

**INFLUENCE OF YOUTH ENTERPRISE DEVELOPMENT
FUND ON YOUTH PROJECTS DEVELOPMENT IN
TRANS-NZOIA WEST SUB-COUNTY, KENYA**

By

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**A research project submitted in partial fulfillment of the requirement for the
award of the Degree of Master of Arts in Project Planning and Management**

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DECLARATION

This project is my original work and has not been presented for the award of a degree in any other university.

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DEDICATION

I dedicate this project to my wife Lucy, and children Caroline, Linnet and Samuel.

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LIST OF ABBREVIATIONS AND ACRONYMS

C-YES	:	Constituency Youth Enterprise Scheme
MDG	:	Millennium Development Goals
MF	:	Monetary Fund
MFI	:	Micro Finance Institution
MSE	:	Micro and Small Enterprises
MSMEs	:	Micro, Small and Medium Enterprises
NACOSTI	:	National Council of Science, Technology and Innovation
SHGs	:	Self Help Groups
SME's	:	Small and Medium Enterprises
UNFPA	:	United Nations Population Fund
YEDF	:	Youth Enterprise Development Fund
WEF	:	Women Enterprise Fund

ABSTRACT

This study investigated the influence of Youth Enterprise Development Fund (YEDF) on youth projects development in Trans-Nzoia West sub County, Kenya. The objectives of the study were as follows: to establish number of loans disbursed, types of trainings, timelines of loan disbursement and the YEDF market linkage influence on youth projects development in Trans-Nzoia West sub County, Kenya. The study utilized a descriptive survey research design. The study targeted the youth groups within Trans-Nzoia West Sub County who borrowed loans from the Youth Enterprise Development Fund in 2014. The total target population comprised of 694 members and the sample size consisted of 248 respondents, of which 6 of them were key informants from the Youth Fund office. The questionnaire used both open and close-ended items. An interview guide was used on key informants. The instruments' validity was ascertained by the supervisor. Reliability of the instruments was determined through a pilot study using a test retest technique which was used to establish the reliability. Data was analysed both quantitatively and qualitatively using SPSS version 17. Data was presented in frequency tables and percentages. The researcher reported the data verbatim in order to give the respondents voice and to enable the reader 'feel' the interviews. The study revealed that YEDF loan disbursement procedures and guidelines influenced the development of youth projects. The application formalities and procedures influenced the accessibility of YEDF loan for project development. It was also established that youth received some training from YEDF in project development. Most of the YEDF loan beneficiaries were not aware of the YEDF loan disbursement timeline policies. The study found out that the loan disbursement timelines are always fixed and known to the loan borrower. It was realized that market linkage services from the YEDF have not been able to provide youth groups members with enough market for their goods and services. Despite this market linkage services being offered by the YEDF increased the youth groups members volume of sales.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Nearly half of the world's population is under 25 years. The International Labor Organization (ILO, 2013) estimates that 351 million children under the age of 18 are economically active. The ILO has warned of a disenfranchised generation of young people facing a dangerous mix of high unemployment, increased inactivity and precarious work in developed countries, as well as persistently high working poverty in the developing world (ILO, 2013). In June 2012, the ILO adopted a resolution calling for immediate, targeted and renewed action to tackle the youth unemployment crisis. The resolution provides a portfolio of tested measures in five areas: macro-economic policies, employability, labor market policies, youth entrepreneurship and rights. Most governments and world leaders have realized that the youth hold the key to growth of a country or a region (IIAS, 2012).

In the advanced nations, they have realized that education is the key to development. As such they put great emphasis on education and knowledge skills. In USA, a programme called 'Put Our Children First' aims at providing children with an enabling environment where all stakeholders participate in monitoring the curriculum, mentoring students and even donating resources such as writing materials. This ensures that students who would otherwise drop out of school due to economic challenges get to stay on and complete their studies (World Vision US programmes, 2014). Across Europe, countries are coming

together to form forums where the youth get training in skills that can help them get employment. Empowering Youth in a European Society (EYES) is such a programme that is organized by the youth themselves because they have realized that youth development, collective social action, solidarity are the tools by which their society will be transformed (EYES, 2013).

Youth unemployment in Africa is part of a much bigger problem of unemployment and underdevelopment which most countries are yet to find a way out. Given that there is a high percentage of the population who are young, it implies that, there is a high dependency rate. Yet those who are depended on are scraping a living in the low productivity areas such as agriculture and the informal sector. In the wake of the structural adjustment policies of the 1980s' most state-owned enterprises that had been a major source of employment were either privatized or wound up. This led to massive retrenchment and lack of new opportunities for employment leading many to seek refuge in the sprawling informal sector whose performance depended very much upon the health of the economy (Egulu, 1999).

In Kenya, poverty and unemployment are a major challenge to social and economic development. Youth in Kenya face serious challenges which include high rate of unemployment and underemployment. The overall unemployment rate for the youth is double the adult average at 21%. Statistics on joblessness suggest that the magnitude of unemployment problem is larger for youth with 38% of youth neither in school nor work. The problem of youth unemployment has become a matter of serious policy concern in

the country (Amenya et al., 2011). To ensure survival and achievement of Millennium Development Goals (MDG's), a wide range of measures have been developed to manage the development challenges. These required formulation and implementation of strategies to deal with the challenges accordingly (Muir et al., 2001).

The Youth Enterprise Development Fund (YEDF) is one of the Government of Kenya's innovations in combating the challenge of poverty and youth employment. The Government's interest in promoting entrepreneurship has various motivations. While seen as a means of combating unemployment and poverty, the promotion of entrepreneurship is perceived to yield additional benefits such as raising the degree of competition in a given market, fuelling the drive for new economic opportunities and helping to meet the challenges of rapid change in a globalizing economy. A reliance on private initiative as a source of employment creation is also clearly attractive in a context both of restricted public expenditures and a preference among many policymakers for supply-side solutions to unemployment. Promoting entrepreneurship is thus viewed as part of a formula that will reconcile economic success with social cohesion (Foley, 1999; and Kathleen, 2008).

Enterprise development is also emphasized in Kenya Vision 2030 development blueprint for 2008 to 2030 which aims at making Kenya a newly industrializing, "middle income country providing high quality life for all its citizens by the year 2030" (NESC, 2007). It has the twin objective of accelerating growth and reducing poverty through income

generation. The plan is to be implemented in successive five-year terms with the first plan covering 2008-2012.

The YEDF in Kenya was established in 2006 with the sole purpose of reducing unemployment among the young who account for over 61% of the unemployed in the country. The target of the fund is young people within the age brackets of 18-35 years who number 13 million. Its mission is to increase opportunities for, and participation by Kenyan youth in national building through economic development and strategic partnerships. The fund's strategic focus is on enterprise development as a key strategy that will increase economic opportunities for, and participation of Kenyan youth in national building. The mandate of the Fund is not only increasing access to capital by young entrepreneurs but also provides business development services, facilitates linkages in supply chains, creates market opportunities locally and abroad for products and services of youth enterprises, and facilitates creation of commercial infrastructure to support growth of youth businesses. In realization of the fact that not all young people are interested in entrepreneurship, the Fund's mandate includes facilitating employment of semi-skilled/skilled young people in external labour markets. This mandate entails but not limited to job search abroad, facilitating travel documentation, and financing cost of relocation (Youth Enterprise Development Fund, 2012).

Among the functions of the Fund are to provide funding and business development services to youth owned or youth focused enterprises and to provide incentives to commercial banks through appropriate risk mitigation instruments to enable them

increase lending and financial services to youth enterprises. They also provide loans to existing micro-finance institutions, registered non-governmental organizations involved in micro financing and savings and credit co-operative organizations for on-lending to youth enterprises. The services are provided to bona-fide Kenyan youth falling within the age bracket of 18-35 years. The loans are accessed by approaching any one of the financial intermediaries in partnership with the Fund or one can also access loans through the Constituency Youth Enterprise Scheme (C-YES) where one needs to be in a registered group. The repayment period for the C-YES is one year with three months grace period. From the objectives the Fund has developed four products for young entrepreneurs, namely: Loans through financial intermediaries, Constituency Youth Enterprise Scheme (C-YES), and the Easy Youth Enterprise Scheme; Market support and market linkages; Enterprise Development Services; and Jobs abroad (Youth Enterprise Development Fund, 2012).

1.2 Statement of the Problem

YEDF, like any other public sector, is seen to be consistently performing poorly in some sub-counties, showing that either the country's economic policies are poor or there is lack of strategic planning (Kimenyi, 2005). Youth Enterprise Development Fund (2012) also reveals that large sums of money returned to the Ministry of Finance which implied that some youth may not be having the capacity to utilize the funds despite YEDF trainings and policies being in place. Although the implementation of YEDF is not completed, it is important that a decision need be put in place to establish whether policy adoption process is efficiently and effectively done, a factor that can only be best done through

research. In this regard, the researcher was prompted by the need for knowledge on the implementation status of the YEDF and subsequently to determine its current progress, a matter that is important to the Republic of Kenya and the beneficiaries of the development fund. It was therefore imperative to establish the influence of YEDF on youth projects development in Trans-Nzoia West Sub-County.

