

**CREDIT REQUIREMENTS AND ACCESS TO WOMEN ENTERPRISE FUND; A CASE  
OF WOMEN GROUPS IN GILGIL SUB COUNTY, NAKURU COUNTY KENYA**


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## DECLARATION

This research project is my original work and has not been submitted to any other University for the award of a degree.

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## **DEDICATION**

I dedicate this report to Dad and Mom Mister and Missus Gikonyo for continuous compassionate and mentorship.

## **ACKNOWLEDGEMENT**

My profound acknowledgment is to the living Lord, having allotted ability, knowledge, including energy to finalize this project.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ADB</b>	African Development Bank
<b>CBK</b>	Central Bank of Kenya
<b>CRB</b>	Credit Reference Bureau
<b>CWES</b>	Constituency Women Enterprise Fund
<b>GDP</b>	Gross Domestic Product
<b>GEM</b>	Global Entrepreneurship Monitor
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>LPO</b>	Local Purchase Order
<b>MSE</b>	Micro and Small Enterprises
<b>UN</b>	United Nations
<b>WEF</b>	Women Enterprise Fund

## ABSTRACT

The aim of this study was to determine the influence of credit requirements on accessing women enterprise fund among women self help groups in Gilgil. The objectives of this study was to establish how collateral requirements influence access to women enterprise fund, extent to which capacity requirements influence access to women enterprise fund, what extent does documentation requirements influence the accessibility of Women Enterprise Fund and does character requirements influence access to the women enterprise fund. The study used descriptive research design using primary data. The target population of the study was 225 women group leaders in Gilgil Sub-County. 142 participants were sampled through simple random sampling method. Primary data collection used questionnaire and was self-administered to the selected sample size. Findings of the study have been presented using frequency tables and figures. The study established that collateral requirements had a moderate positive influence on access to women enterprise fund, correlation was significant at 0.424. The combined mean for collateral requirements and access to women enterprise fund was 4.41 and the sd was 0.574. Most of the respondent's 54(48%) agreed physical collateral influence access to individual loans from women enterprise fund; Capacity requirements had a strong positive influence on access to women's enterprise fund significant was at 0.821, the combined mean was 4.50 implying that majority of respondents strongly agreed that capacity requirements influenced access to women enterprise fund and the combined sd was 0.56. Majority of respondents 109(97 %) agreed that having business activity influenced access to women enterprise fund; Documentation requirements had a strong influence on access to women's enterprise fund correlation at 0.814 and the combined mean was 4.58 meaning majority of respondents 85(76%) strongly agreed that group registration influences access to women enterprise fund among women groups in Gilgil subcounty. The combined sd was 0.64. Character requirements had a moderate positive influence of 0.462 on access to women's enterprise fund, the combined mean and the sd was 4.39 and 0.71 respectively. For the combined mean of 4.39, it meant that most of the respondents strongly agreed that character requirements influenced access to women enterprise funds among women groups in Gilgil Subcounty 81 (72%) respondents confirmed CRB clearance influenced access to women enterprise fund for individual borrowers. The study recommends review by WEF board on collateral policy especially on LPO financing as majority of women lacked the securities required; WEF should consider introducing seed capital product for start ups as majority of young women had no business thus lacking opportunity to be financed through WEF and group borrowing was becoming unpopular with majority of women thus WEF should introduce many individual loan products that suits women.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

Despite the notable rapid increment in women enterprises the world over the figures of women enterprises still remain relatively low at 25-33% of all businesses worldwide (Kiraka, Kobia&Katwalo, 2013). The opportunity to make more money is what drives most women in the developed world to venture into business while their counterparts in the underdeveloped world are driven by poverty, financial independence and the necessity to survive (Sakala, 2016).

The proportion of women venturing into business in the developing world is higher than the global average since almost half of the women in developing nations are in business (World Bank, 2009). The aim of such a phenomenal move could be to pull their families out of poverty and support their varied needs as well. (Gichuki et al, 2014). In Developing nations there has been constant advocacy and friendly government policies for women empowerment that has seen women venture into business in large numbers (Gichuki et al, 2014).

In Kenya, Women-owned enterprises are growing at a very fast rate since the 1980s to an extent that currently 48% of all businesses are owned by women (Kyalo et al, 2013). Women enterprises cannot be ignored in Kenya as they currently contribute for more than a fifth of the country's GDP. 85% of all women enterprises are within the MSE category which played a huge role of creating 445,000 jobs out the total 462,000 jobs in year 2000 (Kyalo et al, 2013).

When women can access financial services they are able to take better care for the community, since research indicates that the major portion of women expenses goes to educating their dependants, diet and wellness (Kenney 2010). One of the many factors that contribute to

stagnation of women enterprises is lack of sufficient capital to expand. A key approach to this lack of access to funds for women businesses has been to form groups where they can access small loans with group guarantee (Sakala, 2016).

Lack of sufficient start-up financing is reckoned as the greatest challenge the world over among women entrepreneurs. This stems from the fact that provision of finances is very vital for the start-up and running of business enterprises. The key reasons why a large number of women enterprises are denied access to credit include: policies and procedures that are too rigid (Mbai, 2016); a perception by financial institutions that women enterprises are high-risk ventures (Obiero, 2020); women don't own sufficient collateral individually to secure a loan (Gogi, 2019). In developing economies, lack of physical collateral is a huge impediment for poor women entrepreneurs who seek to borrow in formal financial institutions (Mutai, 2015). Further women don't have right to property, which in most cases belong to either their husbands or their parents, thus restricting their access to credit (GEM, 2017). A woman in a developing country faces the difficulty of saving money for purposes of doing business.

In Kenya, a survey was conducted by the World Bank in 2010 that indicated that 52% of business ladies in the urban areas failed to access formal loans and despite 48% of all businesses being owned by women only 7% were successful in accessing bank loans. Of all women borrowers only 1% used land as collateral to guarantee the loans. There are many financial companies offering loan products in Kenya yet in 2009 only 4% of all credit to women enterprises were formal. Men have easier time accessing credit as they have land and logbooks to offer as security when compared to women. Women therefore find it hard to operate individually since they don't have collateral. Most women are forced to find other women to form groups that would help them to pool savings and also act as group guarantee.

## **1.2 Statement of the problem**

Notwithstanding their immense contribution to economic growth and family welfare, women enterprises still lack access to affordable formal credit. The Fin Access Survey (2019) found out that though 37% of women in groups have bank accounts only 8% are in a position to borrow funds from commercial banks. This survey also found that women find it harder to access credit than men. The result is that women look for alternative means of financing which may be costlier than formal credit, for example, personal financing (36.7%), reinvested funds (24.3%), formal savings (21%), or informal savings (15.3%). Only 2.7% of women entrepreneurs borrow from formal financial institutions and only 3.2% borrow from informal sources (Fin Access, 2019).

Women groups in Kenya have been reduced to supporting social activities rather than for economic empowerment of the women. The Fin Access survey found out that out of all women group activities merry-go-round consists of 34.5%; accessing money for events and emergencies consists of 23.7%; while saving and lending occupies 22.3% of all the activities.

A study by Lumumba (2016) found out that lending requirements or conditions significantly influenced whether women enterprises access credit or not. The main reasons why the women in groups are denied access to loans are lack of sufficient income (37.8%), low savings (26%), lack of collateral, existence of another outstanding debt, lack of proper accounting records (9.8%) and bad credit history.

The problem that results from this denial of credit is that these women enterprises rarely grow stagnate or collapse altogether. This is detrimental not only at the family level but also at the macro-economic level as the GDP fails to grow. In the presence of this glaring discrepancy in the women groups access to credit this study seeks to explore what influence credit requirements have in accessing women enterprise funds among women self help groups in Gilgil.

### **1.3 Purpose of the study**

The purpose of this study is to evaluate the influence that credit requirements have in accessing women enterprise funds among women self help groups in Gilgil.

### **1.4 Objectives of the study**

1. To establish how collateral requirements influence access to wef by women self-help groups located in Gilgil.
2. To examine how capacity requirements influence access to wef by women self-help groups located in Gilgil.
3. To find out how documentation requirements influence access to wef by women self-help groups located in Gilgil.
4. To find out how character requirements influence access to wef by women self-help groups located in Gilgil.

### **1.5 Research questions**

1. How do collateral requirements influence access of wef by women self-help groups located in Gilgil?
2. How do capacity requirements influence access to wef by women self-help groups located in Gilgil?
3. How do documentation requirements, influences access to wef by women self-help groups located in Gilgil?
4. How do character requirements influence access to wef by women self-help groups located in Gilgil?

## **1.6 Significance of the study**

This study focused on empowerment of women MSE entrepreneurs who are a key engine to economic growth hence playing a big role on alleviation of poverty. The outcomes of this investigation will therefore be very critical to the strategists in women matters. The key stakeholders are the Kenyan National Government, Nakuru County Ministry of Cooperatives Development and women lobbies in the country. They will know the areas where women are oppressed as concerns access to credit facilities. This will therefore enable them to initiate appropriate reforms in credit policies for loans to women and women groups. Such women lobbies may also use the outcome of this study to know where and how to come in matters to do with literacy of the women entrepreneurs.

The other key stakeholders that will find the output of this study vital are the financial institutions. The key deliverables of most financial institutions is loan disbursement and financial inclusion/portfolio balance. They will thus be able to understand whether credit requirements are limiting loan uptake. This will enable them in their strategic planning such that they will know which key initiatives to undertake in order to maximize loan uptake by women groups. The women groups will be a major beneficiary as they will know whether they need to seek for training for their members. They will also be able to know the weaknesses their members have that they can address in order for them to become better. This will help them to be better equipped for poverty eradication.

## **1.7 Delimitations of the study**

This study was based on women entrepreneurs in Gilgil Sub- County who are members of a registered women group. Selection of Gilgil as study area was due to low uptake of women enterprise fund. According to WEF (2019) report on women enterprise fund loan status, Gilgil



was the lowest sub-county among the eleven sub-counties of Nakuru County in terms of women enterprise fund disbursement as at February 2019. Groups with composition of both men and women and whose percentage of men exceeds 30% of the total group members was not considered as part of the population of this study as WEF dictates that for a group to be funded, percentage of women should be 70% or more of the total group members.

