

**FACTORS INFLUENCING SUSTAINABILITY OF PROJECTS FUNDED BY THE
YOUTH DEVELOPMENT FUND IN KWALE COUNTY, KENYA**

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**A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN
PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI.**

2014

DECLARATION

This research project report is my original work and that not part of it has been presented in this University or elsewhere for the purpose of examination.

Signature.....

Date

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This research project report has been submitted for examination with my approval as university supervisor;

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DEDICATION

The researcher wishes to dedicate this study to thousands of youths in Kenya and Matuga constituency who are struggling on a daily basis to disentangle themselves from unemployment and poverty through self-employment.

ACKNOWLEDGEMENT

This work has been greatly influenced by the contribution of Nairobi University community and I wish to begin by thanking my supervisor Mr. JohnBosco Kisimbii for his invaluable support, guidance during preparation of this document.

I wish also to thank my fellow students Judy Mutungi and Meshack for their comments and useful suggestions during initial stages of developing this document. My thanks go also to my boss at work Mr. Kennedy Njenga for allowing me sufficient time to develop this document despite heavy work load in our office. I cannot also forget contribution of my colleagues at work Sanya, Kamwara and Nyongesa for their invaluable support.

Finally, my special thanks goes to the officials of Kwale Youth Enterprise Development Fund especially Solomon K. Kasoa and Mr.Ndeche in the Youth Fund Provincial office for providing me with useful information regarding groups registered with his office whose projects have been funded.

LIST OF ABBREVIATIONS AND ACRONYMS

ILO:	International Labor Organization
NYDA:	National Youth Development Agency
HO:	Null Hypothesis
H1:	Alternative Hypothesis
CBO:	Community Based Organization
GOK	Government of Kenya
YEDF	Youth Enterprise Development fund
KDHS	Kenya Demographic Health Survey
KNBS	Kenya National Bureau of Statistics
FI	Financial Intermediaries
MDG	Millennium Development Goals
MFI	Micro Finance Institution
NGO	Non-governmental organization
SPSS	Statistical Packages for Social Scientists
CIA	Central intelligence agency
UK	United Kingdom

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ABSTRACT

Youth unemployment is a global phenomenon and many countries across the globe have responded to this phenomenon in different ways. In the Kenyan context, creation of YEF through an act of parliament in 2007 to make affordable credit available to youths who had chosen to be entrepreneurs is one of such interventions. As nations across the globe try to address this phenomenon, it is very important to ensure that any intervention or strategy employed to deal with this menace must remain sustainable. In that regard, this study was conceptualized to determine factors influencing sustainability of projects funded by youth development fund in Kwale County. The study involved 143 registered youth groups in Matuga constituency of which 60 youth groups were selected through systematic random sampling to participate in the study. The study revealed that on average, 84% of the groups were not practicing prudent financial management and majority of their leaders (75%) did not consider prudent financial management as an important factor in sustainability of their groups. 60% of respondents interviewed stated that their groups had weak management and leadership system and another 92% stated that agencies funding their activities do not provide them with continuous leadership training. Interestingly, 90% of respondents reported that effective leadership was very essential for survival of their groups. With regard to active participation of members in the affairs of their groups, over 87% of respondents reported that their members were very actively involved in their group activities and 90% of respondents interviewed unanimously agreed that active participation of members in group activities contribute significantly to success and sustainability of a group. Finally, 90% of respondents reported that their projects were not adequately financed with majority (92%) suggesting that group projects would always remain sustainable when they were adequately financed.

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Globally, youths have been afflicted by many socio-economic issues but unemployment and poverty among the youths remain the greatest challenges of this century. According to Manpower group study, ILO estimates that nearly 75million youths are unemployed in the world today. The same study projects that, world youth unemployment will reach 12.9% by 2017 up from 12.7% of the current status. Many countries in the world have responded to these challenges in many different ways including establishment of youth enterprise development fund. According to World Bank report (2007), many countries in developing countries especially those in sub-Saharan Africa have made positive steps to address youth unemployment but regardless of the approach which has been applied to address youth socioeconomic issues, inadequate funding coupled with poorly designed and executed programs have consistently remained the biggest barrier to sustainability of these well intentioned projects. In a similar study, Ugwu (2006) observes that Nigeria government youth enterprise policies and programs have fallen short of appropriate development framework. He argues that excessive taxation and high cost of doing business have consistently undermined most youth enterprises sustainability in Nigeria.

Sustainability is a frequently used term in common daily conversations but in the field of development studies and project management no consensus has been reached as to its universal meaning .It is still an Alice in the wonderland world where anything can mean what you want it to mean. But according to Kola, sustainability refers to the continuation of a project's goals, principles, and efforts to achieve desired outcomes. According to Mulwa (2007) project sustainability means ability of the current generation to enjoy positive effects of the project without compromising the ability of future generation from enjoying the same. Based on Mulwa's observation, several studies have shown that most youth projects globally and more especially in developing countries have very little to offer the current generation and nothing for

the future ones. For example, according to Eurostat report, youth unemployment rate in UK as at 2011 stood at 22.2%. The government and civil society agencies led by the Prince's youth enterprise fund and Nomura initiatives have engaged in activities to address youth unemployment. According to CIA world fact book (2011) report shows that Spain unemployment of population aged 15-24 years stood at 46.4% with males making 48.2% and females accounting for 44.4%. Spain government responded to this problem by creating programs like job funds and youth trainings but sustainability of these programs became a major concern as highlighted in the report.

In India according to labor ministry 2012-2013 report, over 13% of youths in India were jobless. Programs like job funds, skills harnessing training programs were initiated by both government and civil society groups but sustainability of such programs remained a challenge according to White and Kenyon (2001).

In South Africa, youth unemployment according to department of labor 2011-2012 report stood at 25% and the government came up with national youth development agency (NYDA) and job fund to address what the political leaders referred to as a bomb a waiting to explode but sustainability of such initiatives remained as a major challenge according to Naser (2003) and CDE report (2007).