1.3 Purpose of the Study

The purpose of this study was to investigate the influence of youth enterprise development fund on youth projects development in Trans-Nzoia west sub-county, Kenya

1.4 Objectives of the study

The study was guided by the following objectives:

1. To establish the influence of YEDF loan disbursements on the development of youth projects.
2. To determine the influence of YEDF trainings on the development of youth projects.
3. To establish the influence of YEDF loan disbursement timelines on the development of youth projects.
4. To investigate the influence of YEDF market linkages on the development of youth projects.

1.5 Research Questions

The study sought to answer the following questions:

1. How does YEDF loan disbursement influence the development of youth projects?
2. To what extent does YEDF training influence the development of youth projects?
3. How does YEDF loan disbursement timelines influence the development of youth projects?
4. How does YEDF market linkage influence the development of youth projects?

1.6 Significance of the Study

This study may obtain information that could guide policy developers at national and county levels to come up with comprehensive policies for youth-based projects. Other beneficiaries will include the YEDF, Uwezo Fund, non-governmental organisations and private sector players who wish to adopt better implementation strategies, as well as the youth themselves. The study will also provide reference material for further research.

This study is expected to provide a statistical quantification of the influence of YEDF on youth owned projects in Trans-Nzoia West Sub-County as well as contribute to literature and scholarly debate on this topic. It is also hoped that the findings of the study will give valuable information to stakeholders involved in promotion of youth initiated projects in Trans-Nzoia West Sub-County through YEDF.

The result of this study could yield information that will bring an understanding of the challenges faced in accessing YEDF services by showing the key constraints limiting the

accessibility. The analysis of the results will provide information on the factors that hinder access to financial services by the youth.

It may yield information that may act as literature review for the future academicians who may write further research papers on related topics. Other development practitioners may use the recommendations there to either initiate or improve on similar programs like YEDF. The result of the research may generate information that will contribute towards achieving some of the key pillars in the Vision 2030 and MDGs of eradication of extreme poverty and issues to do with gender equality and youth development. Lastly the general public will benefit from the findings of the study for their general awareness and understanding on the operations of the fund.

1.7 Limitations of the study

This study dealt with YEDF and the development of youth projects. Thus, it will be important to undertake another similar study on the development of youth projects when the YEDF policy is fully adopted. The findings of this study should therefore be implemented with this fact in mind in order to remain relevant.

1.8 Delimitations of the study

The study only focused on youth initiated projects under the YEDF programme in Trans-Nzoia West Sub-County. Women and men owned projects were outside the scope of this study.

1.9 Assumptions of the study

The study assumed that the utilization of YEDF by the youth groups on their projects in Trans-Nzoia West Sub-County followed existing policies and guidelines. It was assumed that external forces operating from outside of the YEDF such as bribery, tribalism and political considerations did not determine the youth groups that access loans. The study further assumed that the project's officials were literate and that YEDF had been operationalized. These respondents provided unbiased work.

1.10. Definitions of significant terms

Access: In this study access was generally taken as the opportunity of youth to be given the financial services and make use of them. According to March et al., 1999 access is defined as the opportunity to make use of a resource. Access to resources and services helps men and women benefit from development programs.

Entrepreneur: An entrepreneur is a person who is able to identify a business opportunity and obtain the necessary resources to initiate a successful business activity. Youth are generally engaged in varied business activities that offer services and a product as need arises.

Loan disbursements: The maximum amounts for each loan type are fixed, irrespective of the needs of the group. In addition the youth must fulfil certain requirements such as having a valid registration certificate and an operational bank account before they can be advanced the loan.

Policy: A course of action adopted and pursued by YEDF in disbursement of loans, training and awareness campaigns.

Training: Entrepreneurship training is the building of knowledge and skills in preparation for starting a business and running a business.

Youth Enterprise Development Fund: This refers primarily to the Fund that was launched by the Government of Kenya in 2006 in order to help the young people embark on income-generating projects. It gives loans to organized youth groups as well as acting as a guarantor to those who wish to approach financial institutions for funding as long as they have a feasible business project. Any other fund assisting youth within Trans-Nzoia West Sub-County will be specified.

Youth: These have been taken to be persons of both genders who are aged between 18-35 years. They are considered the backbone of any economy and as such their potential must be properly harnessed if they are to compete on the global market.

Youth development projects: Starting projects that belong to and are run by the youth

Awareness: Youth Enterprise Policy awareness is ability of the youths to perceive/feel/conscious of Youth Enterprise Fund initiatives. It is the process whereby youths in Trans-Nzoia West County become aware of business loans that are advanced by Youth Enterprise Development Fund as an option or viable alternative for developing ideas for business, learn the process of becoming an entrepreneur and undertake the initiation and development of a business.

1.11. Organization of the study

The project is organized into five chapters; Chapter one covers the introductory part of the study. The background section is a presentation of the problem being identified; objective of the study; the significance of the study. Chapter two provides an overview of both the existing literature and the international studies in this area, and draws upon key themes within the literature which inform the design of this study. It also contains the conceptual frame work. Chapter three then provides an overview of the design for this descriptive study and of the methods used. It includes an explanation of the survey tool developed and the research approach which was questionnaire based. It also deals with the validity and reliability of the research instruments and the ethical issues in research. Chapter four contains the data analysis, presentation, and interpretation of findings. Chapter five have the summary of findings, discussion, conclusions and recommendations, as well as suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter contains the literature review of the influence of the Youth Enterprise Development Fund (YEDF) on youth projects development. The chapter focused on the review of present and previous researches on YEDF as well as similar projects on the youth. The chapter analysed the number of loans disbursed, YEDF training, loan disbursement timelines and YEDF market linkages in Trans-Nzoia West Sub-County. This chapter also contains the theoretical and conceptual framework of the study.

2.2. Concept of Youth Funding and Development

The youth are considered the backbone of any economy and as such their potential must be properly harnessed if they are to compete on the global market. Globally, several governments and private sector players have recognized this and initiated several funds over the years in different parts of the world, to provide young people with capital for business ventures. An example in the global front is the International Youth Foundation (IYF) which was founded in 1990 with its headquarters in the US. It is operational in more than 70 countries worldwide, including Kenya, and it strengthens the existing programmes that are impacting positively in young people's lives. It touches on areas of education, health, entrepreneurial and leadership skills. The foundation relies on governments and multilateral organizations, corporations and corporate foundations, individuals, and investment income for sustenance (IYF, 2013). In Kenya it operates under the African Centre for Women, Information and Communications Technology

(ACWICT) to sponsor youth groups. Some beneficiaries include the Vusha youth Programme and the Ninaweza Youth Development programme, which target the poor youth found in informal settlements. The African Youth Foundation (AYF) is a nonprofit organisation based in Bonn Germany. Started in 2000, its aim is to aid young African in Diaspora and Europeans of African descent. This foundation specializes in training the youth in business and entrepreneurial skills (AYF, 2000).

In the United States, the World Vision organisation has initiated the Youth Development Programme (YEP) Network .This programme targets vulnerable youth who possess leadership potential but lack opportunities to develop it in a positive way. World Vision provides curriculum to help local youth-focused organisations mentor, train, and encourage young people to lead positive change in their communities. The young people involved develop skills in leadership, critical thinking and team building. By actively participating in local issues and problems, they become advocates for their communities, addressing issues that affect them and their neighbourhoods (World Vision US programmes, 2014). In the developed nations, youth development starts early, by providing every child with basic education. World Vision has programmes that provide disadvantaged children with educational material such as books and stationery, so that all students can be on equal footing in the classrooms. In this way, they ensure high student retention in schools that normally get affected by high drop-out levels. World Vision works with more than 2,000 partners in the U.S. including churches, community organisations, corporations, and non-profit organisations in order to increase the impact (World Vision US programmes, 2014).

In Europe there are efforts to empower the youth by involving them in decision-making, especially on policies that affect the youth directly. Several countries have come together to form the Youth Development Partnership Programme, an international programme focused on disadvantaged areas in eight European countries. It aims to empower young people and the communities in which they live by making them central to new decision making processes involving partnerships between public, private and independent sectors (Evans & Krueger, 2011). There are also programmes such as Empowering Youth in a European Society (EYES) that is initiated by the youth themselves. It focuses on youth development, collective social action and solidarity among the youth of member nations; because young people are the best resource available and they must be empowered to make the most of it (EYES, 2013).

In Kenya, most of the funding for youth projects has been from non-governmental organisations, the private companies as well as religious organisations. Each individual organisation gives funds for a cause it finds worth supporting. Most of private sector philanthropists have majored in education, with foundations being established to support both secondary and tertiary education. They aim to empower young people by giving them quality education and other useful skills. In 2010, the Equity Group Foundation in conjunction with The MasterCard Foundation and UKAID launched a programme dubbed 'Wings to Fly' that gives scholarships to secondary and university students in a bid to empower them for the future. In addition, they organise regular mentorship programmes for the youth on their scholarship programme. This programme has supported many children from disadvantaged backgrounds who would never have

attained education (Equity Group, 2014). The Chandaria Foundation focuses mainly on education and health. This foundation recently sponsored a Business Innovation and Incubation Centre in one of the public universities in Kenya (Chandaria-BIIC, 2014). The Palmhouse Foundation also deals with providing young people with education opportunities they would not otherwise have, by paying school fees and organizing mentorship programmes over the school holidays. It was started in Kiambu County in the late 1990's as a family philanthropic gesture, but it soon expanded and was formally registered as a foundation in 2002(Palmhouse, 2002).

