

**FACTORS INFLUENCING DISBURSEMENT OF YOUTH
ENTERPRISE DEVELOPMENT FUND PROJECT IN
KIRINYAGA SOUTH CONSTITUENCY, KIRINYAGA
COUNTY, KENYA**

By

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**A Research Project Report Submitted in Partial Fulfilment of Requirements
for the Award of Degree of Master of Arts in Project Planning and
Management at the University of Nairobi.**

2015

DECLARATION

This research project report is my original work and has not been presented for academic purposes in the University of Nairobi or any other University.

Sign..... Date.....

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L50/61742/2013

This research project report has been submitted with my approval as the University supervisor.

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DEDICATION

I dedicate this research to my husband James, for his endless love, support and encouragement.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to all those who supported me in one way or another therefore making this study possible. First and foremost, My Supervisor, Prof Charles Rambo for his guidance, positive outlook and confidence in my research has helped me to achieve this. Much gratitude also goes to all my lecturers who taught me, for the immense knowledge and assistance they gave me throughout the study period. Am also grateful to all my classmates and in particular my group discussion members. My family members who have always stood by me like a pillar in times of need and given constant love, encouragement, moral support and blessings.

Above all, to our Almighty God, the giver of knowledge and understanding, for without Him this could not be possible.

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ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
CDFs	Community Development Funds
C-YES	Constituency Youth Enterprise Scheme
GoU	Government of Uganda
HMF	Housing Microfinance
IEF	Institute of Economic Affairs
ILO	International Labour Organization
IYF	International Youth Foundation
MFI	Microfinance Institution
MIDA	Micro Investment Development Agency
MoGLSD	Ministry of Gender, Labour and Social Development (Uganda)
MSMEs	Micro, Small and Medium Enterprises
NYDA	National Youth Development Agency
PTEP	Prince Trust Enterprise Program
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WYR	World Youth Report
YDF	Youth Development Fund
YEDF	Youth Enterprise Development Fund
YEDFC	Youth Enterprise Development Fund Committees

ABSTRACT

The Youth Enterprise Development Fund (YEDF) was instigated to ensure that a specific portion of the Government annual ordinary revenue is devoted to the constituencies for the purpose of development and growth of enterprise among youth at constituency level. Unlike other development funds that filter from the Central Government through larger and more layers of administrative organs and bureaucracies, funds under this program go directly to local levels and thus provide people at the grassroots the opportunity to make expenditure decisions that maximize their welfare consistent with the theoretical predictions of decentralization theory. However, despite the fact that YEDF could be a preferred source of funding among the youths, accessing it has remained a great challenge. The purpose of this study was to establish the factors that influence the disbursement of Youth Enterprise Development Fund (YEDF) loans by youth in Kirinyaga south constituency. The study has both policy and academic significance. The research findings are expected to assist the Government of Kenya to gauge the level of disbursement and to ascertain why the budgeted fund is not fully utilized by the intended youth. The research may help the youth in the area be aware of the challenges and how to surmount those challenges in accessing the fund and finally for Scholars who may also benefit from the findings of this study especially those interested in doing further research as far as disbursement of Youth Enterprise Development Fund. The target population was members of 98 youth groups each group having approximately 12 members. Probability sampling technique and specifically stratified random sampling was adopted. Furthermore the selection of the sample from each category was done using stratified random sampling with a sample size of 92. A descriptive survey research design was used. The study used questionnaires as the main data collection instrument in addition to Focus Group Discussions. Data analysis was done using both descriptive and inferential statistics for quantitative data by use of Statistical Package of Social Scientists Program (SPSS) and thematic analysis for qualitative data. Presentation of data was done using Frequency distribution tables and percentages. Findings indicate that majority of the youth groups in the study area were males between 24 and 29 years who had completed secondary level education. Although these youth were aware of the YEDF, they had inadequate trainings on entrepreneurship which is necessary for utilization of funds. Findings also reveal a disbursement rate of 44.8% and that awareness level was at 90.8% mostly through friends. 66% of the respondents felt that entrepreneur skills were vital and both lending procedures and group dynamics play a major role in disbursement of YEDF at 94% and 83.9% respectively. The study concluded that provision of continuous and relevant business development services to youth entrepreneurs is key to the success of enterprise development initiatives in enhancing sustainability. The study recommended that there is need for the YEDF to encourage the youth to get loans from them by easing the administration process followed for them to access funds and facilitate in equipping the youth with entrepreneurial skills and business management skills to help them make informed decisions on the businesses that are viable for their groups.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The youth have borne the brunt of the unemployment crisis. The main indicator of youth unemployment is the youth unemployment rate (Eurostat, 2013). This uses the same standard definition as the unemployment rate for the population of the working age. This is the number of those unemployed divided by the total number of people in the labour market (employed plus unemployed). According to the Eurostat 2013, youth unemployment rate as at 2012 stood at 19.8% in Luxembourg, 8.6% in Norway and 15.7% in Turkey. Currently, some 73.8 million young people are unemployed globally (ILO, 2013). According to the World Youth Report, WYR (2005), approximately 88 million youth around the world are unemployed and underemployed. In Sub Saharan Africa ILO (2005) projections give youth unemployment at 21%. Though the global figures given by ILO at 73.8 million and WYR at 88 million differ by about 14.2 million, it's clear that youth unemployment is a major concern. North Africa remains among the regions with highest unemployment rates, which stood at 13.2% in 2000 and 10.3% in 2012 (ILO, 2012). In Kenya, the youth unemployment rate stands at 67%, among the highest in the world (Youth Employment Marshall Plan, 2009). Although poverty in Kenya has declined since 1997, it still remains a serious concern.

Various initiatives have been put forth to try to address the problem of youth unemployment. These initiatives have had varied degree of success, and are aimed at addressing various issues affecting the youth. The International Youth Foundation (I.Y.F) launched a program called Caribbean Youth Empowerment Program in 2008 with the support of the U.S. Agency for International Development; USAID (IYF, 2013). The program targets those people aged between 17 and 25 years in Antigua and Barbuda, Grenada, Jamaica and Saint Lucia. The program equips vulnerable youth with technical, vocational, entrepreneurial and life skills needed to develop sustainable livelihoods.

In Britain, the Prince's Trust Enterprise Program (P.T.E.P) is for people who have a business idea they want to explore and are aged between 18 and 30 years, unemployed or working less

than 16 hours per week. Services provided include advice on employment options, start-up loan funding, ongoing support from a volunteer business mentor, access to specialist support including free legal services and also access to a wide range of free and discounted products and services (The Prince's Trust, 2012).

Youth unemployment continues to be a development challenge in several African countries despite the positive economic growth rates experienced over the past decade. There are indicators that this growth has not generated sufficient employment opportunities for the youth (UNECA, 2011; AfDB *et al.*, 2012). As a result, unemployment, working poverty, vulnerable employment and underemployment are widespread amongst Africa's youth. Moreover, the demographics indicate that Africa is going through a youth bulge with a large proportion of its population below 25 years of age (Kararach, 2011). This demographic shift presents opportunities for a growth dividend if combined with capital and technology – as the case of East Asia - but it can also represent a major threat (Brooks *et al.*, 2012). Insufficient employment opportunities amidst a rapidly growing young labor force can lead to social unrest and political instability (2012; MoGLSD, 2011). The difficulties faced by young people in most developing countries in finding work are attributed to limited expansion of employment opportunities, skills mismatches and limited or no work experience (AfDB *et al.*, 2012). As a result, most African youth engage in low quality informal sector jobs. The informal sector accounts for about 90 percent of the jobs created in the continent (World Bank, 2009).

In South Africa, the National Youth Development Agency (NYDA), 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 (Government of South Africa, 2012). 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 Programme (Government of South Africa ,2012).

In contrast, some youth funds, however, have been set up without largely focusing on entrepreneurship development. For example, the Tunisia Youth Fund was developed with the objective of linking unemployed graduates with potential employers. Their major activities are creation of a database on available job opportunities and creation of linkages and partnerships with relevant data on employment opportunities (ILO, 2012).

In Uganda, the Government of Uganda (GoU) has initiated programmes to support youth entrepreneurship. Starting in the 2011/12 national budget, the GoU allocated UGX 44.5 billion (about US\$ 18 million) to youth entrepreneurship programmes. An extra UGX 3.5 billion (US\$ 1.5 million) was allocated in the 2012/13 budget (MoFPED, 2012). More recently, the GoU in September 2013 decided to significantly boost youth schemes by allocating UGX 265 billion (about US\$ 100 million) over a five year period. The major pillars of this initiative are: enterprise development, job creation and business skills development. The youth schemes in Uganda are based on the premise that micro, small and medium enterprises (MSMEs) are likely to play a leading role in employment generation given that they comprise about 90 percent of the private sector (MoFPED, 2012).

In Kenya, The Youth Enterprise Development Fund (YEDF) was established by the government in June 2006 as one of the strategies of addressing youth unemployment. The Fund was transformed into a state corporation on 11th May 2007. The Fund is one of the flagship projects of Vision 2030, under the social pillar. The Vision 2030 sees the Fund as a strategy of gainfully engaging our youth, majority of who are unemployed. The fund targets young people within the age bracket of 18 to 35 years whose total population currently stands at 13million. The Fund provides financing to businesses and enterprises that are owned by youth by a revolving loan facility whose purpose is to create employment for the youth of Kenya and provide youth entrepreneurs with capital for business startup and growth. The fund's "Mission" is to increase economic opportunities for Kenyan youth through enterprises development and strategic partnerships. (YEDF Status Report, 2007 - 2012). The fund's "Vision" is to be a sustainable and growing fund, economically empowering Kenyan youth. The fund's core values include: integrity and accountability, creativity and innovation, equity and fairness, professionalism, collaboration and patriotism. YEDF has opened ten regional offices countrywide and employed

two constituency officers in every constituency to help the youth at the grassroots (YEDF Status Report, 2007-2012).

The Fund was designed to address the challenges of youth owned enterprises. Its objectives are; provide loans to youth owned enterprises, attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; provide business development services/entrepreneurship training to youth enterprises and facilitate employment of youth in the international labour market(YEDF Status Report, 2007-2012).

Specific priority areas include empowering the youth to engage in economic activities, creating employment opportunities that benefit the youth and providing the youth with necessary financial support and market linkages. At the same time, medium and short-term measures have also been implemented to create jobs on a more intermediate basis. In light to this the Government of Kenya established The Youth Enterprise Development Fund in December 2006 to deal with youth unemployment that constitutes 61% of Kenyans according to YEDF website.

When the fund was established back in December 2006, the country's rate of unemployment stood at 12.7%; that is according to Trading Economics. With a population of 42 million by then, one can calculate that the number of unemployed Kenyans was 5.37 million giving us a figure of about 3.28 million unemployed youth. The population has since grown to about 43 million whereas rate of unemployment, by January 2013, has risen from 12.7% to 40% meaning that the number of unemployed youth has risen from 3.28 million to 10.5 million, a 220% rise (YEDF funds briefs, 2013).

1.2 Statement of the Problem

Kenya faces a significant unemployment problem that affects young people. The high rate of unemployment is attributed to lack of employability which is contributed to lack of necessary education, relevant training and the knowledge and skills required to enhance their absorption into the labour market. Second is inadequate employment Creation which is brought about by

few formal sector jobs which are relatively preferred but cannot match the demands of the growing labour force. Last but not least is the lack of entrepreneurship which the youth still lack and is necessary to help venture into the labour market.