### **1.8 Limitations of the study**

The groups were spread out in the town and had different meeting times leading to logistical and financial challenges. The researcher overcame this challenge by approaching the group leadership in advance to secure specific dates of their meetings. The researcher also faced challenges of unwillingness by group members to attend groups meetings due to the fear of Covid19 pandemic, this was mitigated by assuring the groups all the preventive measures as directed by the ministry of health will be observed including the researcher incurring costs of providing sanitizer to the group members.

### **1.9 Definition of significant terms**

**Capacity:** Customers ability to repay his debt obligation to the last coin and in a timely manner. This is evaluated by considering the cash flows of the business versus the existing and potential obligations. It is also evaluated based on the skills and experience of the entrepreneur to run the business profitably.

**Character:** This refers to a customer's ability to be disciplined, reliable and mature to the extent that she will repay the debt according to the agreed terms and conditions. It is a key element in the 5 C's of credit that reduces the incidence of credit risk or default.

**Collateral:** This refers to physical or financial security that acts as a guarantor in case the borrower fails to meet the obligation of the lender. In the case of a women group it can include property, motor vehicle, business assets, household chattels, group savings, and personal savings among others.

**Credit Requirements:** This refers to the conditions that financial institutions may impose to a borrower before they can qualify to borrow from them.

**Woman:** An adult female human being.

**Women entrepreneurs:** Adult female human beings carrying start-ups businesses.

**Women enterprise funds:** Funds by various entities either governmental or non-governmental that provide inexpensive credit to women supporting them initiate, enlarge their enterprises hence boost employment and generate wealth.

**Women Self Help Groups:** These are groups formed by women entrepreneurs with a purpose of pooling savings for the purpose of borrowing funds from financial institutions under a group guarantee to benefit the individual woman entrepreneur

### **1.10 Organization of the study**

This study has been organized into five chapters. Chapter one contains background to the study, statement of the problem, purpose of the study, research objectives, research questions, significance of the study and organization of the study. In Chapter two relevant literature is reviewed, theoretical framework and conceptual framework. The third chapter entails research methodology including research design, population, sampling procedure, operation definitions of variables, data collection methods, reliability and validity of instruments. Chapter four contains data analysis and research findings and lastly chapter five has summary of findings, conclusions and recommendations of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section will discuss theoretical framework, empirical literature, review of empirical literature on credit access among women entrepreneurs, conceptual framework and then identifies the gaps in existing literature.

#### **2.2 Global Perspective of Women Enterprise Funding**

Economic empowerment on women's is among foundation of the 2030 Agenda for Sustainable development. The 2016 Report of the UN Secretary-General's High-Level Panel on Economic Empowerment of Women's gives proof that worldwide women are not keeping pace with men on matters of business establishments, enterprises intensity in addition to eligibility on financial support. Female-supported establishments are minute as well as suffering drawbacks on loan applications. (UN Secretary-General's High-Level Panel on Women's Economic Empowerment 2016).

The philosophy of women's business venture, both the women entrepreneur and their proprietorship, is observed as a latent source of financial and social development. Common concern lays largely in what the women entrepreneurs do and do not execute when related to men and then filters into the "whom," "why," "where," and "how" questions that go along with comprehending the establishment, progress, and expansion of the businesses (GEM, 2017).

As per GEM Report (2017) most areas of the continent, the myriads of women beginning and operating new businesses is growing; some women are inspired by demands to open a business

when there are no other opportunities for them to support their dependants. Other women are inspired by chance where they perceive new openings in the market even though other manpower options may exist, and finally some are inspired by a combination of chance and demand. However, there is also wide diversity in women's participation in different types of trade, self-employment or partnerships as well as broad dissimilation by production, age, education level, and progress aspirations. In other words, there is no single description of the woman entrepreneur, and women entrepreneurs should not be seen as the same or treated as one populace.

This view is also supported by the World Employment and Social Outlook: Trends 2018 report (sponsored by the International Labour Organization) which noted that even though parity gaps continue in the labour industry and that women still get discriminated when searching for employment and their wages are lower, there are important gains to promising and promoting women's entrepreneurship. In addition, the World Bank reports that women ventures chip in substantially to commercial growth and indigence reduction even though they are bottlenecks of capital inadequacy and social constraints.

In their report about women entrepreneurship (World Bank policy research paper 2017) in five Continents Europe, Asia, America, Australia and Africa postulates confirmation of equality prejudice on women proprietorship. It showed that in 45 of the 142 nations that were part of the entrepreneurialism project less than thirty percent of Limited Liability Companies proprietors were women in the broad greater part of nations. Even though single businesses were commonly established by women businesses, only four countries had homogenous or less numbers of women proprietors relative to male counterparts. Further it suggested that the business inequality among the two genders was strengthened by other aspects, such as minimal economic

involvement of women, education inequalities, and civil rights disparities. The major gap was noticed in the Middle eastern where only two out of six women participated in the labour force (Gatti et al. 2013). Notwithstanding a small margin increase in women's participation in economic activities in recent years, it is evaluated that it would take 100 years for the economies of the Middle Eastern to ascend to the current world average for women employable force participation (Gatti et al. 2013).

### **2.2.1 African Perspective of Women Enterprise Funding**

As per 2016 study by Venture Capital for Africa in Africa, only 8% of new business investments have women leaders. The study continued to show that the goal of establishments is to enterprise into something that is new, perilous and more challenging than usual and from girlhood, culturally, women are prepared to accept that the kind of demeanor, roles or desires that fit these characteristics is not good for them and are intended for Men. The study indicated that over and over again, women feel lesser to pursue and manifest in large enterprises and subsequently, they gravitate towards cautious risk projects and more often than not strain with scarce or no access to funding for beginners due to deficient capital and securities to secure Finance.

African women commit 75% of their effort producing crops. Almost two thirds of agricultural workforce, 85-95% of agro-industry, repository and transference including ploughing and gardening is made of women. One main shortcoming is that women are not registered owners of land and buildings, prerequisite condition to act as security for borrowing of loans to invest in a business. Customarily many Africa countries subscribe to patriarchal type of society where women are disadvantaged from land heritage in the name of male counterparts so that heirs of the property in the family are the male gender. This social concept continues disfranchising and

depriving the girl child from being able to acquire finance thus reducing development of women based entrepreneurship (Sakala, 2016).

In another report by Global Entrepreneurship Monitor (2019), the study showed that African continent lags behind on proportion of women ventures worldwide this being approximately 24% of women adults occupied in entrepreneurial activity. Most women-led investments are small enterprises with no or little room for expansion. Also, women entrepreneurs are not uniformly spread across the world. Egypt, Ethiopia, Kenya, Uganda and Congo have imbalanced high numbers while Nigeria leads in producing more female entrepreneurs than any other country in Africa, with 34% of enterprises being women as proprietors. Most of these enterprises tend to have no workforce and have low expansion probabilities and mostly they are women sole proprietors. Nevertheless, due to various gender-specific demands, the ADB evaluates a \$30B funding gap for African women making the growth of these enterprises no to flourish (Jensen, 2017).

Prevailing women's financial empowerment intrusions in horn of Africa are not enough to conquer all barriers facing female businesses. Investigations done on women growth and financial emancipation confirm that for flourishing interpositions to be life-changing, there is necessity to stir past elementary obtaining of monetary and economic resources but also undertake to improve psychosocial and techniques limitations on women ventures. New deposition from latest explorations on contrasting finance-support, skills-support, and femininity support actions, applying haphazard randomized experiments, shows hopeful interpositions to reinforce feminine businesses. An observation study in Uganda found that granting financial boost although efficacious for male counterpart; this didn't have end results on women-possessed

establishment incomes. Likewise, a participatory randomized experiments on Tanganyika investments feminine Combine project established that though the electronic deposits in essence led to skyrocketing of savings, there was no impact on women-supported business margins or turnover albeit amalgamated with investments prowess e.g. commerce administration, fundamental earnings ideas, and financial recordings. The two experiments nevertheless agree, borrowings joined with entrepreneur education in addition to upgraded admittance towards digital deposits joined with entrepreneur education had a commendatory consequence on male-owned businesses. Thus, a prosperous women's business enabling mediation needs more than facilitation to economic capital and trade skills (Siba, 2019).

### **2.2.2 Women enterprise Fund in Kenya**

Women Enterprise Fund is a state of Kenya strategic programme, entrenched through Legal Notice No. 147: Government Financial Management (Women Enterprise Fund) Regulations, 2007. The legislation of the Public Finance Management Act, 2012 classifies the organization as a National endowment Fund. As a head leader project under the social pillar in the Kenya Vision 2030, the WEF supports the conceivment of the two Millennium Development Goals on Poverty abatement and Gender fairness & Women support respectively (Cheston and Kuhn, 2009).

The project pursuit is to marshal assets for continuous access to cost effective financial and enterprise assistance services to support Kenyan women and its vision is a transformed Kenyan woman contributing to sustainable social economic development. The mandate of the WEF is to deliver subsidized financial products to Kenyan business women for investment growth, status development of women establishments and their businesses, captivate and promote investment in SMEs level headed frameworks such as investments markets or business designed programs to

help start-ups that will benefit women enterprises, strengthen women associated SMEs to come up with avenues that will propel large entrepreneurs and to enable promotion of purchase and sales (Cheston and Kuhn, 2009).

The WEF presented its services in form of various products, Jiimarishe loan, WES, bid bond and Local purchase order financing. Jiimarishe product was a loan for individual women entrepreneurs. The loan is accessible from various financial institutions with good credit history vetted and approved by the funds advisory board. The key financial institutions approved to lend are women led SACCOS which have been approved by WEF board. Women borrow loans either as individuals, women owned ventures or other organizations e.g. registered self groups, registered business names or limited companies. The features of Jiimarishe loan were: Subsidized premium of 0.08 per year on non-flat rate and the terms and conditions are as structured by selected women enterprise fund savings and credit cooperative partners.