In Kenya according to Kenya Demographic Health Survey (KDHS) 2008-2009 report, 3million people were classified as unemployed and the youth formed 55% of this population. The government has tried to address this issue through the youth enterprise fund initiative. According to YEDF (2011) status report, an estimated Kshs 5.6 billion has been disbursed to 315,076 group and Individual enterprises across the country since its inception as a state corporation. From the above amount, 614.8 million has been disbursed to 13,341 group projects while 66.1 million has been disbursed to 2,645 individual enterprises at constituency level across the country. Through FT's, the fund has financed 141,552 group and individual enterprises to a tune of Kshs 5.3 billion. Through YEDF, the government has released over Kshs6,685,160.00to143 youth group enterprises in Matuga constituency, Kwale County (see tables in appendix 5) but little progress in terms of reducing youth unemployment and poverty has been made. Despite this huge capital

outlay to address youth unemployment in Matuga constituency, it is surprising no study has been undertaken to determine sustainability of projects started under YEDF.

1.2 Statement of the problem

Youth unemployment is a serious challenge for most world governments. Due to issues associated with youth unemployment, governments globally have attempted to find ways to address unemployment among the youth. In Canada, there is Canadian Youth Business Foundation, in the UK, there is the Prince Youth Enterprise Fund, in South Africa, there is National Youth Development Agency and in Kenya there is YEDF-Uwezo fund.

Empirical evidence has shown that projects initiated by such funds normally experience certain challenges. According to World Bank (2005) and (2007) reports, under funding, poor program design and execution as well as unfriendly business regulations coupled with a lot of bureaucracy and high cost of doing business are the major threats to success and survival of these projects. World Bank observation is further supported by White and Kenyon (2001) study.

Although enormous funds have been spent to put up these projects, no study has been undertaken in the study context to look at their sustainability. Studies by Wadell (2001), Street and Sykes(2003) showed that inadequate financing of a project and poor leadership among other factors affect sustainability of projects this study therefore seeks to determine the factors influencing project sustainability in Kwale county, Kenya; especially those projects funded under the youth development fund.

1.3 Purpose of the study

The purpose of the study was to determine factors that influence sustainability of youth funded projects in Kwale County, Kenya.

1.4 Objectives of the study

This study was guided by the following objectives:

1. To determine whether prudent financial management influences sustainability of youth funded projects in Kwale County.

2. To assess whether effective leadership and management skills influence the sustainability of youth funded projects in Kwale County.
3. To examine whether active participation of individual group member influences sustainability of youth funded projects in Kwale County.
4. To determine whether adequate financing influences sustainability of youth funded projects in Kwale County.

1.5 Research questions

The study was answered the following research questions:

1. How does prudent financial management influence sustainability of youth funded projects in Kwale County.
2. How does effective leadership and management influence sustainability of youth funded projects in Kwale County.
3. How does active participation of individual group member influence sustainability of youth funded projects in Kwale County.
4. How does adequate financing influences sustainability of youth funded projects in Kwale County.

1.6 Research hypothesis

This study was formulated to test the following research hypothesis

H1: There is relationship between prudent financial management and sustainability of youth funded projects in Kwale County.

H1: There is association between effective leadership and management and sustainability of youth funded projects in Kwale County.

H1: There is relationship between active participation of individual group members and sustainability of youth funded projects in Kwale County.

H1: There is association between adequate financing and sustainability of youth funded projects in Kwale County.

1.7 Significance of the study

This study will generate information that will be useful for reviewing existing youth enterprise development policies at various government and civil society levels. Similarly, the information generated through this study will be useful in planning, monitoring and evaluating current and future youth enterprises in the study site.

To the funded youth groups, the information generated by this study will enable them to identify strengths and weaknesses inherent in their individual groups. The findings will assist them to seek for capacity building in areas where they lack skills and knowledge. This will ultimately improve future sustainability of these groups.

To the field and discipline of project planning and management, the proposed study will make a significant contribution to scientific generation of information to the knowledge base of this young discipline.

1.8. Basic assumptions of the research

The study assumes that the 143 youth groups/ projects in Matuga constituency loan status report will be an accurate and a complete sample frame for the proposed study. The researcher assumes that, funded youth groups in Matuga constituency are ideal groups that can provide answers to the research questions of the proposed study.

1.9. Delimitations of the study

The researcher find it convenient to do the proposed study in Matuga constituency of Kwale county since majority of funded youth enterprises are in this constituency. The researcher has also chosen this site because it is within her working place and she is also familiar with most of the youth project officers. Familiarity with these officers will enable the researcher to access information about study group in a timely and easy manner. The researcher will observe ethical considerations to motivate respondents to participate voluntarily in the proposed study.

1.10. Limitations of the study

Lack of adequate funds may be a great draw back to the study in terms of meeting all the financial costs of the study hence compromising a great deal the results of the study. The researcher therefore engaged the participation of youth enterprise fund officers during pre-testing of the questionnaires who were easily reachable in their office.

Inadequate time during the study may not allow the study to be conducted in a systematic manner according to acceptable standards hence may distort the study findings to overcome this problem the researcher met all the group members during their annual training meeting held in Kwale therefore saving on time . The researcher also engaged research assistants to help her with administration of the questionnaires so as to enhance the quality of data.

The sample frame consisted of youths with different levels of education and therefore the researcher used yes or no questions for easier interpretation to the respondent.

1.11. Definitions of significant terms

Youth: A person aged between 18 years to less than 35 years.

Enterprise: Any activity which is income generating.

Fund: Financial arrangement meant to support individual or Organization engaged in businesses to access affordable credits

Sustainability: This is the process of keeping a project course up to the end even if the donors have withdrawn their support

Prudent Financial management: Managing organization money in an accountable and open manner.

Effective Leadership: Ability to influence others to act in a manner to protect the mission and vision of an organization.

Adequate Financing: Availability of enough money to meet business financial needs.

Participation of group members: Active involvement in decisions relating to group matters.

1.12 Organization of the study

This study proposal will consist of preliminary pages, chapter one through chapter three. The preliminary pages will consist of the abstract which is the executive summary of this proposed study. Chapter one of this study will consist of the introduction of the study in which the study background, statement of the problem, purpose of the study, objectives of the study, research questions, research hypothesis, significances of the study, limitations of the study and delimitations of the study will be discussed. Chapter two of the study will contain literature review which incorporates all the research objectives and conceptual framework. Chapter three will contain the research methodology including the research design, population of the study, sampling techniques and sample size, data collection and analysis, and ethical issues.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section summarizes the literature that is already in existence and presents an overview of previous work on related topics that provide the necessary background for the purpose of this research.