According to YEDF (2012), the fund had disbursed Ksh 614.8m to 13,341 youth groups and Ksh 66.1m to 2,645 individual enterprises, making a total of 680.9m. When compared to the Ksh 3.3B released by then, it translates to a low disbursement rate of 20.6 % which is an indication that what the government set out to achieve through the youth enterprise development fund is not being achieved. Further to this, there are marked disparities in percentage of fund utilization figures for counties evident from the 2013 YEDF report. In the research area of Kirinyaga County, the report shows that Kirinyaga County has the least amount of fund utilized, fewer number of groups and lesser amounts disbursed compared to neighboring counties of Nyeri, Muranga, Embu and Machakos as shown in Appendix IV. Thus the researcher aims to establish the factors which may be at play resulting to this low uptake of fund leading to more than a quarter of the fund being returned to treasury.

1.3 Purpose of the Study

The purpose of the study was to investigate factors influencing disbursement of the Youth Enterprise Development Fund project in Kirinyaga south constituency, Kirinyaga County, Kenya.

1.4 Objectives of the Study

This study was guided by the following objectives:

- 1) To assess how awareness of the youth towards the availability of the fund influence disbursement of Youth Enterprise Development Fund.
- 2) To determine the extent to which lending procedures of the youth fund influence disbursement of the Youth Enterprise Development Fund.
- 3) To examine how entrepreneurship skills influence disbursement of Youth Enterprise Development Fund.
- 4) To establish the extent to which group dynamics influence disbursement of the Youth Enterprise Development Fund.

1.5 Research Questions

The study sought to answer the following research questions:

1. To what extent does awareness of the youth towards availability of the fund influence disbursement of the Youth Enterprise Development Fund?
2. To what extent do the lending procedures of youth fund influence disbursement of the Youth Enterprise Development Fund?
3. To what extent do entrepreneurship skills influence disbursement of Youth Enterprise Development Fund?
4. To what extent do group dynamics influence disbursement of the Youth Enterprise Development Fund?

1.6 Significance of the Study

The study may be of significance to the following stakeholders:

For the government, to gauge the level of disbursement and to ascertain why the budgeted fund is not fully utilized by the intended youth. Second, recommendations will be used by the youth enterprise development fund board and other stakeholders at constituency level to enhance the disbursement rate of the YEDF and participation by Kenyan youth in nation building. Third, the findings may help the youth in the area be aware of the challenges and how to surmount those challenges in accessing the fund and finally for Scholars who may also benefit from the findings of this study especially those interested in doing further research as far as disbursement of Youth Enterprise Development Fund is concerned. This is because it might equip academicians aspiring to conduct similar research with the necessary knowledge. As a result they may be in position to adopt the most appropriate approach of meeting their targets.

1.7 Delimitation of the Study

Kirinyaga south constituency was chosen by the researcher on the backdrop that the budgetary allocation for youth groups in the constituency was not fully utilized resulting to low disbursement figures when compared with its neighboring counties as shown in Appendix IV. This relatively low disbursement figures meant that unutilized fund was returned to treasury and thus prompting the researcher to carry out research in the area.

1.8 Limitations of the Study

Financial limitation was a major limitation. Due to the expensive nature of research the researcher incurred costs to facilitate travelling from one place to another, stationary expenses, typing and printing expenses and binding expenses. To mitigate this challenge, the researcher wil budgeted for all expenses so as to facilitate the research.

Time factor was also be another limitation that the researcher faced. Due to the demanding nature of research, collecting, interpreting and analyzing data which was a time consuming affair. To handle this challenges the researcher sought for a time off from her employer during which she comfortably collected and analyzed data.

1.9 Assumptions of the Study

That study assumed that all the respondents would provide correct and truthful information to questions and explanations sought by research instruments. It also assumed that the views of the respondents were representative of the entire population.

1.10 Definitions of Significant Terms used in the study

Disbursement of Youth Enterprise Development Fund: This is quality of availability of the youth fund in reaching those that have the qualification to obtain.

Awareness of the Youth towards the availability of the Fund: This is the knowledge or perception of the youth towards the Youth Fund.

Lending Procedures: These are laid down mechanisms in the way of regulations meant to be met by loan applicants before accessing funds from a lending body.

Entrepreneurship skills: These are the basic skills necessary to enable you start, develop, finance and succeed in your home enterprise.

Group Dynamics: This is a system of behaviors and psychological processes occurring within a social group or between social groups that are useful in understanding decision-making behavior of groups in the youth groups.

1.11 Organization of the Study

This study investigated on factors influencing disbursement of youth enterprise development fund project in kirinyaga south constituency, kirinyaga county. Chapter one provides a background on unemployment and Youth Enterprise Development Fund statement of the problem, research objectives and research questions, purpose of the study, and significance of the study, delimitations and scope of the study. Chapter two has outlined the various schools of thought on what constitutes YEDF and the challenges facing the disbursement of funds. Chapter three has outlined the research design and methodology used for purposes of completing the study. It has also described in details, research design, target population, sample, sampling procedure and data collection instruments. Chapter four contains data analysis, presentation, interpretation and discussion while chapter five provides a summary of findings, conclusions and recommendations. This is followed by references and appendices sections.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews related literature to the problem of study. It focuses on studies that have been conducted by other researchers with their findings. The themes covered include; the concept of disbursement of fund, influence of awareness, lending procedures, entrepreneur skills and group dynamics on disbursement.

2.2 The Concept of Disbursement of Fund

In Kenya, the YEDF loan targets all forms of youth owned enterprises whether individual, companies, groups, cooperatives or otherwise and the loan is accessible to any youth owned enterprise operating within the district (Government of Kenya 2011). A second component is the Constituency Youth Enterprise Scheme (C-YES) that funds enterprises of youth groups in all constituencies. The Divisional Youth Enterprise Development Fund Committees (Divisional YEDFC) have been formed to effectively identify and recommend viable youth group enterprises for loans. The group can only be legible for C-YES funding if members of the group are aged 18 to 35 years, in case of mixed group, at least 70% of the members are aged 18 to 35 years and 100% of group leaders are within the preferred age bracket, the group is registered with the Department of Social Services or the registrar of societies at least three months before applying for the loan, the group is physically operating within the Constituency, the group is undertaking/proposing to carry out business oriented activity and operating an active bank account (Government of Kenya, 2011) .

Through these programmes, youths have managed to start and sustain viable businesses, and attain financial independence and stability. Kenya needs long term strategies to enable youth access more rewarding and productive work. There is also a tendency to treat youth as a homogeneous group, which could end up isolating some young people who cannot fulfill YEDF requirements such as business plan development, a registered group and an existing bank account. The rules should be more flexible and needs-based in order to benefit some of the needy

and illiterate youth who require more rigorous training and support to succeed (Muthee M.W 2010).

According to Bannock & Albach Bannock G, Albach H (1991) SMEs who were starting up in Britain were provided with 40 pounds (Kshs 4,800) per week if they were unemployed persons before the start-up. Gumbo, (2010) assessed the impact, challenges and prospects of MFIs in transforming the urban poor residents' livelihoods through the provision of Housing Microfinance (HMF) loan product. Although findings indicate that the loan was popular with most urban poor residents, MFIs were failing to meet the demand mainly due to lack of loanable funds. Diugwu IA (2011) ascertains that knowledge was critical for organizational success and organizational effectiveness would require the improvement of organizational capabilities for leveraging and exploiting knowledge.

Mburu FN (2010) reveals that most of the young entrepreneurs had other sources of income apart from the business to cushion them against uncertainties encountered in the informal sector. Amenya CO (2011) determines that YEDF could be a preferred source of funding among the youth, accessing it remained a great challenge, there was lack of monitoring and evaluation affected its implementation. Gumbo T (2010) establishes that the critical problem faced by MFIs was limited and unreliable sources of funding and inflation which had eroded the monetary value of the currency. Mburu FN (2010) observes that the loan given was minimal below Kshs 20,000 and that some lending institutions required collaterals which indicates that a small fraction of the youth are likely to have access to the funding.

2.3 Awareness of the Youth towards the Availability of the Fund and Disbursement of the Fund

Chant (2009:164) argues that poverty of information is as important as poverty of income, meaning that although opportunities for income access and generation may be available, inefficient and ineffective communication networks may render the investments not worthwhile. Most young entrepreneurs miss to enhance their business or opportunities because they lack information or knowledge on various supports available at their disposal. In South Africa for instance, Low awareness of the support available to young entrepreneurs constrained youth enterprise development and self-employment promotion, (Republic of South Africa, 2013).

According to (Bruton *et al.* 2000) entrepreneurship awareness is created through entrepreneurship training which promote career purposes and provide skills and training for business creation and development. Entrepreneurship training can play a major role in changing attitudes of young people and providing them with skills that will enable them to start and manage small enterprises at some point in their lives. In a report developed collaboratively with the United Nations Development Program (UNDP) and the International Labor Organization (ILO). 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.

On a study on factors influencing performance of youth group micro and small enterprises in kisumu, Okungu (2008) however established that 78% of youths were not aware of the various government initiatives to promote youths and small enterprises. His findings concurred with the finding by United Nations Children's Fund (UNICEF, 2011) and Institute of Economic Affairs (IEA), (2011) in a report entitled "Youth Situation Review & Investment in Kenya" in which it stated that most young people in Kenya were unaware of youth related government policies and programmes. Okungu attributed the higher number of youth unawareness of government initiatives to promote MSEs to limited public education targeting the youth on the existing programmes, policies and legislative frameworks.

Charles *et al.*, (2012) also noted that increasing awareness of YEDF, its objectives and loan features among the youths will have an effect on the growth of small enterprises. Ogutu *et al.*, (2011) similarly reported in his study that 70% of youth in Kenya lacked awareness on registration procedures for the YEDF. He further concluded that the youths still need to be sensitized on youth group formation and registration in order to benefit more from the fund. Awareness on YEDF creates an understanding of what an enterprise is and what it takes to own and manage a business so that young men and women can consider self-employment realistically as a career option. Should a young person decide to explore further, or to start their own business, practical support services (e.g. training, advice, access to finance) should be provided. (Kanyari and Namusonge, 2013).

2.4 Lending Procedures on Disbursement of the Fund

In order to access credit or finance from YEDF, the youth must belong to a group, and engage themselves in economic activity (YEDF status report, 2011). Groups usually offer some kind of safety and eases accessibility to loans. These loans utilize the group as some form of collateral for those with few or no assets, where joint liability for the loan repayment transfers the risks associated with loan from the lender to the group (Heyer *et al*, 2003). Credit markets in the developing countries, especially in Africa, and Kenya included, have evolved mechanisms that circumvent credit constraints. Borrowers poor in collateral assets and for whom lenders have poor information about their creditworthiness have resorted to the use of social capital to improve their accessibility to credit (Mwangi&Ouma, 2012). Social capital refers to connections among individuals that characterize social networks where norms of reciprocity and trustworthiness arise (Putman, 1993). In other words, these are sources that may include friends, family members, and professionals among others, where a social connection exists between the lender and the borrower.