Constituency Women fund offered to women groups registered with district social development office with an aim of growth or forming new enterprises. The product features were: Requirement to be a registered self-help group of at least 10 members of which 70% of the group members should be women, all the leaders of the group and bank signatories must be women. Groups qualify for women enterprise fund advances after duration of three months from the time they were registered. The facility has no Interest, loan application fee of 5% of loan amount, the loans are issued on a graduation principle 1st loan Ksh. 100,000 2nd loan Ksh. 200,000, 3rd loan Ksh. 350,000, 4<sup>th</sup> loan Ksh 500,000 and 5<sup>th</sup> borrowing Ksh 750,000, the maximum repayment is 12 months for 1<sup>st</sup> to 3<sup>rd</sup> loans while 4<sup>th</sup> borrowing is 15 months and 24 months for 5<sup>th</sup> application. The self groups are required to have a bank account in an approved financial institution and must



have operated the account for not less than 3 months. The group members are also required to have undertaken a business entrepreneur course facilitated by women enterprise fund officials. The fund has played a key role in empowering women in Kenya since its inception in 2007(Cheston and Kuhn, 2009).

The Auditor General report on assessing the value of the WEF in providing monetary and business enabling facilities to women enterprises (2017) the (WEF) advances had not realized the targeted expectations notwithstanding Sh7 billion advances. The report stated that WEF blueprint (2013-17) purposed to intensify the number of women beneficiaries from 536,649 in June 2012 to 1,391,150 by June 2016. “Review of detailed Constituency Women Enterprise Scheme (CWES) portfolio status report as at November 2016, showed that WEF had managed to advance loans to 700,820 equating to a target achievement of 50% (Njoroge 2013).

### **2.2.3 Access to Credit by women entrepreneurs**

Lack of sufficient start-up financing is reckoned as the greatest challenge the world over among women entrepreneurs. Provision of finances is very vital for the start-up and running of business enterprises. Shamala (2013) study on credit access by Zambian women entrepreneurs found that they faced difficulties from local banks due to stringent lending requirements. This stopped them from being able to venture into sustainable business. Findings by Adonita (2014) indicate that in order to secure a formal bank loan one needed adequate collateral but since most MSEs don't possess such they turn to unregulated financiers. She noted that shylock funds are accessed at a very exorbitant interest rate and processing fees.

The Kenyan Government has rolled out several funds to enhance growth of the MSE subsector. These include WEF, YEDF, and Uwezo Fund (Nyabilo, 2014). Despite these initiatives the MSE

subsector especially the women are disadvantaged in terms of loans advancement from legalised credit lenders (Njoroge, 2013). Njoroge (2013) found that financial institutions were only willing to lend to clients who had sufficient collateral, good loan repayment history and good savings in the bank. Given the risk-return consideration by banks women entrepreneurs don't obtain adequate credit. He observed that investments funds are a prerequisite for exponential growth of any business. He however regretted that such growth could not become real due to the stringent credit requirements that the borrowers could not easily fulfil. According to Anyumba (2013), the number of financial institutions within reach of the entrepreneur is a good indicator accessibility of credit. Opiyo (2014) stated that for women in Kasipul to access bank loans previous repayment history, physical collateral and personal savings were key considerations.

Funds are the greatest variable when it concerns growth of any business yet lending conditions by financial institutions kept entrepreneurs from borrowing funds (Mogire, 2012). Some of the conditions that she lists as being key impediments to loan access include; lengthy and tedious credit processing, insufficient collateral and exorbitant interest rates.

The 2019 Fin Access Report shows that while the financial access gap between men and women entrepreneurs is narrowing, disparities still remain. The men have a higher access rate for credit as compared to the women. The Fin Access Survey (2019) found out that though 37% of women in groups have bank accounts only 8% qualify for loans from commercial banks. To fund their business growth and start-up women resort to using personal financing (36.7%), reinvested funds (24.3%), formal savings (21%), or informal savings (15.3%). That means very few women use the conventional method of borrowing since only 3.2% borrow informally while only 2.7% borrow formally. That shows the level to which borrowing formally or informally has been relegated in the registered women groups in Kenya.

A study by Shamala (2013) among Zambian women entrepreneurs concluded that long loan processing procedures caused women entrepreneurs to avoid borrowing from banks and instead preferring the more costly informal credit. It was further observed that stringent lending requirements constrained the choices that women entrepreneurs had of obtaining business capital. He argues that the group lending has not been successful since co-borrowers self select into groups of members who are homogeneous to avoid the risk of losing savings to defaulting members.

### **2.3 Capacity requirements**

Capacity is a key consideration by financial institutions with regard to the 5 C's of credit evaluated during credit appraisal. It means the ability of a customer to repay his debt obligation to the last coin and in a timely manner. Capacity also refers to the entrepreneur's literacy levels i.e. ability to manage the enterprise through the skill set he/she possesses. It is evaluated by adding up the monthly and annual cash flows (World Bank, 2014).

Most documents in financial institutions e.g. cheques, loan policies and procedures, offer letters, statements, are conveyed in written form. That explains why lack of education is a major limiting element crippling women's capacity to profit from monetary services. Financial illiteracy and low academic levels limit a woman's ability to access financial services, (Taylor and Boubakri, 2013). When rural women are compared to male entrepreneurs, they are less literate on banking products and services. Financial illiteracy is a major source of doubt and contributes to shyness by women entrepreneurs from using formal financial services. The illiterate woman thus tends to prefer informal borrowing channels which insist less on formal procedures (Fletschner& Kenney, 2010).

Research by Kasseeah and Thoplan (2012) realized a positive correlation between higher levels of literacy and business development. He found that education of an entrepreneur enables them to communicate, well, and ultimately present the loan proposal in an evaluation interview. He further found that education strongly affects access to credit in Brazil meaning a graduate raises credit more easily from a bank. Kasseeah and Thoplan (2012) proposed the best measure of literacy is the degree of schooling.

The WEF Tuinuke loan qualification requires the groups to have operated a bank account in an acceptable financial institution and must have been in operation for more than three months. The groups are required to have undergone a course in financial and business administration conducted by the WEF officials, (Cheston and Kuhn, 2009).

#### **2.4 Collateral requirements**

Naliaka (2015) defined collateral as a physical or financial security to be sold off in circumstances that the person advanced the loan does not honour the commitment to pay in the stipulated time. He further added that in the case of a women group it can include property, motor vehicle, business assets, household chattels, group savings, and personal savings among others. Lamin (2011) observes that lack of collateral and insufficient income are the two main obstacles against access of funds by entrepreneurs. He further explains that entrepreneurs may be unable to provide sufficient collateral as compared to the loan applied for or merely lack the collateral altogether.

Obiero (2020) findings indicated that presence of valuable collateral solves many problems including softening the policy of the lender in the face of a higher risk entrepreneur. The reason formal financial institutions prefer to ask for collateral is so that the borrower is cautious on how to use the loan in order to avoid losing the pledged collateral (Mutai, 2015). Willingness by the

borrower to avail physical or financial collateral catalyses access to loans for start-ups. Since banks are risk averse, they almost always focus more on collateral more than they emphasize on the profitability of the business venture. According to Gangata and Matavire (2013) the inability of MSEs to access loans from financial institutions was compounded by the challenge of lacking collateral.

A study by Kamau (2009) found that collateral is a key impediment faced by MSEs as they seek for formal credit. He further found that 92% of businesses studied had the loans they had applied rejected due to lack of sufficient collateral. Despite awareness on the importance of loans in boosting their businesses, most entrepreneurs lacked tangible assets thus their loans applications were disqualified. Most MSEs don't depend on external financing to finance both start ups and expansion due to the lengthy collateral perfection procedures but prefer to go for supplier credit as an alternative.

In developing economies, lack of physical collateral is a huge impediment for poor women entrepreneurs who seek to borrow in formal financial institutions, further women don't have right to property, which in most cases belong to either their husbands or their parents, thus restricting their access to credit Financial institutions hesitate to lend to women since they don't own collateral individually apart from joint collateral (Gogi, 2019).

A World Bank study in 2016 found that rural women do not possess property or other productive assets that can act as security or guarantor. Men own more agricultural property all over the world when compared to women. The scenario of land ownership is even worse when it comes to the developing economies. This prominent challenge of lack of collateral by women entrepreneurs render it impossible for them to access credit. Adonita (2014) observed that

Kenyan entrepreneurs seek business financing from friends and relatives first before turning to banks.

The eligibility criteria for LPO financing, one of the loan products under WEF is a fully executed Letter of settlement and sufficient assets to cover the loan as per the policy guideline of the Fund's together with recent valuation report for all amounts. WEF has defined acceptable collateral for this product as guarantees issued by banks, quoted shares or cars Logbooks, (Njoroge 2013).

## **2.5 Character requirements**

Owuor (2015) highlights the credit history of a potential borrower is important in establishing his/her creditworthiness. He noted that the CRB report is a key requirement when one is borrowing loans from a formal financial institution. He observed that many women in Karachuonyo had been blacklisted by CRB hence were unable to access credit. Ranono (2015) explained that the CRB displays the credit history based of a person and any negative listing bars them from accessing credit as it shows poor loan repayment character. Ndegwa (2012) found good credit history as the most significant requirement before a bank lends to a borrower. He noted that even SACCOs have adopted the use of CRB hence denying credit to women entrepreneurs who are negatively listed. He further observed that negative listings in CRB report are the main deterrent used to keep away habitual defaulters from accessing loans from banks. Obiero (2020) noted that it's common practise among financial services to exchange client's borrowing history as a basis of determining the value of borrowers. He argues that CRB report is being depended on only for the negative information instead of as a risk evaluation and loan pricing tool. A lender uses the CRB report to assess the potential borrower and evaluates the credit record and outstanding obligations of the individual borrower. However, being a

requirement by Central Bank of Kenya, banks still request for a CRB report of the borrower and their guarantors all the time during loan appraisal.

Women entrepreneurs usually face a harder time than men in the area of records since their credit history is usually considered to be that subject to that of the husband. This means if the husband is a bad credit risk then the woman may be denied credit (Taylor & Boubakri, 2013).

WEF eligibility criteria for financing LPOs is a requirement to avail a credit reference bureau clearance certificate, this is to ensure the successful applicants of the Fund are women of good character in terms of loan repayments (Adonita, 2014).

