

**FACTORS INFLUENCING PERFORMANCE OF YOUTH
ENTREPREISE DEVELOPMENT PROJECTS IN KIAMBAA SUB-
COUNTY, KENYA**

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DECLARATION

This research project is my original work and has not been presented for an award of any degree in any other University.

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DEDICATION

This research project is dedicated to my late mother Hannah Mwende Wambua for believing in me and my father Cosmas Wambua for persistently encouraging me to further my studies.

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ABBREVIATIONS AND ACRONYMS

AGOA:	African Growth and Opportunity Act
CYBF:	Canadian Youth Business foundation
DYD:	Department of Youth Development
DFID:	Department for International Development
GDP:	Gross Domestic Product
GOK:	Government of Kenya
IFC:	International Finance Corporation
ILO:	International Labor Office
ITUC:	International Trade Union Confederation
MDG:	Millennium Development Goals
MOYAS:	Ministry Of Youth Affairs and Sports
NYDA :	National Youth Development Agency
OECD:	Organization for Economic Cooperation and Development
TNCS:	Transnational Corporations
UNIDO:	United Nations Industrial Development
UNCTAD:	United Nations Conference on Trade and Development
WYR:	World Youth Report
WTO:	World Trade Organization
WDR:	World Development Report
YEDEF:	Youth Enterprise Development Fund

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ABSTRACT

This study sought to investigate factors influencing the performance of Youth Enterprise Development Fund Projects in Kiambaa Sub-county of Kiambu County in Kenya. Unemployment is the single most significant challenge facing the young people in this County today. For a developing Country like Kenya with a rapid growth rate, lack of adequate opportunities among the youth is a matter of great concern. In addition youth unemployment creates dependency syndrome, vicious cycle of poverty, social upheavals such as insecurity and risky behaviors. This coupled with economic and political malpractices, lack of dignity and self esteem among the youth has worsened over the years. In it in regard that this study sought to assess how access to credit, presence of market infrastructure, enterprise-based training and levels of formal education, influenced the performance of youth funded initiatives. The study documented best practices in the utilization of the fund, attempted to point out lessons learned as well as the strengths, general weaknesses and areas of concern with a view to strengthening the management and the subsequent utilization of the fund. The study entailed a descriptive survey design in which data was collected using questionnaires with both open-ended and close-ended questions. Data collected was analyzed using descriptive statistics and multiple regressions. Results were presented in percentage frequencies and cross tabulations. To increase the reliability of the data collected, reliability of the research instrument was by Cronbach method, where a Cronbach Alpha coefficient of 0.75 was derived after examining validity of the questionnaire. Pilot testing of the questionnaire was done on 10 respondents 2 weeks prior to the main study. Validation of the data was done using content-related validity. The study results obtained indicates that there was a highly significant relationship (with t statistic p value $<0.001 < 0.05$) between entrepreneurial skills training and performamnce of the youth enterprise development fund. There was no significant relationship between highest level of formal education ($p = 0.485 > 0.05$), business support services ($p = 0.364 > 0.05$), consultation with large organization ($p = 0.220 > 0.05$), access to adequate finances ($p = 0.451 > 0.05$) and performance of the YEDF projects. On this basis, the researcher recommends that future programs should inculcate training before funding for business ventures. Capacity building and other non financial services ranging from literacy classes, developmental leadership, financial management, community development and market-based business development services will greatly help the young entrepreneurs.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Youth unemployment around the globe has become a major challenge in the 21st Century. According to the World Youth Report, (2005) approximately 88 million youth around the world are either unemployed or underemployed. Youth unemployment is one of the biggest development challenges in the Third World. In Africa, the Sub-Sahara is one of the regions highly affected by youth unemployment. According to the International Labor Office (ILO), (2005) projection youth unemployment is estimated to be more than 21 percent, and that Sub-Saharan Africa will witness substantial growth in additional labor force of 28 million to 30 million between 2003 and 2015.

While youth unemployment is a widespread phenomenon in the world, the situation is worse in Kenya. Over 15 million young people in Kenya live below the poverty line, with over three million classified as unemployed. Youths account for about 55% of the unemployed in Kenya, implying that unemployment is a predominantly youth issue. Youth Employment Marshall Plan (2009) indicated that Kenya's youth unemployment rate stands at 67%, among the highest in the world. According to ILO, quoted in Schoof (2006) three in five unemployed Kenyans are youth, aged between 15 and 35 years. The situation is exacerbated by the shrinking economy amidst political instability and pervasive income inequality (WYR, 2007). Secondary negative effects such as the systematic erosion of the social value of education, crime, prostitution and drug abuse have increased as a direct consequence of unemployment.

One of the key forces driving conflict in Kenya is youth unemployment. Significantly, over the past decade, there has been a steady shift from formal to informal sector, which is largely unregulated and workers are subjected to low earnings and long working hours, without any formal contract. Suffering under a slow-growing economy, youth, whether well educated or uneducated, have increasingly turned to crime and violence, serving as handymen to the ruling elite. According to the Waki Report of the Post Election Violence, during Kenya's disputed 2007 elections approximately 1,133 people were left dead, 3561 injured, 350,000 displaced from their homes and 117,216 private and 491

Government property destroyed. Many of these atrocities were committed at the hands of youth. With the recent wave of terrorism in the country, Kenya risks more terror attacks from Kenyan youths who have been allegedly recruited by the Al-Shaabab and other terror groups if the daunting youth unemployment rate is not properly addressed since these groups have been believed to pay the members handsomely.

Youth unemployment studies are not new, but there is urgent need to address the current global youth unemployment crisis, more so the Kenyan one. According to the Organization for Economic Co-operation and Development (OECD) (2010) youth unemployment has been rising dramatically and the trend is set to continue, resulting in disillusionment and despair among the youth which renders them vulnerable to criminal activities and violence. Given this situation, it is paramount that governments work very hard to reverse the current situation. Fundamentally, the problem requires properly planned, well-structured, and broad-based programs. Marshall (1978) says that this is due to the fact that youth unemployment is a special problem, one that differs in its causes, magnitude and implications from the general unemployment problem.

Researchers from various disciplines agree about the importance of small business to economic growth and personal wealth. Autio (2005) seems to look at the small business sector as a major source of employment and income is argued to be even more important to the economies in developing countries. In Africa, about 25 percent of the people employed outside agriculture depend on this sector for their livelihood; improving the conditions for small business is thus seen as a solution to unemployment and poverty alleviation (Mead & Liedholm, 1998). Self-employment and micro and small enterprise creation are routes that young people can actively explore to forge their futures. Enterprises are the places where the jobs are (Haftendorn & Salzano, 2003).

The economic contribution of small enterprises in Kenya is widely acknowledged. However, it seems little efforts are made to look at it from the youth perspective. The specific needs of the youth and particularly their entrepreneurial potential as well as their critical contribution to economic and social progress are underestimated (Irene, 2009). Often overlooked is the development of small enterprises in favor of formal employment.

Many do not consider becoming entrepreneurs a genuine career path with financial reward and work satisfaction but as an alternative to joblessness.

Small enterprises in Kenya cut across all sectors of the economy and provide one of the main sources of employment and generate widespread economic benefits (GoK, 2005). According to the economic survey of 2003, the Small and Medium Enterprise (SME) sector accounted for 74.2 percent of the total persons engaged in employment and contributed up to 18.4 percent of the country's GDP in 2003. Further the economic recovery strategy for wealth and employment creation (2003-2007) recognized the need to establish and maintain a conducive environment for the growth and transformation of SMEs into medium sized enterprises with capacity to create more employment opportunities (GoK, 2005).

The MOYAS strategic plan 2008-2012 is linked to the vision 2030 and its first medium term plan and, was prepared to cater for youth and development. It has a responsibility of raising the labor participation in the country to 85 percent by among other projects promoting an entrepreneurial culture and developing infrastructure for SMEs. Thus, MOYAS through Department of Youth Development (DYD) is mandated with implementing programs to provide opportunities for self employment through group mobilization and support, capacity building on entrepreneurship techniques, marketing and business financing.

Against this backdrop, the Youth Enterprise Development Fund (YEDF) was initiated in 2006 to boost employment and entrepreneurship among youth of ages 18 to 35. Through YEDF, youth groups of up to 10 people can apply for funding in addition to other services such as training, mentorship and market access. The YEDF's strategic focus is on small enterprise development as a key strategy that will increase economic opportunities for, and participation by Kenyan youth in nation building. MOYAS collaborates with YEDF to administer loans to youth enterprises and create a framework for development of youth SACCOs and provision of commercial infrastructure for youth businesses.

1.2 Statement of the Problem

In Kenya, youth aged between 15-30 years number about 14 million and accounts for more than 36% of the Kenyan population. The youth population is projected to increase to 17 million and 24 million by the 2012 and 2017 respectively. Over 500,000 youth graduate from tertiary institutions annually, 92% of whom have formal education but no vocational skills training (KDHS, 2008)

Kiambu County is rated among the wealthiest countries, but a visit to the place paints a different picture. The county is home to some of the wealthiest people in the country but has the poorest sandwiched between them. According to Kenya County fact sheets report (2011) published by the commission on revenue allocation, Kiambu County was said to be for ages, the richest area in Kenya. The unfortunate reality is that most of its inhabitants live below the poverty line, have no land to farm, have shanties for shelter, go without food and depend on manual jobs to make a living (KDHS, 2008). According to Kenya Bureau of Statistics report (2005), Poverty in Kiambu County stood at 25.4, this is in agreement with the figures put forward by Kiambu County Red Cross Society in a survey published in the year 2010. The establishment of the YEDF in 2007 really put smiles on the faces of many young people in Kenya, despite the introduction of this fund, myriad challenges have slowed down its progress leading to dissatisfaction among the youths. Some of the challenges that have been noted include substance abuse especially illicit brews, insecurity, economic hardship which largely is attributed to school drop out.

Majority of youth enterprises within Kiambu County still remains small in comparison with the high numbers of unemployed youth in the area. According to the YEDF Status report (2014) only about 40 percent of all the young people in Kiambu County have accesses this fund to date. Despite access, most of the funded projects are still not visible and have therefore not had much impact. Across gender there are significant differences in terms of funds distribution. According to the same status report, some 7,250 males in comparison to a paltry 5,435 females received credit from the fund through intermediaries while 81 youth accessed credit from the fund on individual basis. It is against this background that this study seeks to investigate structural factors within the

fund operations and clearly bring out issues slowing down the performance of fund operations within Kiambu County.