The youth groups in Kenya are eligible to borrow funds depending on their product line (MOY, 2006). These loans include C-Yes Rausha, which targets group start-up business, C-Yes Inua whose main purpose is for business expansion, C-Yes special meant for special business projects across various economic sectors among others. While these funds are available to the youth, accessibility remains a challenge. This agrees with Sieverding (2012), whose study in Egypt found out that youth fail to access funds due to fear of losing the money and not being able to pay back the loan. Others cited complexity of loan processing and the risk entailed in taking a loan in general. It used to take two to three months to process the loan once an application has been made. However, the YEDF board chairman said it will now take one month to process it (Otuki, 2014). This is an indication that the disbursement procedures are abit challenging and this may put off some youths from applying for the fund. The ability to access the funding needed at the right time and amount allows one to take advantage of existing opportunities.

Vetting is also another prerequisite for a group to qualify for YEDF. Before availing the requested funds to the youth beneficiaries, a vetting process is undertaken mostly by youth officers. It is a vital process to any loan giver as it helps eliminate projects that do not seem viable. Vetting also helps to ensure that there is proper management of funds safeguarding

repayment of disbursed funds. Effective vetting process is meant to minimize project risks by ensuring that funds are not disbursed to those who borrow, but only to those who do with the intention and ability of repaying the loans. Graham asserts that financial vetting should include a thorough scrutiny of the credit policy and the proper credit appraisal (Graham, A., 2000). Through vetting, main issues, priorities and potential of the youth are highlighted (GoK, 2003). Odera *et al.* are of the view that through effective vetting process, the tendency of treating youths as a homogeneous group, which leads to isolation of some people, can be reduced (Odera *et al.*, 2013).

Vetting for most YEDF projects does not concentrate on the viability of the project rather much consideration is placed on the application process and the selection criteria as stipulated by the guiding principles of disbursement of the devolved funds. The criteria to be met include; a mixed group of both genders, registered group with the department of social service or registrar of societies, minimum membership of fifteen individuals, groups constitution and minutes authorizing the loan, active bank accounts, copies of national Identification Cards of members, active bank account and a business proposal (YEDF, 2012).

According to Odera *et al.*, in a study of the effects of YEDF in Siaya County in Kenya, there was 100% acceptance among all the groups that applied for registration with the then ministry of gender and social services (Odera *et al.*, 2013). This gives an implication that vetting is done on grounds of meeting the guidelines and criteria given and not on the feasibility of the proposed projects. Additionally, there has been admission by the YEDF management that vetting process is never rigorous as undertaken by most financial institutions. However in support of this assertion, the YEDF explains that rigorous vetting would only serve to lock out many youths from benefitting from youth enterprise development fund whose main aim is to allow youths access credit with ease (YEDF, 2012).

In a study to determine the effect of the YEDF on youth enterprises in Siaya County in Kenya, Odera, *et al.* (2013) reveal that disbursement procedures for the YEDF are stringent and some needy and illiterate youth are not able to fulfill some of the requirements. Mugira's (2012) study on the factors affecting repayment of the YEDF in Kasarani Constituency reveals that 78% of the youth who received loans indicated that their loans took a long duration between applications and receiving of funds and that they were awarded small amounts of loans with high interest

rates. This factor is however not restricted to the YEDF alone as revealed by other studies done on micro-lending schemes. SignhildBrosvik (2010) also found out that access to capital was one of the major obstacles to entrepreneurial growth among the youth. It was observed that the money obtained was insufficient for business development. Governments should ensure that there is an enabling environment for young people to start and run business and improve access to finance, by subsidizing credit, guaranteeing loans and supporting micro credit initiatives (ILO, 2013). This will ensure growth of sustainable youth enterprises, in particular micro, small and medium-sized enterprises. Circumstances need to be made friendlier to remove fear of loans from the youth, for example fear of defaults. The idea of group lending is one such initiative. In group lending, the loan is secured by the co-signature of members within the group and not by micro-finance institution (Armendariz de Aghion, 1999). This group sanction is important in discouraging defaults among members in a group (Van Tassel, 1999).

For effective utilization of the money accessed by the youths, quantifiable objectives that can be used to track performance of the fund and the youth group need to be put in place (United Nation Population Fund, 2005). With proper vetting, the results to be achieved include; Scale and outreach of the fund, stakeholder profile of the fund, the size of the fund, and leverage of private sector fund to boost the activities of the youths (ILO, 2011). The youth fund being a kitty for entrepreneurship development should be laced with professionals who can advise the youths before undertaking any venture. By doing these, it means a system of mentorship and follow up can be created to ensure the projects undertaken by the youths are viable which leads to sustainability (Chigunta, F., 2002).

2.5 Entrepreneurial Skills on Disbursement of the Fund

According to Olawale and Lynety, (2011) as cited from Thurnik and De Wit (2004:227) observed that the endowed level of talent of a small business founder is the investment in industry-specific and entrepreneurship-specific human capital which contributes significantly to the performance of new small firm. Herrington and Wood (2003) in the Global Entrepreneurship Monitor Report point out that lack of education and training has reduced management capacity and entrepreneurship in South Africa. The quality and context of the educational system do not promote the development of managerial competencies. This is consistent with the findings of

Herrington *et al.* (2009) that the most crucial factor hindering entrepreneurship among the youth in South Africa was lack of education and training. Thus, lack of basic business skills among the youth is a constraint to entrepreneurial development when establishing a business venture. Besides, according to studies by Olawale and Lynety, (2011) observed that entrepreneurship education is one of the initiatives that can be designed to enhance skills and knowledge among the youths. Entrepreneurial skills include creativity, innovation, risk-taking and ability to interpret successful entrepreneurial role models and identification of opportunities.

Entrepreneurial education thus provides basics of such practical business practices. Olawale and Lynety continue to assert that low levels of financial literacy can influence the degree to which organized youth group Entrepreneurs access formal sources of finance. These studies noted that entrepreneurship education should be made accessible to all tertiary learners in order to be equipped for business practices. In addition, expert financial training greatly increases the chances of entrepreneurs securing appropriate and affordable finance. Further, these studies recommended that entrepreneurial finance skills and competencies should be cultivated into youths all the way from institutions of learning.

In this connection ILO (2012) documented that Youth Entrepreneurship Facility in Kenya, Tanzania and Uganda has as a cross-cutting component for all its activities to support youth employment policy makers and promoters to make evidence based decisions for better resource allocation and programme design. Emerging innovative practices include committing to conducting one evaluation and initiating and sharing results of two impact assessments per year. Skilled entrepreneurs have what it takes to pursue their dreams and acquire their objective. They have a way of surviving the tough situations. They must remember to take regular breaks from work which will ensure that you do not burn out quickly.

Most successful entrepreneurs exhibit entrepreneur skills which are passionate and obsessive about making their business opportunity work with a strong vision (Rasmussen & Sorheim, 2006). Their determination to succeed is due to their strong will. Setbacks and risks do not discourage them and they are relentless in their pursuit of goals (Mokaya, 2010). Being a risk taker is a natural trait. They are attracted to challenges and approach risks cautiously. Common sense prevails and this makes them cautious around the tough bends. Their willingness to persevere helps them against the odds. Being passionate about their venture, their sheer belief

and conviction in an idea or action is an entrepreneurial skill that helps them survive (Rasmussen & Sorheim, 2006).

Being strategy planners, entrepreneurs employ the best employees to support them in their venture. They focus on their main objective, growth and sustenance by learning to delegate. Serving as a member of the top management, they must have the ability to supervise all the sections of the business and become a generalist. Communication and delegation entrepreneurial skills help entrepreneurs to muster the abilities and efforts made by their team members. Mediating and handling complaints for their company requires immense tact and diplomacy (Gakure, 2001).

Hard work and commitment are their strong entrepreneurial traits. Entrepreneurs are able to work long hours, are not afraid to get their hands dirty and are among the first few people to focus on their task with a high degree of involvement. They set high standards of performance by their accomplishments and are motivators. Willing to lead the team members especially in a crisis is an entrepreneurial skill that is valued highly (Mwirigi, 2007).

Selling ideas and their products is an entrepreneurial skill that cannot be undervalued. Appealing presentations, direct selling whenever there is a need and determining sales quotas accurately are tasks that entrepreneurs must be able to achieve. Enhance your marketing skills by acquiring knowledge and practice. Being customer oriented is an entrepreneurial skill that helps them to satisfy the needs of their customers. An entrepreneur must be customer focused. Ultimately, it is they who decide if the business will boom or go bust. Remember, it is easy to keep your regular customers happy rather than try to woo new customers (Buckley, 1993). Ability to adapt and change to a new environment is an entrepreneurial skill that decides the outcome of success or failure in a dynamic environment.

According to Hisrich (2005), there is strong evidence that entrepreneurs tend to have entrepreneurial parents. Having a parent who is self-employed provides a strong aspiration for the entrepreneur. The independent nature and flexibility of self-employment is ingrained at an early age. Entrepreneurial parent often further enforces this feeling of independence, achievement and responsibility. This supportive relationship of the parent appears to be the most important for entrepreneurs (Hisrich, et al, 2005).

Within the micro-enterprise sector, financial institutions prefer financing business expansion as compared to start-ups. This may be occasioned by the fact that business expansion implies that the entrepreneur has acquired a certain amount of experience in the business and thus has better chance of business success compared to start-ups. These, coupled with other factors like negative stereotyping, discrimination and lack of marketable skills prevent many young people from gaining access to economic opportunities (Making Cents International, 2009). In a study on the current practices and opportunities for microfinance with youth in conflict-affected areas, James-Wilson and Hall (2006) find that business start-ups whether by adults or youth are usually only financed if the applicant has prior experience in the type of business, since persons with no real experience in the business are viewed as having no chance of success.

A similar challenge was raised by more than 200 young entrepreneurs who gathered in Toronto in June 2010 for the G20 Young Entrepreneur Summit who noted that they had had great difficulty accessing finance because they tended to have little experience and few assets (Ernst and Young, 2011). In another study to evaluate the challenges associated with providing micro-credit to the poor in Jamaica, French (n.d) reveals that in an attempt to deal with a myriad of problems, the Micro Investment Development Agency (MIDA) had to adopt more stringent screening processes. The Community Development Funds (CDFs) managers interviewed during the study admitted that they had had to cater more to persons with business experience and a track record of success in small business in order to maintain repayment levels. The aforementioned studies therefore clearly indicate that entrepreneurial experience plays a crucial role in contributing to an entrepreneur's ability to access credit.

The positive impact that work experience has on the success of entrepreneurs is also highlighted many more studies. Sagwe, Gicharu and Mahea (2011) highlight work experience as one of the factors that positively contributes to business readiness among the youth and women entrepreneurs in Kenya. Work experience is also linked to business success in a survey by Ernst and Young (2011) in which 685 entrepreneurs and winners of Entrepreneur of the Year Award were interviewed many of whom cited experience in the corporate environment as an employee as having had the greatest impact in contributing to the success of their ventures.

The International Labour Organization's Integrated Framework Assessment Guide (2007) on the growth of women enterprises concludes that women bring low levels of management experience

to their business since they resort to self-employment only after they have failed to access employment experience at the management level. Experience in business has also been shown to have a marked influence in the level of loan repayment within financial schemes. In their analysis to determine loan default of smallholders under SEALS in Nigeria, Njoku and Odii (1991) discovered that repayment was higher among beneficiaries with greater farming experience compared to those with limited farming experience and concluded that there is a positive relationship between farming as a major occupation, years of farming experience and loan repayment. Similarly, Makombe, Temba and Kihombo (1999) in their study to assess the extent of empowerment of low income women at household levels find that women micro-entrepreneurs with previous experiences had been able to honour their loan commitments and had attained great strides in the process of poverty alleviation.