## **2.6 Documentation requirements**

Before availing credit, lenders always require women in groups to provide certain mandatory documents. These include up to date group registration documents, group fees payment receipts, account statements and cash flows, project proposals and sometimes the business plans. However, most groups especially in rural areas don't have the knowledge that enables them to prepare business plans, budgets, keep financial statements and even daily sales records. However, banks are often adamant on this requirement as a prerequisite before approval of loans (Wawire, 2010).

Pandula (2011) observes that banks almost often require audited balance sheet and profit and loss accounts before appraising a loan. He further observes that even in South Asia SMEs face barriers when in need to borrow bank loans due to deficiency of records. He concluded that though SMEs keep a set of records e.g. sales records, purchases and sales on credit, they do not maintain audited accounts.

Nanyondo (2014) observed that qualification of loans is determined greatly by the quality exhibited in the financial statements. Tweedie (2012) observation about the quality of financial

statements agrees with that of Nanyodo (2014) above since he says quality is ‘paramount’ to accessing finance. Wanjohi, (2009) scientific enquiry established that Kenyan SMEs lack credit due to keeping financial statements that don’t comply with standards set up by various accounting bodies. According to Adonita (2014), most of the times banks gauge the creditworthiness of an enterprise based on the provided financial statements. The most reliable documents for evaluating a firm’s ability to service a debt are audited financial statements.

Kithinji (2017) was of the opinion that due to high interest rates and loan application fees charged by commercial banks and complex documentation requirements majority of women in rural and urban settings forms self help groups as their logical choice for funding. She asserted that the majority of women entrepreneurs lack sufficient financial literacy to enable them provides financial statements that can convince banks to lend. She also added that micro and small enterprise rarely maintain a track record of their performances since many of them are either new business or lack training on documentation.

Kasseeah&Thoplan, (2012) observed that MSEs may have a lot of recorded information about the business but they are suspicious of why they should provide it to a third party. At other times, they observed, the entrepreneurs may be aware of the financial status of their business but don’t know how to clearly communicate such information as expected. Opiyo (2014) observes that some business owners felt the reason they were denied access to loans was lack of credit records and failure to understand the terms for the loan products. Economically developing nations many women mainly in the countryside lack important documents like the Identity cards, PIN certificate that are mandatory requirements for loan processing (Klapper, 2016).



## **2.7 Theoretical Framework**

Three different theories outline the general propositions and rules that will guide this study; financial inclusion theory, Credit Rationing theory and Goriths theory of business refinancing. These theories are important and relevant to this study as they define various facets of the problems that women suffer as they attempt to access credit i.e. exclusion from financial services for women and credit rationing that affects women since they are perceived as high-risk.

### **2.7.1. Financial inclusion theory**

Financial inclusion theory stipulates that financial services should be available easily, at an affordable cost, in sufficient quantity, in appropriate forms and in a timely manner to all the needy people. The key aim of this theory is to convert lower cadre entrepreneurs who are reliant on an informal system to bankable population dealing in a formal banking system, optimize on cost of credit, and cultivate a robust savings culture. All these combined will in the long run result in economic development and alleviate poverty (McKinsey and company, 2010). Financial inclusion thus enables the poor to achieve better quality of life for their families and also reduce poverty (Ernst & Young, 2010). In order to achieve financial inclusion, banks have to penetrate among the unbanked with products like bank accounts, deposit services, insurance services, and easy access to affordable loans (Thorat, 2010). The strength of this theory is that it proposes reaching the unbanked in order to alleviate poverty hence enjoy better quality life. Women fall among the most unbanked cadre of citizens hence this doctrine is applicable to this probe. The theory also proposes ease of access to finances hence covers much on the issue of minimum credit requirements before women can access credit facilities.

### **2.7.2 Credit Rationing Theory**

The principle was brought up by Stiglitz and Weiss (1981) and argues that information asymmetry is among the reasons why MSEs are denied access to credit. The proponents of this theory argue that it is only the entrepreneur who knows the real picture of the potential of the business and whether they can repay the debt. However due to lack of this information or even enough documentation to make a decision, the manager of a financial institution makes decision based on lack of information. Under the scenario of lack of documentation, the manager depends on the scientific theories of adverse selection and moral hazard. The tendency is therefore to deny credit a person who though deserving has no detailed documentation.

MSE are the most likely victims of capital rationing due to their perceived risk category. Though they are often willing to pay more risk premium but be included, banks choose to decline such a proposal in favour of more stable enterprises. The theory fits into this study in that it cites lack of information about entrepreneurs, their risk status and their ability to pay that causes them to be denied credit. The financial institutions ask for numerous credit requirements to women entrepreneurs in an attempt to either get information or cover for unavailable information (Njeru, 2018).

### **2.7.3 Goriths theory of business refinancing**

Goriths theory (1978) proposes that the degree of uptake of credit is certainly comparable to the rate of investment in a business. This implies that the investment in a business is directly proportion to refinancing required in that business. This theory, on the other hand, stipulates that when a business entity is redundant in the rate of growth, there is less demand for fresh capital resulting in low level of credit uptake. The key proposition in this theory that made it useful for

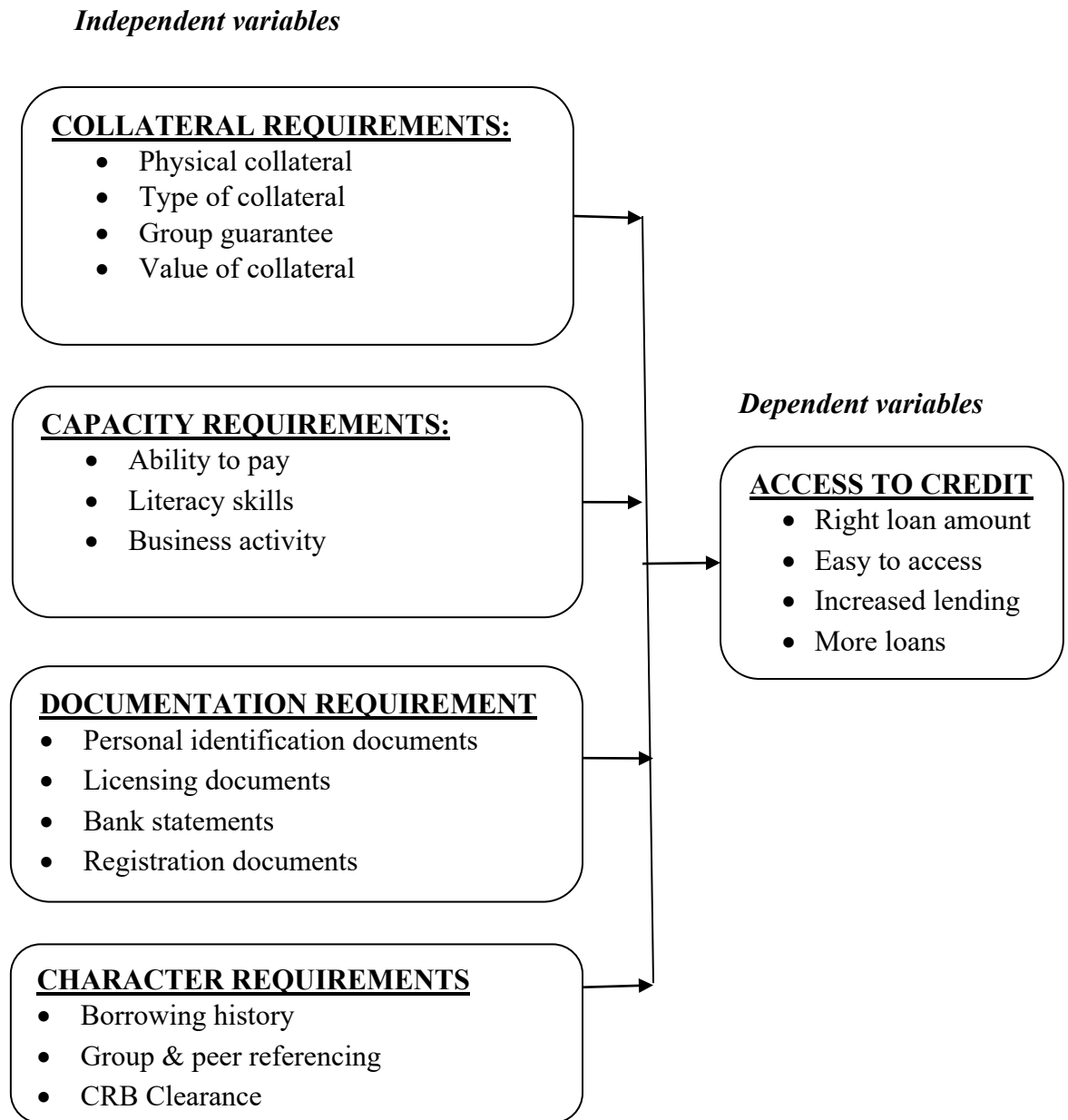
this study is that any growth in a business always attracts appetite for capital injection. As the MSE businesses by women grow they need more capital in order to go to the next level.

## **2.8 Conceptual Framework**

This is the coherent arrangement that gives body to the overall research project. In this study, the independent variables consist of collateral requirements, character requirements, capacity requirements and documentation requirements. The dependent variable is access of credit for women entrepreneurs in Gilgil Town.

Collateral requirements include physical collateral, requirement for a specific amount of own savings in the group, group guarantee and the need for spouse to guarantee. The factors that are considered under capacity requirements are ability to pay, literacy skills and other outstanding loans. The character requirements are mainly the borrowing history of the borrower and group and peer referees. The documentation requirements are personal identification documents, accounting records, licensing records, and taxation records.

Figure 1 below presents the conceptual framework.



