Administration Officers
4. Internal Audit Officers
5. Technician

5. The duration you have worked in your organization put tick mark“√” in the box provided.

1. 1-5 years
2. 6-10 years
3. 11- 20 years
4. above 20 Years

Part II

Please indicate the extent to which you agree/disagree that each of the listed financial management, technical and managerial factors that determine utilization of UNH fund in your organizations by ranking the factors on a five point scale and putting a tick mark“√” where appropriate.

1=Strongly Disagree, 2=Disagree, 3=Not sure, 4=Agree, 5= Strongly Agree

S/n	Statements	1	2	3	4	5
Financial Management						
1	All financial transactions of your organization are properly documented and recorded.					
2	There is adequate supervision of accountants in UNH fund program					
3	There is an approval system for all transactions by the authorized managers in UNH fund utilization					
4	There is a chart of accounts used to categorize expenditures in implementing sectors for the program fund					
5	The balance in the cashbook is reconciled to the balance on the bank statement every month for every bank account.					
6	Financial duties are split between different members of staff.					
7	Donors and government has a 'system of regularly reviewing expenditures against approved budgets.					
8	The government and donors are aware that they are responsible for ensuring strong internal control systems					
9	Any irregularities in financial management are promptly reported					
10	All assets owned by program fund are recorded in an Asset register.					
11	My organization uses donor compliance financial system.					
12	Terms and Conditions of the sub agreement are adhered to by all implementing sectors.					
Technical factor						
1	Lack of appropriate technology					
2	Inadequate infrastructure and equipment to support new technologies					
3	Shortage of skilled personnel in ICT (Information Communication Technology)					
4	Lack of coordination at different levels in making effective use of the technology					
5	Poor data systems and lack of compatibility					

	Managerial Factors	1	2	3	4	5
1	Lack of managerial capacity of the human resources of the implementing agencies					
2	Lack of/or inadequate technical and managerial knowledge and skills of implementers					
3	Lack of formal training in foreign aid management, budgeting and accounting by donor funds projects officers					
4	Inadequate understanding of the donor expenditure protocols resulting in ineligible expenditures, which lead to rejection for further funding by the donor.					
5	Poor quality and timeliness of the liquidation documents complicate the donor fund release					
6	Poor leadership styles, culture, and bureaucracy					
	Utilization of funds	1	2	3	4	5
1	More than 90% of the funds received are utilized for projects and less funds goes for overheads					
2	Donor funds are utilized for the purpose it was meant.					
3	In my view, implementing sectors have managed to complete all projects and realized the intended impact					
4	For purpose of transparency in the way funds were utilized, implementing sectors prepare donor reports that reflect the true status of implementation in the sectors.					
5	Stakeholders are involve on the planning and utilization of the funds					
6	The financial accountability for UNH fund can be rated as satisfactory					
7	Implementing sectors in the region properly account for funds advanced to them					
8	The Federal and regional government and donors have developed detailed Implementation plans and budgets, setting out how they expect to achieve the goals agreed in dialogue with others. Implementation plans are likely to be adapted to reflect feedback and other new circumstances during the course of a project.					

Part III. Guide lines for document review (Secondary data)

1. Reviewing annual Plan and activity report including financial plan and its application.
2. Reviewing audit report of the program.
3. Reviewing Mid-term monitoring and evaluation reports.
4. Reviewing financial and procurement guidelines of the program.