The YEDF has attempted to address the youth experience problem through introducing various loan schemes, each targeted to specific entrepreneurial characteristics in a bid to increase its credit advancement to the youth population in Kenya. There is the Constituency Youth Enterprise Scheme (C-YES) which is aimed for youth groups at the lowest levels who have no experience in business and in dealing with financial institutions (Mugira, 2012). Through this scheme, it is hoped that youth will be able to acquire experience and skills from running group enterprises and therefore be able to develop self-owned enterprises (Makanda, n.d). Youth who are able to successfully repay the C-YES loan can then graduate to the Easy Youth Enterprise Scheme (E-YES) which is targeted to individual enterprises belonging to a group and who want to start and/or expand their own business.

2.6 Group Dynamics on Disbursement of the Fund

Different definitions of a group have been put forward by different scholars. The Oxford dictionary (2014) defines a group as a number of people or things that are located, gathered or classed together. It further defines it as a number of people that work together or share certain beliefs. Scholars have however defined a group depending on the context of its application. A group is number of people who undertake joint activities, typically initiated around an economic function, though they often have strong social and political roles (Heyer *et al*, 2003).

A group is defined as two or more individuals who are connected to one another by social relationships (Forsyth, 2006). Youth groups considered in this study are those formed for economic purposes and members are in the age bracket of 18 to 35 years. The function of a group and the reasons why it was formed will determine its cohesion and sustainability. Since group objectives may not be shared by every individual in the group, a critical aspect of group functioning is how individual action within the group is kept in line with group objectives (Heyer, Thorp & Stewart, 2003).

Group formation has great potential for enabling the members to reach their goals. Social capital is defined as the norms and networks that enable people to act collectively, and remains a very important source of capital especially in rural areas (Mwangi&Ouma, 2012). These networks according to Mwangi&Ouma (2012) may involve colleagues, neighborhoods, friends and professionals among others. Social capital in such networks promotes interpersonal trust, provides for sanctions against those who deviate from norms and serves a substitute for institutional deficiencies. These social networks enhance access to financing (YEDF status report, 2011). However, in Mirangine Sub County, it's important to investigate whether such social groups have promoted better access to YEDF. One of the recommendations of Mwangi & Ouma (2012) is that credit institutions should factor in the role of social capital or groups in designing credit products. This is because it was found out, there is positive relationship between the roles of social capital on access to credit. Individuals in a group are usually networked or connected to one another (Forsyth, 2006). These connections or bonds according to Forsyth (2006), could be strong or weak ones and can be easily broken with passage of time or occurrence of relationship-damaging events. It is therefore paramount to ensure that events that can lead to break-up of the groups are dealt with.

The YEDF in Kenya is mainly focused on groups of youth. Though it has different packages, for one to access the funds, they should belong to a group. Although the figures of the beneficiaries across the country may appear relatively good, there is little information on the disbursement of the funds in Kirinyaga south constituency.

2.7 Theoretical Framework

The current study was guided by Bandura's process driven theory of 1991 and 1986; and Ajzen

&Fishbein's (1975) theory of reasoned action which state that 'behaviour is greatly influenced by one's intention to engage in that behaviour and intentions are influenced by attitude towards the behaviour' as cited by Olawale and Lynety (2011). This implies that intention comes first before the actual behavior. Thus, behavior is dependent upon an individual's perception that they can carry out the intended action. Process driven theory perceives that external environment influences thoughts, which shape attitude and form intention, which if strong enough leads one to action. Such external environmental influences include group's cohesion factors, entrepreneurial and management skills, financial credits accessibility among others. Therefore displacement can occur in a negative form such as job loss or a positive form such as financial support. The intention to form organized groups and initiate economic activity therefore depends on the individual perceptions of desirability and feasibility in relation to that activity. Thus, human beings are rational and make systematic use of information available to them when making decisions. In our variables of study, awareness towards availability of the youth fund is regarded as a behavior which if an individual possesses will increase their chances of disbursement. Similarly, entrepreneur skills are behaviors which also governs the distribution of funds in such a way that disbursement of the fund hinges on. This theory therefore informs the study as the variables under study are considered as behaviors necessary for disbursement.

2.8 Conceptual Framework

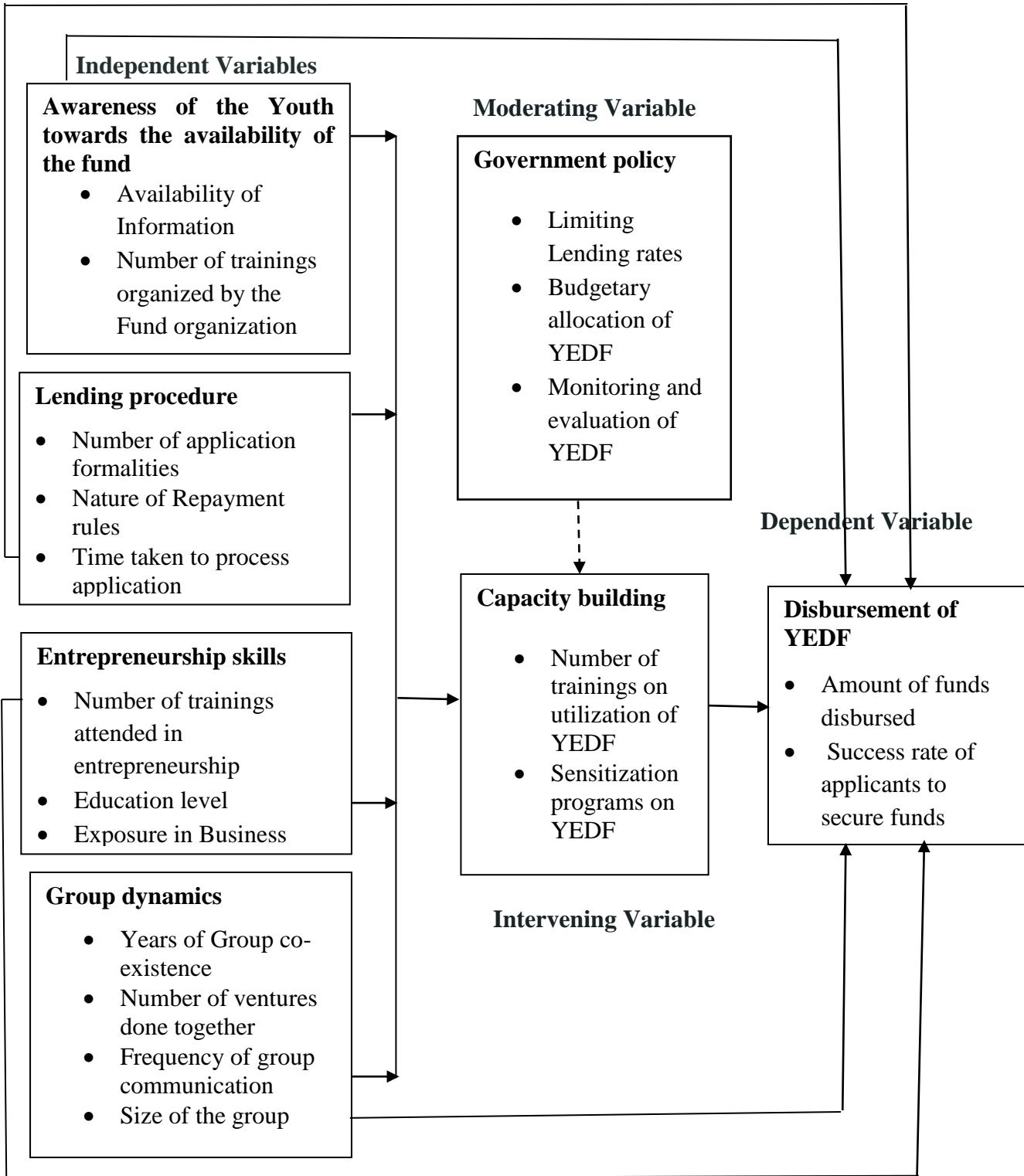


Figure 1: Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant fields of inquiry and used to structure a subsequent presentation. It's a tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny. It helps the research to explain the relationship among interlinked concepts such as the dependent and independent variables (Kombo, 2006). In this study, the researcher seeks to establish the relationship between individual, group and system factors and accessibility of YEDF credit finances. The figure 1 shows diagrammatic representation of the relationship between the dependent and independent variables.

The independent variables for this study are factors influencing disbursement of YEDF. They include awareness of the youth towards the availability of the fund which has been gauged through availability of information through which the youth can get to know about the fund. This may be through the media or by word of mouth. In addition, number of trainings if any, which are provided by the management of the fund, will be investigated.

Lending procedures, which according to literature review, plays a major role in the disbursement has been investigated through probing number of application formalities, nature of repayment rules and time taken to process application.

Entrepreneurship skills which is considered vital for business startups and sustainability, has been investigated through asking questions on number of trainings attended in entrepreneurship, education level and exposure in business.

Group dynamics of the youth group which indicates the level of cohesion and relationships existing within a group was investigated through probing on years of Group co-existence, number of ventures done together, frequency of group communication and size of the group.

Dependent variable for this study is disbursement of YEDF. There are also other factors which can be considered to have an effect but which the youth have little or no control. They are called the intervening variables or external factors. In this study, the external factors (intervening variables) include economic factors, political factors, societal/cultural factors, natural environment, infrastructure and customer income and desires.

2.9 Summary of Literature Review

The literature review offered an insight how various scholars examined how different initiatives have been put forward to address the question of youth unemployment. What came out was clear was that youth, especially in the developing countries are faced with almost similar economic challenges. Despite the studies showing youth were willing to venture into business and self-employment, lack of financial support was the major concern. Various government initiatives have been put in place to counter this issue but disbursement of the funds still remains a challenge to many. The funds accessed are not sufficient and it takes a long time to process the same after one has applied for it. The vetting process of the applicants was also identified as an intimidating process that those would otherwise present a noble idea, shy away from the process.