Local communities have, over the years, also come up with initiatives to help the youth empower themselves. The most common were the locally organised funds drives known as 'Harambee' where local people pooled together finances and gave these to a youth group to start an income-generating project. Around the 1980's, the most common projects involved horticultural projects, bee-keeping, and dairy farming. In time, these groups collapsed due to a number of factors such as mismanagement of finances, lack of sustainable market for their produce, as well as lack of political will (Public Expenditure Review 2010, Republic Of Kenya).In 1998, The Local Authority Transfer Fund (LATF) was set up. The fund is coordinated by the Kenya Local Government Reform Programme (KLGRP) and the LATF Advisory Committee. The funds general objective was to enable local authorities improve service delivery to the public, financial management and accountability. Through the fund, 5% of the central government income tax revenue was transferred to all the 175 local authorities to supplement income raised by the authorities locally through land taxes and business permits amongst other sources. However, this

fund did not benefit the young people much, since the only allocations made were in form of bursaries, and that not too often (Public Expenditure Review 2010, Republic of Kenya). The private sector has also contributed immensely by funding specific youth related programmes, ranging from health, education, to sports, and capacity building.

Most banks in Kenya such as Barclays Bank, Standard Chartered, and Equity Bank have annual programmes as part of their Corporate Social Responsibility. There are other companies such as Safaricom, Bidco, and Bamburi Cement that are also at the forefront in sponsoring youth development programmes (KEPSA, 2014). Youth investment in Kenya has also attracted the support of international development partners who have supported the work directly through implemented programmes or through local entities such as Non-Governmental Organisations and government ministries. These partners include Canadian International Development Agency (CIDA), United States Agency for International Development (USAID), and United Nations Development Programme (UNDP) among others (World Bank, 2006). The Government of Kenya also came up with a programme named Kazi Kwa Vijana launched in 2009 aimed at helping the disenfranchised youth after the post-election violence. This was aimed at providing at least 60,000 youths with employment opportunities (Kenya National Audit Office, 2010). The Youth Enterprise Development Fund (YEDF) was established in 2006 with the purpose of reducing unemployment among the youth who account for over 61% of the unemployed in the country. The target of the fund is young people within the age bracket of 18 to 35 years. The Fund was gazetted on 8th December 2006 and then transformed into a State Corporation on 11th May 2007. The Fund's strategic focus is on enterprise

development as a key strategy that will increase economic opportunities for Kenyan youth, and thus encourage their participation in nation building. Realizing that not all young people have a keen interest in entrepreneurship, YEDF has broadened its focus to include facilitation of employment of young people (skilled and semi-skilled) in the local and international labour market (YEDF, 2009). The Fund's objectives are to: provide loans for on-lending to youth enterprises; attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure 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 both in the domestic and the international markets; provide business development services to youth enterprises as well as facilitate employment of youth in the international labour market (YEDF, 2007).

As of 2013, the Fund had financed over 157,000 youth enterprises to the tune of Kshs. 5.9 billion, and helped thousands of youth build their enterprises through market support and entrepreneurship training. The Fund has also trained over 200,000 young entrepreneurs and supported thousands of youth to take up jobs overseas through the Youth Employment Scheme Abroad (YESA) programme. In addition, the Fund provided other services such as training and mentoring, business incubation, holding a business plan competition, and developing partnership with private and public institutions (YEDF, 2013). The YEDF is also working on new strategies that are more responsive to the needs of the youth, such as direct funding, sector-specific financing, credit guarantee schemes, franchise financing as well as help in accessing markets for their products and services

(YEDF, 2013). As outlined in the Kenya Vision 2030, all this is aimed at empowering the Kenyan youth, and building a strong base for the economy to grow and achieve the Millennium Development Goals (Kenya Vision 2030).

2.3. Loans disbursed and Youth Development Projects

Every institution needs to have its own modalities of achieving its set objectives. There must be laid-down procedures that govern every facet of the organisation. In most cases, these guidelines work to the advantage of all the stakeholders involved. The Government of Kenya has taken steps to ensure that the youth groups reap maximum benefit from the loans they take. One way they have done this is by declaring that the YEDF loans will be interest-free. This means that the youth groups just pay the principal sum only. This is in contrast to commercial lenders that always charge interest on loans and advances. The advantage to the youth is that they do not have to factor in hefty interest when they compute their revenue and profit therefore translating to bigger profits. The Government also recognizes that businesses do not always start generating income immediately after inception. As such the youth groups are normally given a grace period within which to start repaying the loan. It ranges from two to three months. This gives the businesses a chance to establish and market themselves, without the undue pressure of having to repay the loan (YEDF Guide, 2009).

According to YEDF (2011) funds are disbursed in 3 ways: The Constituency Youth Enterprises Scheme (C- yes) maximum amount Ksh. 50,000. Such a loan is approved through community committees at the constituency level. This is a constituency based

loan that targets new group projects. It is intended to start off youth who are venturing into business. Features of the loan include a maximum amount of loan is Kshs. 50,000 which attracts no interest but includes 5% management fee. Payment of the loan commences after 3 months grace period and is to be paid in twelve (12) equal installments. The applying group must: be registered with the relevant government body; have at least 70% youth membership (18-34 years) and the leadership should be 100% youth; must have a valid group registration certificate and a clearly outlined business project proposal(YEDF Guide, 2009).

Secondly, Easy Youth Enterprise Scheme. Under this mode, the scheme finances project of individuals who belong to groups that have completed repayment of the C- YES loan. Individuals start with loans of Ksh. 25,000 and graduate upwards to Ksh 1000,000 after which they can access the loans through financial intermediaries. This is a constituency based loan intended to finance existing group projects and therefore for expansion purposes only. Features of the loan:

- 1st loan maximum amount is Kshs. 100,000 payable in 12 months;
- 2nd loan is Kshs. 200,000 payable in 18 months;
- 3rd Loan is Kshs. 400, 000 payable in 24 months;

The loan attracts no interest but will include 5% management fee and payment of the loan commences after 2 months grace period. The applying group must have cleared the first loan and have a good credit history from other lending institutions. In addition, they must have a running business that is fully registered, and have a clearly outlined business project proposal to expand or to diverse (YEDF Guide, 2009).

The third mode is through financial intermediaries. This is managed by 32 financial intermediaries that are in partnership with the youth fund. The fund gives term loans to these intermediaries at 1% interest who in turn lend to the youth at 8% interest. They use the 7% difference to cover administration arise from leading to a clientele perceived as risky and can lend to a maximum of Ksh. 1,000,000 (YEDF Guide, 2011).

2.4. YEDF Training and Youth Development Projects

According to the International Labour Organisation, skills mismatch in youth labour markets has become a persistent and growing trend. Over-education and over - skilling coexist with under-education and under - skilling. There is also what is termed ‘skills obsolescence’ brought about by long - term unemployment, thereby rendering what one had learned as obsolete, especially considering the dynamism in the field of technology.

The report indicates that the education levels matter when it comes to gaining employment in both the developed and the developing economies. At the same time, there is a need to match the skills taught, to the specific job requirements so that a person will possess skills that actually help in the job performance (ILO, 2013). “Only through decent employment opportunities can young people get the chance to work themselves out of poverty. Focusing on youth is a must for any country.”— Juan Somavia: Director-General, International Labour Organisation. Statistics indicates that 92% of Kenyan youth have no post-education skills and knowledge (Ashraf, 2008). There is also little or no quality control of non-formal education. Therefore skills taught must match market

labour demand. In order for an enterprise to be profitable, a person must possess some entrepreneurial skills to enable them succeed. It should not be assumed that everybody who goes into business has the requisite skills, especially because the level of formal education of most of these self-employed youth could be low. The youth should be taught simple but vital skills such as book-keeping (Zimmerer & Yasin, 1998; Chebair, 2005).

The YEDF has put in place entrepreneurship training that is geared towards equipping the youth with specific skills that match their field of choice. Before the release of funds to successful applicants, the youth groups undergo training on entrepreneurship and bookkeeping.

Other players in the private sector in Kenya are joining the government in making sure that the youth are well trained. There is a partnership between the YEDF and the Nairobi Security Exchange called NSE Investment Challenge where young college students are encouraged to try out virtual stock trading. They are matched with mentors who take them through the financial aspects of the trade. They acquire financial literacy skills necessary for financial management and recognizing investment opportunities (NSE, 2014). These skills are useful, both in formal employment and in the self-employment sector.

Apart from the formal 'hard' skills needed for a task to be done, such as driving, flying planes or teaching, there are other skills referred to as the 'soft skills'. Soft skills complement hard skills which are the occupational requirements of a job and many other

activities. They are behavioural competencies. Also known as interpersonal skills, or people skills, they include proficiencies such as communication skills, conflict resolution and negotiation, personal effectiveness, creative problem solving, strategic thinking, team building, influencing skills and selling skills, to name a few. These skills are based on performance, productivity, and how well the job is done (Carnegie, 1998). It is obvious then that in addition to business planning, book-keeping, sales and marketing skills, there is a need to possess/learn proper communication skills, eye contact with customers, punctuality of delivery, and courtesy among others. Though they may not be taught in the same class as the formal or hard skills, many motivational speakers focus on them. These skills are also taught by shaping and positive reinforcement, a technique that desires to impart better social interactions among persons with social skills deficiency.