2.2. Rationale behind Youth Enterprise Development Fund

According to KDHS (2008-2009) report, 3million Kenyans were categorized as unemployed. Youths accounted for 55% of this critical group in the Kenyan society meaning unemployment has a youth face. With no reliable income, their access to better housing, health care, good education has been curtailed. To address challenges associated with youth unemployment, Kenyagovernment initiated Youth Enterprise Development Fund in 2006 and later converted it to a state corporation in 2007. The fund works in partnership with over 32 FIs to enable the youth access funds directly either as individuals or as a group in order to reduce youth unemployment in the country.

2.3 Project Sustainability

A project is sustainable when it continues to deliver benefits to the project beneficiaries and/or other stakeholders for an extended period after the EU's financial support has been terminated (European community 2006). According to European regional development fund report (2007-2013), project sustainability is influenced by factors inherent in the project and factors external to the project. According to this report sustainability at the project level can be attained through quality project planning, identification of real needs, involvement of project group (sense of ownership and motivation), participation of target group, effective leadership and management, availability of adequate resources for continuation and integration and dissemination of good practices. The study observes further that project sustainability through factors external to it can be achieved through institutional support and support from national and county authorities. According to this study poor political environment and lack of adequate financial and personnel

resources are some of the factors that can hinder project sustainability. European regional development fund report (2007-2013)

2.4. Influence of prudent financial management on project sustainability

Financial sustainability is the water which keeps any individual, group or community project alive but prudent financial management is most integral in assuring existence of the project. According to Theewaterskloof municipality conference (2011), financial sustainability is the capacity to generate sufficient and reliable revenue to finance short, medium and long term financial obligations in response to community and group demand for services in terms of the constitution.

Participants in this conference unanimously agreed that prudent financial management is the only determinant of project sustainability. Prudent financial management in the opinion of the conference participants included good governance, accountability, transparency and well defined procedures, processes and policies with regard to financial management. Theewaterskloof municipality conference (2011)

Proper documentation of financial activities to enhance planning, budgeting, reporting and analysis were other important components of prudent financial management according to these conference participants. The conference at the closure of its meeting concluded that organizations whose financial management was prudent and sound are able to attain financial project sustainability. Theewaterskloof municipality conference (2011)

According to European regional development fund report (2007-2013), project sustainability is influenced by factors inherent in the project and factors external to the project. According to this report sustainability at the project level can be attained through quality project planning, prudent financial management and adequate financing. The report further states that poor financial management informs of open theft, embezzlement of funds are the major reasons for project failure and most projects that have remained sustainable have strong and prudent financial management.

In another similar study, Kinyua and Mwangi (2013) observed that prudent financial management in any community project involve understanding, identification and estimation of project operation and maintenance costs. The further asserted that prudent financial management also included transparent budgeting and proper management of organization financial documents. In conclusion, they observed that sustainable projects are usually associated with prudent financial management.

2.5. Influence of effective organization leadership on project sustainability.

Kathleen O'Brien (2011), states that no organization can stand on its two legs without effective leadership. She further asserts that good leaders possess special skills and capacity. She opines that leaders can be developed at every level of the organization to provide lasting positive change. Building effective leadership capacity in her opinion involves training, mentoring and empowering emerging leaders through public speaking trainings.

According to Kotter (2006), we live at a time when we are faced with complex challenges which are characterized by high level of uncertainty and rapid change and leadership skills are critical in solving these challenges. His observation is corroborated by Gordon and Berry view (2006) which stated that complex problems and rapidly changing solutions require more leadership from everyone in an organization. Conger (1993) observed that effective leadership is needed if organizations are to remain sustainable especially at a time when the problems are complex, when solutions are hard to get, when there is need for behavioral change, and when there is history of chronic policy failure. According to White and Kenyon (2001) young entrepreneurs depending on their age, limited life and work experience require better different treatment in terms of training and counseling. Street and Sykes (2003) observes that effective leadership is very important for the success of businesses but they further observe that most youth enterprises support agencies do not provide business advice, training and guidance to cash poor youth business startups.

2.6. Influence of active participation in project sustainability.

In the last two decades, participation of project beneficiaries in design, implementation, monitoring and evaluation of funded projects has received a lot of attention and advocacy. According to Marilee (2000), between 1970 and 1980 lack of project beneficiaries' participation was identified as a reason for failure of many development efforts. In fact she states that participation can range from contribution of inputs to pre-determined projects, to information sharing, consultation, decision making, partnership and empowerment.

She observes that participation is a means as well as an end. As a means, she says it is a process in which people cooperate and collaborate in development projects. As an end she asserts that participation is a process that empowers people and communities through acquiring skills, knowledge and experience leading to self-reliance and self-management. In conclusion she states that group projects are sustainable when groups are engaged in active participation in the affairs of the group project. According to CDE (2007) though south Africa has sound policies to address youth problems, youth enterprises have remained weak and less sustainable due to unfriendly business regulatory measures and lack of consultation of the youths on matters pertaining to development of policies and programmes addressing youth issues. These factors collectively hinder youth participation in business. Naser (2003) study corroborates this observation.

2.7 Influence of adequate group project financing on its sustainability.

Several studies reviewed provide limited association between adequate financing and group project sustainability but Cernea (1991) reports on analysis of 25 world bank financed projects that were re-evaluated several years after financing was terminated, in order to assess the long term sustainability of these projects, 13 of the projects were found to be non-sustainable because of inadequate financing. World Bank in its report (2007) observed that most youth enterprise projects are not sustainable because of inadequate allocation of funds to youth enterprise programs and this problem according to this report is compounded by high cost of doing business.