Table 2.1 Empirical Review

Variable	Author(year)	Title of the Study	Findings	Knowledge gap
Disbursement of the youth fund	Mburu FN (2010)	The Viability of YEDF as an Empowerment Strategy for Youth Entrepreneurs in Ruiru Division.	Most of the young entrepreneurs had other sources of income apart from the business to cushion them against uncertainties encountered in the informal sector. Loan given was minimal; below Kshs 20,000 and that some lending institutions required collaterals which some youth do not have.	The loan in the study area was limited to YEDF and lending institutions that required no collateral, only group responsibility as opposed to those subjected to collaterals studied by Mburu
Awareness of the youth towards availability of the fund	Amenya S.O (2011)	An analysis of the challenges facing Youth Enterprise Development Fund: A Case Study of NyaribariChacheConstituency.	YEDF could be a preferred source of funding among the youth but accessing it remain a great challenge due to lack of monitoring and evaluation	Factors influencing disbursement was investigated as which was not considered in Amenity's challenges facing YEDF

	Okungu (2008)	A study on factors influencing performance of youth group micro and small enterprises in Kisumu	78% of youths were not aware of the various government initiatives to promote youths and small enterprises.	Awareness on qualifications, use of media and extent of government sensitization which was not studied by Okungu, was investigated
Lending procedures towards disbursement the youth fund	Odera, <i>et al.</i> (2013)	Effect of the Youth Enterprise Development Fund on Youth Enterprises in Kenya.	Disbursement procedures for the YEDF are stringent and some needy and illiterate youth are not able to fulfill some of the requirements	Duration and repayment rules were investigated in addition to application formalities studied by Odera
	Mugira's (2012)	Factors Affecting Repayment of Youth Enterprise Development Fund in Kasarani Constituency, Nairobi County, Kenya.	78% of the youth in Kasarani who received YEDF indicated that their loans took a long duration between applications and receiving of funds	In addition to long duration between applications and receiving funds established by Mugira, nature of repayment rules in the current study since it was not featured

Entrepreneurship skills towards disbarment the youth fund	Olawale & Linnety (2011)	An Investigation into the Obstacles to Youth Entrepreneurship in South Africa;	Entrepreneurship education is one of the initiatives that can be designed to enhance skills and knowledge among the youths.	Current study dwelt on disbursement of the actual fund meant for entrepreneurship
	Hisrich (2005),	Entrepreneurship	Entrepreneurs tend to have entrepreneurial parents.	The emphasis of the current study is on whether individual or youth group influence disbursement of youth fund that was not researched by Hisrich whose study focused on youth background and parental influence
	Making Cents International, 2009	State of the Field in Youth Enterprise, Employment and Livelihoods Development.	Negative stereotyping, discrimination and lack of marketable skills prevent many young people from gaining access to economic opportunities	Youth perception, willingness and desirable platforms was investigated as they were interrogated in the previous study by Making Cents International

	Hall (2006)	Microfinance Youth and Conflict	Business start-ups whether by adults or youth are usually only financed if the applicant has prior experience in the type of business,	In addition to studying those with previous experience, those without any form of experience was focused in the current study so as to establish whether it influenced their access to funds
Group dynamics towards disbursement the youth fund	(YEDF status report, 2012).	Status Report (2007-2012)	Social networks enhance access to financing	Particular aspects of group dynamics such as group decision making, leadership, cohesion and difficulties in group formation was investigated as opposed to the general phenomena of social networks presented in YEDF status report

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that was used to conduct the study. This include; research design, target population, sample size and sampling strategy, research instrument, validity and reliability of instruments, data collection procedures, data analysis techniques, and ethical considerations.

3.2 Research Design

Research design is described as the plan, structure and strategy of investigation conceived to obtain answers to research questions. It is the researcher's plan for the study, which includes the methods to be used, what data to be gathered, where, how and from whom. This study used a descriptive survey research design. This research design is used in determining and reporting the way things are (Mugenda and Mugenda, 2003). It attempts to describe any possible behaviour, attitudes, values and characteristics. This type of research was instrumental in obtaining data that can help determine specific characteristics of a group. The main advantage of survey research is that it has the potential to provide us with a lot of information obtained from quite a large sample of individuals. Survey research design was appropriate for the study because it was used to ask questions about respondent's beliefs, opinions, attitudes, characteristics and behaviors' in order to generalize to the population. The study described the characteristics, attitudes, and opinion of the respondents in Mwea area of Kirinyaga South Constituency. The dependent and independent variables are disbursement of YEDF and the factors affecting its disbursement respectively.

3.3 Target Population

This refers to the members of a real or hypothetical set of people to which the researcher wishes to generate the results of the research. It also refers to all members of the population to which research findings can be generalized and is an accurate record of the sampling from which the sample will be drawn. The target population of the study were members of 98 youth groups in

Kirinyaga south constituency (Mwea area) with each group having approximately 12 members giving a total of 1176 members.

3.4 Sample Size and Sampling Procedure

This section describes sample size and sampling procedure to be used in the study.

3.4.1 Sample Size

A sample size is a subset of the total population that is used to give the general views of the target population (Kothari 2004). From the total population of 1,176 members of the 98 groups in the area, a sample size of 120 members of the 10 groups was interviewed which according to Mugenda & Mugenda, (2003) represents 10% of the population.

3.4.2 Sampling Procedure

Sampling refers to the process of selecting a number of individuals for a study in such a way that the individuals selected represents the large group from which they are selected (Mugenda and Mugenda, 2003). According to Mugenda and Mugenda (2003), a sample is a set of a particular population selected for the purpose of the study to make conclusions about the population. Mugenda (2003) however stresses that if the population size is small, then it is advisable that the researcher does a complete census of the population. The 10 groups obtained with each 12 members gave a total sample of 120 members. Using krejcie & Morgan Table, 92 respondents were selected from the 120 (Appendix V).

3.5 Research Instruments

The researcher used questionnaires as the main research instruments for data collection. The researcher issued structured questionnaires to group members and utilized interview guides for the Focus Group Discussions. The researcher's research instrument was a questionnaire with five parts. Part A sought to get the demographic characteristics of the respondents, Part B sought to establish information on awareness of YEDF, Part C probed on lending procedures, Part D sought responses on entrepreneurships and Part E had questions on group dynamics and Focus group discussion guide to guide discussions on YEDF. In all the parts, both open and closed ended questions were used to capture youths' responses.

3.5.1 Piloting Testing of the instruments

This involves trying out in the field once the research questions have been formulated. The questions were pre-tested to a selected sample used before finalizing them. This was to ascertain the reliability of the data collection instruments. In this case deficiencies such as the insufficient space to write, wrong phrasing of questions, vague questions and clustered questions were detected (Borg, 2007). 10% of 92 respondents which were represented by group leaders who were picked for pilot study to fill the questionnaire, thereafter collected and assessed for inconsistencies.

3.5.2 Validity of the Research Instruments

Validity is the degree to which a test measures what it purports to measure. According to Cook and Campbell (1979), it is the best available approximation to the truth or falsity of a given inference, proposition or conclusion. To establish face and content validity the researcher sought guidance from the supervisor to give opinion as to whether or not the instrument met this criterion. According to Carmine and Zeller (1979), validity can be assessed using expert opinion and informed judgment from the supervisor.

To ascertain validity of the instrument, the researcher addressed content and construct validity (extent to which the domain of interest was comprehensively sampled by the items in the questionnaire) by using the exploratory factor analysis to ascertain how well the variables were consistent with the researcher's understanding of the nature of the construct. According to Field (2000), the scores in exploratory factor analysis are the Pearson coefficient correlation between observed variables and the factors which results from their sharing common underlying factors. Field recommends an absolute value greater than 0.4, which explain around 16% of variance.

3.5.3 Reliability of Research Instruments

Reliability refers to the ability of an instrument to produce similar results at different times with the same respondents (Shaughnessy and Zechmeister, 1997). The research used pilot testing which involved test retest method which involve subjecting the instrument to a sample to ensure the questions are constructed in a simple language which is easy to understand at the same time using side notes in guiding the respondent to fill the questionnaire. To ensure reliability, the

researcher used the split-half technique whereby two-halves of a test from a pilot sample of the first 10 which is 10% of study sample according to Mugenda & Mugenda, (2003). Estimation of reliability was based on correlating the results of the two halves of the same scale. The resulting coefficient indicated the degree to which the two halves of the test provide the same results and hence consistency of the test. The reliability coefficient was calculated using the Spearman-Brown prophecy formula whereby according to reliability statistics, a coefficient value of 0.745 was obtained. Thus the instrument was considered consistent and reliable.

3.6 Data Collection Procedures

The researcher used questionnaires as the main research instruments from the youth groups in Mwea area. According to Onen (2004) a questionnaire is a collection of items to which a respondent is expected to react, usually in written form. The questionnaires had both structured questions (containing close or restricted questions) and unstructured questions for Focus Group Discussions (designed for free response from respondents). Secondary data is described as data which is used for other purposes than the one it was originally collected for. The study sourced secondary data from accredited journal articles that are in line with the objectives of this study which was then correlated with the findings of this study. By so doing, the researcher gained the ability to critically analyse and answer the research questions of this study. It also gave the researcher the ability to develop comprehensive and elaborate conclusions. After permit was sought from National Commission for Science Technology and Innovation, the researcher proceeded to collect data by administering and collecting the questionnaires together with administering focus group discussions.

3.7 Data Analysis Techniques

The data generated was subjected to quantitative and qualitative methods. Statistical package for Social Sciences (SPSS) Version 20 was used to carry out descriptive analysis on Quantitative data collected from questionnaires to generate frequencies and percentages. Inferential analysis utilized Pearson's correlation analysis to determine the strength between the independent and dependent variables. Qualitative data on the other hand obtained from Focus Group Discussions was analysed by thematic analysis where emerging themes of the discussions were recorded and presented. Results of analysis were presented on frequency tables with percentages.

3.8 Ethical Considerations

For the purpose of this study, permission was sought from the relevant authorities and a letter was granted to allow the researcher to carry out the study. In order to avoid suspicion and scepticism the researcher assured the respondents utmost confidentiality and that the information they provide was only be used for academic purposes. The researcher sought the consent of each respondent to get the data and issues of confidentiality. The identities of the respondents was also keep confidential by assigning unique codes to questionnaires rather to use names or telephone numbers. Furthermore, while collecting data the researcher acknowledged all the sources of information collected from textbooks and other research materials respectively.

3.9 Operational Definition of Variables

An operational definition of a variable is a definition of the variable in terms of how, specifically, it is to be measured.

Table 3.1: Operationalization table of Variables

Objectives	Variables	Indicators	Measurement scale	Type of Analysis	Tools of Analysis
1. To assess how awareness of the youth towards the fund influence disbursement of Youth Enterprise Development Fund.	Awareness on disbursement	<ul style="list-style-type: none"> • Availability of Information • Attendance to trainings 	ordinal ordinal	Descriptive	Frequency and Percentage
2. To determine the extent to which lending procedures of the youth fund influence disbursement of the Youth Enterprise Development Fund.	Lending procedures	<ul style="list-style-type: none"> • Number of application procedures required • Repayment rules • Time taken to process application 	Ordinal Ordinal Ordinal Ordinal Ordinal	Descriptive	Frequency and Percentage

<p>3. To examine how entrepreneurship skills influence disbursement of Youth Enterprise Development Fund.</p>	<p>Entrepreneurship Skills</p>	<ul style="list-style-type: none"> • Number of trainings attended • Education level • Exposure in Business 	<p>Ordinal Nominal Nominal</p>	<p>Descriptive</p>	<p>Frequency and Percentage</p>
<p>4. To establish the extent to which group dynamics influence disbursement of the Youth Enterprise Development Fund.</p>	<p>Group dynamics</p>	<ul style="list-style-type: none"> • Number of years of group co-existence • Number of ventures • Frequency of group communication • Size of the group 	<p>Ordinal Ordinal Ordinal Ordinal</p>	<p>Descriptive</p>	<p>Frequency and Percentage</p>

Table 3.2 Operationalizing the Dependent Variable

Main Objective	Variables	Indicators	Measurement scales	Type of Analysis	Tools of Analysis
To investigate the factors influencing disbursement of youth enterprise development fund	Youth allocated the Youth Enterprise Development Fund	The strength between the independent and dependent variables	ratio	Inferential analysis	Pearson' Correlation analysis

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents the study findings which have been discussed in line with the study objective themes and sub-thematic areas as follows: Questionnaires return rate, demographic characteristics of respondents, awareness of the youth towards the availability of the fund and disbursement of Youth Enterprise Development Fund, lending procedures of the youth fund and disbursement of the Youth Enterprise Development fund, entrepreneurship skills and disbursement of Youth Enterprise Development Fund and group dynamics and disbursement of the Youth Enterprise Development Fund.