**Figure 1: Conceptual Framework (2019)**

## 2.9 Research Gaps

The subject of women finance is very expansive with various local and international studies having been done on issues that centre on women and their access to credit. Majority of the

studies analyzed revolved around factors that influence or affect access to loans by business women. Different words have been used for factors e.g. determinants, challenges, analysis of factors as regards their influence on access to credit. There are also varying dependent variables in each of the studies with emphasis being either access to microfinance credit, affordable loans, as well as accessing loan facilities. Geographical scope pertaining to past studies has been found to be varied from rural areas e.g. Tharaka South District, Athi River, Karachuonyo, Machakos County, Nyeri County and other Kenyan rural areas. Other studies cover the urban poor like Kangemi Market. Factors that have specifically been investigated by past studied include lending procedures, purpose of loan, information asymmetry, collateral requirements, credit rating/credit scoring, socio-cultural factors, family influence, cost of finance and lack of entrepreneurial skills. Most of these studies therefore cover ‘which (or what)’ factors hinder women access to credit. Studies have not been done specifically on ‘how’ these factors affect the business women in qualification for loans. The purpose of this study was to bridge this gap by looking at the influence that credit requirements have on access to wef among women Self Help Groups in Gilgil. The study looked at how collateral requirements, capacity requirements, character requirements and documentation requirements influence access to women enterprise funds specifically in Gilgil.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter provides a detailed outline on the methodologies of the research used in carrying the study. The details include research design, population targeted, procedure used in sampling, data collection methods, pilot testing, validity of instruments and reliability, and methods of analysing data.

#### **3.2 Research Design**

Research design refers to a framework of the methods and techniques used by a researcher to bond various components of the study in a consistent and reasonable manner in order to describe the research problem efficiently (Creswell, 2014). Descriptive research design was applied by the researcher. A descriptive study is explained by Best and Khan (2009) as type of research that examines the association among phenomenon in studies, in which the independent phenomenon so far has taken place, just as it is in this research study where independent variables i.e. influence of credit requirements have already occurred thus the descriptive statistics simply described what the data was showing.

#### **3.3 Target Population**

This study focused on women groups running enterprises in Gilgil, Kenya. As per the records of the Gilgil DGSDO's office year 2020 there are 1,420 registered groups each with a membership of 15-30 members. Out of the total 1420 registered groups 225 were specifically groups owned by women. The target of the study was 225 members from the women groups in Gilgil.

### 3.4 Sample Size and Sampling Technique

Krejcie and Morgan (1970) “Table for determining sample size for a given population”, was used to decide the sample from the population of 255 women leaders.

According to Kumar (2011), this table is based on the following formula to derive a sample from a precise population.

$$S = \frac{X^2 NP (1-P)}{d^2 (N-1) + X^2 P (1-P)}$$

S=sample size to be derived from population

X<sup>2</sup>=the table value of chi-square for one degree of freedom at the desired confidence level

N=size of the population.

P=the population (presumed to be 50 as this would provide the maximum sample size)

D=the degree of accuracy expressed as a proportion (.05)

From the table, a population of 220 requires a sample of 140. Therefore, a population of 225 will require a population of:

$$S = 3.841(225(0.5) (0.5)/0.0025(224) + 3.841(0.0025) = 142.1$$

Therefore the sample size will be 142. Simple random sampling was applied to choose 142 participants.

### 3.5. Data Collection Techniques

Collection of primary data was done by use of questionnaires as they were recommended by Denscombe (2007), as being suitable for survey research and therefore gathers ample materials without taking a long duration. The questionnaire had six parts. The first part was the background of the respondent, four sections captured questions relating to the independent variables, and the final part gathered data on the dependent variable.

### **3.5.1 Piloting Test**

A pilot test which is also known as instrument pre-testing was carried out before the main data collection. Its significance was to test the rate of success of the data gathering instruments and highlight any weaknesses they may have (Alila, 2011). The pilot sampled size were 14 respondents (10% of 142) done in pipeline area of Nakuru Town East constituency which neighbours Gilgil to ascertain the feasibility of the research instruments. The questionnaires were distributed to the respondents to certify all questions were proper including substance adequacy to gather data focused on research goals and the duration research instrument would consume. After guiding the activity, necessary adjustments were made to the instruments, this enabled a certain the consistency and accuracy of the instruments used.

### **3.5.2 Validity of the Research Instrument**

Validity refers to the extent to which a measurement, concept or conclusion reflects the actual reality in the real world. A data collection instrument that has validity is one that does the work it was designed to do i.e. measuring specific variables (Connaway& Powell, 2010). All the indicators that could be used to measure the variables were identified and then, the questionnaire was developed through thorough review of relevant literature and modified based on recommendations from the university supervisor.

### **3.5.3 Reliability of the Research Instrument**

To ensure reliability, this study used test retest method. Questionnaires were issued to a small number of respondents with similar characteristics and the replied questionnaires were evaluated manually. After fourteen days the same questionnaires were issued to the same members of the group and manual means were used to analyze the responses.



### **3.6 Data Collection Procedure**

Approval to carry out the study was applied from the university, DSDo, WEF and a research permit was granted by NACOSTI. Data on meetings dates of each group was obtained and two trained research assistants were engaged under supervision to administer the questionnaires. Groups that were not meeting due to covid19 mitigation measures, questionnaires were administered at a place of their convenience.

### **3.7 Data Analysis Techniques**

Data analysis encompasses converting primary data using analytical and arithmetical approach before unveiling the information as the recommendations of the study, (Kumar 2011). The first stage was inspecting and reviewing the filled questionnaires to separate unfilled questionnaires and then note mistakes. Each item in the questionnaire was sorted, coded then fed into SPSS; a software package used for analysing data. The results were analyzed using frequencies and percentages and data was presented using frequency distribution tables.

### **3.8 Operational Definition of Variables**

Operational definition of the variables entails specifying how each of the concepts will be measured. This study will focus on four major independent variables i.e. collateral requirements, capacity requirements, character requirements and documentation requirements. Further access to credit will be the only dependent variable to be investigated.

**Table 3.1: Operationalization Table.**

<b>Objectives</b>	<b>Variables</b>	<b>Indicators</b>	<b>Measurement Scale</b>	<b>Data Collection</b>	<b>Data Analysis</b>
To investigate the extent to which collateral requirements influence access to credit	<b><u>Independent</u></b> Collateral requirements	<ul style="list-style-type: none"> <li>• Physical Collateral</li> <li>• Own sufficient savings</li> <li>• Group Guarantee</li> <li>• Spousal consent</li> </ul>	Ordinal Ordinal  Ordinal Ordinal	Questionnaire	Descriptive Statistics
	<b><u>Dependent</u></b> Access to Credit	<ul style="list-style-type: none"> <li>• Right Loan amount</li> <li>• Right Time</li> <li>• Affordable Cost</li> </ul>	Nominal Ordinal Nominal	Questionnaire	Descriptive Statistics
To examine how capacity requirements influence access to credit	<b><u>Independent</u></b> Capacity requirements	<ul style="list-style-type: none"> <li>• Ability to pay.</li> <li>• Literacy skills</li> <li>• Other Outstanding loans</li> </ul>	Ordinal Ordinal  Ordinal	Questionnaire	Descriptive Statistics
	<b><u>Dependent</u></b> Access to Credit	<ul style="list-style-type: none"> <li>• Right Loan amount</li> <li>• Right Time</li> <li>• Affordable Cost</li> </ul>	Nominal Ordinal Nominal	Questionnaire	Descriptive Statistics
To find out how documentation requirements influence access to credit	<b><u>Independent</u></b> Documentation requirements	<ul style="list-style-type: none"> <li>• Personal identification documents</li> <li>• Licensing documents</li> <li>• Accounting records</li> </ul>	Ordinal  Ordinal Ordinal Ordinal	Questionnaire	Descriptive Statistics

		<ul style="list-style-type: none"> <li>• Taxation records</li> <li>• Bank statements</li> </ul>			
	<b><u>Dependent</u></b> Access to Credit	<ul style="list-style-type: none"> <li>• Right Loan amount</li> <li>• Right Time</li> <li>• Affordable Cost</li> </ul>	Nominal Ordinal Nominal	Questionnaire	Descriptive Statistics
To find out how character requirements influence access to credit	<b><u>Independent</u></b> Character requirements	<ul style="list-style-type: none"> <li>• Borrowing history</li> <li>• Group &amp; peer referencing</li> <li>• CRB Clearance</li> </ul>	Ordinal Ordinal Ordinal	Questionnaire	Descriptive Statistics
	<b><u>Dependent</u></b> Access to Credit	<ul style="list-style-type: none"> <li>• Right Loan amount</li> <li>• Right Time</li> <li>• Affordable Cost</li> </ul>	Nominal Ordinal Nominal	Questionnaire	Descriptive Statistics

### 3.9. Ethical Considerations

It is a general rule in any research that error-free and factual data be presented during the recording of findings in an effort to satisfy the purpose of the study. Data collection in a research study involves interaction between the researchers and the respondent and further the research report involves different people for example the examiners. There is therefore the need to promote ethical standards in all these interactions, maintain confidentiality and independence. In a research study there is involvement of secondary data hence requiring the researcher to adhere to patent and copyright policies in order to avoid plagiarism (Resnik, 2011).

In this study, where a person's work was included, the researcher took due diligence to acknowledge such. Further when the researcher carried out data collection using the questionnaires confidentiality was ensured and the respondents name was not disclosed. Where the research findings of other scholars were quoted in the literature review due care was taken to acknowledge them hence avoiding plagiarism.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION**

#### **4.1. Introduction**

This chapter consists of analysis of data, presentation, interpretation and discussions of the findings. The study aimed to investigate influence of credit requirements on accessing women enterprise fund among women groups in Gilgil. It therefore sought to determine the influence of collateral requirements, capacity requirements, documentation requirements and character requirements had on women accessing the Enterprise Fund. Analysis of data was done and presentation executed in frequency distribution tables, succeeded by interpretation and discussions.

#### **4.2 Response rate**

Questionnaires were administered at group meetings and returned. The respondents who didn't turn out due to covid 19 restrictions were engaged in areas of their choice and assisted to fill the questionnaires by group leaders and the researcher. Data was obtained from 112 questionnaires against 142 questionnaires, this represented 79% response rate. The non-returned forms were due to some respondents not available as they were locked in other counties they had travelled due to covid19 mitigation measures.

#### **4.3 Demographic Information of the respondents**

Description attributes about the respondent's arrangement helped in creating an impression of the various compositions that present in the general populace. In this study demographic profile was

important for the researcher to evaluate the respondent's attributes by identifying their age, educational background as well as marital state.