1.3 Purpose of the Study

The purpose of this study was to investigate factors influencing performance of youth enterprise development fund projects in Kiambaa Sub County of Kiambu County, Kenya.

1.4 Objectives of the Study

This study was guided by the following objectives;

- i. To determine how access to credit by the youth influence performance of youth enterprise development projects in Kiambaa Sub County.
- ii. To determine to what extent does market support infrastructure influence performance of youth enterprise development projects in Kiambaa Sub County.
- iii. To examine how entrepreneurship training influenced performance of youth enterprise development projects in Kiambaa Sub County.
- iv. To examine how formal education influenced performance of youth enterprise development projects in Kiambaa Sub County.

1.5 Research Questions

The research questions of this study were as follows:

- i. How does access to credit by the youths influence performance of youth enterprise development projects in Kiambaa Sub County?
- ii. To what extent does market support infrastructure among the youth influence performance of youth enterprise development projects in Kiambaa Sub County?
- iii. At what level does entrepreneurship training for the youth influence performance of youth enterprise development projects in Kiambaa Sub County?
- iv. Does formal education among the youth influence performance of youth enterprise development projects in Kiambaa Sub County?

1.6 Significance of the Study

It is hoped that the findings from this study would generate useful insights that could be used by the government and Non-governmental organizations to promote youth

entrepreneurship as a viable alternative source of income. The findings from this study could also significantly help in generation of new knowledge.

1.7 Limitations of the Study

It was difficult to obtain questionnaires on schedule since it was difficult to get youths at once so the research started early and also did extend the period of collection by one week. Secondly, it was a difficult to move around the sub county due to its vast geographical location so researcher sort assistance from two other people to transverse the area. The respondents were slow in returning the questionnaire leading to researcher having to make several trips and eventually getting almost the desired number to questionnaires needed to make it viable study.

1.8 Delimitation of the Study

Kiambu County constitutes twelve constituencies namely; Gatundu South, Gatundu North, Juja, Thika Town, Ruiru, Githunguri, Kiambu, Kiambaa, Kabete, Kikuyu, Limuru and Lari. The study was restricted to Kiambaa Sub County of Kiambu County which is an area with geographical coordinates of 1° 10' 0" South, 36° 45' 0" East of Nairobi. It has a Population of 145,053 people and covers an area of 73.10 Sq. Km. (IEBC, 2013). The study only focused on youth groups and youth entrepreneurs doing various types of legal businesses within the Sub County and who accessed initial capital from YEDF. The study also focused on study variables as conceptualized.

1.9 Assumptions of the Study

It was assumed that the respondents would be cooperative to provide accurate information when responding to the research questions. It was also assumed that the targeted respondents had sufficient knowledge on performance of YEDF.

1.10 Definitions of Significant Terms as Used in the Study

Access to Credit: This is the process of acquisition of funds from the Government kitty through banks, microfinance institutions and other agencies

- Entrepreneurship Training:** Kind of training mounted by various service providers to build the capacity of young people so as to help them design successful business ventures
- Levels of Formal Education:** These are academic qualifications received from accredited academic institutions. The qualifications could be from primary, secondary or tertiary levels.
- Market Support Infrastructure:** These are mechanisms designed by the government and other private sector organizations to help young people access markets for their products
- Performance of Youth Enterprise Projects:** This is the progress made by projects funded by the government for young people either as individuals or through groups to better their livelihood
- Youth Entrepreneurship:** This involves acquainting young people (18-35 years of age) with the realities and opportunities of small-business employment and ownership.

1.11 Organization of the Study

Chapter one discusses the background of the study in which the contextual and conceptual issues are highlighted and highlights conceptual analysis and gives direction for the study. It projects context by giving a deeper description on current global trends. Chapter two covers empirical and theoretical literature on program performance and gives a further elaboration on the context of the study. The chapter summarizes studies that were assessed and provided a foundation upon which the findings were discussed and conclusions drawn. The chapter also gives the setting and the theory upon which the study is anchored.

A summary of knowledge gaps as obtained from the empirical literature was also clearly shown. Chapter three covers research methodology as applied in the study, research design, target population, sampling procedure, description of research instruments,

validity and reliability of research instruments, methods of data collection, procedures for data analysis, operational definition of variables and ethical considerations. Chapter four entails data analysis, presentation, interpretation and discussion of study findings while chapter five covers summary of research findings, conclusions, recommendations and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines the empirical literature on the performance of youth enterprise development fund. The chapter summarizes studies that were assessed and provided a foundation upon which the findings were discussed and conclusions drawn. The chapter also gives the setting and the theory upon which the study is anchored. A summary of knowledge gaps as obtained from the empirical literature was also clearly shown.

2.2 Access to Credit and Performance of Youth Enterprise Development Projects

Lack of adequate start up finance is one of the most prominent or most talked about impediment to young people seeking to create their own businesses (Schoof, 2006). This is attributed largely to lack of securities and creditability due to lack of self sustaining resources, the absence of collateral or guarantee to secure loans or lines of credit. Young people are seen as a particularly risky investment and therefore face difficulties in accessing finance especially venture capital (Chigunta, 2001). Young people are unlikely to have the type of business experience, track record or business skills that banks and other financial institutions would look for in assessing the credit worthiness. Often, young people have to show that their business has already been trading for at least 6 months so as to access credit (Kenyon & White, 1996).

In a survey carried out in South Africa for UYF, it confirmed that the lack of business skills and ability to access resources are critical constraints to starting a business. Potential entrepreneurs consider lack of access to finance as the prime barrier to starting a business. The next serious barrier is the lack of knowledge about identifying business opportunities, developing a business plan and starting a business venture itself (Adongo, 2005). Consistent with the list of barriers both potential and existing youth entrepreneurs believe that what they need most critically to start a business is obtaining business finances and the ability to manage these finances, developing a business plan, marketing support and understanding legal requirements of business (Bloch, et al, 2000). Studies by Kenya Youth Business Trust shows that start up or working capital cannot be easily

accessed due to lack of collateral or pay slip from reputable institutions demanded by commercial banks hence the only alternative for the youth is to borrow in groups where individuals guarantee each other (KYBT, 2004).

Chigunta (2002) maintained that lack of access to finance is one of the major challenges facing youth run enterprises worldwide. The Euro Barometer (2006) revealed that lack of finance was seen as a major obstacle in two of the original EU6 -Italy and France which are among the more developed nations. According to Chugunta (2001) credit programs specifically targeting the youth present are an important alternative motivation for those seeking small affordable loans for starting up their own small businesses.

The Canadian Youth Business Foundation (CYBF) started in 1996 in Canada for instance runs a Specialized Youth Business Loan Program designed to help young women and men, particularly those who are unemployed and under-employed (Wadell, 2001). Youth seeking loan funds from the foundation are not asked for collaterals other than just genuine commitment, appropriate business training, a valid business plan and an agreement to a mandatory mentor program. CYBT report (2002) reports that it is not just financial assistance that has been extended to the youth rather that they enjoy business development services and mentorship.

White and Kenyon (2001) highlight another credit program that has improved youth access to funds which is the Bharatiya Yuva Shakti Trust (BYST) in India. The BYST provides low interest loans of up to Rs. 50,000, with repayments based upon projected business cash flows. Although there are many credit programs targeting women, young women seem to be underrepresented as a target group (ILO, 2008). In Asia, the credit programs are more likely to target married women, as opposed to unmarried women, based on the assumption that they have a higher risk of default for loans as they might stop repaying their loans immediately they get married. (White and Kenyon, 2001)

In Britain, the Prince's Trust Enterprise Program is for people who have a business idea they want help to explore, are aged 18-30, unemployed or working less than 16 hours per week. Services provided include; Advice on employment options, business skills training,

business planning support, start-up loan funding, ongoing support from a volunteer business mentor, access to specialist support, including free legal services and, if one wants to start a business, access to a wide range of free and discounted products.

Chigunta, (2001) has suggested that youth enterprise support programs in developing countries should consider socio-cultural constraints that limit the participation of youth in particular young women who want to engage in entrepreneurship and self-employment. However, the problem of credit access to youth run enterprises seem to be more pronounced in developing nations. Developing countries have very few microcredit schemes targeting the youth. According to Curtain (2000) a review of 902 organizations in 96 countries listed under the Microcredit Summit's Council of practitioners revealed that only 21 organizations had the term 'youth' in their title. A study carried out by Chigunta (2005) in Zambia, suggested that the majority of potential youth entrepreneurs (72.4 per cent) cited lack of capital as the major reason as to why they were not self-employed. Ayodele (2006) has also identified inadequate capital to be one of the principal factors hindering entrepreneurship in the Nigeria.

According to the World Youth Report (2003) many youth in developing countries relied on personal savings or turned to family and friends for start-up funding and expansion without such finances they had minimal chances of starting their own businesses. However, of late different African countries have set up special credit programs to promote credit access among the youth.

The Umsobomvu Youth Fund (UYF) in South Africa formed in 2001 has promoted skills development for employment creation and provisions of capital among other services to address the growing youth unemployment problem. The UYF makes finance available to young people through partnerships with financial institutions and other providers of finance.

The National Youth Development Agency (NYDA), in South Africa (2011), outlines its mandate which include; advancing youth development through guidance and support to initiatives across sectors of society and spheres of government, embarking on initiatives

that seek to advance the economic development of young people and developing and coordinating the implementation of the Integrated Youth Development Plan and Strategy for the country. The NYDA activities have propelled young people to reach their personal goals and develop their full capacity. Numerous young people have been assisted since the NYDA's establishment including: Disbursing loans to microfinance enterprises, disbursing Small and Medium Enterprise loans, disbursing Business Consultancy Services Vouchers and engaging youth under the National Youth Service Program

2.3 Market Support Infrastructure and Performance of Youth Enterprise Development Projects

The YEDF endeavors to support youth enterprises to market their products locally and abroad, and to form linkages with large enterprises. The Fund has been organizing youth trade fairs at county and national levels. Youth who exhibit unique products at the national level are sponsored to exhibit outside the country, thus linking them to the export market. Chigunta (2002) has suggested one of the key problems facing youth run enterprises is related to limited prospects for value addition especially for those in poor countries concentrated in low value local markets.