4.2 Questionnaire return rate

Target respondents were the members of youth groups in Kirinyaga South Constituency. Out of 92 questionnaires distributed to the respondents 87 were completely filled, the incomplete questionnaires were omitted. It is out of these questionnaires' responses that the presentation of the general information and other analysis was done. An overall response rate of 94.6% was realized which was higher than 70% that is recommended by Mugenda and Mugenda (2003) who asserts that more than 70% response rate is very good to proceed with data analysis.

4.3 Demographic characteristics of respondents

Personal information of the respondents was based on Age of the respondents, Gender of the respondents and highest level of education of the respondents. These demographic characteristics are further explored to determine if they play a role in disbursement of YEDF.

4.3.1 Distribution of Respondents by Age

Age was one of the major determinants in the study so as to be able to know the age group of the respondents and also be able to know whether it had any effect on disbursement of the youth fund. Results obtained from the respondents are presented in Table 4.1.

Table: 4.1: Distribution of Respondents by Age

Age bracket	Frequency (f)	Percent (%)
18-23 years	18	20.7
24-29 Years	43	49.4
30-35 Years	26	29.9
Total	87	100.0

Results of analyzed data revealed that almost half of the respondents 49.4% were aged between 24 and 29 years, 29.9% were between 30 and 35 years. The least 20.7% were those between 18 and 23 years. It can be concluded that the youth in their mid and late twenties represented the largest proportion largely because most of them had completed colleges and were beginning to establish themselves. The implication of this finding is that the majority of the youths involved in the entrepreneurship are aged between 24 to 29 years who might have completed college or university education and now engaged in entrepreneurship due to lack of formal employment opportunity.

4.3.2: Distribution of respondents by Gender

The researcher also sought to investigate on the gender of the respondents so as to be able to determine whether the disbursed funds were accessible to both gender. Results obtained from the respondents are presented in Table 4.2.

Table 4.2: Distribution of respondents by Gender

Gender	Frequency (f)	Percentage (%)
Male	69	79.3
Female	18	20.7
Total	87	100.0

The results shows that 69(79.3) were male, while 18(20.7) were female. This results points out equity issues despite the fact that the government has put a lot of emphasis on the gender

equality therefore to deal with this more effort should be put in place to carry out sensitization so as to enable more women to access the fund.

4.3.3 Distribution of Education Level

The respondents were asked to tick their level of education provided in the questionnaire. This was important as it could give a pointer to whether education levels had any influence on disbursement of the funds. The levels provided were primary education, secondary education (O-Level), A- Level education, Diploma and Bachelor’s degree and above. Results obtained from the respondents are shown in Table 4.3.

Table 4.3: Distribution of respondents by education level

Education level	Frequency (f)	Percent (%)
Undergraduate	4	4.6
Diploma	21	24.1
Certificate	31	35.6
Secondary	29	33.3
Primary Education	2	2.3
Total	87	100.0

The results shown in Table 4.3; 4.6% had attained undergraduate level, 24.1% were diploma holders, 35.6% were certificate holders, 33.3% had reached secondary whereas 2.3% had only attained to primary education. These results indicate that most of the youth had completed secondary and had acquired certificates and diplomas in different fields. Results reveal that those youth who had completed secondary level with certificates or diplomas stood higher chances of accessing the youth fund. This shows low education level may inhibit the youth from accessing the fund due lack of exposure.

4.3.4 Disbursement of Youth Enterprise Development Fund

The researcher sought to find out whether the respondents had ever applied for the fund and to further determine whether they had succeeded in securing the fund. Results obtained from the respondents are presented in Table 4.4.

Table 4.4: Distribution of responses on disbursement of Youth Enterprise Development Fund

Characteristic	Frequency (f)	Percentage (%)
Have you applied for the Youth Enterprise Development Fund either individually or as a group?		
Yes	87	100
Total	87	100
If yes above, were you successful in securing funds?		
Yes	39	44.8
No	48	55.2
Total	87	100
If yes above, how would you rate your likelihood of success in securing the fund		
Neutral	11	28.2
Likely	23	59.0
Very likely	5	12.8
Total	39	100

Results obtained from the respondents indicate that all the respondents had at one time applied for the Youth Enterprise Development Fund either individually or as a group. This revealed that the respondents had put efforts to secure the funds.

As for those who had applied 44.8% had succeeded in securing the fund whereas the majority 55.2% had not succeeded. This implies that the success rate in accessing the fund in the study area is below 50%, and there is need to increase these figures.

To further establish their rates of success in getting the funds, from those that had secured the funds 59.0% of the respondents said one was likely to be successful whereas 28.2% were neutral and 12.8% said that one was very likely to get the funds once you make an application to the management of the fund.

4.3.4. Influence of Demographic characteristics on Disbursement of Youth Fund

The researcher also attempted to investigate the influence of age, gender and level of education in the disbursement of the fund. This was important as it would give information that would help the youth be aware of the demographic factors that may be critical in ensuring success in disbursement of the fund. The researcher obtained results of respondents who had previously secured the fund with their ages, gender and level of education. Results from the respondent are tabulated in Table 4.5.

Table 4.5: Influence of demographic characteristics on disbursement of Youth Fund

Characteristic	Succeeded in securing Fund	Percentage (%)
Age		
18-23	9	23.1
24-29	19	48.7
30-35	11	28.2
Total	39	100.0
Gender		
Male	33	84.6
Female	6	15.4
Total	39	100.0
Level of Education		
Diploma	11	28.2
Certificate	16	41.0
Secondary	12	30.8
Total	39	100.0

Results obtained indicate that of those respondents who had secured the fund, majority 48.7% who had received funds were aged between 24 and 29 years, 28.2% were 30-35 years whereas 23.1% were between 18 and 23 years. This result reveals that youth who were aged 24-29 had a high likelihood of receiving the funds.

Results obtained on gender and their influence on disbursement shows that male respondents were the majority representing 84.6% of those who had received the fund. This reveals that the male youth had higher chances than their female counterparts in accessing the fund. Despite the fact that the government has put a lot of emphasis on the gender equality the results shows that more effort should be put in place to carry out sensitization so as to enable more women to access the fund.

As to whether level of education influenced disbursement of the fund, results reveal that those youth who had completed secondary level with certificates or diplomas stood higher chances of accessing the youth fund. This shows low education level may inhibit the youth from accessing the fund due lack of exposure. These results infer that age, gender and level of education plays a role in determining the disbursement of YEDF.

4.4 Awareness of the Youth toward the Availability of the Fund

In an attempt to gauge the awareness of the availability of the fund, the researcher asked the respondents if they were aware of the fund and whether they had received any form of sensitization or trainings from the government. These have been discussed in the following subsequent sub-themes:

4.4.1 Availability of Information about the fund

The researcher further investigated on whether availability of information about the fund influenced the disbursement of the fund. Table 4.6 presents the results obtained from the respondents.

Table 4.6: Distribution of responses on awareness of the youth towards disbursement of the fund

Characteristic	Frequency	Percentage
Do you have any knowledge on the existence and intention of YEDF		
Yes	79	90.8
No	8	9.2
Total	87	100.0
If yes, how did you come to know		
Through media	21	26.6
through friend/relative	42	53.2
through public baraza	11	13.9
Through a political rally	5	6.3
Total	79	100.0
How would you rate government's sensitization of YEDF among the youths		
Very high	3	3.4
High	9	10.3
Low	59	67.8
Very low	16	18.4
Total	87	100.0

As to whether the respondents had any knowledge on the existence and intention of the youth fund, 90.8% said that they were aware of it whereas 9.2% said that they were not aware of the youth fund and its intention for the youth. These results indicate that majority of the youth in the study area were aware of the youth fund and therefore its level of disbursement may not be hindered by lack of awareness.

To further probe on where the respondents had got the awareness from, 26.6% of the respondents cited learning of the youth fund through the media, 53.2% had known it through a friend or a relative, 13.9% got the youth fund awareness through a public baraza whereas the remaining 6.3% had learned from political rallies. These results reveal that although the media and public

gatherings had played a role in dissemination of information on the youth fund, most of the awareness of the youth fund and its intentions were learned from friends and relatives. These results reveals that more funds would be disbursed if the youth are well acquainted with information necessary for disbursement of funds.

When asked to rate the level in which the government had played in sensitization of the youth fund, 3.4% thought that sensitization of the fund was very high, 10.3% thought it was high, 67.8 thought that it was low and 18.4 thought that the government’s effort was very low. These results reveal that the respondents had low opinion of the government in as far as sensitization of the youth fund was concerned. There is therefore need for the government to put more effort towards sensitization of the youth fund so as to realize greater disbursement.

4.4.2: Trainings organized by the fund organization

The researcher further investigated on whether trainings organized by the fund organization influenced the disbursement of the fund. Results obtained are tabulated in Table 4.7.

Table 4.7: Distribution of responses on Trainings organized by the fund organization

Characteristic	Frequency (f)	Percentage (%)
Are you aware of trainings organized by the management of the fund		
Yes	63	72.4
No	24	27.6
Total	87	100.0
If yes, to what extent do you think the trainings create awareness to the youth on availability of the fund		
Very large extent	21	33.3
Large extent	28	44.4
Moderate extent	7	11.1
Low extent	4	6.3
Very low extent	3	4.8
Total	63	100.0

As to whether the respondents were aware of any trainings organized by the management of the youth, 72.4% agreed that there were such trainings whereas 27.6% were not aware of such trainings that had been organized by the management of the youth fund. These results indicate that most of the respondents were aware of the trainings conducted by the management of the youth fund.

To further assess the extent to which these trainings conducted by the fund management had created awareness on the youth fund, 24.1% of the respondents said that the trainings had facilitated to a very large extent, 42.5% said it had created awareness to a large extent, 20.7% said to a moderate extent, 8.0% thought to be a low extent and 4.6% thought that trainings by management had created awareness of the fund to a very low extent. From the results, it can be concluded that trainings by the management of the youth fund had to a large extent created awareness on disbursement of the fund. Thus, the numbers of such trainings should be increased to promote greater disbursement of the fund.

From the results obtained, the youth still need to be sensitized on youth group formation and registration in order to benefit more from the fund. To improve on the viability of the youth enterprises, there is need for the Government to aggressively market the youth products, engage the youth entrepreneurship training before and after obtaining the loans and to provide necessary market information to the youth so as to gain competitive advantage in their areas of operation. The YEDF officers have not provided adequate guidance on YEDF activities to the youth. The study found out that despite the fact that YEDF could be a preferred source of funding among the youths, accessing it remained a great challenge. Most youth have not been properly informed on how this fund can be accessed. The study concludes that increasing awareness of youth fund, its objectives and loan features among the youths will have an effect on the growth of small enterprises. This would yield results as more youths will apply for the loans and also utilize the loans prudently in order to repay. As pointed out by Amenyia *et al* (2011) most of the youth are not properly informed about the loans which make it a challenge in accessing. There is need to provide the youth with adequate information on youth fund objectives and loan features.

In addition, the fund has not been able to address gender imbalances evident from relatively low numbers of female respondents. These findings concurred to findings by Odera (2013) that most

youths were not aware of the various government initiatives to promote youths and small enterprise.

4.5 Lending Procedures on YEEDF

The researcher also sought to establish whether lending procedures had played a role in the disbursement of the youth fund in the area.

4.5.1 Application formalities

The researcher also sought to establish the thoughts of respondents on to what extent do they agree that application formalities influenced disbursement of the youth fund. Results obtained from the respondents are presented in Table 4.8.