#### 4.3.1 Women entrepreneur Age spread

**Table 4.1: Age of women members**

<b>Years</b>	<b>Frequency</b>	<b>Percentage</b>
18-25	17	15.2
26-33	36	32.1
33-40	41	36.6
Above 40	18	16.1
<b>Total</b>	<b>112</b>	<b>100</b>

From Table 4:1 majority of the women who had made applications for WEF were aged between 33-40 years 41(36.6%). They were followed by age 26-33 years 36(32.1%) and the minority were 17 (15.2%) of the age group 18-25 years had made loan applications for women enterprise fund.

#### 4.3.2 Education spread of women entrepreneurs

**Table 4.2: Women entrepreneurs qualification**

	<b>Frequency</b>	<b>Percentage</b>
Informal	9	8
Primary	16	14.3
Secondary	48	42.9
College	25	22.3
University	14	12.5
<b>Total</b>	<b>112</b>	<b>100.00</b>

The study found that 48(42.9%) of the women had reached Secondary school.25 (22.3%) of respondents had pursued college certificates, 16(14.3%) had primary education, 14(12.5%) had acquired university education and only 9(8%) had no formal certificates. Most of the women had secondary certificates qualification.

#### 4.3.3 Distribution of women groups by Family state

**Table 4.3: Family state of Respondents**

	<b>Frequency</b>	<b>Percentage</b>
Single	31	27.7
Married	61	54.5
Separated	9	8
Divorced	4	3.6
Widowed	7	6.3
<b>Total</b>	<b>112</b>	<b>100.00</b>

A big preposition of the participants were married 61(54.5%), women who were single were 31(27.7%), separated were 9(8%), divorced 4(3.6%) while those who were widowed were 7(6.3%). This implied majority of the women who had made applications for WEF were married.

#### 4.3.4 Years Participating in Women Group

The research sought information on whether the respondents had been participating in group activities. The frequencies and percentages were computed to illustrate the distribution.

**Table 4.4: No of Years in Women Group Activities**

	<b>Frequency</b>	<b>Percentage</b>
1-5 years	30	26.8
6-10years	48	42.9
11-15years	16	14.3
16-20 years	12	10.7
Above 20years	6	5.3
Total	112	100.00

The largest group comprising of 48(42.9%) of the respondents had been in the women group activities for between six to ten years. They were followed by those who were in groups between one to five years making up 30(26.8%). 16(14.3%) of the respondents had been participating in group activities for between 11 to 15 years while 12(10.7%) were in the groups for between 16 to 20 years and 6(5.3%) were in the groups for more than 20 years. This implied most of the women were experienced in group activities.

#### **4.4 Collateral requirements and access to women enterprise funds**

The study searched to determine whether collateral requirements influenced access to women enterprise fund. Respondents were needed to show the degree of collateral requirements on access to WEF.



**Table 4.5: Collateral requirements and access to women enterprise funds**

Items	Strongly disagree	Disagree	None	Agree	Strongly agree	n	Mean	Standard deviation
Physical collateral requirements for individual loans	0(0.0%)	16(14%)	0(0.0%)	54(48%)	42(38%)	112	4.09	0.97
Collateral type affects how much an individual can borrow	0(0.0%)	0(0.0%)	0(0.0%)	51(45.5%)	61(54.5%)	112	4.54	0.49
Collateral value affects how much an individual can borrow	0(0.0%)	0(0.0%)	2(1.8%)	47(42%)	63(56.2%)	112	4.54	0.53
Group guarantee requirements	0(0.0%)	0(0.0%)	0(0.0%)	95(85%)	17(15%)	112	4.15	0.36
Denied individual loan due to lack of collateral	0(0.0%)	0(0.0%)	4(3.6%)	22(19.6%)	86(76.8%)	112	4.73	0.52
<b>Combined mean and the standard deviation</b>						<b>112</b>	<b>4.41</b>	<b>0.574</b>

According to the data in Table 4.9, the combined mean for collateral requirements and access to women enterprise fund was 4.41 and the standard deviation was 0.574. The items whose means exceeded the combined mean of 4.41 were; Collateral type affects how much an individual can borrow, Collateral value affects how much an individual can borrow and denied individual loan due to lack of collateral. This meant majority of respondents agreed that collateral requirements influenced access to wef among women groups in Gilgil subcounty. For the combined standard deviation of 0.574, this meant the data was reliable as it was closely distributed around the mean. The research findings showed that most of the respondent's 54 (48%) agreed physical collateral influence access to individual loans from women enterprise fund, 42(38%) strongly agreed while 16(14%) disagreed. On type of collateral influence 61(54.5%) of the respondents strongly agreed collateral type affects how much an individual can borrow while 51(45.5%) agreed. In total majority of the members agreed that collateral type influence access to women enterprise fund.

On the collateral value, the research findings showed 63(56.2%) strongly agreed collateral value affects how much an individual can borrow, 47(42%) agreed while 2(1.8%) were undecided.

Majority of the respondent's 95(85%) agreed group guarantee influence access to women enterprise fund while 17(15%) strongly agreed.

Most of the women group members confirmed they had been unsuccessful in accessing individual loans from women enterprise fund due to lack of collateral.86(76.8%) of the respondents strongly agreed,22(19.6%) agreed while 4(3.6%) had not attempted to borrow individual loans from WEF.

#### 4.5 Capacity requirements and access to women enterprise funds

To examine if capacity requirements influenced access to women enterprise fund, respondents were required to show the degree of collateral requirements on access to WEF.

**Table 4.6 Capacity requirements and access to women enterprise fund**

Items	Strongly disagree	Disagree	None	Agree	Strongly agree	n	Mean	Standard deviation
Business activity requirements	0(0.0%)	0(0.0%)	3(3%)	21(19%)	88(78%)	112	4.76	0.49
Financial trainings requirements	0(0.0%)	4(3.3%)	7(6.4%)	25(22.4%)	76(67.9%)	112	4.54	0.76
Loan application was unsuccessful due to lack of business	0(0.0%)	0(0.0%)	0(0.0%)	87(78%)	25(22%)	112	4.22	0.42
<b>Combined mean and the standard deviation</b>						<b>112</b>	<b>4.50</b>	<b>0.56</b>

From the table above the combined mean was 4.50 implying that majority of respondents strongly agreed that capacity requirements influenced access to women enterprise fund among

women groups in Gilgil subcounty. The standard deviation was 0.56 an indicator that data captured was well clustered around the mean leading to greater dependability of the findings. The items whose means exceeded the combined mean of 4.50 were: Business activity requirements and financial trainings requirements while the item whose mean score was below combined mean was Loan application was unsuccessful due to lack of business.

The research findings showed that total combined 109(97 %) of the respondents agreed that having business activity influenced access to women enterprise fund 21(19%) agreed and 88(78%) strongly agreed. Only 3(3%) who were not decided.

From the tabulation above the highest number of respondents 87(78%) confirmed their loans applications were unsuccessful due to lack of a business while 25(22%) of the respondents strongly agreed their loans were unsuccessful due to lack of business. This showed economic activity as a requirement, influenced access to women enterprise fund.

#### **4.6 Documentation requirements and access to wef**

The research assayed information on how documentation requirements influenced access to women enterprise fund. Women group members were requested to show the measure of collateral requirements on access to WEF.

**Table 4.7: Documentation requirements and access to women enterprise fund**

Items	Strongly disagree	Disagree	None	Agree	Strongly agree	n	Mean	Standard deviation
Six months bank statements requirements for individual borrowers	0(0.0%)	0(0.0%)	6(5%)	38(34%)	68(61%)	112	4.55	0.59
Group registration requirements	0(0.0%)	9(8%)	0(0.0%)	18(16%)	85(76%)	112	4.59	0.85
Unsuccessful loan applications due to members not signing	0(0.0%)	0(0.0%)	11(10%)	35(31%)	66(59%)	112	4.49	0.66
Three months bank statement requirements for group borrowers	0(0.0%)	0(0.0%)	0(0.0%)	34(30%)	78(70%)	112	4.69	0.46
<b>Combined mean and the standard deviation</b>						<b>112</b>	<b>4.58</b>	<b>0.64</b>

As per the table above the combined mean was 4.58 meaning majority of respondents strongly agreed that documentation requirements influenced access to women enterprise funds among women groups in Gilgil subcounty. The combined standard deviation was 0.64, it meant that there was minimum distortion of scores around the mean leading to greater stability of the findings. The items whose means exceeded the combined mean of 4.58 were: Group registration requirements and three months bank statement requirements for group borrowers. The items whose mean score was below the combined mean of 4.58 were Six months bank statements requirements for individual borrowers and Unsuccessful loan applications due to members not signing.

The research findings showed that 68(61%) strongly agreed that 6 months bank statements requirement influences access to women enterprise fund for individual borrowers, 38(34%) agreed while 6(5%) were undecided. 85(76%) strongly agreed that group registration influences access to women enterprise fund, 18(16%) agreed while 9(8%) disagreed.

66(59%) of the respondents confirmed their women enterprise loan applications were unsuccessful due to members not signing guarantee, 35(31%) agreed they were unsuccessful while 11(10%) were undecided.

All the women group members consented 3 months bank statements influences access to women enterprise fund for group borrowers. This was composed of 78(70%) strongly agreeing and 34(30%) agreed.

#### 4.7 Character requirements and access to wef

The investigation probed how character requirements influenced access to women enterprise fund. Participants were requested to show the measure of character requirements on access to WEF.

**Table 4.8: Character requirements and access to women enterprise fund**

Items	Strongly disagree	Disagree	None	Agree	Strongly agree	n	Mean	Standard deviation
Borrowing history requirements	0(0.0%)	0(0.0%)	0(0.0%)	64(57%)	48(43%)	112	4.42	0.49
CRB clearance requirements	9(8%)	0(0.0%)	0(0.0%)	22(20%)	81(72%)	112	4.48	1.1
Group credit history requirements	0(0.0%)	0(0.0%)	6(5%)	69(62%)	37(33%)	112	4.28	0.55
<b>Combined mean and the standard deviation</b>						<b>112</b>	<b>4.39</b>	<b>0.71</b>

According to the table below the combined mean and the sd was 4.39 and 0.71 respectively. For the combined standard deviation of 0.71, it meant that the variation of scores around the mean was low leading to greater stability of the findings. For the combined mean of 4.39, it therefore

meant that majority of respondents strongly agreed that character requirements influenced access to wef among women groups in Gilgil Subcounty. The items whose means exceeded the combined mean of 4.39 were: Borrowing history requirements and CRB clearance requirements while the item whose mean score was below the combined mean of 4.39 was Group credit history requirements.