The youth also lack access to information on product and input markets. Promoting the viability of youth run enterprises according to the source cited above requires facilitating the access of youth to information on product, input markets and linking them to global value chains (Chigunta, 2002).

Chigunta (2002) continues to say that mechanisms need to be put down to encourage young entrepreneurs to explore existing global initiatives aimed at promoting trade between Developing countries and Less Developed countries. The African Growth and Opportunity Act (AGOA) is a perfect example of global trade initiatives which should be exploited to help potential youth entrepreneurs and existing youth enterprises access International markets. According to (Jajah, 2009) market research is vital to any business, but in Ghana the cost of research in terms of money and time is huge. Market research is necessary before and after establishing the enterprises in order to come up

with better competitive and cost cutting strategies. There are virtually no available statistics in Ghana to help aspiring entrepreneurs cut costs

The Kenyan government has committed to support youth run enterprises through deliberate policy of buying their goods/services. Through this initiative the government has planned to acquire at least 10% of its procurement needs from youth enterprises (YEDF status report, 2011). This volume of goods procured by government from youth run enterprises is still small judging by the high level of competition in the market. According to the YEDF status report (2014) the Youth Fund has so far supported only 2,500 youth enterprises to market their products through trade fairs and another 42 youth enterprises supported to exhibit in international fairs like Egypt, Tanzania, Burundi and Rwanda.

Infrastructure is basic physical and organizational structures needed for the operation of a society or enterprise, or the services and facilities necessary for an economy to function. It can be generally defined as the set of interconnected structural elements that provide framework supporting an entire structure of development. It is an important term for judging a country or region's development. The term can also typically refer to the technical structures that support a society, such as roads, bridges, water supply, sewers, electrical grids, telecommunications, and so forth, and can be defined as "the physical components of interrelated systems providing commodities and services essential to enable, sustain, or enhance societal living conditions.

The 1994 World Development Report, which takes Infrastructure for Development as its theme, states that infrastructure (transport, power and communications) investment is not sufficient on its own to generate sustainable increases in economic growth. The WDR (World Bank, 1994) cites a number of studies that note a positive correlation between the level of investment (or capital stock) in infrastructure on the one hand and growth on the other. It notes, however, that there are a priori reasons to expect the direction of causation to run both from growth to infrastructure and from infrastructure to growth.

In Kenya the YEDF aims to provide trading premises/work sites to young entrepreneurs the reason been that acquiring space to do business in many municipalities has been an

ever arising issue due to the many requirements that property owners demand, amongst them are goodwill and deposits which eat into huge amounts of business capital leading to early business failure due to cash flow problems. To cushion the youth against this commercial infrastructures has and will continue to establish partnerships with public and private sector land owners and enter into agreement that shall lead to establishment of legally recognized, standard and safe business structures. Some partners have also lobbied to mainstream youth entrepreneurs in their existing market infrastructure. YEDF status report (2014) the Youth Fund is partnering with Nairobi County to put up 20 candy shops which will provide trading space for 45 youths in different areas of the country

A study conducted by Rori et al. (2006) revealed that entrepreneurs find it a challenge to access decent working space due to the cost involved. This explains why many hawkers in Kenya's urban areas are young people. The young entrepreneurs need a business environment where they can easily start-up their business. The report further reveals that not everyone has access to resources that can fund a new business effort until it becomes profitable. Youth survive on a multitude of activities for example; in urban areas lorry parks attract many young men seeking casual labor opportunities, carrying loads, finding passengers for buses, as well as skilled trades such as drivers, mechanics and barbers.

Amenya et al. (2010) stated youth predominantly work as shopkeepers, street retailers and hairdressers. Many children work as street retailers outside school hours. Such market areas attract migrant youth; many sleep in nearby kiosks and bases. The study further revealed that majority of these youth does not know about local institutions and thus are unlikely to directly benefit from local development Programs. Lack of an employment avenue/opportunity, trading premise, work site and trading facilities to the youth entrepreneurs hinders progression.

Gudda & Ngoze (2009) posited that through collaborations and strategic partnerships, business incubators can support the successful development of entrepreneurial projects of youth business ideas through an array of business support resources and services. The use of new technologies, increases productivity and further expands existing market opportunities, which in turn strengthens incentives to innovate. Small businesses

therefore contribute to one of the key pillars of sustained economic growth (Bruton et al., 2006).

2.4 Entrepreneurial Training and Performance of Youth Enterprise Development Projects

Entrepreneurship training is key to the YEDF's achievement of its mandate. Besides ensuring that the youth have adequate skills, it also assist them in identifying and tapping into business opportunities, while embracing modern business management techniques. According to Cole (1997), training is a leaning activity, which is directed towards acquisition of specific knowledge & skills for the purpose of an occupation. It focuses on the job task.

Training can be both formal and informal and is usually carried out to assist a person understand and perform his/her job better. On the other hand he defines development, as a learning activity, which is more devoted towards future, needs, rather than present needs of the organization and is concerned with career growth and immediate performance (Cole 1997). Armstrong (1999) concurs with Cole (1997) that training is a systematic modification of behavior through learning, which occurs as a result of education and instruction.

In the 21st century business environment can be characterized as changing. The accelerated pace of advances in technology, increasing foreign competition, widespread and growing unemployment creating serious adjustment problems, and diminishing resource supplies have affected the way business is conducted. This complex and unstable environment is a way of life, which will continue far into the future (Russo, 1994). Entrepreneurship training has traditionally focused on teaching individuals, but many initiatives are increasingly becoming more action-oriented.

Rasmussen & Sorheim (2006) in their paper they present a number of action-based activities at five Swedish universities. The cases show that entrepreneurship education focuses less on teaching individuals in a classroom setting and more on learning-by-doing activities in a group setting and network context (Rasmussen & Sorheim, 2006). Given that past research results have consistently found SME training to result in better

company performance, even under different cultural settings such as the Netherlands, Spain, Hungary, and China (Mullei, 1999), it is expected that implementation of YEDF-related training programs will lead to higher firm performance in Youth SMEs.

Kenya was encouraged to develop a training capacity in entrepreneurship that could lead to the creation of an "enterprise culture" in the country (Amenya et al. 2010). Studies conducted in Kenya by Omolo (2010) on unemployment in Kenya established that entrepreneurship and entrepreneurial culture is an important ingredient in youth employment in Kenya. Entrepreneurship drives economic development, it breeds competitiveness and innovation. Youth employment interventions should increasingly target the enhancement and promotion of the youth entrepreneurial potential and development of entrepreneurial culture and support by providing needed resources such as capital and technology putting in place supporting commercial infrastructures.

Chingunta (1999) postulates that the key challenges facing the Kenyan youth are lack of necessary education, relevant training and the knowledge and skills required to enhance their absorption into the labor market. He further argued that initiatives need to be put in place and implemented to ensure that the youth have adequate skills that can assist them in identifying and tapping into business opportunities and embrace modern business management techniques. It becomes significant point of reference especially since most developing countries are responding to many challenges of the industrial development by implementing new programs, which calls for new expertise and new orientation of work. This usually means changes in specific knowledge, skills attitudes or behaviors.

Training should be designed to meet the goals of the organization while simultaneously meeting the goals of individual employees (Bernardin, 1998). Development refers to learning opportunities designed to help employees grow. Such opportunities do not have to be limited to improving employee's performance on their current jobs (Bernardin 1998). Participation in a training program draws economically important and statistically significant changes in the probability that individuals open a new business or expand an existing one.

Teaching entrepreneurs the value of capital investment encourages them to change business practices, allowing for greater innovation and making personal investments in the business. The IFC Jobs Study (2008) on 'Assessing Private Sector Contributions to Job Creation and Poverty Reduction' highlights the lower likelihood of SME's to invest in training and the need for supporting such training and increasing awareness of its benefits. Working with larger firms also results in improving supplier skills- however, being able to participate in the supply chain in turn depends on ability to meet anchor firm requirements, which again points to the need for training.

UNCTAD (2009) indicates that the globalization of value chains constitutes a major challenge for small scale enterprises accustomed to serving local and national markets. An UNCTAD (2005) study conducted in five countries indicates that transnational corporations (TNCS), with a few exceptions, are reluctant to cooperate with the SME sector because of shortcomings such as lack of quality and poor reliability. The availability and quality of domestic suppliers is a key determinant to participation in TNCS global value chains. Formalized training programs enhancing managerial skills and resulting in potential compliance to international industry standards can lead to increased attractiveness and higher credibility of SMES.

Successful entrepreneurs irrespective of their age should exhibit the following traits; need for achievement, innovativeness, proactive personality, generalized self-efficacy, stress tolerance, need for autonomy, internal locus of control, and risk taking. According to Knight (2002) entrepreneurs risk losing their investments in contrast to managers and are therefore high in risk taking. Risk taking is an important trait because entrepreneurs are required to take decisions in an environment full of uncertainty. The need for achievement requires individual entrepreneurs to choose tasks of moderate difficulty, accepts responsibility for results and seeks feedback on action outcomes.

According to McClelland (1961) entrepreneurs exhibit higher achievement motivation than managers. In order to perform well, entrepreneurs must be interested in what they are doing. Stevenson and Jarillo (1990) have suggested that entrepreneurial orientation has been recognized as one of the most important factors for a firm's growth and

profitability. Research has shown that high growth correlates with a firm's entrepreneurial orientation. Hence, growth can be associated with innovativeness. Patchen, 1965 has revealed that innovativeness assumes a person's willingness and interest to look for novel way

2.5 Levels of Formal Education and Performance of Youth Enterprise Development Projects

Entrepreneurship education is crucial in assisting young people to develop entrepreneurship skills, attributes and behaviours as well as to develop enterprise awareness, to understand and to realize entrepreneurship as a career option (Schoof, 2006). This education is first inherently developed from formal learning. Australian Ministerial Council on Education, Employment Training and Youth Affairs (MCEETYA) defines entrepreneurial education as; learning directed towards developing in young people those skills and competences, understanding the attributes which equip them to be innovative, to identify, create, initiate and successfully manage personal, community business and work opportunities including working for themselves (Dest, 2005). Thus education is not only a means to foster youth entrepreneurship and self employment but also equips young people with attitudes and skills to cope with uncertain employment paths of today's societies (Gallaway, et al, 2005).