Studies indicate that there is a measure of success in imparting these skills and also the positive impact they have on the individual who has learned them (Cappe& Alden,1986).A person possessing both sets of skills is likely to be more successful (Baron, 2000). For the youth to start and sustain their businesses then, they will require not just funding but also requisite knowledge. Sustainability of enterprises is vital for any economy that seeks to reduce poverty levels among its people. Therefore those who possess the skills to both start, and continue a business will improve their standards of living.

For young entrepreneurs who possess viable business ideas and skills but have no office space, the fund has come up with business support services and resources services such

as enterprise development services and market linkages. The enterprise development is tasked with establishing a capacity building programme for youth enterprises by identifying skills and competency needs for youth enterprises, as well as providing business development services to youth owned and youth focused enterprises. There is also a commercial infrastructure unit which partners with the private sector to provide trading space for youth enterprises without asking for goodwill and other prohibitive fees (YEDF, 2014).

2.5 Disbursement timelines and Youth Development Projects

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 collateralisable 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 (Ministry of Youth Affairs, 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 a bit 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.

Signhild Brosvik (2010) 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).

2.6. Market linkages and Youth Development Projects

YEDF (2009) argues that enterprise development must work alongside market linkage to ensure that youth run enterprises receive complete market support based on their produce and services while improving on the skills of youth entrepreneurs in terms of identifying and targeting sustainable market opportunities globally and pursuing them competitively. It further notes that the fund hopes to achieve a market driven production trend or culture among youth enterprises so that no youth entrepreneur will engage in any production process for profit being goods or services without a planned and well analyzed market.

On the other side, Will Power Incubation and Research (2009), states that most small businesses whether formal or informal suffer from one major problem which is the lack of market for their goods and services making them undersell their wares thus the sequel to this being poor capital formation which reflects in unending poverty. It further notes that market linkage is therefore important because it links people with those that have funds to use with those that have the products and those that have excess of one product and may need another product that may be in the possession of others who may need to produce a product through barter. The Youth Entrepreneurship Paper (2002), emphasizes that the youth employment programs and the youth enterprise development programs should be linked to market opportunities because in an increasingly global economy many products are outside the producing country. Programs can assist the young

entrepreneurs develop an understanding of market opportunities and link them to value chains.

Faida (2000), points out that market linkage approach is a tool for bringing together the supply side and the demand side under the objective of developing a specific enterprise.

Furthermore they note that the facilitators work is to introduce the parties to each other assist in obtaining relevant information, providing tailor made training and is instrumental in developing the enterprise as a whole. It emphasizes the importance of a facilitator to focus on facilitating the process and not to engage in any other activities. It agrees that market linkage is a good way of promoting and strengthening groups. Vijay (1988) states that market linkage is often referred to in literature for rural development and imply a physical connection between the producer and the ultimate consumer. He further notes that institutions are meant to facilitate the flow of produce between the different levels of the marketing systems such that if the market systems can be more efficient it will be more competitive will facilitate economic growth and will maximize benefits to the youth. The market process needs to be undertaken as efficiently as possible at the lowest cost and within the minimum losses occurring at each stage. Nevertheless he observes that the relationship among producers wholesalers and retailers play an important role in the marketing of products and services. Such linkages can create different functionalities in the marketing system but may also cause a dependency relationship between parties and make it difficult for new comer to enter the marketing process.

According to Lagat, Maru, Chepkwony and Kotut (2012), youth programs should be oriented to market opportunities and should stimulate a local market response to provide services to the youth. Lagat et.al (2012) further explains that in the past many enterprise development projects focused on the supply side of the market by identifying the existing suppliers of business development and helping them improve and expand the services they were offering which is not the case with YEDF. However, it cautions that the best practices today is to assess what the actual needs and opportunities are from the current and potential entrepreneurs and once that is done develop programs to stimulate the business development market to respond with sustainable products services and solutions that meet those needs. Practitioners should encourage market mechanisms to respond to young people's needs by being facilitators or stimulators of local market responses rather than being temporary direct service providers.

According to Zimbabwe Youth Council (2009), market linkage programs are a marketing support tool for the young entrepreneurs where online virtual market place has been created in the form of a website where they can log in and register for free to assess this service. The website has the capacity to host thousands of advertisements in about eight sectors of the economy where the youth can either seek or sell services. Business Leaders Forum (2002), emphasizes on the importance of public policy measures in supporting competitive and responsible enterprise development by establishing a sound investment climate, addressing both the macro stability and micro economic impediments to the mobilization of domestic capital and investing in physical, social and institutional infrastructure. It further explains that it is important for the government to ensure that the

framework conditions, consultation structures and delivery mechanism for finance and business development services enable rather than exclude small enterprises, help informal enterprise move into formal economy and high potential entrepreneurs upgrade into broader value chains. It notes that implementing the necessary regulations, funding mechanisms, market incentives, and training and certification programs to encourage the adoption of sound labor, environmental practices and anti-corruption measures in both small and large enterprises.

Tia (2012) asserts that value chain is a full range of activities involved in getting the products from the inception to the final consumers. He further states that by linking young entrepreneurs to value chains that are competitive and growing they will have the opportunity to expand their business in line with the growing demand for the product or service. The researcher cites the examples of the World Cocoa Foundation which is with youth to expand the capabilities and opportunities cocoa communities in Ghana and the Ivory Coast. The Plan International new livelihood development Project in West Africa known as “Making financial services and business development skills available to the African Children and Youth” uses participatory value chain analysis to identify viable economic activities for the youth. He explains that when young entrepreneurs focus is not linked to the market and value chain but it is simply driven hence much more difficult for the business to succeed.

The researcher mentions the Centre innovation Financier (CIF) and Appui Development

Autonomous who work with young artisans in Senegal and Burkina Faso found out that when young people have no previous professional experience when they start up a business in a saturated market it is very difficult for the business to become viable. Constraints limiting Bangladesh small and medium enterprises growth in the leathers sector is the lack of exposure to buyers and limited access to markets. In addition owing to limited information from buyers' manufacturers often find themselves producing goods that are not trendy or appealing to the public thus limiting demand for their products. With this in mind price identifies promising entrepreneurs and assist them through product development workshops, market linkages and creating access to finance through networking and meeting events.

In an initiative to foster business linkage price established a dialogue with one of the Bangladesh most prominent retailer to explore potential of linking the producers to the popular retailer. It goes ahead to explain how it organized a networking event with a group of small and medium enterprises to meet with the retailers. The linkage workshops were then followed with a show casing of the small and medium enterprises products. Seven enterprises were assisted in preparing for the event and were provided with support to develop a product catalogue to distribute. It facilitated the sample development process of two enterprises that were selected to be contract suppliers. Vrutti Resource Centre Report (2002), points out that rural producers groups and enterprises find it hard to reach markets. Producers are distressed due to non-access to right markets and non-realization of proper returns. It further explains that enterprise enabling and marketing platforms can improve returns to large numbers of these producers' goods. It mentions Idobro as a

technology solution that can reach up to 75 million enterprises a transformational idea which addresses the missing links between enterprises and the market. The technology leverages support for social and green enterprises for these large numbers of enterprises and its partners are producer groups who may be self-help groups, rural and urban small producers and enterprise and non-governmental organizations supporting such produce groups.

It further explains that the technology is an exclusive three thousand six hundred shillings platform for buyers and the sellers of social and eco-friendly products to connect communicate and collaborate and covers various categories which include handicrafts, jewelry apparel, furniture, home decor, gift articles, ceramic articles, stationery, food recycling, clima painting, day lighting, greenbelt and waste land restoration, health and ecotourism and many more. It offers its members networks and partners and resource engagement through an e commerce portal to build profitable business relationship worldwide through community activities such as corporate events, exhibitions cum sales, trade shows and conferences, collaborative services such as communication and promotion strategies for marketing on line and offline, connect through media outreaches, training and networking in sales and business collaborations.

Youth Entrepreneurship Report (2002), argue that the key problems facing the youth run enterprises is limited prospects for value addition because the youth run enterprises in poor countries are concentrated in low value local markets and as a result the youth lack access to information on product and input market. It further observes that the promotion

of the viability of the youth run enterprises will require facilitating the access of youth to information on product and input market and linking them to global value chains which requires that the young people to explore the existing global initiatives aimed at promoting trade between developed countries and less developed countries. Philip (2002) asserts that youth run enterprises in both developed and developing countries largely rely on the local market, He further notes that the critical advantage for producing for the local market is that the entrepreneurs knows and understands the local needs and opportunities as well as the quality standards and the expectations of that market. He says that in many developing countries government and the domestic company market is extremely limited.

Chinguta (2001) observes that in many poor countries informal sector virtually does not have foreign consumers among its clients and so the heavy reliance on the local market is a key constraint on earning. He further states that the consumers are poor and generally buy a limited range of products. The challenge then is to come up with a supportive policy and institutional framework that could link young proprietors to high value markets or enable them to engage in value adding enterprise activities.