The research findings showed that the respondents confirmed CRB clearance influence access to women enterprise fund for individual borrowers 81 (72%) strongly agreeing while 22(20%) agreed. Majority of the respondents 64(57%) agreed on borrowing history influence access to women enterprise fund while 48(43%) strongly agreed.

Largest portion of participants concurred group credit history influences access to women enterprise fund 69(62%) agreed, 37(33%) strongly agreed while 6(5%) were undecided.

#### **4.9 Pearson Product-Moment Correlation on Collateral requirements and access of women enterprise fund.**

To determine relation between collateral requirements and access of women's enterprise fund correlation was computed.

**Table 4.9 Correlations of Collateral requirements and access of women enterprise fund**

		<b>Correlations</b>	
		Collateral requirements	Access to Credit
Collateral requirements	Pearson Correlation Sig. (2-tailed)	1	0.424
Access to credit	Pearson Correlation Sig. (2-tailed)	0.424	1
N		112	112

Correlation is significant at the 0.05 level (2-tailed).

The table above tested if there was a relationship between collateral and access to women enterprise fund and was found that there was moderate positive correlation, significant at 0.424. This implied that the null hypothesis was accepted, and alternative hypothesis refuted, therefore collateral influenced access to women enterprise fund.

#### **4.10 Pearson Product-Moment Correlation on Capacity requirements and access of women enterprise fund.**

To determine relation between capacity requirements and access of women's enterprise fund Pearson Product-Moment Correlation was computed.

**Table 4.10: Correlations of capacity requirements and access of women enterprise fund**

		<b>Correlations</b>	
		Capacity requirements	Access to credit
Capacity requirements	Pearson Correlation Sig. (2-tailed)	1	0.821
Access to credit	Pearson Correlation Sig. (2-tailed)	0.821	1
N		112	112

Correlation is significant at the 0.05 level (2-tailed).

The table above tested if there was a relationship between capacity and access to women enterprise fund and was established a strong positive correlation existed, significant was at 0.821 implying that capacity requirements influenced access to women enterprise fund. The null hypothesis which was capacity influences access to WEF had been confirmed at significant level of .821 which was above 0.05

**4.11 Pearson Product-Moment Correlation on documentation requirements and access of women enterprise fund.**

Pearson Product-Moment Correlation was computed to establish the relationship between documentation requirements and access to women enterprise fund.

**Table 4.11: Correlations of documentation requirements and access of women enterprise fund**

		Correlations	
		Documentation requirements	Access to credit
Documentations requirement	Pearson Correlation	1	0.814
	Sig. (2-tailed)		
	N		
Access to credit	Pearson Correlation	0.814	1
	Sig. (2-tailed)		
	N	112	112

Correlation is significant at the 0.05 level (2-tailed).

The results showed that documentation influences access to women enterprise fund at .814 this was because the correlation was significant at the 0.05 level (2-tailed). The null hypothesis which was documentation influences access to WEF had been confirmed at significant level of 0.814 which was above 0.05.



#### 4.12 Pearson Product-Moment Correlation on character requirements and access of Women enterprise fund.

Correlation was computed to identify the relation between character requirements and access to women enterprise fund.

**Table 4.12: Correlations of character requirements and access of women enterprise fund**

		Correlations	
		Character requirements	Access to credit
Character requirements	Pearson Correlation	1	0.462
	Sig. (2-tailed)		
	N		
Access to credit	Pearson Correlation	0.462	1
	Sig. (2-tailed)		
	N	112	112

Correlation is significant at the 0.05 level (2-tailed). It is apparent as per computations there is a moderate positive correlation 0.462 intervening character and access to women enterprise fund. The null hypothesis which was character influence access to WEF had been confirmed at significant level of .462 which was above 0.05

#### 4.13 Discussions of findings

The study was premised on independent variables: Collateral requirements, capacity requirements, documentation and character requirements and their influence on access to women enterprise fund.

##### 4.13.1 Collateral requirements on access to women enterprise fund

Collateral are pivotal requirements in accessing individual loans offered by women enterprise funds. The type of security is crucial in determining whether one qualifies for individual loans and collateral value affects how much an individual can borrow. Group guarantee was noted to

be requirement to access women enterprise fund for group loans applying for constituency women enterprise fund scheme(c-wes). Considering cumulatively 94(83.9%) of the women were below 40 years implying they were disadvantaged by the fact that at their age, majority had not managed to have tangible securities that could had enabled them access individual loans like LPOs financing from women enterprise fund. Mutwiri (2013) in his study in imenti found that businesswomen were limited from advances qualification due to stringent loan policies. He identified that security requirement from loan applicants were an impediment to women access to credit. According to Magaju (2013), amount loaned to a group by WEF depended on individual member savings and on guarantor's savings. This collaborates the findings of our study, where we found out that 95(85%) of the group members could not access women enterprise fund as they had not made savings and lacked guarantors. It had to take the women members a longer period for the women members agreeing to become guarantors to WEF loan. Another researcher who also established similar finding; Keter(2016) in his study found that loan set conditions such as documentations required, rate of interest and assets as securities influenced WEF approvals.

#### **4.13.2 Capacity requirements on access to women enterprise funds**

Concerning the influence of capacity requirements for one to access women enterprise fund, evidently there exists relation on either side of the variables. The research identified that having a business activity is a requirement for one to access women enterprise fund either individual or group loans. Financial training was noted to be one of capacity requirement to access women enterprise fund for group loans and any group member who had not attended the financial training would not be eligible from qualifying for a group loan. It also emerged that 78% of the women confirmed their loans applications were unsuccessful due to lack of a business venture.

This is a clear indicator that the two variables business requirement and access to women enterprise fund are closely related. Naliaka (2015) study in Uasin gishu arrived at comparable findings, the research showed that business knowledge was a contributor to qualification of WEF.

#### **4.13.3 Documentation requirements on access to women enterprise funds**

According to the research findings of this study it was observed for group loans to qualify for finance from women enterprise fund, it was condition to have registered their group with social development office and the group was required to have a certified 3 months bank statements from a financial institution implying groups would not be financed if they were not registered. For individual loans applicants to qualify for women enterprise fund they were required to avail 6 months bank statements for individual borrowers in LPOs Financing. These conditions influenced to a greater extent on access to women enterprise fund. Women's who had not registered groups with social development office could not qualify for a loan facility.

Alambo(2014)found that the criteria for award of Constituency Tuinuke loan were mainly application as a group having been duly registered .This study was also collaborated by Magaju (2013) in his findings, women who want to access(CWES) WEF loan need to apply for their group registration to the DSDO and then wait for registration certificate processing and once its ready the group to open account in any financial institution and run for a period not less than three months before applying for WEF.

#### **4.13.4 Character requirements on access to women enterprise funds**

Character requirements comprising of borrowing history assessments and CRB clearance for individual borrowers, group requirement to have cleared previous loans before applying a new one were established and tested. Non payment of loans by members of the group disadvantages

them from accessing another loan facility until the previous one is paid in full. Character requirements were found to influence loan uptake by businesswomen applicants. Ndegwa (2012) in his study of the credit rating by commercial banks found that credit ratings was identified the key determinant in loan appraisals. Mbai (2016) found that borrowing history of women group members is a determinant in accessing funding and non repayments of loans makes it difficult for groups to qualify in subsequent loan applications. Her conclusion was in tandem with this study findings, that increase in non repayment of loans by women group members is a hindrance to the women members from accessing another loan or an individual loan from women enterprise fund.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

Summarised findings, conclusions and recommendations of the study are presented in this chapter.

#### 5.2. Summary of findings

Summarised findings are as follows.

##### 5.2.1 Influence of collateral requirements on access to women enterprise funds

Establishing the influence of collateral requirements on accessing WEF among women in Gilgil was the first goal of the investigation. Analysis indicates 54(48%) participants agreed physical collateral influences access to individual loans from women enterprise fund. Majority of the respondents 61(54.5%) strongly agreed collateral type affects how much an individual can borrow. 63(56.2%) strongly agreed collateral value affects how much an individual can borrow. Majority of the respondent's 95(85%) agreed group guarantee influences access to loans offered by women fund and lastly respondents who were majority confirmed they had been unsuccessful in accessing individual loans from women fund due to lack of collateral. 86(76.8%) of the respondents strongly agreed. The combined mean for collateral requirements and access to women enterprise fund was 4.41 and the sd was 0. 574. The items whose means exceeded the combined mean of 4.41 were Collateral type affects how much an individual can borrow, Collateral value affects how much an individual can borrow and denied individual loan due to

lack of collateral. This meant majority of respondents agreed that collateral requirements influenced access to women enterprise fund among women groups in Gilgil subcounty.

Based on computation of Pearson Product Moment Correlation, collateral had a moderate positive influence 0.424 on access to women's enterprise fund.

### **5.2.2 Influence of capacity requirements on access to women enterprise funds**

The findings of the research showed 109(97%) of the respondents agreed that having business activity is requirement for one to access women enterprise fund.76(68%) strongly agreed that financial training is a requirement to access women fund while 87(78%) confirmed their loans applications were unsuccessful due to lack of a business. The combined mean was 4.50 implying that majority of respondents strongly agreed that capacity requirements influenced access to women enterprise fund among women groups in Gilgil subcounty. The items whose means exceeded the combined mean of 4.50 were: Business activity requirements and financial trainings requirements while the item whose mean score was below combined mean was Loan application was unsuccessful due to lack of business.

Computation of Pearson Product Moment Correlation coefficient revealed that capacity had a strong positive influence 0.821 on access to women enterprise fund.