Young people can no longer expect to find the traditional job-for-life careers but rather portfolio careers such as contract employment, freelancing and periods of self employment (Gallaway, et al, 2005). In many countries particularly in developing and transitional countries, enterprise education simply does not exist or has not been sufficiently adopted (Haftenndorm and Salzano 2003). Teaching of entrepreneurial skills attributes and behaviour is often not integrated into school curricular and not adequately taught on different levels of education. Most systems still teach traditional values of compliance to the norm rather than independent thinking and acting, risk taking and self reliance and nurtures skills appropriate to working in the public sector or large organizations and companies but not for an entrepreneurial career (Schoof, 2006).

This has been attributed to lack of career information and business possibilities, lack of business and education linkages, lack of trained teachers, negligence of student's

personal environment and lack of ICT infrastructure due to financial constraints (Schoof, 2006). Successful entrepreneurs are usually literate, numerate have some technical or occupational competence and are able to communicate effectively. Useful too is a basic knowledge of generic business activities such as product development, pricing, sales and marketing, record keeping, and cost control and money management.

2.6 Theoretical Framework

This research is based on systems theory

2.6.1 Systems Theory

The proponent of systems theory is Ludwig von Bertalanffy who invented it in 1956. The theory emphasizes the way in which organized systems respond in an adaptive way to cope with significant changes in their external environments so as to maintain their basic structures intact. (Boulding, 1998) asserts that the systems theory models of decision-making in human groups emphasize their interaction with "outside" actors and organizations and concentrate on identifying the particular elements in the environment of the group or organization that significantly affect the outcomes of its decision-making this argument is in consonance with Kenneth (2006), who amplified the general systems theory in the context of project performance. To understand what an organization did, one must try to find out what threat or opportunity it was responding to and how its pre-existing response mechanisms worked to do this (Ryan, 2009)

The advantage of systems theory is its potential to provide a trans-disciplinary framework for a simultaneously critical and normative exploration of the relationship between our perceptions and conceptions and the worlds they purport to represent (Curmings and Wholly, 2008). This argument was amplified by Kenneth (2006). Systems theory does much to render the complex dynamics of human psychosocial change comprehensible hence making it more applicable to current development dynamics. Barzilai (2011) observed that phenomena in the natural setting do not come in neat disciplinary packages labeled scientific, humanistic and transcendental; instead they invariably involve complex combinations of fields, and the multifaceted situations to which they give rise and require

a holistic approach for their solution. The theory provides can consequently be considered a field of inquiry rather than a collection of specific disciplines

2.7 Conceptual Framework

The interrelationships between study variables are conceptualized as shown on figure 1 below:

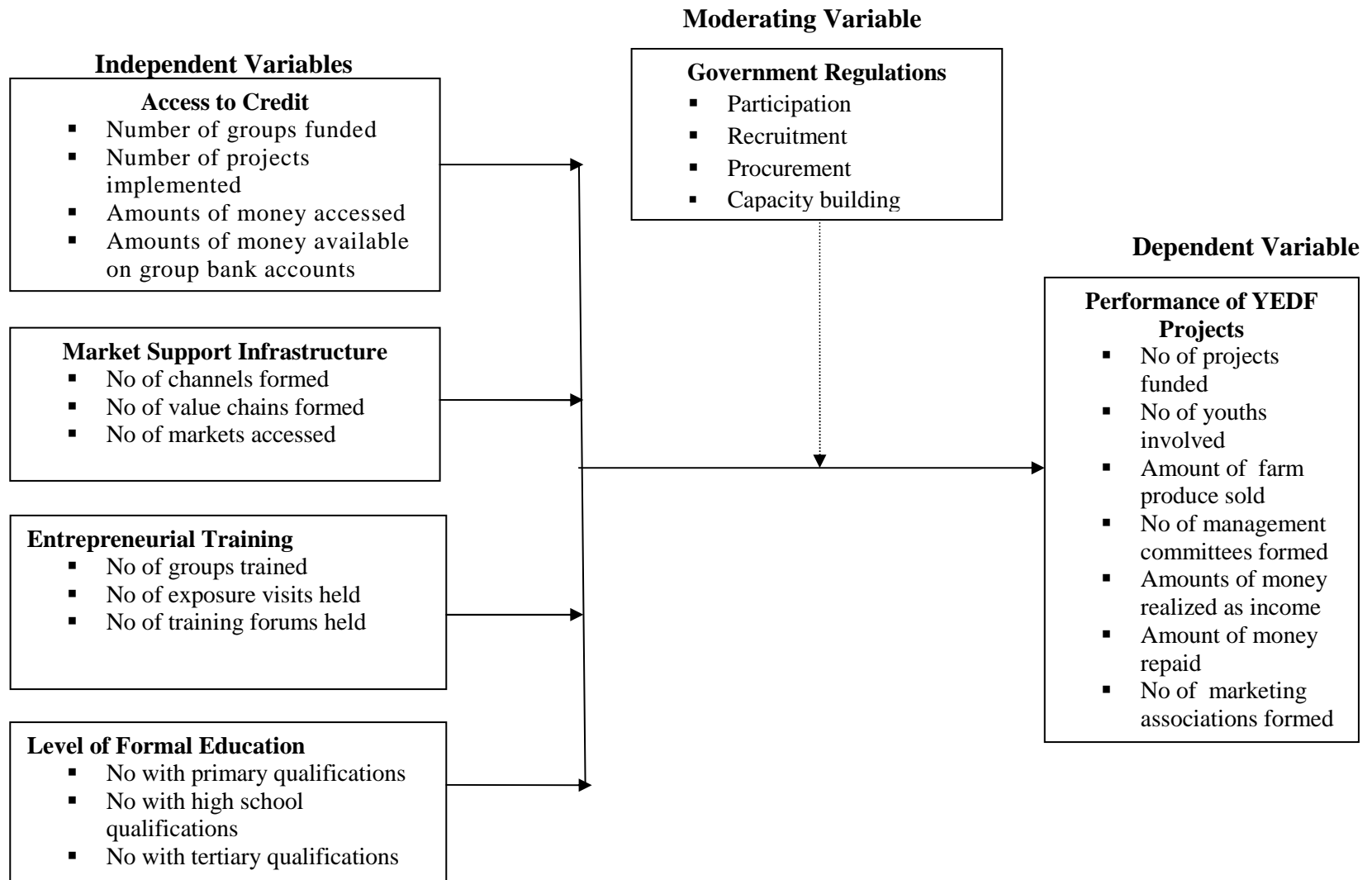


Figure 1: Conceptual Framework

As indicated in the conceptual model, access to credit dimensions that are perceived to be related to performance of Youth enterprise development fund projects. The influence of access to credit on performance and the extent of their relationship is tested in the conceptual model. A review of empirical literature on project performance clearly illustrates that project structure could be significantly influential on project performance. However, the extent of this influence on project performance and their subsequent interplay has not been critically examined and highlighted in any literature. This has therefore necessitated its evaluation as depicted in this conceptual model

This conceptual model also indicates that a critical relationship between market support infrastructure and performance of youth enterprise fund project is possible. Its influence has not been accorded sufficient attention in most of empirical literature examined. It shall therefore be imperative to examine this relationship.

Finally, a review of empirical literature on performance of youth enterprise fund projects clearly illustrates that combined influence of levels of formal education and entrepreneurial skills training is critical. There is need therefore to verify the extent of this relationship.

2.8 Knowledge Gaps

The research observed the gaps identified within the review of relevant literature as shown in the table below

Variable	Author and Year	Findings	Knowledge Gap
Access to credit and performance of Youth enterprise development fund projects	Schoof (2006) Chigunta (2001) Wadel (2000) Blotch (2000) White (1996)	Access to credit has been known to enhance performance on wellbeing	There is need to examine aspects of credit access and how they influence youth enterprise development
Market support infrastructure and performance of Youth enterprise development fund projects	Amenya (2010) Jajah (2009) Ngoze (2009) Rosi (2006) Chigunta (2002)	Market support and marketing infrastructure through designing value chains and commodity exchange frameworks heavily enhance youth enterprise programs. The emergence of supermarkets presents a perfect marketing opportunity for youths	There is need to clearly explain how youths can access markets easily and effectively so as to empower them.
Entrepreneurial training and performance of Youth enterprise development fund projects	Omolo (2010) Rasmussen (2006) Knight (2002) Amstrag (1999)	Training is crucial in entrepreneurship, capacity building on business management, financial management, record keeping and business plans are crucial for any successful business	This study will seek to determine the exact impact of training of youth enterprise programs. Again, There is need for a finer methodology on the importance of training on entrepreneurship
Levels of formal Education and performance of Youth enterprise development fund projects	Dest (2005) Gallaway (2005) Salzano (2003) Hoftendorm (2003)	Formal education is crucial in assisting young people to develop entrepreneurship skills, attributes and behaviors as well as to develop enterprise awareness. Education offers a foundation for understanding entrepreneurship	There is need to examine the influence of formal education on youth entrepreneurship in greater detail

2.9 Summary of the Chapter

Literature review comprised the theoretical framework, empirical review and conceptual framework. This was critical since this study is based on project performance and the theories affecting project performance. The theories examined include resource dependence theory which addresses project resources variable, systems theory which addresses strategic orientation variable, utilization-focused theory which addresses structure dimensions and response- constructivist evaluation theory which addresses the moderating variable of evaluation models.

A critical examination of literature on project performance vis-à-vis project structure and resources through the moderating influence of evaluation methodology, Short (2008) has not been accorded sufficient attention in the empirical literature examined. Literature on their subsequent relationships and associations has also not been given much attention. A review of empirical literature on project performance clearly illustrates that cognitive influence of levels of education, structure and resources are seriously wanting. Few studies have shown that such a relationship could be a better way of explaining project. The exact extent of their influence on project performance and their subsequent interplay has been examined and their exact influence will be unequivocally explained in this study.