According to the Youth Enterprise Development Fund (2009), access to market is one of the biggest challenges that face the youth enterprises because the youth lack the sophistication and network to penetrate the market. It further explains that it is for this reason that the fund organizes trade fairs to give youth entrepreneurs a fighting chance. Youth exhibitors with very outstanding enterprises are then sponsored to attend national

and international fairs where they are linked to the export market. YEDF (2010), states that one of the mandates of the fund is to facilitate marketing of the goods and services of youth enterprises. The fund has been able to organize three national trade fairs for hundreds of youth entrepreneurs who were drawn from across the country to showcase their products and services to the country. The report points out that during these events the youth exhibitors make critical contact for selling their products and services. It has supported young entrepreneurs to exhibit their products at Cairo International Trade fair as well as the Dar es Salaam International Trade Fair and the young people have used this as an entry point to the export market. It says that the fund has been supporting youth trade to enable young entrepreneurs at the grass root to showcase their products and services. It further notes that the fund lobbied the government to support youth enterprises through deliberate policy of buying goods and services. The government has committed at least ten percent of its procurement needs to be sourced from youth enterprises.

Finally the booklet notes that the fund is developing a Youth Enterprise Directory to be distributed to all public entities at district and national levels. The fund is also exploring partnership with several private sectors to support youth entrepreneurs in subcontracting, outsourcing and franchising. It is therefore important to analyze the influence the fund has had on the youth run enterprises so as to determine how much has been achieved or what needs to be done to support the youth run enterprises through the provision of market.

2.7. Theoretical framework

Entrepreneurial Supply Theory by Kunkel (2009): “Entrepreneurial Supply Theory is more inclined towards the capabilities of human beings. According to this theory, behavioral pattern of individuals is important for development and such a pattern can be influenced by external incentive so as to alter it in the manner we want it.” Entrepreneurial Supply Theory is more inclined towards the capabilities of human beings. In other words if we want more people in society to behave as entrepreneurs, we can bring about a change in their behavior by appropriate alteration so that they are motivated to undertake entrepreneurial quest. It has been pointed out in some studies that entrepreneurs are not equally distributed in the population and minorities have provided most of entrepreneurial talent. But this is not true for all the minorities. There must be some additional significant factors at work. There are basically four factors which influence the supply of industrial entrepreneurship.

First is limitation structure. Social culture restricts the behavioral patterns of a population segment. The society limits the specific activities to members of particular sub-cultures. Not a single member of the society can escape this factor. Second comes demand structure. It is mainly economic in nature. The Demand structure changes with economic progress. It can be improved by providing material incentive. Such rewards are essential to lay the foundation for the future social gains. The behavioural pattern can be influenced in an entrepreneurial way by manipulative demand structure. The opportunity structure is the third factor that greatly influences the supply of entrepreneurs. It is necessary to increase the probability of entrepreneurial activity. Opportunity structure

consists of availability of capital, managerial skills, opportunities to learn information about the business operations, and the like.

Last but not the least is the labor structure. Labor is quite different from the supply of other material conditions like capital. It is basically a human resource. It is a function of several variables. The supply of factory labor is governed by a number of complex factors like business alternatives, means of livelihood, traditionalism and outlook on life.

2.8. Conceptual framework

The relationship between the independent and dependent variables is illustrated by this conceptual framework in Figure1.1.

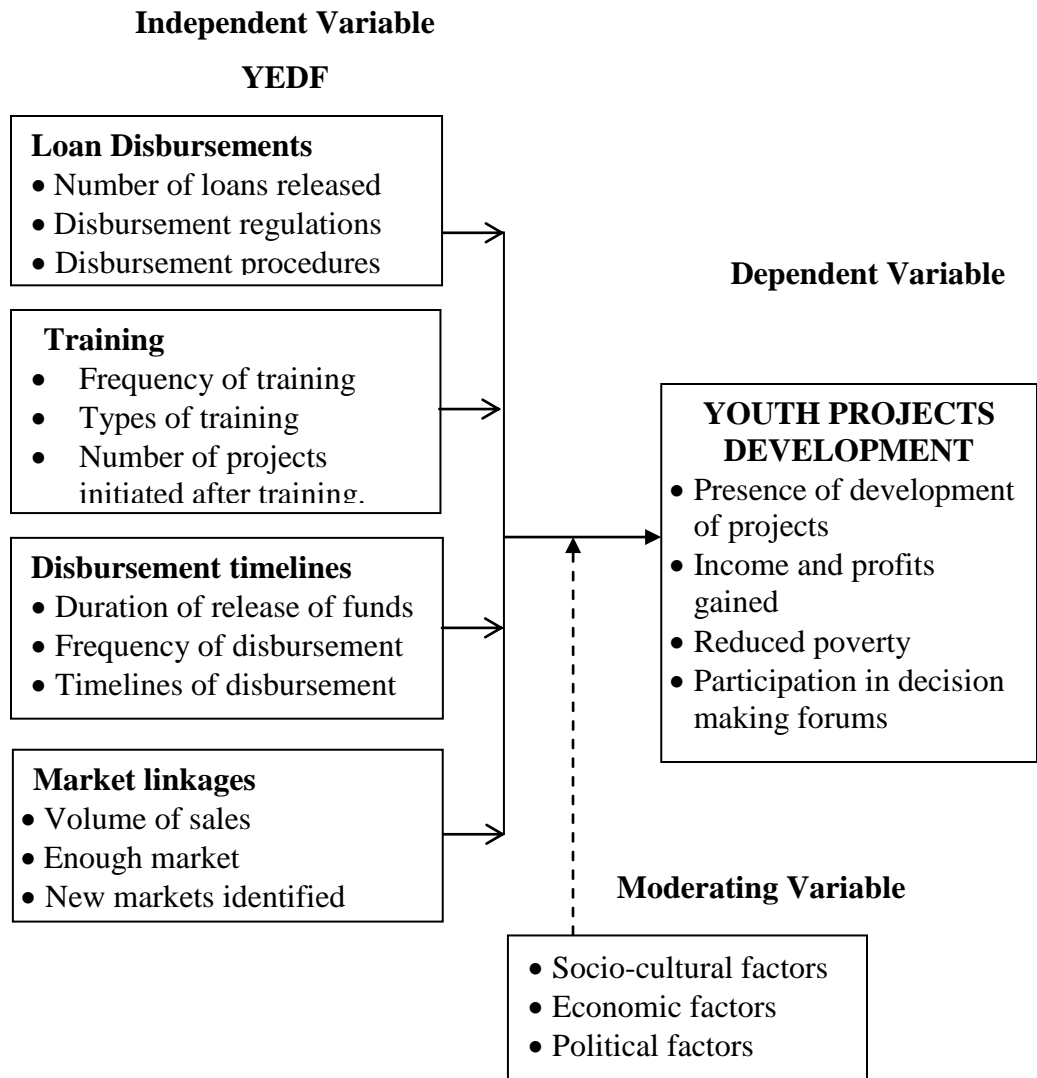


Figure 1: Conceptual framework of the linkages between variables in the study

The study adopted the conception that YEDF act as tools formed to help fight high poverty levels particularly among the youth majority of whom have either no or limited ability and capacity to access funds from formal commercial banks and other financial institutions. Accessibility of financial services like credit and other services like savings are considered very key for women and men alike in empowering them to run their own enterprises in the efforts to improve their livelihood strategies for the ultimate reduction of poverty. However due to constraining factors in the environment in which YEDF is

operated, majority of the youth are excluded from accessing the benefits of YEDF. YEDF interact with the general environment composed of political, economical, socio-cultural, and institutionally based factors which impacts on accessibility.

The dependent variable is the youth projects development. The independent variable is the YEDF. Other sources of income, Business experience, education level, professional entrepreneurial courses attended, political and community considerations among others are important control variables in measuring the influence of the independent variable on the dependent variable.

2.9. Knowledge based Gap

There are a number of studies that have been done on youth project development, including studies specifically done on Youth Enterprise Development Fund and its influence on youth development (Wanyoko, 2012) as well as the success of the projects it has funded (Kimando, Njogu and Kihoro, 2012). These studies focused on training given to the youth, as well as government policies but have not adequately addressed the issues of loan disbursements, YEDF loan disbursement timelines and YEDF market linkages. This study therefore sought to find out why the young people are not readily taking advantage of the numerous opportunities available for them to empower themselves, and how the aforementioned issues were affecting them. It is hoped that the findings will inform the policy makers at sub-county and constituency level on effective ways of curbing the negative influences while encouraging youth to be gainfully employed. The findings should also encourage the youth to take advantage of the enhanced youth

funding, taking into account that the Youth Enterprise Development Fund has been increased to Kshs.300 Million from Kshs.60 million. In addition, another separate fund Uwezo Fund already has Kshs.6 billion to lend to the youth and women of Kenya (Uwezo Fund Guide, 2013). The fact that this project is at the adoption stage means that there is inadequate information on its gains. The research will therefore be central in obtaining relevant information on such gains. This is the gap in knowledge that this study attempted to fill.