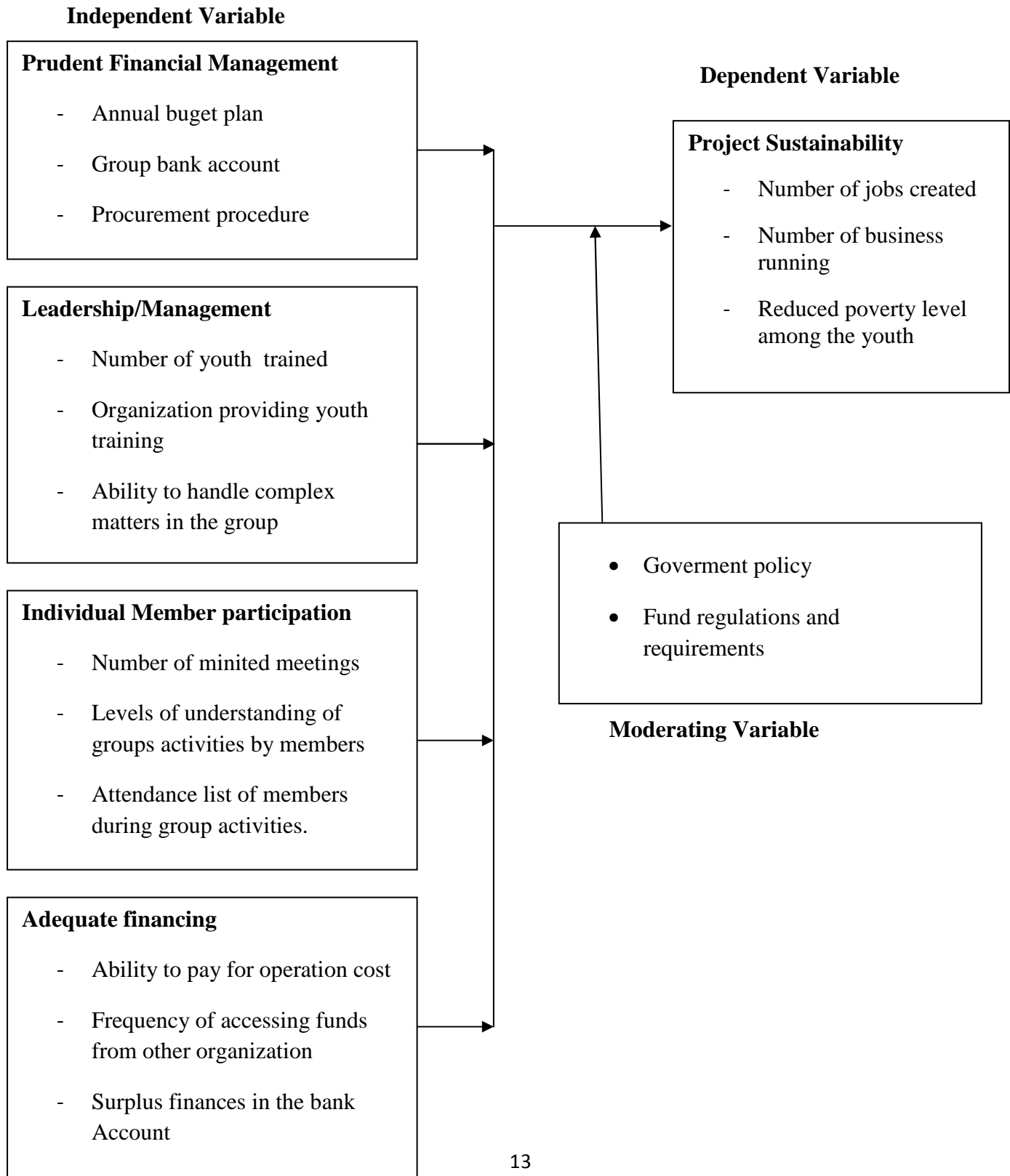
Uguw (2006) echoes World Bank observation by arguing that in Nigeria, youth enterprise policies and programs have fallen short of appropriate development frame work.

He observes that excessive taxation and high cost doing business are chocking the youth enterprises out of business. According to Wadell (2001), adequate financing is one of the most important ingredients in the sustainability of youth enterprises. By making funds available through affordable credit and removing all requirements for collateral and ensuring that youths have appropriate business skills and attitude through mentorship, he concludes that youths are bound to succeed and sustain their business ventures. White and Kenyon (2001) as well as Canadian youth business foundation (1996) concur with Wadells observation.

2.8 Conceptual Frame work

The conceptual frame work will be developed through explaining the relationships and interconnectivity of the objectives of the study. In this proposal prudent financial management, leadership and management, individual member participation and adequate financing are the independent variables. They are however moderated by government policies and fund regulation and requirements towards sustainability.

Figure2.1: Conceptual frame work



2.9 Summary of Literature

From literature reviewed, it is apparent that youth unemployment is a global problem with far reaching socio-economic and political implications that needs combined efforts of both state and none state actors to resolve. Literature reviewed reveal that youths who are affected by this phenomenon are hardly consulted for their input when formulating policies and programs addressing their unemployment situation by state actors.

According to most studies reviewed, though most Sub Saharan African countries have attempted to address unemployment among the youth by establishing youth enterprise funds in their respective countries, inadequate financing, poor program design, bureaucracy in business registration, high cost of doing business among others have continuously threatened the survival of the very businesses they are seeking to fund.

Interestingly, most studies reviewed have identified lack of opportunity for training to acquire leadership and business skills as some of the barriers undermining youth enterprises progress and this need to be resolved. This study shall therefore find and recommend measures of resolving the above challenges that threaten sustainability of youth enterprises.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction.

This chapter outlined the methodology used in the research; it talks about the research design, population of the study, sample size and sampling procedure, data collection methods, pre testing of the questionnaire, inclusion criteria, exclusion criteria, validity and reliability of the instrument, data analysis and presentations and ethical considerations.

3.2 Research design.

The study was a descriptive cross sectional study. This study design was suitable in situations where individuals were used as the unit of analysis in order to measure and describe a phenomenon (Borg and Galled, 1999). In the words of Mugenda and Mugenda (2003) a descriptive study determines and reports the way things are and attempts to describe characteristics of such things. Schindler (2003) observed that descriptive studies are structured with clearly stated questions to be investigated. In this context, this study design will enable the researcher to gather numerical data to access relationship between variables. This will make it possible for the researcher to produce statistical information on factors influencing project sustainability.

3.3. Target population

The target population comprised of 143 youth groups engaged in income generating enterprises that are funded by national youth enterprise fund in Matuga constituency. Youth group register available at Matuga constituency has a list of 143 registered youth enterprise funded projects. This register will be the source of our sample frame for the study.

3.3.1. Inclusion and Exclusion criteria

The study included all youth enterprise projects funded by the national youth enterprise fund in Matuga constituency. It will also include all youth enterprise projects in Matuga constituency that has consented to participate in the study.

Groups that participated in pre testing of questionnaire will be excluded. Also any other youth enterprise project in Matuga constituency which is not funded by the national youth development fund will be excluded.

3.4. Sample size determination

The study sample size was calculated using Yamane formula (1967). In this formula, sample size can be calculated at 3%, 5%, 7% and 10% precision (e) levels. Confidence level used is 95% with degree of variability (p) equivalent to 50% (0.5).

$$n = \frac{N}{1+Ne^2} \quad \text{Where: } n = \text{sample size}$$

N= study population

e = precision levels or margin error

In the study sample size was calculated at precision level of 10% (e = 0.1).