Interrelationships of variables and indicators constituting those variables were undertaken in great detail through a conceptual framework. The researcher examined the literary works and empirical literature by 4 prominent scholars on each variable. The scholars studied were the ones who have extensively published on the study variables.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods used to provide answers to the research questions. It focuses research design, target population, sampling procedure, data collection methods, validity, reliability, methods of data analysis, operational definition of variables and ethical issues.

3.2 Research Design

This study employed a descriptive survey design. This particular design was ideal since the research entailed collecting and comparing data from the phenomena at the same time of study. Mugenda (2003) argued that descriptive survey designs were appropriate where the overall objective was to establish whether significant associations among variables existed at some point in time.

This design was ideal since it sought to describe the characteristics of certain groups, estimate the proportion with certain characteristics and make predictions. This specific design was chosen because of its ability to ensure minimization of bias and maximization of the reliability of evidence so collected. This design was also ideal since the empirical inquiry in this research involved that in which the researcher did not have direct control over the independent variables because their manifestation had already occurred or, they were inherently not manipulatable. This study involved collection of quantitative data for objective hypothesis testing and modeling while qualitative data will be useful in explaining themes of behavior discerned about project performance.

3.3 Target Population

The target population in this research consisted of 15 youth entrepreneur groups within Kiambaa sub County of Kiambu County, who were engaged in various business activities and operating within the County. The groups had an average of 10 youths. This therefore means the total population for youths studied was 150.

3.4 Sampling Size and Procedure

The sample indicates the total number of respondents that was selected from the target population. Sampling was done because it is not plausible to obtain information from the whole universe to accurately accomplish study objectives. The determination of sample was important to the researcher since it helped in bringing out credible representation of the population. Some authors determined the sample size using the sampling table by Bartlett et.al (2001). The researcher used Krejcie and Morgan original table for determining sample size.

3.4.1 Sample Size

Sample size determination for projects that was studied followed procedure determined by Krejcie and Morgan (1970) table. As indicated in this table, a population of 150 projects corresponds to a sample size of 108. Therefore 108 projects sampled for this study were seen as representative.

3.4.2 Sampling Procedure

Table 3:1 Sampling Frame

The sampling frame was determined using proportions as depicted in the table below:

Ward	Target Population	Sample Size
Cianda	11	8
Kanunga	09	6
Kawaida	07	5
Kihara	12	9
Njiku	11	8
Muchatha	08	6
Ndenderu	12	9
Gachie	13	9
Karuri	12	9
Ngegu	09	6
Kianjogu	11	8
Gathanga	08	6
Njoro	09	6
Mahindi	08	6
Wangunyu	10	7
Total	150	108

3.5 Research Instruments

This study utilized a questionnaire as a primary tool for data collection. The questionnaire contained both structured and unstructured questions and with 5 sections. Section A captured questions on the demographic characteristics of respondents, Section B entailed questions on access to credit, Section C captured questions on market support infrastructure and performance of youth enterprise development fund projects section D had questions on entrepreneurial training and performance of Youth enterprise development fund projects while section E had questions on levels of formal Education and performance of Youth enterprise development fund projects.

For closed-ended questions, a five-point likert scale was used. This includes: (1) strongly agree (2) agree (3) uncertain, (4) disagree (5) strongly disagree. The strongly agreed responses were scored at 1 for direct positive responses while those of strongly disagreed responses were scored at 5 for direct negative responses.

3.5.1 Pilot-testing of the Research Instrument

A pilot study of the questionnaire was carried out two weeks prior to the main study. Allan and Emma (2011) pointed out that research outcome quality is determined by instruments quality. Pilot testing entailed picking 10 respondents and administering the questionnaire to them. Pilot testing pointed out any problems with test instructions, instances where items were not clear and helped the researcher format the questionnaire and remove any noted typographical errors and inconsistencies (Mugenda 2003). Once all issues with the test items were addressed, the questionnaire was ready for large-scale field testing.

The primary purpose of pilot-testing of the research instrument was to construct an initial picture of test validity and reliability, help elicit appropriate responses to the study and determine if questions in the questionnaire were relevant and appropriate. Pilot testing also helps to check on the clarity and suitability of the wording. This is supported by Basavanthappa (2007). Information from the pilot study was cross-checked to establish

deficiencies. Corrections and modifications were therefore be undertaken to correct any anomalies noted on the instrument before it is administered.

3.5.2 Validity of the Research Instrument

Validity helps the researcher to be sure that questionnaire items measure the desired constructs. Donald and Delno (2006) defined instrument's validity as the appropriateness, meaningfulness and usefulness of inferences a researcher makes based on data collected. Mugenda (2003) agrees with this assertion that validity has to do with how accurately the data obtained in the study represents the variables.

There are three types of validity that are of interest to researchers: content related, criterion related and construct validity (Donald and Delno, 2006). This study ensured content and construct validity. Content related validity method is ideal for this study since it is consistent with the objectives of the study. Construct validity was appropriate to the research paradigm since it sought to unearth the finer details in project performance through construction of new knowledge paradigms and approaches. This assertion is in consonance with Kothari (2002) who argue that constructs are abstractions that are deliberately created by researchers in order to conceptualize the latent variable, which is the cause of scores on a given measure.

3.5.3 Reliability of the Research Instrument

Donald and Delno (2006) defined reliability of the research instrument as the consistence of scores obtained and that it has two aspects; stability and equivalence. Reliability is said to be achieved if an instrument gives consistent results with repeated measurements of the same object. To measure the reliability coefficient of the research instrument, Cronbach's Alpha reliability coefficient was obtained for all the variables under study. Cronbach's alpha coefficient is like probability and therefore ranges between zero and one. A coefficient of zero implies that the instrument has no internal consistency while that of one implies a complete internal consistence. Donald and Delno (2006), Creswell (1994) indicates that a reliable research instrument should have a composite Cronbach Alpha Reliability coefficient of at least 0.7 for all items under study. If the composite

reliability coefficient is less than 0.7, then the instrument will have to be revised before administration.

3.6 Data Collection Procedures

The study used primary data. Primary data refers to that which was originally collected for the first time for the purposes of this study. The use of primary data is supported by (Saunders et al, 2007). The type of data to be collected shall be informed by the objectives of the study as supported by Teddlie (2010).

This approach accorded the researcher an opportunity to meet the respondents. The second approach entailed telephone conversations. Finally, the researcher could also send questionnaires to respondents via email and follow up on responses. In physical delivery approach questionnaires were hand delivered and collected later after an agreed period of time. The entire data collection exercise took one month. After the data was collected, checking for errors and inconsistencies was undertaken.

3.7 Data Analysis Techniques

Data analysis was done following the four phases normally used in research, these included: data clean up, reduction, differentiation and explanation. Data clean up involved editing, coding and tabulation in order to detect anomalies. Data was then keyed using (SPSS) version 20.0 with appropriate codes and variable specifications and counter-checked for possible erroneous entries. Data was again analyzed based on the themes of research objectives. The specific effect of independent variables vis-à-vis dependent variable was tested through multivariate analysis while the significance of independent variables against the dependent variable was analyzed through ANOVA.

3.8 Operational Definition of Variables.

Operational definition of variables is as shown on table below:

Table 3.2 Operationalization of Variables

Variable	Indicators	Measurement Scale	Analysis Tool
Independent Variables			
Access to credit and performance of Youth enterprise development fund projects	<ul style="list-style-type: none"> ▪ Number of groups funded ▪ Number of projects implemented ▪ Amounts of money accessed ▪ Amounts of money available on group bank accounts 	Ordinal	Correlation Regression
Market support infrastructure and performance of Youth enterprise development fund projects	<ul style="list-style-type: none"> ▪ No of channels formed ▪ No of value chains formed ▪ No of markets accessed 	Ordinal	Correlation Regression
Entrepreneurial training and performance of Youth enterprise development fund projects	<ul style="list-style-type: none"> ▪ No of groups trained ▪ No of exposure visits held ▪ No of training forums held 	Ordinal	Correlation Regression
Levels of formal Education and performance of Youth enterprise development fund projects	<ul style="list-style-type: none"> ▪ No with primary qualifications ▪ No with high school qualifications ▪ No with tertiary qualifications 	Ordinal	Correlation regression
Dependent Variable			
Performance of YEDF Projects	<ul style="list-style-type: none"> ▪ No of projects funded ▪ No of youths involved ▪ Amount of farm produce sold ▪ No of management committees formed ▪ Amounts of money realized as income ▪ Amount of money repaid ▪ No of marketing associations formed 	Ordinal	Multiple regression

3.9 Ethical Issues

In this study, ethical considerations were made on the basis of the basic concepts and aspects identified as important components of social considerations in social science research (Oliver, 2008)

First and foremost, the researcher obtained a research permit from the National Commission of Science, Technology and Innovation at the Ministry of Education, Science and Technology. Secondly, the researcher wrote a letter of transmittal of data collection instruments to inform respondents in the research process that the research was purely for academic purposes only. The respondents were further assured that information gathered through this research was to be treated with utmost confidentiality. Hence the researcher upheld high ethical standards. Respondents were further requested not to indicate their names anywhere on the questionnaire and implored to provide the requested information truthfully and honestly.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter details the presentation, interpretation and analysis of data as described in the methods of data collection. The data collected was analyzed and organized into general information (including gender, age, marital status and levels of education) factors influencing the performance of the youth fund, challenges faced in the implementation of the fund and suggested interventions for making the youth fund more effective

4.2 Questionnaire Response Rate

Data was gathered out of 108 questionnaires distributed for the study; 100 respondents filled and returned the questionnaires representing a response rate of 92.6% of the sample. Mugenda (1999) states that a response rate of more than 80% is considered a good enough representation of population. Of the respondents, 54% were males and 46% were females. In terms of age, majority of the youth (63%) were between 25-30 years followed by 18-25 years (26%) 30-35 years (9%) with the minority (2%) aged above 35 years of age as shown.

Table 4.1: Age of respondents

AGE	FREQUENCY	PERCENTAGE
18-25yrs	26	26
25-30yrs	63	63
30-35yrs	9	9
Above 35yrs	2	2
TOTAL	100	100

This therefore indicated that 98 percent of all respondents were youths

4.2 Distribution of Respondents by Levels of Formal Education

Table 4.3 shows that 42 of the respondents had achieved up to secondary level education with only a small percentage (32%) with post secondary education.