Table 4.8: Distribution of responses on number of application formalities and procedures

Characteristic	Frequency (f)	Percentage (%)
Strongly agree	57	65.5
Agree	26	29.9
Not sure	2	2.3
Disagree	2	2.3
Total	87	100

When asked whether number of application formalities and procedures influence disbursement of the fund, 65.5% strongly agreed to the idea, 29.2% agreed, 2.3% were not sure while 2.3% disagreed. Results obtained indicate that almost all the respondents were in agreement with the thought that number of application formalities and procedures influenced disbursement of the fund thus, causing delay in disbursement and may cause the youth to shy away from applying the fund. The government therefore should review these formalities and procedures making it easier for the youth to access the fund.

4.5.2: Duration to process the applications

The researcher further investigated on whether duration taken in the application process was in any way influencing the outcomes of the application. Results obtained from the respondents are presented in Table 4.9.

Table 4.9 Distribution of responses on duration to process the applications

Duration to process	Frequency	Percentage
	(f)	(%)
Strongly agree	6	6.9
Agree	13	14.9
Not sure	20	23.0
Disagree	36	41.4
Strongly disagree	12	13.8
Total	87	100.0

As to whether duration to process the applications played a role in the disbursement of the fund, 6.9% strongly agreed, 14.9% agreed, 23.0% were not sure, 41.4% disagreed whereas 13.8% of the respondents disagreed. From the results, it is evident that majority of the respondents did not think that duration to process the applications influenced disbursement of the youth fund. It is clear that duration to process funds does not play a role in the disbursement, and that, so long as one satisfies the requirement, they receive the disbursement. The group members should therefore strive to meet the lending requirements so as to be able to be considered for disbursement.

4.5.3: Nature of repayment rules and conditions set

The researcher also wanted to know from the respondents to what extend does the nature of repayment rules and conditions set by the management of the fund influenced its disbursement. Results are tabulated in Table 4.10.

Table 4.10: Distribution of responses on nature of repayment rules and conditions set

Characteristic	Frequency (f)	Percentage (%)
Strongly agree	44	50.6
Agree	35	40.2
Disagree	6	6.9
Strongly disagree	2	2.3
Total	87	100.0

From the results 50.6% of the respondents strongly agreed, 40.2% agreed, 6.9% disagreed and 2.3% disagreed. It is evident from the results that majority of the respondents were in agreement that nature of repayment rules and conditions set influence disbursement of the youth fund. Efforts should therefore be put in place to have favorable rules and conditions so as to enable majority of the youth to access the funds.

Efforts should be put in place to have favorable rules and conditions so as to enable majority of the youth to access the funds. The study established that almost all the respondents were in agreement with the thought that number of application formalities and procedures determined disbursement of the fund as this cause delays in disbursement of the fund and thus, there is need to review these formalities and procedures to suit the applicants so as to be able to utilize the fund which in line with findings by chigunta (2002) who established that to promote effective youth fund programs, there is need both to reduce access barriers and design programs that meet the needs of potential youth entrepreneurs which requires treating youth as ‘clients’ and not mere program ‘beneficiaries’, and Shifting the focus from ‘product-centered’ to ‘customer-based’ programs.

4.6 Entrepreneurship Skills on Disbursement of the Fund

In an attempt to establish the influence of entrepreneur skills on YEDF, the researcher asked questions on business ownership and trainings.

4.6.1: Trainings on entrepreneurship

The researcher further investigated on whether trainings on entrepreneurship were in any way influencing the outcomes of the application. Results obtained from the respondents are presented in Table 4.11.

Table 4.11: Distribution of responses on trainings on entrepreneurship

Characteristic	Frequency (f)	Percentage (%)
Have you attended any course or training on entrepreneurship		
Yes	16	18.4
No	71	81.6
Total	87	100.0
If yes, how many times have you attended		
Once	11	12.7
Twice	4	4.6
Thrice	1	1.1
Total	16	18.4
To what extent do you think your level of education has a direct influence on your entrepreneurship skills		
Very large extent	39	44.8
Large extent	27	31.0
Moderate extent	13	14.9
Low extent	8	9.2
Total	87	100.0

When asked whether the respondents had attended any course or training on entrepreneurship, 18.4% said they had attended a course in entrepreneurship whereas 81.6% had never attended any course on entrepreneurship. These findings reveal that most of the respondents did not have necessary entrepreneurship skills. To further probe those who had attended, results reveal that most of them had attended such trainings only once. From the results, it is evident that there are

insufficient trainings on entrepreneurship which is necessary for utilization of funds and opening up of business ventures.

As to whether their level of education had any direct influence on their entrepreneurship skills, 44.8% agreed that their education level influenced to a very great extent on the acquisition of entrepreneur skills, 31.0% indicated to a large extent. 14.9% cited that education moderately and only 9.2% said it did but to a low extent. It is evident from the results that level of education influenced largely on the development of entrepreneurship skills that are necessary to run businesses.

4.6.2: Exposure in Business

The researcher sought to establish whether business ownership had played a role in the disbursement of the youth fund in the area. Results obtained from the respondents are presented in Table 4.12.

Table 4.12: Distribution of responses on business ownership

Characteristic	Frequency (f)	Percentage (%)
Have you ever owned a business individually or in a group		
Yes	73	83.9
No	14	16.1
Total	87	100.0
If yes above, to what extent do you think this was as a result of entrepreneurship skills		
Very large extent	41	47.1
Large extent	25	28.7
Moderate extent	12	13.8
Low extent	9	10.3
Total	87	100.0
To what extent are you willing to start your own business		
Very large extent	58	66.7
Large extent	27	31.0
Moderate extent	2	2.3
Total	87	100.0

When asked whether the respondents had ever owned a business individually or in a group, 83.9% indicate they had while 16.1% had never owned a business individually or as a group. This results shows that majority of the respondents had been to business ventures before.

To further investigate whether those who had been in business was as a result of entrepreneur skills, 47.1% said that they attribute to a very large extent to entrepreneur skills to being in business, 28.7% said they attribute to a large extent, 13.8% attributed entrepreneurship skills to a moderate extent and 10.3% said that entrepreneur skills contributed only to a low extent. From the results, it is concluded that owning a business either individually or as a group was largely attributed to entrepreneur skills. As to the extent in which the respondents were willing to start their own business, almost all 95% of the respondents expressed their wishes to start their own business. Youth need to ensure that they have enrolled in business related courses or attend workshops that would boost their skills in entrepreneurships.

Entrepreneurial experience is also seen to influence effective utilization of youth enterprise development funds. Most of the respondents examined responded with a strong agreement that entrepreneurial experience influences effective utilization of YEDF. This was in line with findings by Olawale, 2011 who established that Entrepreneurship education is one of the initiatives that can be designed to enhance skills and knowledge among the youths which implies that the more time the youths are engaged in business, the better their skills hence the more effectively they will utilize the YEDF. These findings also on concurred with those of Hall, 2006 who established that business start-ups whether by adults or youth are usually only financed if the applicant has prior experience in the type of business.

4.7 Group Dynamics on Disbursement of the Fund

The researcher also sought to examine the nature of group relationships that existed in the study area. This was necessary so as to be able to gauge their strengths and further investigate whether they had enabled the group secure funds. The researcher probed on their interactions and whether being in groups enabled them gain advantage.

4.7.1: Years of group co-existence

In an attempt to establish influence of group dynamics, the researcher investigated whether number of years of co-existence contributed to the success of the group in accessing the fund. Results obtained from the respondents are presented in Table 4.13.

Table 4.13 Distribution of respondents on years of group co-existence

Characteristic	Frequency (f)	Percentage (%)
Number of years of group co-existence influence disbursement of the Fund		
Strongly agree	71	81.6
Agree	14	16.1
Not sure	2	2.3
Total	87	100.0

Results of analyzed data in Table 4.13, reveal that 81.6% strongly agreed that number of years of group coexistence played a major role in cementing the group and which is also necessary in the success of the group in accessing the fund. Overall, 97.7% of the respondents were in agreement that number of years of group co-existence influenced group's disbursement of the fund. These results reveal that members in groups should strive to hold one another for them to increase their chances of accessing the fund.

4.7.2: Ventures done together

In an attempt to establish influence of group dynamics, the researcher investigated whether ventures done together contributed to the success of the group in accessing the fund. Results obtained from the respondents are presented in Table 4.14.

Table 4.14 Distribution of respondents on ventures done together

Characteristic	Frequency (f)	Percentage (%)
Number of ventures done together influence the disbursement of the Fund		
Strongly agree	45	51.7
Agree	28	32.2
Not sure	6	6.9
Disagree	8	9.2
Total	97	100.0

As to whether number of ventures done together influenced disbursement of the fund, results obtained indicate that 51.7% strongly agreed, 32.2% agreed, 6.9% were not sure whereas 9.2% disagreed. Results reveal that majority of the respondents 83.9% agreed to the idea that number of ventures done together influence disbursement of the fund. The youth groups should therefore strive to invest jointly in a number of projects so as to increase their chances of securing the fund.

4.7.3: Frequency of group communication

In an attempt to establish influence of group dynamics, the researcher investigated whether ventures done together contributed to the success of the group in accessing the fund. Results obtained from the respondents are presented in Table 4.15.

Table 4.15 Distribution of respondents on Frequency of group communication

Characteristic	Frequency (f)	Percentage (%)
Frequency of group communication influence disbursement of the Fund		
Strongly agree	17	19.5
Agree	24	27.6
Not sure	27	31.0
Disagree	19	21.8

Total	87	100.0
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As to whether frequency of group communication influenced disbursement of the fund, results obtained indicate that 19.5% strongly agreed, 27.6% agreed, 31% were not sure whereas 21.8% disagreed. Results reveal that respondents were divided on the idea with majority not being sure whether frequency of communication had any role in disbursement of the fund. The researcher could not therefore conclude if in actual fact frequency of communication played an active role in disbursement of the fund.

4.7.4: Group size

The researcher sought to establish the size of individual groups so as to determine whether a group could access the fund by the sheer size of the group. Table 4.16 presents the results obtained from the respondents.

Table 4.16 Distribution of responses on group size

Group size	Frequency	Percentage
6-10 members	12	30.8
Greater than 10 members	27	69.2
Total	39	100

The results from Table 4.16, majority of the respondents who had secured the funding; (30.8%) had between 6 and 10 members while (69.2%) had more than 10 members. Results obtained indicate that those groups with over 10 members were more likely to be considered for funds than those that had lesser members. This may have been partly due to preference to have risks shared by many than a few.

From the findings, it can be concluded that group dynamics which is characterized by group size, ventures done together, frequency of communication and years of group co-existence go a long way in ensuring a common bond of cooperation and interdependence that is necessary for the success of the group.

4.8: Results of Focus Group Discussions

The researcher sought to solicit views from group respondents in an attempt to get alternative views and to clarify responses that had been given by individual respondents. Results from the Focus Group Discussions reveal that all the respondents who participated in the discussions were aware of how to access the YEDF and most of them expressed concern that the lending procedures were stringent. They suggested that the management of YEDF should review and reduce on the number of rules so that it allows all the groups to access the funds. From the discussions, most of the respondents had undergone trainings in different fields but not specific to entrepreneur skills. They however argued that those skills were only beneficial if one had the will to start business. The respondents affirmed that working together as a group was not only a condition necessary for the award of the fund but enabled them share ideas. The respondent however, voiced their concerns that although investing as a group was worthwhile, it had challenges such as problems in building consensus on what to invest, how to plough back profits, sharing of profits and sharing of responsibilities. It also emerged from the discussions that the bond between members was high before they get the funds and tend to weaken after, making members lose focus on implementation of the project.