Sample size in this study:

$$n = \frac{143}{1 + (143 \times 0.01)}$$

$$n = \frac{143}{2.4} = 59.5 \approx 60$$

3.4.1 Sampling technique

A total of 60 youth groups were selected using systematic sampling procedure to participate in the study. In this sampling method, simple random sampling will be applied to select the first respondent and the subsequent ones will be selected as per the n^{th} term. In the proposed study the n^{th} term will be 2 that is $143/60 = 2.4$, therefore the researcher will use skip 3 to select respondents based on the sample frame.

3.5. Data collection methods

The researcher intended to collect data during the proposed study using interviewer administered questionnaires. The chairperson of each group selected to participate in the study will be the key respondent with regard to providing answers to research questions.

3.5.1. Pre testing of the questionnaire

This was done in order to ensure uniform understanding of the questions and also to ensure that questionnaires were sensitive to respondent's cultural and religious beliefs. It will also assist the researcher to determine what time it would take to administer a questionnaire. Youth enterprise fund employees in Matuga constituency were the questionnaire pretest subjects.

3.6. Validity and reliability of research instruments

Validity is the accuracy and meaningfulness of inferences which are based on the research results (O. Mugenda and A. Mugenda, 2003)

According to Cooper and Schindler (2007), instrument reliability refers to the consistency of measurement, that is, the ability of the instrument to produce same results when used severally.

3.6.1. Instrument validity

Validity of the instrument was attained by minimizing sampling bias via randomization of the study sample to ensure a representative sample was selected to participate in the study. The

investigator endeavored to minimize non sampling bias via pre testing of data collection instrument, adequate training and supervision of interviewers as well as adhering strictly to ethical research requirements prescribed for a study of this nature.

3.6.2. Instrument reliability

This was measured through test-retest by administering questionnaires to a group of individuals with similar characteristic as the actual sample size. The test was repeated after two weeks. The scores obtained from both tests were be correlated to get coefficient reliability.

3.7. Data collection procedure

The researcher will collect primary data for the purpose of making conclusion and recommendations. Primary data will be collected using interviewer administered and pre tested questionnaires.

3.8. Ethical consideration

The researcher will observed ethical consideration during the study. The researcher will obtain informed consent from respondents at the same time she will respect privacy of the study subjects as well as maintaining confidentiality of the information offered to her by the respondents.

3.9. Data analysis techniques.

Data will be cleaned to eliminate any inconsistencies and it will then be analyzed using SPSS program. Data will be presented inform of tables and figures. Where there will be an association between variables chi square will be used to test such association.

3.10. Operational definition of variable

This section outlined the relationship between dependent variable and independent variable and their indicators.

Table 3.1 Operational definition of variables

Variable		Indicators
Independent variable	Prudent financial management	Annual buget plan Group bank account Procurement procedure
	Leadership/management skills	Number of youth trained Organization providing youth training Ability to handle complex matters in the group
	Individual member participation	Number of minited meetings Levels of understanding of groups activities by members Attendance list of members during group activities.
	Adequate financing	Ability to pay for operation cost Frequency of accessing funds from other organization Surplus finances in the bank Account
Dependent variable	Project sustainability	Number of jobs created Number of business running Reduced poverty level among the youth

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the findings of the study. These are presented in form of figures and tables. Descriptive statistics are used to describe the various findings. The study targeted a total of 60 youth groups all the targeted population were successfully interviewed translating to 100% response rate.

4.2 Demographic characteristics of respondents

This section sought to establish the information on the respondents who participated in the study with regards to the gender, age and level of education

4.2.1 Gender of respondents

As shown in table 4.1, men were the majority among the respondents (63%) with women only accounting for 37% of target population.

Table 4.1 Gender of respondents

Gender	No.	%
Male	38	63%
Female	22	37%
Total	60	100%

4.2.2 Age of respondents

Table 4.2, shows that 42% of the respondents were between 23-28 years and in fact were the majority. Respondents who were aged between 18-23 years were the next majority accounting for 25% of the target population. Those aged between 33-38 years were the minority accounting for 13% of the respondents. It should be noted that there were no respondents that were aged below 18 years and a few of respondents were aged above 35 years.

Table 4.2 Age of respondents

Age	No.	%
18-23	15	25%
23-28	25	42%
28-33	12	20%
33-38	8	13%
Total	60	100%

4.2.3 Education Level of respondents

As shown in table 4.3 majority of the respondents (50%) had attained primary school education which was basic in running their projects. Those who had attained secondary school education comprised 33% of the target population. Those with college level education were the minority accounting for 17% of the respondents. It should also be noted that there were no respondents who had attained university education.

Table 4.3 Education Level

Education Level	No.	%
Primary	30	50%
Secondary	20	33%
College	10	17%
Total	60	100%

4.3 Organization Information

This section sought to establish different types of organizations of organization which the groups were registered under.

4.3.1 Type of Organization

As tabulated in table 4.4, it emerged that the type of group that formed the majority (80%) in this study was youth groups which was closely followed by groups from CBO (17%) with the groups emerging from FBO accounting for only 3% of the respondents.

Table 4.4 Organization type

Type of organization	No.	%
CBO	10	17%
FBO	2	3%
Youth Group	48	80%
Total	60	100%

4.3.2 Age of the group

In table 4.5 above, it is evident that majority of the groups (63%) were aged between 3-4 years with 20% of the groups being formed in the last 2-3 years. Only 17% of the groups had lasted for 4-5 years.

Table 4.5 Age of the group

Age of the group	No.	%
2-3 years	12	20%
3-4 years	38	63%
4-5 years	10	17%
Total	60	100%

4.4 Influence of prudent financial management on project sustainability

The indicators of prudent financial management include, annual financial reports, annual budgets, financial procedures for payment/ procurement and register of assets and recurrent expenditure among others. To establish whether the respondents had prudent financial management system in their groups, they were asked the following questions and their responses are computed as shown in table 4.6

Table 4.6 Prudent financial management indicators

Questions on prudent financial management	YES		NO	
	Freq.	%	Freq.	%
Does the organization prepare annual financial reports	5	8	55	92
Does your organization have financial procedures with regard to procurement, payment system, accounts signatory and cross checking accounts	18	30	42	70
Does the organization regularly conduct training for treasurer and other members on financial management	24	40	36	60
Does the organization set annual budget based on actions outlined in your operation plan	6	10	54	90
Does the organization maintain a register of assets and recurring financial expenditures	48	80	12	20
Do you think prudent financial management contributes to sustainability group project	15	25	45	75

From table 4.6, it is apparent that most groups had given prudent financial management practices in their daily group financial management a wide birth. Only 8% reported to have prepared annual financial report, 70% said they had no financial procedures for payment and procurement. 40% reported that their treasurers were not receiving regular financial training. 90% of the respondents said they had no annual budget based on actions outlined in their operation plan. Additional 80% said they had registers of assets and recurrent financial expenditures. Surprisingly majority of the respondents (75%) stated that prudent financial management in their view does not contribute to group project sustainability.