Table 4.3: Levels of Formal Education

EDUCATIONAL LEVEL	FREQUENCY	PERCENTAGE
Primary	32	32
Secondary	42	42
University	7	7
Certificate	12	12
Diploma	8	8
TOTAL	100	100

This shows clearly that it is the minority who possesses relevant academic and professional qualification to successfully run business enterprises. With lack of adequate and relevant education, especially tertiary education, performance of the youth fund therefore becomes a challenge.

4.3 Distribution of Respondents by Number of Group Members

The table shows that the average number of members per group was 10.

Table 4.4: Distribution of group members

GROUP MEMBERS	FREQUENCY	PERCENTAGE
10	17	17
8	5	5
9	38	38
11	6	6
9	3	3
11	3	3
9	5	5
8	3	3
12	3	3
11	3	3
11	2	2
8	2	2
12	3	3
8	2	2
13	5	5
TOTAL	100	100

An average of 10 members per group in comparison the amount of money given to the group, this translates to an average of two thousand shillings per person.

4.4 Distribution of Respondents by Engagement in Business Activity

69% of the young people belonging to groups that accessed the youth fund said that they engaged in business activity while 31% indicated that they never did so as shown in Table 4.5.

Table 4.5: Engagement in Business Activity

GROUP MEMBERS	FREQUENCY	PERCENTAGE
Yes	69	69
No	31	31
TOTAL	100	100

4.5 Distribution of Respondents by Group Business Activities

The table 4.6 shows the types of business activities the youth were engaged in.

Table 4.6: Business Activities by Various Groups

BUSINESS ACTIVITY	FREQUENCY	PERCENTAGE
Farming	62	62
Services	16	16
Trade	22	22
TOTAL	100	100

Farming was the commonest (62%) business activity the group members were engaged in as shown in the figure 4.6. Majority of the group members were involved in poultry farming, dairy farming, horticulture and the largest proportion of this group planted seedlings for sale. Such activities were greatly influenced by climatic patterns and therefore their economic competitiveness highly unpredictable and this could affect the implementation of the youth fund. Another activity, offering services that was undertaken by 16% of the respondents like photocopying, shoe repairs, boda boda and lending money to the group members. Other groups (22%) were involved in various trades like buying and selling cereals, selling second hand clothes, selling milk among others

4.6 Distribution of Respondents by Youths Engaged in Business Activity

Table 4.7 indicated that out of an average of 10 group members only 2 members per group (13%) were fully involved in the running of the business activity.

Table 4.7: Distribution of youths engaged in running of business activities

NUMBER FULLY INVOLVED	FREQUENCY	PERCENTAGE
0.00	5	5
1.00	5	5
2.00	69	69
3.00	12	12
4.00	6	6
5.00	3	3
TOTAL	100	100

In comparison to the number of group members, only a few are fully engaged in the running of the business activities. This therefore implies that the performance of the youth fund projects has been poor in terms of the number of youths actually employed or engaged in meaningful activities.

4.7 Distribution of Respondents by Training before Starting Business

Table 4.8 shows that out of those who started businesses, only 26% received any form of training while 74% never received any before initiating their business enterprises.

Table 4.8: Training before starting the business activity

GROUP MEMBERS	FREQUENCY	PERCENTAGE
Yes	26	26
No	74	74
TOTAL	100	100

Training is very vital ingredient in the success of any business. This was clearly lacking in this case. Coupled with lack of academic and professional training, this greatly led to poor

management and further reduced the chances of the business enterprises becoming successful ventures.

4.8 Distribution of Respondents by skills covered

The table 4.10 shows the type of skills that were covered by the youths who got trained.

Table 4.10: Skills covered during training

SKILLS	FREQUENCY	PERCENTAGE
Financial management	35	35
Entrepreneurship	18	18
Marketing skills	24	24
Record keeping	18	18
All the above	6	6
TOTAL	100	100

From the above table, a paltry 35% of the respondents had received training in financial management. However effective implementation of the youth fund requires acquisition of multiple skills. Among the respondents, only a small percentage (6%) had received all the three skills on financial management, entrepreneurial development, marketing and record keeping.

4.10 Market Support Infrastructure

Table 4.11 shows that only a small percentage (18%) of the respondents received market support services. The majority (82%) did not receive any form of market support

Table 4.11: Market Support Infrastructure

GROUP MEMBERS	FREQUENCY	PERCENTAGE
Yes	18	18
No	82	82
TOTAL	100	100

Business Mentoring and availability of business incubators to offer entrepreneurial support to young entrepreneurs are deemed vital to the effective implementation of the youth fund.

4.11 Distribution of Respondents by Access to Markets

The table shows groups that were working in consultation with other organizations.

Table 4.12: Access to Markets

GROUP MEMBERS	FREQUENCY	PERCENTAGE
Yes	35	35
No	65	65
TOTAL	100	100

It was noted that majority 65 (65%) of the groups that were engaged in some form of business activity were not working in consultation with other organizations, though a small percentage 35% was doing some consultation and liaison though at a very minimal scale.

4.12 Amount received from C-YES

The youth groups studied had received funding as shown in the table 4:13

Table 4.13: Amount received

AMOUNT RECEIVED	FREQUENCY	PERCENTAGE
10,000/=	3	3
20,000/=	6	6
38,000/=	42	42
40,000/=	31	31
47,000/=	8	8
47,000/=	2	2
48,000/=	3	3
50,000/=	6	6
TOTAL	100	100

All the groups studied were given between Kshs. 10,000 and Kshs. 50,000. Majority (42%) were given Kshs. 38,000 as shown in table and graph above. Considering the size of groups,

this amount is inadequate and it may be very difficult for the groups to be engaged in any meaningful business.

4.15 Utilization of funds given

Table 4.14: Utilization of funds by groups

UTILISATION/ ACTIVITY	FREQUENCY	PERCENTAGE
Money put in agricultural activities (E.g. planting and selling seedlings, Poultry farming & passion fruits).	43	43
Trade (e.g. Boda boda, Mitumba trade)	26	26
Trainings/seminars	5	5
Money divided amongst group members	15	15
To repay later with interest	11	11
TOTAL	100	100

Table 4.14 shows that majority of the group members (43%) used the money in farming activities, (15%) divided the money among themselves and only a small percentage (26%) invested the money in some form of trade (second hand clothes and sub-loaning the money at a interest), this shows that only a few group members are likely to get some returns but also depending on the market forces of demand and supply for those who engaged themselves in trade, and the prevailing weather conditions for the majority who initiated farming activities.

4.16 Repayment of loans

The table shows the repayment of the loans by the youth groups.

Table 4.15: Repayment of loans

LOAN REPAYMENT	FREQUENCY	PERCENTAGE
Repaying	28	28
Partially paid	25	25
Not repaid	31	31
Unable	17	17
TOTAL	100	100

Repayment of loans by the youth groups was a difficult issues especially those who were not engaged in business activities. Table 4.16 shows that 17% were unable to repay the loan, 31% had not repaid and only 52% were either repaying or had partially repaid. This phenomenon is largely attributed to the fact that most groups are in farming activities which is an enterprise that is largely dictated by the vagaries of weather. 15% of the funded groups did not engage in any business activity at all hence the inability to pay.

4.17 Multiple Regression Analysis

For the purpose of this analysis, the researcher regressed variables at 95% confidence interval to determine how various factors influence the performance of YEDF and the findings are as shown in the table 4.16.

Table 4.16: Multiple regression analysis

Dependent Variable: Performance of YEDF Projects

MODEL		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Constant	3.059	.621		4.923	.000
$Y = a + bx_1 + bx_2 + bx_3 + bx_4$	Did you group have any training before starting business activity?	-.475	.125	-.365	-3.918	.001
	Have you received any other form of business support?	-.234	.116	-.091	-.917	.364
	Does your group network or work in consultation with other organizations?	.117	.114	.130	1.163	.220
	Did your group access adequate finances for business purposes?	.224	.221	.137	1.000	.451
	Does your level of education affect your business performance?	-.023	.051	-.049	-.708	.485

Where:

bx_1 , bx_2 , bx_3 and bx_4 are independent or explanatory variables which are estimates of the population regression coefficients also called least squares coefficients.

Y = is the dependent variable

a = is a constant

Sig= is the significance at the 5% level of significance.

t = is the test statistic value also called t-value

Table 4.16 indicates that there was a highly significant relationship (with t statistic p value $<0.001 < 0.05$) between entrepreneurial skills training and implementation of the youth enterprise development fund. There was no significant relationship between highest level of formal education ($p = 0.485 > 0.05$), business support services ($p = 0.364 > 0.05$), consultation with large organization ($p = 0.220 > 0.05$), access to adequate finances ($p = 0.451 > 0.05$) and performance of the YEDF.

4.2 Discussion of Findings

This section discusses the findings of the study based on the study objectives. These are: entrepreneurial skills training, business support infrastructure, linkages and business networks, access to adequate financing and levels of formal education.

4.2.1 Discussion on Relationship between Entrepreneurial Skills Training and the performance of Youth Enterprise Development Fund.

This discussion was guided by the objective “To examine the relationship between entrepreneur training and the performance of YEDF in Kiambaa sub County Division”. The pertinent research question was “Did your group have any form of training before starting the business?” From the study, it was clear that majority of the respondents (74%) had attained secondary level of education with a mere (32%) having attained post secondary education. This depicts a gap in skills requisite to build enterprises because such skills are not offered in the formal education system. This is coupled further by lack of training before starting the business activity. 74% of the respondents had no such training before starting their businesses. Only 26% were trained. The study also established that those groups that received training, it was not comprehensive because 94% of the trainings lasted less than two days and that a narrow range of skills were covered within the 2 days. Only 25% of the respondents received training on key aspects of business development such as financial management, marketing and record keeping. All these key ingredients are necessary for running a successful business venture. The study revealed that a highly significant relationship existed between entrepreneurial skills training and the performance of youth fund with a significance (statistic value $p < 0.001 < 0.05$)

4.2.2 Discussion on Influence of market Support Infrastructure on the performance of Youth Enterprise Development Fund.

This was guided by the study objective:” To establish the influence of market support infrastructure on the performance of youth enterprise development fund.” The research question pertinent to the objective was;” does your group work in consultation with other organizations”?