2.10. Summary of Literature Review

This chapter looked at youth project development and an overview of youth funding both globally and locally. The youth have an opportunity to empower themselves by taking advantage of the funds available for them. Funding is available from the government through the Youth Enterprise Development Fund, the newly launched Uwezo fund as well as from the Private sector through their Corporate Social Responsibility programmes. The chapter has also addressed the issue of number of loans disbursed, types of training, loan disbursement timelines and the YEDF market linkage and their influence on youth project development. Number of loans disbursed and types of training also determines how well an enterprise will function. The theoretical framework addresses a theory that is relevant to the study. The conceptual framework shows the relationship between the variables. The study addressed the knowledge gap so that policy makers can be better informed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the research design that was adopted, the target population, sample size, and procedures for selection of such samples. Also included in the chapter are research instruments, instruments validity and reliability and methods employed in data collection procedure and analysis techniques. Lastly it provides ethical considerations and operationalization of variables.

3.2 Research Design

The study adopted a descriptive survey research design. Descriptive survey research design was chosen because it involves collecting quantitative and qualitative data in order to answer questions concerning the current status of the subjects of the study (Kerlinger, 2000). Kerlinger (2000) and Mugenda and Mugenda (2003) also note that the design seeks to identify the nature of factors involved in a given situation, determine the degree in which they exist and discover the links that exist between them. The research design was relevant in this study because it produced statistical information about aspects of YEDF especially the ever changing and expanding of their facilitation of youth related activities. It aided the researcher in examining the attitudes, opinions, perception and characteristics of youth who own small and medium enterprises towards their access to YEDF. The design also enabled the researcher to undertake a desk study in which relevant literature was studied and a field work to collect primary data using qualitative data collection methods.

3.3 Target Population

The study population comprised of all the 83 youth projects in Trans-Nzoia west Sub-county that are being supported by YEDF. YEDF (2014) statistics showed that the youth owned projects had 688 members in Trans-Nzoia west Sub-county, with five YEDF officials and one Regional credit coordinator. This gave us a total of 694 as the target population. The study therefore targeted all the 694 members.

Table 3.1: Target population by divisions of TransNzoia west Sub-county

Divisions	Number of youth projects	Number of members	YEDF Officials	Regional credit coordinator	Grand Total
Central	33	304			
Saboti	13	112			
Kinyoro	7	36	5	1	
Waitaluk	11	92			
Kiminini	19	144			
Totals	83	688	5	1	694

3.4. Sample Size and Sample Selection Procedure

The following section describes the sample size and sampling procedure

3.4.1 Sample size

Krejcie and Morgan (1970) came up with a table for determining sample sizes from any given population (see appendix IV). Their table was developed from the Research Division of the National Education Association formula for determining the sample size. Their formula observes that as the population increases the sample size increases at a diminishing rate and remains relatively constant at slightly more than 380 cases. They indicate that for a population of 694 the corresponding sample size is 248.

3.4.2 Sampling Procedure

Thus, a sample of five YEDF Officials one regional credit coordinator and 242 youth group members (167 non-officials and 75 officials) were used in the study. The YEDF Regional credit coordinator, youth group officials (Chair person, Secretary and Treasurer) and the 5 field officer in charge of Trans-Nzoia west Sub-county were purposively sampled for the study. They were purposively sampled because they were able to provide data on the number of loans disbursed, types of training, loan disbursement timelines and YEDF market linkage. Probability proportional to size (PPS) sampling technique was then be used to determine the sample size per division. A summary of the sample size is as shown in table 2.

Table 3.1: Sample size

Divisions	Members (Officials and non-officials)	YEDF Officials	Regional coordinator	Grand Total
Central	106			
Saboti	39			
Kinyoro	13	5	1	
Waitaluk	32			
Kiminini	51			
Totals	242	5	1	248

3.5. Data Collection Instruments

Data collection instrument are tools used to collect data from respondents. Questionnaires and interview schedules were therefore used to solicit data from the respondents. The study used two types of instruments, questionnaires for members (Officials and non-officials) of the youth owned projects and interview schedules for the regional coordinator and the field officer.

Dwivedi (2006) defines a questionnaire as a device for securing answers to questions by using a set of questions. A questionnaire was used to collect data from the sampled youth group members (Officials and non-officials). Given that the respondents were literate and had no problem in reading and answering the questionnaire, use of questionnaires helped

to save on time when the sample size was big as in the case of the retail project members. The questionnaires generated data on the type of loan advanced and how it had assisted them facilitate investment in their projects; how YEDF had supported them to develop linkages with large enterprises; how YEDF had facilitated their marketing of products and services in both rural and urban markets; how YEDF has supported youth training in their project's and the challenges they face under the YEDF among other data.

Interviews are the most common forms of data collection in qualitative research (Lichtman, 2010). Kvale (1996) argues that the aim of an interview was to gain open nuanced descriptions of different aspects of the subjects' life world. The interviews were therefore to give the researcher the freedom to focus on the dimensions he thought were important in YEDF management and the youth owned projects and also assist him to keep the discussion on track so that the interview remains focused on the topic at hand. Thus interview schedules was used on the YEDF Regional credit coordinator and the field officer in charge of Trans-Nzoia west Sub-county to provide data on the YEDF loan disbursement, types of training, loan disbursement timelines and the YEDF market linkage.

3.5.1. Pilot testing of the instruments

A pilot was done on five youth owned projects in the sub-county under study. These youth owned projects were then not to be included in the main study. A data entry screen was developed using these questionnaires and their data keyed and analyzed. Results

were used to make necessary adjustments to the instruments (Polland, 2005). The main aim of piloting was to determine the accuracy and consistence of the instrument before they are used for actual data collection. This also helped the researcher to establish to what extent the instruments measured accurately the attributes under investigation.

3.5.2. Validity

In this study, validity of the research instruments started at the design stage. According to Leedy and Ormrod (2005) and Silverman (2005) content and construct validity is supposed to be established by referring the instruments for professional judgment to check whether it measures what it claims to measure. Thus, the researcher sought the advice of his supervisor and other experts from the Department of Extra Mural Studies-Kitale office, University of Nairobi to validate the instruments. Their corrections and suggestions were used to produce the final copy of the questionnaire.

3.5.3. Reliability

The reliability of an instrument is the degree of consistency with which a research instrument measures whatever it is intended to measure and yields consistent results. It refers to the extent to which findings can be replicated by another researcher (Silverman 2005). To test the internal consistency of the items listed on the instrument used, the Cronbach alpha coefficient was computed. Cronbach's alpha is a statistic coefficient (a value between 0 and 1) that is used to rate the reliability of an instrument such as a questionnaire.

This method randomly splits the data set into two and a score for each participant calculated from each half of the scale. If a scale is very reliable, respondents get same scores on either half of the scale so that, correlation of the two halves is very high. The advantage with using Cronbach's alpha was that the data is split into every possible way and the correlation coefficient for each split computed. The average of these coefficients is the value equivalent to this alpha (Cronbach, 1951).

Thus Cronbach's alpha coefficient of 0.78 was computed from the youth questionnaire used in the study. Since a reliability correlation coefficient of ± 0.70 and above indicates a high degree of internal consistency among the data collected (Kathuri & Pals, 1993), the questionnaire was deemed reliable and hence used for data collection in the study.

3.6 Data collection procedure

On approval of the proposal by the department of extra-mural studies, the researcher got an approval letter from the school of Continuing and Distance Education (University of Nairobi). The letter was used by the researcher to acquire a research permit from the National Commission for Science, Technology and Innovation. (NACOSTI). Then the researcher got field entry permission. The questionnaires were hand delivered by the researcher to the respondents and given time of around 30 minutes to respond to the questions. The questionnaires were administered in a period of three weeks.

Given that YEDF Regional credit coordinator and the field officer were few in number, the interviews were only conducted by the researcher. Before the interview the

respondents were given an initial introductory and motivating talk by the Researcher to prepare them psychologically and also to inform them the rationale for the study. The research was as brief as possible to avoid boredom.

3.7 Data analysis

Quantitative and qualitative data were generated using questionnaires and interview schedules. Both descriptive and inferential statistics were used in the analysis. Data collected was analysed through measures of frequencies and percentages. It was then presented using tables.

Interviews with the YEDF Regional credit coordinator and the field officer was auto taped and transcribed. A qualitative thematic strategy of data analysis was then employed. Inferences were made objectively and systematically by searching for emerging themes. The information was summarized under common themes and presented in the form of narratives. The analysis utilised the SPSS program version 17.

3.8 Ethical Considerations

Before the administration of the questionnaire, the researcher sought to be granted permission to conduct the study. Thus, after clearance from the School of Continuing and Distance Education, the researcher applied for a permit from the National Council of Science, Technology and Innovation (NACOSTI). The permit is a requirement by NACOSTI for all research projects and was used to seek permission from the participants. Informed consent was sought from all respondents before data collection

(Bogdan and Biklen, 1998). The researcher also ensured confidentiality of the data and individual names of YEDF officials were not to be revealed as data was aggregated during analysis and reporting.