4.5 Influence of effective organization leadership on project sustainability

To establish whether effective organization leadership has influence on group project sustainability, the respondents were asked the following questions and their responses are highlighted in table 4.7

Table 4.7 respondents' views on role of effective leadership in project sustainability

Questions on effective leadership in project management	YES		NO	
	No.	%	No.	%
In your own view does your organization have a good management and leadership system	24	40	36	60
Do agencies funding your projects, conduct continuous leadership and management training to your members?	5	8	55	92
Do you think good leadership contributes to group project sustainability?	54	90	6	10

From table 4.7, 60% of the respondents reported that their organization lacked good management leadership systems. It is also worth to note that 92% of the respondents stated that various agencies funding their entrepreneurship activities did not provide continuous leadership and management training to their members. Majority of respondents (90%) reported that good leadership contributes to group project sustainability.

4.6 Influence of active members participation on group project sustainability

To establish whether active group participation influences group project sustainability, the respondents were asked the following questions to measure their participation in their respective group projects and their responses were computed as shown in table 4.8.

Table 4.8 Respondents views on the level of members' participation in their project activities.

Questions on members participation in project activities	Strongly agree	Agree	Disagree
The level of participation of group members in the project is good	48(80%)	6(10%)	6(10%)
Group members participation in the project activities is regular	54(90%)		6(10%)
Group members contribute to identification of group problems, drawing plan of action and implementation of project activities	55(92%)		5(8%)
Do you think active participation of group members contribute to group project sustainability?	54(90%)		6(10%)

From table 4.8, it is evident that majority of respondents (80%) reported that level of participation of members in group project was very active with only 20% saying the participation of members was moderate and less active respectively.

From table 4.8, 90% of respondents said that their members participated in their project activities regularly with minority 10% reporting no participation.

The study has also established that 92% of the group members were actively participating in identification of group problems, drawing of plan of action and implementation of group activities while a minority of 8% said members were not active. Whether active participation of members in a group project influences its sustainability, 90% of the respondents said that active participation of members in a group project contributes to its sustainability with only 10% holding contrary opinion.

4.7 Influence of adequate financing on project sustainability

To establish whether adequate financing contributes to group project sustainability, the respondents were asked the following questions and their responses are shown in the tables below.

4.7.1 Source of project financing

From table 4.9, it has emerged that GOK is the major source of funding for youth enterprises in the study site followed closely by MFI's and at a distance by NGO's.

Table 4.9 Source of financing

Source of funding	No.	%
GOK	60	100%
MFI	42	70%
NGO	15	25%

4.7.2 Adequacy of funding

When asked whether funding to their respective groups were adequate, 90% of the respondents as shown in table 4.10, stated that current funding of their projects were inadequate with only 10% saying their funding were adequate

Table 4.10 Respondents' views on the level of their group funding

Questions on group funding	Yes		No	
	No.	%	No.	%
Funding is adequate	6	10	54	90

4.7.3 Greatest challenge to the groups at the moment

According to table 4.11, 85% of the respondents viewed inadequate financing of their project as their greatest challenge in their groups with 10% and 5% stating lack of leadership skills and poor group members' participation respectively as their greatest challenges at the moment.

Table 4.11 Respondents views on their current challenges

Major challenge	No.	%
Lack of leadership and management skills	6	10%
In adequate financing	51	85%
Poor participation of group members	3	5%
Total	60	100%

4.7.4 Contribution of adequate financing to project sustainability

On whether adequate financing contributes to sustainability of a group project, majority of the respondents (92%) as tabulated in table 4.12 were in agreement that adequate financing was very important for project sustainability with only 8% expressing contrary opinion.

Table 4.12 Respondents views on adequate financing contribution to project sustainability

Respondent`s view	No.	%
Adequate financing contributes to project sustainability	55	92%
Adequate financing does not contribute to project sustainability	5	8%
Total	60	100%

CHAPTER FIVE:

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the researcher presents and discusses briefly the summary and the findings of the study and further makes conclusions and gives recommendations and suggestions for areas that need future research.

This research study was conceptualized to investigate factors influencing sustainability of projects funded by youth development fund in Kwale County, Kenya. Four hypotheses were formulated for this study. The hypotheses were based on four independent variables which sought to establish whether prudent financial management, effective leadership, active participation of group members and adequate financing influences sustainability of projects funded by youth development fund in Kwale County, Kenya. The study findings corroborated observations made by other researchers who had done inquiry earlier on the same subject though in dissimilar study sites. One hypothesis has been rejected by the findings of this study and three have been accepted.

5.2 Summary of findings as per the objectives

This study was guided by four important objectives to provide answers to the research questions. From analysis of data related to objective one, the study established that there was no prudent financial practices in majority of the groups that participated in the study. Most respondents (75%) interviewed stated that prudent financial management was not an important factor in group project sustainability.

Second objective of the study was to determine whether effective leadership had any influence in project group sustainability.

The study revealed that majority of the groups that had participated in the study had weak leadership and had no training programs to address their leadership training needs. 60% of the respondents said their groups had weak leadership and 92% of them said their funding agencies had no training programs to meet their leadership training needs.

The study also established that majority of the groups considered effective leadership as an important element in group project sustainability.

The third objective of the study wanted to determine whether active participation of group members influences project sustainability. Data analysis related to this objective revealed that there was high level of members participation in group project activities and majority (92%) believed that active participation of group members is an important factor in project sustainability.

The fourth objective of the study wanted to establish whether adequate financing influences project sustainability. The study findings with regard to this objective revealed that GOK was the major funding agency of most groups followed closely by MFI. In fact 90% of the respondents reported inadequate funding of their project and interestingly 92% stated that adequate financing contributes to the sustainability of the project.