To this 65% of the respondents had not established any workable contacts or meaningful networks with other organizations. Almost all the groups were working in isolation and only a paltry 35% had had established such networks, an indicator that there was inadequate connection between youth groups and large firms. This also shows that the fund is yet to meet one of its key objectives’ which is to support youth oriented micro, small and medium enterprises develop linkages with large firms.

The study established that there was no significant relationship between consultation or linkages with large firms and the performance of youth enterprise development fund with a significant level of statistic $p=0.220>0.05$.

4.2.3 Discussion on the Relationship between market Support Infrastructure and performance of Youth Enterprise Development Fund.

This was guided by the research objective “To establish the relationship between market support services and the performance of YEDF”. The pertinent question to this objective was “has your group received any other form of business support? The results: 82% of the respondents had not received any form of business support services compared to a paltry 18% who had developed some form of linkages with large firms.

Therefore it emerged from the study that business support services were not offered to the youths to enable them build successful enterprises. According to Gerber (1995) this support can comprise support of business people, companies, retail outlets or other entrepreneurs who provide young people with specialist advice and resources. These services include mentor support which is an important instrument for providing informal support and advice as well as access to business networks for young people. The study established that there was no

significant relationship between business support services and the performance of youth enterprise development fund with a significant level of statistic $p=0.364>0.05$.

4.2.4 Discussion on Access to credit on performance of Youth Enterprise Development Fund Projects.

This was guided by the research objective “To study the access to credit on performance of YEDF”. The pertinent question to this objective was “Was the money allocated to your group adequate for your business activities” The result: 95% of the respondents felt that the money allocated was far from adequate to help the groups come up with any tangible projects. Of all the 5% of the groups who said that the money was adequate actually shared the money and did not undertake any development project. The study established that there was no significant relationship between access to adequate finances and the performance of youth enterprise development fund with a significant level of statistic $p=0.451>0.05$.

4.2.5 Discussion on the Effect of Levels of Formal Education on performance of Youth Enterprise Development Fund Projects.

This discussion was guided by the research objective “To assess the relationship between levels of formal education and performance of YEDF”. The pertinent question to this objective was “What is your highest level of formal education” The result: primary level was 26%, Secondary 42%, Certificate holders were 19%, and Diploma holders were 8% while the degree holders were the least with a paltry 6% of the entire respondents. From this study, formal education did not seem to have any effect on entrepreneurship. The study established that there was no significant relationship between levels of formal education and the performance of youth enterprise development fund with a significant level of statistic $p=0.485>0.05$.

4.2.6 Discussion on Challenges by Various Actors on the youth enterprise development fund performance.

This was guided by the objective “To explore the challenges encountered by various actors in the implementation of the youth enterprise development fund projects in Kiambaa sub County. The pertinent question to this objective was; “Are there challenges experienced in the management of your business activity?” 92% of the respondents acknowledged that they experienced myriad challenges in the running of their business activities. Some of the challenges that were noted matched with those reviewed in chapter two while others differed slightly. The study established that access to adequate finances (42%) remains a major challenge to enterprise development. This was closely followed by unpredictable climatic patterns (25%), lack of adequate business management skills (11%) due to lack of adequate skills training, and low levels of formal education and lack of commitment by both leaders and members (5%).

4.2.7 Discussion on Strategies to Make YEDF more Effective.

This study was guided by the objective “To inquire describe and propose appropriate strategies that could make the youth enterprise development fund more effective” and the pertinent question to this study was” what do you suggest can be done to make the fund more effective?” 31% of the respondents suggested that the amount of funds loaned to groups be increased. Capacity building would entail thorough trainings to equip the youth with the necessary skills. (Kenyon & white 2006) argues that business development is more concerned with the ability of young people to address the challenges that face them rather than to follow a step by step guide.

Capacity building would equip the youth with useful skills such as; self assessment and awareness, problem solving, entrepreneurial alertness, financial management, marketing, managing people, monitoring and evaluation among others. Other suggestions included: 8% of the respondents suggested that loaning individuals rather than groups be undertaken, 19 % favored the initiation of a comprehensive monitoring and evaluation system by the parent ministry to ensure that the funds given were well utilized. A small percentage (9%) felt that the youth needed to be made more aware of the existence of the facility.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the findings of the study. Based on these findings, conclusions and recommendations on the factors influencing the performance of youth fund in Kiambaa sub County Division were therefore made. The chapter is organized into summary of findings, discussions and conclusions based on the objectives of the study, suggestions on areas of further research are also made.

5.2 Summary of findings

The findings of the study are summarized in the table 5.1.

Table 5.1 Summary of findings

Objective	Data collection instrument	Type of analysis	Main findings.
To assess how access to credit by youths influence the performance of youth enterprise development fund	Questionnaire	Descriptive statistics	The study revealed that access to adequate financing greatly affected the performance of projects.
To establish to what extend market support infrastructure influence performance of YEDF	Questionnaire	Multiple regression	82.4% had not received any business support services to enable them build successful enterprises.
To examine how entrepreneurship training skills influence performance of YEDF	Questionnaire	Descriptive statistics	73.8% lacked adequate trainings in business skills which significantly influenced enterprise development.
To assess how formal education influence performance of YEDF	Questionnaire	Descriptive statistics	Levels of formal education did not have any effect on the performance of YEDF projects.

The study established that most of the group members who had accessed the youth fund were males compared to females, implying that more males have benefited from the C-Yes component of the fund than females. Most of the youth groups invested the funds in small scale businesses with farming being the most preferred activity compared to other forms of trade. This shows that majority of the beneficiaries of the fund are persons living in the rural areas. The study also established that majority of the youth group members (74%) started their business activities without any form of training and that those who were trained (94%) got short training that lasted between 1-2 days, meaning that the duration of training was not adequate to fully equip the groups for initiation of any meaningful enterprises.

It also clearly emerged that the youth groups did not receive any other form of business support apart from financing. Financing in itself is a necessary but not a sufficient condition for business success. Services such as business mentorship and incubation were largely not offered to the youth to guide them develop successful enterprises. It is also apparent that the youth groups studied had not established any linkages with large business firms. Such linkages are vital for leverage and marketing but they were non-existent in my area of study. Supermarkets and large retail outlets in urban centers for instance, could have easily provided ready market for perishable agricultural commodities.

Despite the fact that the sampled groups studied had all received funding from youth fund through C-Yes component, half of the respondents (50%) cited inadequate finances as one of the major challenges facing their businesses. Majority of the youth suggested that the amount of money loaned to groups be increased to at least 100,000 shillings for groups having at most 10 members, money could also be loaned to individuals through organized groups where group members would guarantee each other as in the case of Grameen model.

5.2 Conclusions

Based on the findings of the study, the implementation of YEDF which was measured in terms of jobs created was not effective. Out of an average of 10 members per group, only two members or 12% of the entire group membership were fully engaged in running the groups business activity. This is a very sad phenomenon that can largely be attributed to the following factors:

Lack of appropriate skills- a whopping 74% of all the respondents were not trained before starting their business activities hence lacked management competences and business acumen.

Inadequate finances- most of the groups studied received less than Kshs 50,000, an amount which was felt to be too little for such a big number of individuals per group.

Group dynamics- This played a key role in hampering development of youth enterprises. Lack of commitment among members and poor leadership at group level posed great challenges. It was also observed that the youth groups lacked essential business support services such as business incubation, mentorship and effective networking. These services are deemed essential to the success of any enterprise.

5.3 Recommendations.

From this study the following policy recommendations can therefore be deduced:

- i) That the amount of money loaned to youth groups be increased from the current maximum of Kshs 50,000 to a minimum of kshs.100, 000.
- ii) That an elaborate monitoring and evaluation, follow up, feedback and loan repayment mechanism be initiated to ensure proper utilization of loans disbursed and avoid wastage of funds. Providing credit to those not able to use it productively could push the already-vulnerable persons to more debt.
- iii) That an elaborate training program for both beneficiaries and implementers be designed. A more practical and effective entrepreneurial training for the funded groups on the importance of business records, business diversification, market research, marketing

strategies, business management and mechanisms for improved market access that could lead to more profitable and faster growth of enterprises.

- iv) That opportunity for steady employment at reasonable wages by the government and the private sector should be expanded. It is evident that stable jobs are a better option than micro credit if societies are serious about driving the poorest of the poor out of poverty,.

5.3.1 Recommendations

It emerged that the youth were not trained before starting their business ventures, therefore capacity building should be enhanced to equip the youth with the necessary skills to build enterprises. Non financial services ranging from literacy classes, developmental leadership, financial management, community development and market-based business development services will greatly help the young entrepreneurs.

Regular monitoring and evaluation programs and systems should be put in place to ensure that the borrowed money is used as intended. Such systems should be inbuilt. It is disturbing to note that the government initiated such a scheme with no proper feedback and monitoring structures.

5.4 Suggestions for Further Research

Since the study mainly focused on the factors influencing the performance of the youth enterprise development fund and dealt with only one component of the fund i.e. the constituency youth enterprise scheme within Kiambaa sub County, further research can be carried out to critically examine the performance of the other component of the fund i.e. the one offered through the financial intermediaries and compare the two with an aim of determining the best ways of maximizing the utilization of youth fund. It would also be of much interest for future researchers to study management constraints on the youth enterprise development fund in other parts of the country. Since my study was limited to one small sub county, it would be good if similar studies were replicated in other districts to establish the performance of this fund. Such studies could also be replicated a number of years from now to assess growth of enterprises after a possible repackaging of the fund conditions and consequently assess the impact of business training and of effective monitoring of loan utilization by groups.

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APPENDIX I

LETTER OF TRANSMITTAL OF DATA COLLECTION INSTRUMENTS

Mercy Musisi

P.O Box 70686-00400

Nairobi,

7th October, 2014

Dear Respondent,

**RE: FACTORS INFLUENCING PERFORMANCE OF YOUTH ENTERPRISE
DEVELOPMENT PROJECTS IN KIAMBAA SUB COUNTY**

I am a Master's student at the School of Continuing and Distance Education at the University of Nairobi currently conducting a research study as entitled above.