3.9. Operationalisation of variables

Independent variable

Objective	Measurement Category	Variable	Scale of Measurement	Analysis Technique
Examine the influence of loan disbursement on youth project development.	Once at start up	<ul style="list-style-type: none"> • Number of loans released • Disbursement regulations • Timelines of disbursement 	Ordinal	Frequency distribution and percentages
Examine the influence of training on youth project development.	Consistent	<ul style="list-style-type: none"> • Frequency of training • Types of training 	Ordinal	Frequency distribution and percentages
Examine the influence of YEDF loan disbursement timelines on youth project development	Frequently	<ul style="list-style-type: none"> • Duration of release of funds • Frequency of disbursement 	Ordinal	Frequency distribution and percentages
Examine the influence of YEDF market linkage on youth projects development.	Consistent	<ul style="list-style-type: none"> • Enterprise development • Market linkage 	Ordinal	Frequency distribution and percentages

Moderating variables

Objective	Measurement Category	Variable	Scale of Measurement	Analysis Technique
Culture	Sometimes	Level of acceptance by the society	Nominal	Frequency distribution and percentages
Level of Education		Level of education	Nominal	Frequency distribution and percentages
Business experience		Number of businesses	Nominal	Frequency distribution and percentages
Other sources of income		Number of sources of businesses	Nominal	Frequency distribution and percentages
Other entrepreneurial courses attended,		Number of courses attended	Nominal	Frequency distribution and percentages
Political and community considerations		Number of businesses	Nominal	Frequency distribution and percentages

Dependent variable

Objective	Measurement Category	Variable	Scale of Measurement	Analysis Technique
Presence of development projects	Always	Number of development projects	Ordinal	Frequency distribution and percentages
Income and profits gained	Occasionally	Increased income and profits gained	Ordinal	Frequency distribution and percentages

Poverty reduction	Always	Improved living standards	Ordinal	Frequency distribution and percentages
Participation in decision making forums	Occasionally	Participation in decision making forums	Ordinal	Frequency distribution and percentages

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents an analysis of the data that was gathered for the purpose of this study. The study aimed at investigating the influence of youth enterprise development fund on youth project development in Trans-Nzoia West Sub-County, Kenya. The chapter is organized along the following sub topics: Questionnaire return rate, respondents' demographic factors, YEDF loan disbursement, YEDF training, YEDF loan disbursement timelines and the YEDF market linkage.

4.2 Questionnaire return rate

This study was about investigating the influence of YEDF on youth project development in Trans-Nzoia West Sub-County, Kenya. Therefore it was concerned with the youth in registered youth groups that utilized YEDF loans. A total of 242 youth (Officials and non-officials) were sampled from all the registered youth groups in the Sub-County. Thus the study sought the participation of all these 242 members. The response rate was tabulated in Table 4.2.

Table 4.2.1: Questionnaire return rate

Return rate	Frequency	Percentage (%)
Returned	203	83.88
Not Returned	39	16.12
Total	242	100.00

A total of 242 respondents were issued with the questionnaires, where 203 respondents filled and returned the questionnaires, representing a response rate of 83.88%. This response rate was considered good for this study because Kothari (2005) recommends a 60% response rate as sufficient and Mugenda and Mugenda (1999) recommends a return rate of 50% as adequate for analysis and reporting.

4.3. Demographic Factors

4.3.1 Gender Distribution of the Respondents

The study sought to determine the distribution of the respondents by gender. This was to find out if gender sensitivity was a concern in the youth groups. The data obtained is summarized in the Table 4.3.1

Table 4.3.1: Distribution of respondents by Gender

Gender	Frequency	Percentage (%)
Female	57	28.08
Male	146	71.92
Total	203	100.00

Table 4.3.1 shows that male respondents were 71.92% and the females were 28.08%. This shows that most of the groups were made up of male respondents. This may cause imbalance in development between men and women. The YEDF is meant to benefit all the youth regardless of gender, and if need be some affirmative action can be put in place to address the differences in youth groups that utilize YEDF services.

4.3.2 Distribution of the respondents by age

The study sought to establish the distribution of the respondents by age. This was because the study is on the youth fund and it mainly targets the youth. The results are as presented in Table 4.3.2

Table 4.3.2: Age distribution of the respondents

Age in Years	Frequency	Percentage (%)
18 — 23	33	16.26
24 — 29	141	69.45
30 — 35	23	11.33
Above 35	6	2.96
Total	203	100.00

The results shows that the respondents aged between 24-29 years represented 69.45% of all respondents. Those aged 30-35 were 11.33% and those between the ages of 18-23 years were 16.26%. However, those above 35 years represented only 2.96% of the respondents. This was understandable because the study was concerned with the youth, and the youth are taken to be the people in the 18-35 years age bracket.

4.3.3 The education levels of the respondents

The respondents were requested to provide information about their highest education level attained. This was because the study was concerned with the accessibility of the YEDF. This means some formal education would be necessary. The results are tabulated in Table 4.3.3.

Table 4.3.3: Education distribution of respondents

Education level	Frequency	Percentage (%)
No Schooling	0	0.00
Primary	13	6.40
Secondary	106	52.22
College	52	25.62
University	32	15.76
Total	203	100.00

The respondents who have secondary level education were 52.22% and college level were 25.62%. However those with University and primary level of education were 15.76% and 6.40% respectively. All had formal education which showed that all youth groups have no member that lack formal education. It was realized that the youth with university and primary education formed a small proportion of the respondents. It could be that those with primary and university education shy away from the activities of YEDF or they are engaged in formal employment respectively.

4.3.4 Marital Status

Respondents were requested to give their marital status. This is because the marital status within the group was considered crucial in the burden of individual responsibility among members within it. This could influence the group's dynamics. The information obtained is tabulated in Table 4.3.4.

Table 4.3.4: Marital status

Marital Status	Frequency	Percentage (%)
Single	116	57.14
Married	77	37.93
Separated/ divorced	8	3.94
Widowed	2	0.99
Total	203	100

The respondents who were single were the majority at 57.14% and those in marriage were 37.93%. This shows that most of the members of the youth groups have less family responsibilities. This gives them a chance to indulge in more group activities and also gives them room to invest their earning in other economic activities. YEDF is meant to assist the youth to start projects that can be able to sustain them in life.

4.3.5 Employment Status

The respondents were requested to provide information about their employment status. This was to determine whether the youth entirely depended on their project for their livelihood or had other employment to supplement it. The results are tabulated in Table 4.3.5.

Table 4.3.5 Employment Status

Employment	Frequency	Percentage
Self-employed	101	49.75
Casual/ Temporary	91	44.83
Permanent	11	5.42
Total	203	100.00

Majority of the respondents (49.75%) observed that they were self-employment as much as they were part of the youth projects in the sub county. An equally same number of respondents (44.83%) observed that they were casually or temporary employed. Only 5.42% observed that they were permanently employed despite them being in youth projects. This implies a majority of those in youth projects were there for economic reasons.

4.4 Loan Disbursement Procedures and Youth Project Development

The participants were requested to indicate whether they had applied for the YEDF. The information obtained is tabulated in Table 4.4.1

Table 4.4.1: YEDF Funds application

Applied for YEDF	Frequency	Percentage (%)
Yes	203	100
No	0	0
Total	203	100

Table 4.4.1 shows that a 100% of the sampled youth groups had applied YEDF loans. This implies that all the youth groups targeted had in one way or another applied for YEDF loan. It also shows the importance of these YEDF loans on youth groups in Trans Nzoia West Sub-County. The respondents were further requested to indicate whether or not they had received the funds applied for. The responses obtained are shown in Table 4.4.2.

Table 4.4.2: Received Fund Applied

Received the funds	Frequency	Percentage (%)
Yes	199	98.03
No	4	1.97
Total	203	100

Table 4.4.2 shows that 98.03% of the respondents applied and received funds from YEDF. Only 1.97% of those who applied indicated that they never received the funds. This is a sign that the funds are serving the intended purpose.

The study sought to find out whether start-up loans from the YEDF had helped the respondents to establish their own enterprises, earn an income or create employment. The findings are shown in Table 4.4.3

Table 4.4.3: Benefits of YEDF loans

Received the funds to	Frequency	Percentage (%)
Develop an enterprise	182	89.66
pay debts	1	0.49
Earn an income	17	8.37
Create Employment	3	1.48
Total	203	100

The findings in Table 4.4.3 shows that majority of respondents (89.66%) used the YEDF loans to develop their own enterprises. According to Trans-Nzoia West Report (2013) there has been a steady increase in the number of enterprises being established by the youth at an average increase of 22% since the inception of YEDF in 2007 compared to an increase of an average of 9% in the previous years. It further states that this has been attributed to the fact that the youth can now access funds without collateral and at a low or no interest rate.

According to Table 4.4.3 start-up loan has enabled 8.37% earn their own income while 1.48% have created employment. It is unfortunate that 0.49% of the respondents observed that they used it to pay debts. This finding corroborates with the finding of Curtain (2000), who observed that access to micro credit to the young people is a major contributor to the growth of youth run enterprises. The availability and access to credit is critical in the development of youth owned enterprises as it enables the youth to acquire startup capital as well as the growth capital. The ease at which startup capital can be

raised is key in determining the rate at which new business can be established and the old ones expanded.