4.9 Correlation Analysis Results on relationship between the independent variables and dependent variables

The study used the Pearson's product moment method to determine the strength of the relationship. This type of correlation is used when both variables under study are measured at ratio or interval scales and are continuous Mugenda (2003). Table 4.15 details the correlation matrix which indicates that disbursement of Youth Enterprise Development Fund is positively correlated with all variables under study. At 5% significance level, Awareness is positively correlated with Disbursement of YEDF at (0.484). Lending procedures positively correlated to Disbursement of YEDF fund at (0.484) respectively. The table also indicates that there is positive correlation between entrepreneurial skills and Disbursement of YEDF at (0.493) and Group dynamics correlates positively with Disbursement of YEDF at (0.342)

Table 4.17: Correlation matrix of independent variables against the dependent variables

Variables	Awareness	Lending procedures	Entrepreneurship skills	Group dynamics
Awareness	1			
Lending procedures	0.434	1		
Entrepreneurship skills	0.293	0.427	1	
Group dynamics	0.275	0.311	0.315	1
Disbursement of YEDF	0.316	0.484	0.493	0.342

Results from the table indicate that the positive associations among variables show that although there are other unexplained factors in this study, awareness, lending procedures, entrepreneurship skills and group dynamics which were studied influenced disbursement of Youth Enterprise Development Fund and therefore should be considered by various youth groups, fund management and other stakeholders for the success of the Youth Enterprise Development Fund.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study findings, conclusions and recommendations.

5.2 Summary of the Findings

5.2.1 Demographic Characteristics of respondents

It can be concluded that the youth in between 24 and 29 years (49.4%) represented the largest proportion largely because most of them had completed colleges and were beginning to establish themselves. Majority of these youth groups are dominated by the male youth representing 79.3%, most of who had completed their secondary level of education and had trained in various certificate courses.

5.2.2 Awareness of youth towards Youth Enterprise Development fund

Results obtained from the respondents indicate that all the respondents had at one time applied for the Youth Enterprise Development Fund either individually or as a group although they were below 50%. Most of the respondents had knowledge on the existence and intention of the youth fund most of which they had learnt through friends/ relatives, media and public gatherings.

These results also indicate that most of the respondents were aware of the trainings conducted by the management of the youth fund and that most of these trainings had created awareness on disbursement of the fund.

5.2.3 Lending procedures on Youth Enterprise Development fund

Results obtained indicate that almost all the respondents were in agreement with the thought that number of application formalities and procedures determined disbursement of the fund and that majority of the respondents were in agreement that nature of repayment rules and conditions set

influence the disbursement of the youth fund. From the results, efforts should be put in place to have favorable rules and conditions so as to enable majority of the youth to access the funds.

5.2.4 Entrepreneur skills on Youth Enterprise Development fund

From the results, owning a business either individually or as a group was largely attributed to entrepreneur skills. Most of the respondents were willing to start their own business, though they were hampered by insufficient trainings on entrepreneurship which is necessary for utilization of funds and opening up of business ventures.

5.2.5 Group dynamics on Youth Enterprise Development fund

Findings reveal that majority of the youth groups had between 6 and 10 members and that respondents agreed that it was important to belong to a youth group, it was also agreed by the majority of the respondents that number of years that the group had co-existed together with the number of ventures done together contributes to higher chances of accessing the fund.

5.3 Conclusions

From the findings of the study, it can be concluded that though most of the respondents were aware of the trainings conducted by the management of the youth fund and that most of these trainings had created awareness on disbursement of the fund, majority of them had not succeeded in securing the funds. In addition, the youth thought that number of application formalities and procedures determined disbursement of the fund and that majority of the respondents were in agreement that nature of repayment rules and conditions set influence the disbursement of the youth fund. The provision of continuous and relevant business development services to youth entrepreneurs is key to the success of enterprise development initiatives in enhancing sustainability. Long term measure like continuous entrepreneurship training should be put in place to improve chances of success. Therefore, for the YEDF to succeed, both short and long term measures must be embraced. Additionally, it can be concluded that group dynamics which is characterized by group size, ventures done together, frequency of communication and years of group co-existence go a long way in ensuring a common bond of cooperation and interdependence that is necessary for the success of the group.

5.4 Recommendations

Although the youth fund and youth entrepreneurship should not be looked at as a panacea to unemployment, it can only be part of the solution. Based on the findings of the study a few recommendations that can be taken up with a view to improving the youth fund and entrepreneurship in general.

1. From the findings of the study, majority of the youth groups are dominated by the male youth; the government, civil society and members of the public should encourage female youth to join the male counter parts in forming youth groups.
2. The YEDF should employ more staff and have a department charged with responsibility of training the youth on entrepreneurship because they are relying on the knowledge acquired from college(s). This will enable members of the youth groups to have more business skills which can be used to make their project prosper in line with vision 2030
3. There is need for the YEDF to encourage the youth to get loans from them by easing the administration process followed for them to access funds. The loan should not take too long to be disbursed since the need is then when the groups apply for it.
4. There is need for the youth to be equipped with entrepreneurial skills and business management skills to help them make informed decisions on the businesses that are viable for their groups.

5.6 Areas of Further Study

This study proposes the following as areas requiring further research:

1. Factors influencing the performance of the youth enterprise development fund.
2. Role of youth enterprise development fund towards realization of 2030 vision.
3. Further studies should also be done to assess the impact of the YEDF on the livelihood of the youths. This will help shed light on the successes of the fund in creating employment and improvement of livelihoods.

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APPENDICES

Appendix I: Transmittal letter

SUSAN NJOKIMUTHONI

Dear Respondent,

Re: Request to participate in a research study

I am a final year student at University of Nairobi, and in partial fulfillment of the requirement for the award of M.A in Project Planning and Management, am conducting a study on factors influencing disbursement of youth enterprise development fund in kirinyaga south constituency, Kirinyaga County. You have been selected to participate in this study, as your views are considered important to this study. Participation in this survey is voluntary and the information provided will be treated with utmost confidentiality and will only be used for the purpose of this survey only. Please do not write your name anywhere on the questionnaire and give honest answer as possible.

Thank you for your co-operation

Yours Faithfully,

SUSAN NJOKIMUTHONI

Appendix II: Youth Groups Questionnaire

INSTRUCTIONS

1. Please do not write your name anywhere on this questionnaire.
2. Information provided will be treated with utmost confidentiality.
3. Use a tick (v) where appropriate.

PART A: DEMOGRAPHIC CHARACTERISTICS

1. Your age in years

- (a) 18-23 [] (b) 24-29 [] (c) 30-35 []

2. Respondent`s gender

- (a) Male [] (b) Female []

3. Highest level of education

- (a) Post graduate [] (b) Undergraduate [] (c) Diploma []
(d) Certificate [] (e) Secondary [] (d) Primary []

PART B: DISBURSEMENT OF THE YOUTH ENTREPRISE DEVELOPMENT FUND

4. a) Have you applied for the Youth Enterprise Development Fund either individually or as a group?

- (a) Yes [] (b) No []

b) If yes above, were you successful in securing the fund?

- (a) Yes [] (b) No []

c) If yes above, how would you rate your likelihood of success in securing the fund?

- Very unlikely [] unlikely [] Neutral [] likely [] very likely []

PART C: AWARENESS OF THE YOUTH TOWARD THE AVAILABILITY OF THE FUND

5. a) Do you have any knowledge on the existence and intention of YEDF?

- Yes [] No []

b) If yes, how did you come to know?

- Through media [] through friend/relative [] through public baraza []

Through a political rally []

6. How would you rate government's sensitization of YEDF among the youths?

Very high [] High [] Low [] Very low []

7. a) Are you aware of trainings organized by the management of the fund?

Yes [] No []

b) If yes, to what extent do you think the trainings create awareness to the youth on availability of the fund?

Very large extent [] Large extent [] Moderate extent [] Low extent []

Very low extent []

PART D: INFLUENCE OF LENDING PROCEDURE ON YEDF

8. To what extent do you agree with the following statements concerning disbursement procedures of the Youth Enterprise Development Fund?

[1] Strongly agree [2] Agree [3] Not sure [4] Disagree [5] strongly disagree

(Please tick (v) appropriately)

Statement	1	2	3	4	5
Number of application formalities and procedures influence disbursement to the Fund					
Duration taken to process the applications influence the disbursement of the Youth Enterprise Development Fund					
Nature of repayment rules and conditions set influence the disbursement of the Youth Enterprise Development Fund					

PART E: INFLUENCE OF ENTERPRENUERSHIP SKILLS ON YEDF

9. a) Have you ever owned a business individually or in a group?

(a) Yes [] (b) No []

b) If yes above, to what extent do you think this was as a result of entrepreneurship skills?

Very large extent [] Large extent [] Moderate extent [] Low extent []

Very low extent []

10. To what extent are you willing to start your own business?

(a) Very great extent [] (b) Great extent [] (c) Moderate extent []

(d) Small extent [] (e) Very small extent []

11. a) Have you attended any course or training on entrepreneurship?

(a) Yes [] (b) No []

b) If yes, how many times have you attended?

Once [] twice [] thrice [] four times [] five times or more []

12. To what extent do you think your level of education has a direct influence on your entrepreneurship skills?

Very large extent [] Large extent [] Moderate extent [] Low extent []

Very low extent []

PART F: GROUP FORMATION DYNAMICS

13. How many members do you have in your group?

0-5 members [] 6-10 members [] Greater than 10 members []

14. It is important for youth to belong to a youth group

(a) Strongly agree [] (b) Agree [] (c) Not sure []

(d) Disagree [] (e) strongly disagree []

15. To what extent do you agree with the following statements concerning the influence of group formation dynamics on the disbursement of Youth Enterprise Development Fund?

[1] Strongly agree [2] Agree [3] Not sure [4] Disagree [5] Strongly disagree

(Please tick (✓) appropriately)

statement	1	2	3	4	5
Number of years of group co-existence influences disbursement of the Fund					
Number of ventures done together influence the disbursement of the Fund					
Frequency of group communication influence disbursement of Fund					

Appendix III: Focus Group Discussion Guide

1. Are you all aware of how to access the YEDF?
2. How do you find the procedures for lending the fund?
3. Do you feel that you have the necessary entrepreneurship skills necessary to run business activities?
4. Do you have any skills that you feel can enable you secure the fund?
5. Do you think working together as a group has enabled you access YEDF?
6. Are there any challenges you face when working together as a group?

Appendix IV: Disbursement of YEDF

County	Number of Enterprises	Number of Groups	Amount Disbursed in 2013	Amount Budgeted	Percentage Utilization
Nyeri	9034	560	24,083,870.00	30,332,330.00	79.4
Kirinyaga	6559	409	17,597,150.00	23,909,171.00	73.6
Murang'a	9050	567	24,379,499.00	31,952,161.00	76.3
Embu	10,860	453	19,494,035.00	23,948,446.00	81.4
Machakos	5700	602	25,895,417.00	25,527,271.00	87.7

Source: Summary Report of YEDF, 2013

Appendix V: Krejcie and Morgan Table

Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size.

S is sample size.