5.3 Discussion

This section reviewed each objective in relation to the literature reviewed in chapter two in order to establish their correlation.

5.3.1 Influence of prudent financial management on project sustainability

Group project mortality and sustainability are two important concepts in understanding a group project life span. According to Mulwa (2007), project sustainability means ability of the current generation to enjoy positive effects of the project without compromising the ability of future generation from enjoying the same but according to EU regional development fund, a project is sustainable when it continues to deliver benefits to the project beneficiaries and/or other stakeholders for an extended period after the EU's financial support has been terminated (European community 2006).

In the study context, according to table 4.6, 63% of the groups which participated in the study were 3-4 years old. What then contributed to their longer life span given high mortality of most group projects? To unpack this phenomenon the researcher began by looking at the relationship between prudent financial management and project sustainability. Several studies reviewed like Theewaterskloof (2011), EU regional development fund (2007-2013) report and Kinyua and Mwangi (2013) concurred that group projects stand a good chance of sustainability when sound and prudent management of funds is put in place. Their observations are in sharp contrast with this study findings. Most respondents as demonstrated in table 4.7 stated that prudent financial management was not an important element in a group project sustainability meaning prudent financial management has not been an important factor contributing to their group sustainability.

5.3.2 Influence of effective leadership on project sustainability

Several literatures reviewed have documented role of effective leadership in group project sustainability. According to Kathleen O'Brien (2011), Conger (1993), Kotter (2006) and Gordon & Berry (2006) effective leadership is very important in addressing myriads and complex problems and challenges facing various organizations. They further observed that secret behind group project sustainability is effective leadership. Their observations have been corroborated by this study finding. When asked whether effective leadership contributes to group project sustainability, 90% of respondents responded in the affirmative meaning majority of the groups which were aged between 3-4 years managed to achieve that life span courtesy of effective leadership.

Though effective leadership is very important for sustainability of group projects, White & Kenyon (2001), Street and Sykes (2003) observed that most agencies funding youth enterprises did not provide business advice, training and guidance to such groups. This observation has been borne out by this study finding where 92% of respondents stated that their major funding agencies were not providing both leadership and management training to their members. Most of respondents interviewed (60%) believed that their organizations had weak leadership system that required training to become very effective.

5.3.3 Influence of active members participation on project sustainability

According to Mulwa (2007), the concept of participatory approach to project management advocates for active involvement of project beneficiaries in project design, implementation, monitoring and evaluation because active participation entrenches the sense of ownership among project beneficiaries. He further states that, the sense of project ownership is an important element in project sustainability. According to Marilee (2000), CDE (2007) and Naser (2003) projects fail to sustain themselves in situations where project beneficiaries are not actively involved in project management. They further observed that active participation of project beneficiaries in a project was a significant determinant of project success and sustainability. Their observations corroborate the findings of this study. 90% of the respondents as shown in table 4.9 stated that active participation of members in a group project is an important element in its sustainability meaning majority of the groups that were aged between 3-4 years (63%) had escaped natural attrition of groups courtesy of active participation of group members.

5.3.4 Influence of adequate financing on project sustainability

This study has established that adequate financing contributes to project sustainability. 90% of respondents stated that adequate financing was an important element in project sustainability. The study finding has been borne out by Wadell (2001), White and Kenyon (2001) and Canadian youth business foundation (1996) studies which stated that adequate financing is one of the most important ingredients in sustainability of youth enterprises.

Most respondents interviewed (85%) stated that inadequate financing of their projects was their current greatest challenge meaning that the overall feeling of most groups was that they were grossly underfunded. Their view is strongly supported by Cernea (1991), World Bank report (2007) and Ugwu (2006) studies which observed that most youth projects were not sustainable because of inadequate allocation of funds, burdening taxation policies, red tapes and unfavorable business climates.

5.4 Conclusion

This study has established the following:

1. According to respondents' views, prudent financial management has no influence on project sustainability; therefore the study has rejected its first hypothesis.
2. The study has established that effective leadership has great influence on sustainability of group projects and this has been confirmed by 90% of respondents who reported that effective leadership was an important element in group project sustainability.
3. The study has confirmed that active participation by group members contributes to project sustainability. This is evident by 90% of respondents who stated that active participation of members in a group project is an important ingredient in project sustainability.
4. The study through 92% of respondents has established that adequate financing contributes to group project sustainability.

5.5 Recommendations

1. Since 92% of the respondents stated that their funding agencies did not provide them with leadership and management services, there is need for youth group funding agencies to incorporate and operationalize training services that ensure the youths benefiting from their funding activities have relevant leadership and management skills that can contribute to growth and sustainability of group projects.
2. Majority of the respondents (85%) identified inadequate funding as one of their greatest challenges at the moment, the researcher urges the GOK which is the main source of funding for most of the respondents to increase financial allocation to various youth projects in order for the groups to expand their businesses as well as to manage competition.
3. Majority of the groups which participated in the study were makeshift in nature (groups that are initiated due to external stimuli) and therefore there is a need to transform them to authentic groups that can address socio-economic challenges facing their membership.

This would require youth enterprise office in Kwale and other agencies involved in youth affairs to facilitate this process through relevant trainings.

5.6 Recommendation for further research

Majority of respondents said prudent financial management was not an important element in group project sustainability and this observation is in sharp contrast with many existing studies reviewed. The researcher recommends that a further study focusing on the role of prudent financial management in project sustainability in the study context to be conducted to unearth reasons why respondents do not believe that prudent financial management is an important element in project sustainability.

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APPENDIX 1: LETTER OF TRANSMITTAL.

University of Nairobi

School of Continuing and Distance Education

Department of Extra Mural Studies

P.O. Box 88732-80100

Mombasa, Kenya.

24th March 2014.

Dear Sir/Madam,

TO WHOM IT MAY CONCERN

I **Mary Muteti** registration number **L50/60586/2013** a student pursuing a **MASTERS OF ARTS DEGREE IN PROJECT PLANNING AND MANAGEMENT** at the school of Continuing and Distance Education in the university of Nairobi.

As part of the course I am required to go to the field for data collection and prepare a research project report. I am collecting data related to my research topic: **FACTORS INFLUENCING SUSTAINABILITY OF PROJECTS FUNDED UNDER THE YOUTH DEVELOPMENT FUND IN KWALE COUNTY, KENYA.**

This information I am collecting is purely for academic purpose and will be treated with utmost confidentiality. Thank you for your cooperation.