You have been selected as one of the respondents to assist in providing the requisite data and information for this undertaking. I kindly request you to spare a few minutes and answer the attached questionnaire. The information so obtained will be used for academic purposes only, will be treated with utmost confidentiality and will not be shared with anyone whatsoever. Do not write your name anywhere on the questionnaire.

I therefore beseech you to respond to all questions with utmost honesty.

Thanking you most sincerely for your support.

Yours Sincerely,

Mercy Musisi

APPENDIX II

QUESTIONNAIRE

This questionnaire is designed to gather research information regarding the factors influencing performance of youth enterprise development fund projects in Kiambaa sub-county in Kiambu County. The questionnaire has six sections. For each section, kindly respond to all items using a tick [] or filling in the blanks where appropriate.

SECTION A: DEMOGRAPHIC INFORMATION

a) What is your age bracket?

18-25	25-30	30-35	36 and above
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b) What is your Gender?

Male	Female
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c) What is your marital status?

Single	Married	Separated	Divorced	Others specify..
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d) How long have you been in this group?

0-2 years	3-5 years	6-8 years	9-11 years	12-14 years	15 and above
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e) What type of business activity are you engaged in?

Farming	Car wash/Garage	Hotel/Restaurant	Trainings/seminars	Mitumba dealers	Animal rearing
Grocery vendor	cybercafe	Bar/ Butchery	Saloon/kinyozi	Transport	Shop

f) What amount of money was awarded to your group by Youth enterprise development fund (YEDF).....

g) How long has the project been operating?

0-2 years	3-5 years	6-8 years	9-11 years	12-14 years	15 and above
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h) What is your title/designation.....

i) How long have you been in this group

0-2 years	3-5 years	6-8 years	9-11 years	12-14 years	15 and above
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j) What is your level of formal education?

Certificate	Diploma	First Degree	Master's Degree	PhD	Other- Specify
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k) Specify your professional category

Social work	Project Planning	Economics	Agriculture	Business	Other- Specify
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SECTION B: ACCESS TO CREDIT

2.1 To what extent has access to credit for the youths influenced performance of youth enterprise development fund projects?

Use the scale where 1= strongly agree, 2= agree, 3= uncertain 4= disagree and 5= strongly disagree

	Factor	1	2	3	4	5
1	We got adequate funds for our project					
2	We got most of the fund from donors and self					
3	We had to source for more funds from other sources after allocation					
4	We got the amount we had requested					
5	We got quick service delivery from the financiers					
6	We found the access procedure cumbersome					
7	We need a business plan to access credit					
8	We found it difficult to access start up credit					
9	We found the funds awarded adequate for start up					
10	We consider consultation with beneficiaries very important					

11	We always make quick responses upon any inquiry					
12	We always follow regulations and procedures					

SECTION C: MARKET SUPPORT INFRASTRUCTURE

3.1 To establish to what extend market support infrastructure influence performance of youth enterprise development projects

Use the scale where 1= strongly agree, 2= agree, 3= uncertain 4= disagree and 5= strongly disagree

	Factor	1	2	3	4	5
1	We always generate project proposal by ourselves					
2	Priority areas of donors and project financiers influence our project					
3	We have access to adequate information on our project area					
4	Kenyan government has linked us to markets locally					
5	Kenyan government has linked us to markets internationally					
6	Other organizations have invited us for trade fairs locally					
7	Other organizations have invited us for trade fairs internationally					
8	Needs of service consumers influence our project					
9	We have linkage to value chains stores for our products					
10	Projects undertaken by our competitors influence our project					
11	Resource availability influence our project					
12	Planning impacts our performance quality standards					
13	Government policies on tenders has impacted our Project					

SECTION D: ENTREPRENEURSHIP TRAINING

4.1 To examine how entrepreneurship training influence the performance of the project?

Use the scale where 1= strongly agree, 2= agree, 3= uncertain 4= disagree and 5= strongly disagree

	Factor	1	2	3	4	5
1.	I have had access to adequate entrepreneur training					
2.	I have adequate training in financial management					
3	I have adequate training in record keeping					
4	I have adequate training in marketing					
5	I had entrepreneur training before we started the project					
6	I have had entrepreneur training in the course of the project					
7	Majority of the members are capable of making decisions on the project					
8	Majority of the members have had more than a month training on entrepreneur					
9	Majority of the members have had more than 3 days training on entrepreneur					
10	Majority of the members are involved in running of the project					
11	All members have been trained on various areas of business management					
12	Majority of the members are trained in more than one aspect of business management					
13	All members have attended one days training in business management					
14	All members have attended a week training in business management					

SECTION E: LEVELS OF FORMAL EDUCATION

5.1 To assess how formal education influence performance of YEDF projects

Use the scale where 1= strongly agree, 2= agree, 3= uncertain 4= disagree and 5= strongly disagree

	Factor	1	2	3	4	5
1	My level of education has aided in sustainability of the project					
2	The person with the highest level of education is the decision maker in the project					
3	The people with high education levels are the ones running the project					
4	All the key decisions have been made by the highest educated person					
5.	Formal education has aided the running of this project					
6	I think if I had higher education I would impact this project more					
7	Formal education is important in running this project					
8	This project has compelled me to seek higher education					
9	My formal education makes it easier to contribute to this project					
10	I seat in the management board of this project					
11	Majority of the members of my project have formal education					

SECTION G: PERFOMANCE OF YEDF

7.1 Specify to what extent the following measures are true.

Use the scale where 1= strongly agree, 2= agree, 3= uncertain 4= disagree and 5= strongly disagree

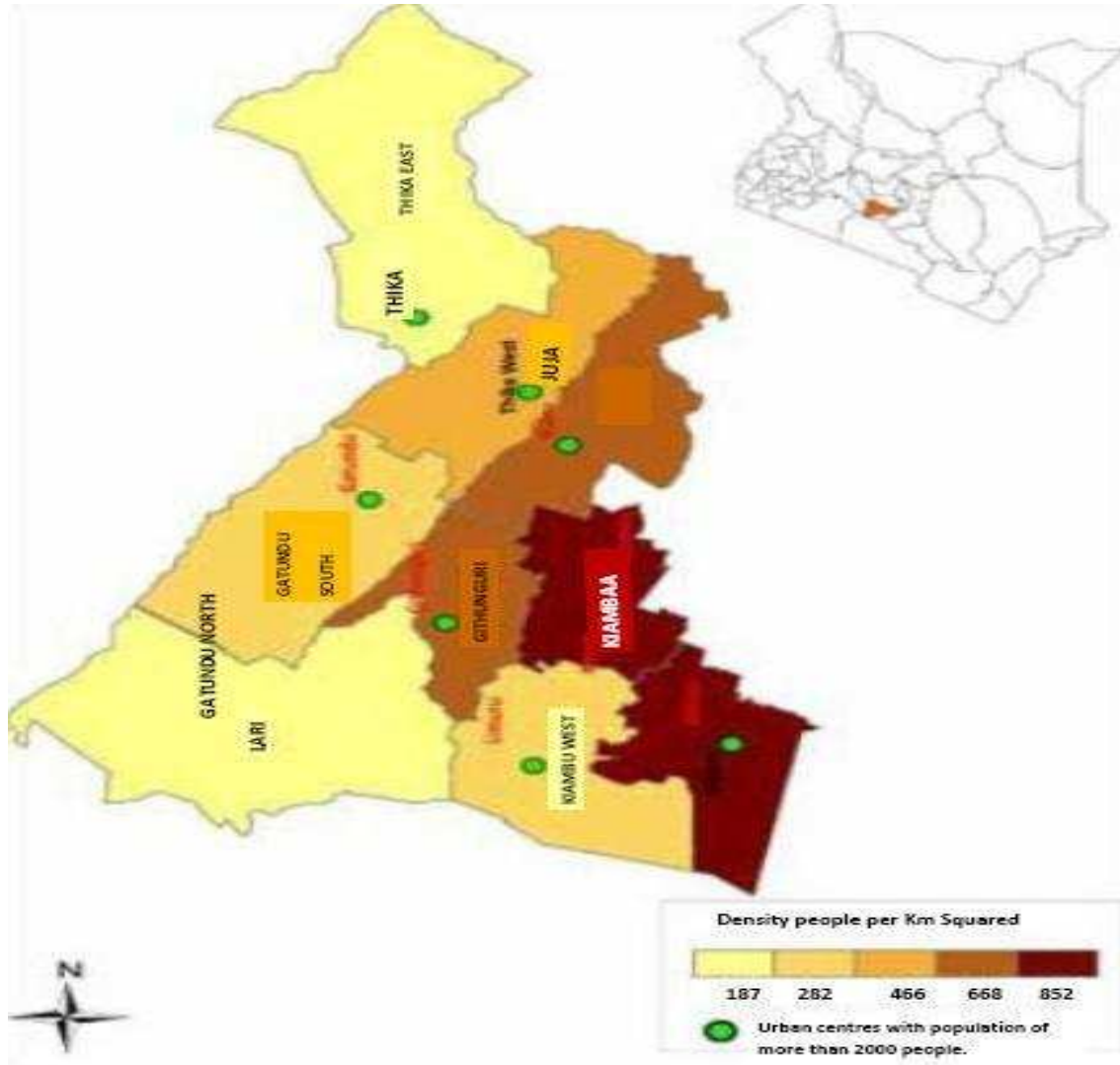
	Factor	1	2	3	4	5
1	The project has adequate funding					
2	The project has a high number of youths involved					
3	There are increased number of farm produced sold					
4	There are increased number of management committees formed					

5	The project is able to pay back its loan in due time					
6	The number of marketing associations formed have increased					
7	The project is making profit					
6	The project has sustainable sources of funding					
9	The number and variety of services provided is high					
10	The project adheres to all operational standards					
11	The project has multiple networks to other projects					
12	The project networks are fruitful					
13	The project has kept on expanding its coverage					
14	The project has the facilities to meet the growing demand					
15	The project has attracted and retained capable employee					
16	The project services are on high demand					

Thank you for your Participation

APPENDIX III

MAP OF KIAMBAA SUB COUNTY DIVISION



APPENDIX IV
KREJCIE AND MORGAN TABLE

Table for Determining Sample Size for a Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
"S" is sample size.

Source: Krejcie & Morgan, 1970

APPENDIX V
RESEARCH PERMIT