### **5.2.3 Influence of documentation requirements on access to women enterprise funds**

As per research findings 68(61 %) strongly agreed that women enterprise fund requires 6 months bank statements for individual borrowers. 85(76%) were in strong agreement that group registration is a requirement to access loans by women enterprise fund. 101(90%) confirmed their women enterprise loan applications were unsuccessful due to members not signing guarantee forms. Majority of respondents 78(70%) were in agreement that women enterprise

fund requires 3 months bank statements as one of the condition to access the fund for group borrowers. The combined mean was 4.58 meaning majority of respondents strongly agreed that documentation requirements influenced access to women enterprise funds among women groups in Gilgil subcounty. The combined sd was 0.64, it meant that there was minimum distortion of scores around the mean leading to greater stability of the findings. The items whose means exceeded the combined mean of 4.58 were: Group registration requirements and three months bank statement requirements for group borrowers. The items whose mean score was below the combined mean of 4.58 were Six months bank statements requirements for individual borrowers and Unsuccessful loan applications due to members not signing.

Based on Pearson Product Moment Correlation coefficient computation, it was revealed documentation had a very strong positive influence 0.814 on access to women enterprise fund.

#### **5.2.4 Influence of character requirements on access to women enterprise funds**

Majority of the respondents at 64(57%) agreed on borrowing history requirement as a condition to access women enterprise fund. Most of the respondents 81(72%) confirmed it's a requirement by women enterprise fund for individual borrowers to avail CRB clearance. Majority of the respondents 69(62%) agreed group credit history is a requirement consideration by women enterprise fund as a condition to access group loans.

The combined mean and the sd was 4.39 and 0.71 respectively. For the combined sd of 0.71, it meant that the variation of scores around the mean was low leading to greater stability of the findings. For the combined mean of 4.39, it therefore meant that majority of respondents strongly agreed that character requirements influenced access to women enterprise funds among women groups in Gilgil Subcounty. The items whose means exceeded the combined mean of 4.39 were:

Borrowing history requirements and CRB clearance requirements while the item whose mean score was below the combined mean of 4.39 was Group credit history requirements.

Following computation of Pearson Product Moment Correlation coefficient, it was established that character had a moderate positive influence 0.462 on access to women's enterprise fund.

### **5.3 Conclusions**

From the main points of findings, several outcomes were drawn in regard to influence of credit requirements in accessing women funds by women in Gilgil. First, collateral influences access to women enterprise fund specifically those who are applying individual loans; value of collateral is a factor in evaluating maximum loans an individual applicant would access. Majority of women didn't qualify for WEF financing due to lack of securities notably young women entrepreneurs and those who applied LPOs financing and Jimarish loans. Secondly business activity of women borrowers is a factor that influence to a greater extent access to women enterprise fund. Character of the borrower influences access to women enterprise fund i.e. Loans repayment history of the individual women borrowers is a consideration in accessing various loans offered by women enterprise fund. Having good loan repayment history is a determinant in accessing women fund. Finally, documentation is a requirement in accessing women enterprise fund. Having a registered group with social development office and recommendation by local government administrator influences women access to WEF. Majority of women felt the requirement to have their loan applications being signed and recommended by a local government administrator was a breach of confidentiality and increased costs to the applicants; this led the women who were in need of loans to abandon the process. All in all, credit requirements has made majority of potential women borrowers shy away from accessing women enterprise fund



#### **5.4. Recommendations**

1. The Women enterprise fund board should consider reviewing its collateral policy especially on LPO financing. WEF Acceptable collaterals on LPOs financing are bank guarantee, shares or motor vehicle. Majority of women may not have such type of collaterals thus if the WEF board would consider securities such as household assets women will be in a position to do chattels mortgage therefore increasing access to women enterprise fund.
2. The government should consider introducing seed capital product for start ups through WEF as majority of young women had no business thus lacking opportunity to be financed through WEF.
3. Group borrowing was becoming unpopular with majority of women thus WEF should introduce many individual loan products that suits women.

#### **5.5 Suggestions for further research**

The research only explored the influence of credit requirements on accessing women enterprise fund by women in Gilgil Sub County. The following study areas are proposed:

- i) Research in various sub counties on credit requirements and access to WEF to relate, authentic the outcomes of this study and propose solutions.
- ii) Other variables other than credit requirements that influence access to women enterprise funds in various sub counties.
- iii) Research on other government endowment funds in Kenya on credit requirements e.g., youth enterprise fund and uwezo funds.

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**APPENDICES**  
**Appendix I: Letter of Transmittal for Data Collection**

MARTIN G GIKONYO

UNIVERSITY OF NAIROBI

P.O. BOX 22741

NAIROBI

07/01/2021.

Dear Respondent,

REF: RESEARCH STUDY DATA COLLECTION

I am a student undertaking an academic research study on influence of credit requirements on accessing women enterprise funds among women self help groups in GilgilSub County leading to the award of the degree of Master of Arts in project planning and management, the University of Nairobi.

As part of my research, I am supposed to collect data from women who are members of SHGs.I therefore requesting you to assist me by filling in this questionnaire as accurately and honestly as possible. The data i will collect will be used purely for academic and any information provided will be handled with utmost confidentiality.

Thank you for your cooperation.

Martin Gikonyo.



## Appendix II: Research Questionnaire

I am a Masters student studying Project Planning and Management at the University of Nairobi. I have designed the following questionnaire about the influence of credit requirements on accessing women enterprise funds among women self help groups in Gilgil, Nakuru County. Kindly and humbly answer all the questions to the best of your knowledge. Indicate with a tick (√) or filling in the space(s) provided. Use the space at the back of this questionnaire if you need more space for your responses.

### SECTION A: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

1. State your age in years

- |                 |     |          |     |    |
|-----------------|-----|----------|-----|----|
| a. 18 and below | [ ] | b. 19-24 | [ ] | c. |
| 25-29           | [ ] | d. 30-34 | [ ] | e. |
| Above 35        | [ ] |          |     |    |

2. Indicate your marital status

- a. Single [ ] b. Married [ ] c. Widowed [ ] d. Separated [ ] e. Other [ ]

3. State your highest level of education

- a. Below certificate [ ] b. Certificate [ ] c. Diploma [ ] d. Degree [ ] e. Other [ ]

4. How many years have you participated in women group activities

- 1-5 years [ ] 6-10 years [ ] 11-15 years [ ] 16-20 years [ ] above 20 years [ ]

## SECTION B: COLLATERAL REQUIREMENTS

8. Indicate the extent to which you agree or disagree with the following statements about Women Enterprise Fund loan security requirements, by ticking any of the five options as follows: Strongly agree (SA), Agree (A), Neutral (N), Disagree (D), Strongly disagree (SD)

NO.	Question	SA	A	N	D	SD
A	Women Enterprise Fund insists on physical collateral for individual loans?					
B	Collateral type affects how much an individual can borrow from Women Enterprise Fund?					
C	Lack of collateral has caused women to be denied a loan from women enterprise fund?					
D	Group guarantee is a major requirement when borrowing?					
E	Collateral value affects how much an individual can borrow from Women Enterprise Fund					

## SECTION C: CAPACITY REQUIREMENTS

9. Indicate the extent to which you agree or disagree with the following statements about Women Enterprise Fund (WEF) capacity requirements by ticking any of the five options as follows: Strongly agree (SA), Agree (A), Neutral (N), Disagree (D), strongly disagree (SD)

NO.	Question	SA	A	N	D	SD
A	Business activity determines how much one can qualify for WEF loan					
B	Level of Financial training determines whether a group can qualify for WEF loan					
C	Estimated value of the current business determines whether one can qualify for WEF loan?					
D	Women Enterprise Fund appraises the group economic activity before approving the Loans applications?					
E	Women Enterprise Fund declines Loans if one doesn't have a business?					

## SECTION D: DOCUMENTATION REQUIREMENTS

10. Indicate the extent to which you agree or disagree with the following statements about documentation requirements by ticking either of the five options as follows: a. Strongly agree (SA) b. Agree (A) c. Neutral (N) d. Disagree (D) e. Strongly disagree (SD)

	Question	SA	A	N	D	SD
A	Individual borrowers are not able to access WEF loans if they don't have bank statements for the last 6 months.					
B	Groups don't qualify for women enterprise fund if they are not registered?					
C	Women enterprise loan application was not successful due to members' not signing guarantee.					
D	Latest certified 3 months bank statement is a requirement for application of Women Enterprise Fund by groups?					

## SECTION E: CHARACTER REQUIREMENTS

11. Indicate the extent to which you agree or disagree with the following statements about character requirements by ticking either of the five options as follows: a. Strongly agree (SA) b. Agree (A) c. Neutral (N) d. Disagree (D) e. Strongly disagree (SD)

	Question	SA	A	N	D	SD
A	Women Enterprise Fund considers group borrowing history before lending?					
B	Women Enterprise Fund doesn't approve individual Loan if a woman is listed negatively with credit reference Bureau (CRB)?					
C	Women Enterprise Fund considers the credit history of my group members before lending?					

## **SECTION F: ACCESS TO WOMEN ENTERPRISE FUND**

1. How many times has your group applied for loan from women enterprise fund for the  
Past 3 years?.....

2. How many times has your group qualified for loan from women enterprise fund for the  
past 3 years?.....

3. How many times as an individual woman you have applied for loan from wef for the  
Past 3 years?.....

4. How many times as an individual woman you have qualified for loan from wef for the  
Past 3 years?.....

### Appendix III: Table for Determining Sample Size from a Given Population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

**Appendix IV: Authority Letter from University of Nairobi**

**UNIVERSITY OF NAIROBI  
OPEN DISTANCE & E-LEARNING CAMPUS  
SCHOOL OF OPEN & DISTANCE LEARNING  
NYERI LEARNING CENTRE**

7 December 2020

**TO WHOM IT MAY CONCERN**

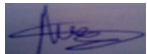
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**SUBJECT : INTRODUCTION LETTER  
MARTIN GITHINJIGIKONYO: L50/76489/2014**

This is to confirm that the above named is a bona fide student of University of Nairobi, pursuing Master of Arts Degree in Project Planning and Management in the ODeL-Campus – Nyeri Centre.

He has successfully completed course work and is currently writing the Research Project which is a requirement for the award of the master's degree. His topic is:” **Influence of Credit requirements on Accessing Women Enterprise Fund among Women Groups in Gilgil Sub-County.**”

Any assistance accorded to him will be highly appreciated.



Dr. Anthony W. Ndungu  
**REGIONAL CO-ORDINATOR**  
**NYERI LEARNING CENTRE**