Yours Sincerely,

MARY MUTETI

L50/60586/2013

APPENDIX 2: QUESTIONNAIRE

General instructions:

In this questionnaire, there is no need for respondents to write their name. Therefore, there is no need to identify who filled the questionnaire. Though some of the questions touch on personal lives and may be secret, we will request the respondent to give the true and right answer. The purpose of this survey will be to assess factors influencing sustainability of youth enterprise projects in Matuga constituency, Kwale County.

RESPONDENT'S INFORMED CONSENT.

I am MARY MUTETI a student of Nairobi University. I'm currently taking a master of Art degree in project planning and management and wish to undertake the above study in your constituency. I kindly request you to participate in this study voluntarily and I promise to respect your privacy and maintain your confidentiality. At any level of this study you are free to walk out without any consequences.

PARTICIPANT'S CONSENT

After having been informed adequately about the purpose of the study and my rights regarding this study, I have voluntarily accepted to participate in the study.

NAME

SIGNATURE

PART A - DEMOGRAPHIC INFORMATION

Tick where appropriate

1	What is your gender?		
Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
2	What is your age (years)?		
18-23	<input type="checkbox"/>		
23-28	<input type="checkbox"/>		
28-33	<input type="checkbox"/>		
33-38	<input type="checkbox"/>		
3	For how long (years) have you been in this group?		
0-1	<input type="checkbox"/>		
1 – 2	<input type="checkbox"/>		
3 – 4	<input type="checkbox"/>		
4	Highest Education attained		
Primary	<input type="checkbox"/>		
Secondary	<input type="checkbox"/>		
College/Technical School/Polytechnic	<input type="checkbox"/>		
University	<input type="checkbox"/>		
Other (Please Specify).....			

5 What is your monthly income?	
5,000 and below	<input type="checkbox"/>
5,000 – 10,000	<input type="checkbox"/>
10,00 – 15,000	<input type="checkbox"/>
15,000 – 20,000	<input type="checkbox"/>
20,000 and above	<input type="checkbox"/>
6 What is the nature of this organization	
CBO	<input type="checkbox"/>
Faith based Organization	<input type="checkbox"/>
Youth Group	<input type="checkbox"/>
6 How old is your organization (years)?	
2–3	<input type="checkbox"/>
3 – 4	<input type="checkbox"/>
4 – 5	<input type="checkbox"/>

PART B: PRUDENT FINANCIAL MANAGEMENT ON PROJECT SUSTAINABILITY

	YES	NO
1. Does the organization prepare annual financial reports		
2. Does your organization have financial procedures with regard to procurement, payment system, accounts signatory and cross checking accounts		
3. Does the organization regularly conduct training for treasurer and other members on financial management		
4. Does the organization set annual budget based on actions outlined in your operation plan		
5. Does the organization maintain a register of assets and recurring financial expenditures		
6. Do you think prudent financial management contributes to sustainability group project		

PART C: EFFECTIVE LEADERSHIP AND MANAGEMENT ON PROJECT SUSTAINABILITY

For the questions below kindly tick your responses as appropriate.

	YES	NO
7. In your own view does your organization have a good management and leadership system		
8. Do agencies funding your projects, conduct continues leadership and management training to your members?		
9. Do you think good leadership contribute to group project sustainability ?		

PART D: GROUP MEMBERS PARTICIPATION IN GROUP ENTERPRISE

These questions intend to measure group members' participation indicators.

(Tick as appropriately)

	Strongly agree	Agree	Disagree
10. The level of participation of group members in the project is good			
11. Group members participation in the project activities is regular			
12. Group members contribute to identification of group problems, drawing plan of action and implementation of project activities			
13. Do you think active participation of group members contribute to group project sustainability?			

PART E: ADEQUATE FINANCING ON PROJECT SUSTAINABILITY

Tick your response as appropriate

14. What are the sources of your project financing?

GOK [☐]

MFI [☐]

NGO [☐]

Others (specify).....

15. Is your organization adequately financed?

Yes [☐]

No [☐]

16. What is the greatest challenge in your group at the moment? Tick appropriate response

Lack of leadership and management skills [☐]

Inadequate financing of projects [☐]

Poor participation of members [☐]

17. Do you think adequate financing contributes to group project sustainability?

Yes [☐]

No [☐]

APPENDIX 3: PROPOSED BUDGET

Serial No	Item Description	Unit	Qty	Rate	Amount
1	Laptop	Pc	1	35,000	35,000
2	Printer	Pc	1	6,000	6,000
3	Tonner	Pc	1	8,000	8,000
4	Printing Papers	Rim	2	500	1000
	Note pads	Pcs.	2	350	700
	Pen & Pencils	Pcs	30	20	600
	Rubber	Pcs	10	10	100
	Binding	Pcs.	10	50	500
	Transport				20,000
5	Allowance for 5 interviewers at Kshs. 600	Days	2	3000	6000
6	Contingencies				10,000
7	Allowance for statisticians during data analysis and presentation	Days	3	2000	6000
TOTAL					93,900

APPENDIX 4: RESEARCH TIME SCHEDULE

Activity	TIME FRAME						
	Feb 2014	Mar 2014	April 2014	May 2014	Jun 2014	July 2014	Aug 2014
Research problem identification, research topic formulation and submission of research topic for approval							
Chapter one and chapter two development							
Chapter three development, developing of questionnaires developing the budget, typing proposal draft Proposal submission and approval.							
Questionnaire pretest and review. Data collection. Data cleaning							
Data Analysis and report writing							
Report review and submission.							

APPENDIX 5: FINANCIAL ALLOCATION BY TREASURY TO YEF 2006 - 2013

S/No.	Financial year	Amount
1	2006/2007	1,000,000,000
2	2007/2008	725,000,000
3	2008/2009	499,914,170
4	2009/2010	540,750,000
5	2010/2011	550,000,000
6	2011/2012	412,500,000
7	2012/2013	399,500,000
8	2013/2014	297,789,832
	TOTAL	4,425,454,002

**APPENDIX 6: SUMMARY OF ALLOCATION FROM TREASURY TO
CONSTITUENCIES IN KWALE COUNTY BETWEEN 2006 - 2013**

S/No	County	No. of groups	Disbursed funds
1	MSAMBWENI	101	4,356,500
2	MATUGA	155	6,685,160
3	KINANGO	71	3,049,900
TOTAL		327	14,091,560

APPENDIX 7: AUTHORITY TO CONDUCT RESEARCH