The study also sought to establish whether the disbursement procedures influence the accessibility of the YEDF. The respondents were asked to indicate their level of agreement or disagreement with the given statements. The responses are recorded in the Table 4.4.4

Table 4.4.4: YEDF Loan Disbursement procedures and accessibility

	SA	A	NS	D	SD	Totals
Application procedures and formalities influence accessibility of YEDF	22 (10.8%)	146 (71.93%)	11 (5.4%)	16 (7.88%)	8 (3.94%)	100 (100%)
Duration of processing the application influence the accessibility of YEDF	26 (12.81%)	18 (8.87%)	16 (7.88%)	47 (23.15%)	96 (47.29%)	100 (100%)
Repayment rules and procedures influence accessibility of YEDF	93 (45.81%)	62 (30.54%)	4 (1.97%)	32 (15.76%)	12 (5.92%)	100 (100%)
Type of project influence accessibility of YEDF	101 (49.75%)	43 (21.18%)	14 (6.90%)	37 (18.23%)	8 (3.94%)	100 (100%)

NB: SA-Strongly agree, A-Agree, NS-Not sure, D-Disagree, SD-Strongly disagree

Majority of respondents (82.76%) either strongly agreed or agreed that the application formalities and procedures influence the accessibility of YEDF loan for project

development. Only 11.82% of the respondents disagreed or strongly disagreed that the application formalities and procedures influence the accessibility of YEDF loan for project development. However, 5.42% of the respondents were not sure. Most of the respondents (70.44%) disagreed or strongly disagreed that the duration taken in processing the YEDF loan applications did not have an influence on project development. Those that agreed or strongly agreed were only 21.68% while 7.88% were not sure. On whether the repayment procedures and rules influence the accessibility of YEDF loans, 45.81% strongly agree and 30.54% agreed. A total of 21.68% strongly disagreed or disagreed while 1.97% was not sure. Lastly, majority of the respondents (66.93%) strongly agreed or agreed that the type of project influence accessibility of YEDF, with only 22.17% either strongly agreeing or agreeing.

The development of youth projects depends on easy accessibility of the funds and at the right time and quantity. The study has established that the application procedures and formalities influence accessibility of YEDF and hence affect the development of youth projects. It is the feeling of the respondents that the application procedures and formalities are at times too tedious making the funds to be accessed too late. This makes the youth projects be overtaken by time which reduces their viability. This application procedures and formalities needs to be improved for success of the YEDF. Also the repayment rules should be relaxed to encourage more youths to apply for the funds. They should be made more friendly and also any changes in the procedures be adequately communicated to the beneficiaries in good time.

4.5. YEDF Training and Development of Youth Project

The study sought to establish whether YEDF offered training in project management and whether it had any influence on project development. This was whether youth project development depends a lot on project development trainings. The respondents were requested to provide information on whether they had attended any course or seminar or received any training in project development. The responses are shown in the Table 4.5.1

Table 4.5.1: Training in project development

Received YEDF training on project development	Frequency	Percentage (%)
Yes	112	55.17
No	91	44.83
Total	203	100

According to Table 4.5.1 those that had received some training in project development were 55.17% compared to 44.83% of those that had not received any project development training. This implied that as much as YEDF was providing loans for project development, they were also trying as much as possible to train the youth on project development. The respondents were further requested to indicate whether the certificate acquired in training influenced the accessibility of YEDF which could lead to project development. The responses are recorded in the Table 4.5.2.

Table 4.5.2 YEDF training certification and project development

YEDF training certificate influenced project development	Frequency	Percentage (%)
Yes	126	62.07
No	77	37.93
Total	203	100

The results in Table 4.5.2 show that 62.07% of the respondents agree that certificates acquired in project development training increased their chances of accessing YEDF loans. This finding was supported by one of the YEDF officials who said:

“YEDF provide the youth with the necessary, sufficient, relevant and effective entrepreneurial trainings that cover the standard curriculum necessary to equip and enhance the youth with the necessary leadership and management skills to develop and run their businesses.....this is usually offered by the YEDF before funds are expended to beneficiary enterprises.....”.

Similarly, another YEDF official had the following to say:

“.....while the youths have been quite collaborative and cooperative in the following up of the training program through diligent attendance and participation. They have even made follow up visits to the YEDF offices for continuous training, guidance and counseling.”

This is a major score for the YEDF entrepreneurial training component. This finding is in contrary to the finding of Amenya et al (2011) study which observed that the youths in TransNzoia West Sub-County rarely seek guidance from the relevant YEDF officers.

4.5.3: YEDF training and youth entrepreneurial skills

The participants were requested to indicate whether the YEDF training they had received had assisted them in developing their entrepreneurial skills. The information obtained is tabulated in Table 4.5.3.

Table 4.5.3: Whether YEDF training has assisted them in developing their entrepreneurial skills

Has the YEDF training assisted you in developing your entrepreneurial skills?	Frequency	Percentage (%)
Yes	168	82.76
No	35	17.24
Total	203	100

Table 4.5.3 shows that 82.76% of the respondents believed that the YEDF training had assisted them develop their entrepreneurial skills. Only 17.24% of the respondents believed that the YEDF training had not assisted them develop their entrepreneurial skills. This implies that the trainings offered by YEDF are of great benefit to the youth entrepreneurs.

4.6 YEDF loan disbursement timelines and youth development projects

The study sought to find out whether YEDF loan disbursement timelines influence the youth development projects. Thus, the respondents were therefore asked to indicate

whether they were aware of the YEDF loan disbursement timeline policies or not. The findings are shown in Table 4.6.1

Table 4.6.1: Whether the loan recipients were aware of the YEDF loan disbursement timeline policies

Response	Frequency	Percentage (%)
Yes	98	48.27
No	105	51.73
Total	203	100

The findings indicate that nearly half of the respondents (48.27%) were aware of the YEDF loan disbursement timeline policies. Majority of the youth (51.72%) observed that they were not aware of the YEDF loan disbursement timeline policies. This implies that many do not understand the loan disbursement policies which might impact negatively to the development of their projects.

Those who had indicated that they were aware of the YEDF loan disbursement timeline policies, were further requested to rate the YEDF loan disbursement timeline policies in relation to the influence they have on development of youth projects. The findings are shown in Table 4.6.2

4.6.2: Rating of the YEDF loan disbursement timeline policies in relation to their influence on development of youth projects

Rating of the YEDF loan disbursement timeline policies	Frequency	Percentage (%)
Excellent	27	13.26
Good	37	18.37
Fair	106	52.04
Poor	33	16.33
Total	203	100

Majority of the respondents (52.04%) observed that the YEDF loan disbursement timeline policies were fair and hence did very little to influence the development of youth projects. Only 13.26% and 18.37% observed that the YEDF loan disbursement timeline policies were excellent and good respectively. This shows that very few of the loan beneficiaries had faith in the YEDF loan disbursement timeline policies which is not a good sign on the development of youth projects.

The respondents were further asked to indicate their level of agreement or disagreement with the given statements on YEDF loan disbursement timeline policies. The responses are recorded in the Table 4.6.3.

Table 4.6.3: Ratings on issues related to YEDF loan disbursement timeline policies

	SA	A	NS	D	SD	TOTALS
Am comfortable with the loan disbursement timelines	22 (10.83%)	34 (16.75%)	12 (5.91%)	87 (42.86%)	48 (23.65%)	100 (100%)
Loan disbursement timelines are always fixed and known to the loan borrower	83 (40.89%)	38 (18.72%)	11 (5.42%)	54 (26.60%)	17 (8.37%)	100 (100%)
I am comfortable with compulsory monthly Repayment	34 (16.75%)	28 (13.79%)	00 (0.00%)	87 (42.86%)	54 (26.60%)	100 (100%)
I am comfortable with compulsory monthly Savings	38 (18.72%)	83 (40.89%)	22 (10.83%)	42 (20.69%)	18 (8.87%)	100 (100%)
Mode of repayment of loan is good e.g. flexible loan repayment periods	13 (6.40%)	54 (26.60%)	17 (8.37%)	105 (51.73%)	14 (6.90%)	100 (100%)
The organization has fair lending conditions	38 (18.72%)	123 (60.59%)	3 (1.48%)	11 (5.42%)	28 (13.79%)	100 (100%)
There is a fair interest rates charged on loans by the organization	48 (23.65%)	110 (54.18%)	18 (8.87%)	14 (6.90%)	13 (6.40%)	100 (100%)

According to the findings in Table 4.6.3 majority of respondents (66.51%) either strongly disagreed or disagreed with the loan disbursement timelines. This shows that they were not comfortable with the loan disbursement timelines. Thus the loan disbursement timelines were friendly to the customers. Only 27.58% of the respondents agreed or

strongly agreed that they were comfortable with the loan disbursement timelines. Despite this, 5.91% of the respondents were not sure.

Table 4.6.3 further observes that most of the respondents (59.61%) either agreed or strongly agreed that the loan disbursement timelines are always fixed and known to the loan borrower. Those that disagreed or strongly disagreed were only 34.97% while 5.42% were not sure. This implied that the members were encouraged to take loans knowing that the loan disbursement timelines are always fixed and known to them. On whether the members were comfortable with compulsory monthly repayment, 16.75% strongly agreed and 13.79% agreed. A total of 69.46% strongly disagreed or disagreed. This was supported by a majority of the respondents (58.63%) who disagreed or strongly disagreed that the mode of repayment of loan was good i.e it was not flexible. Lastly, majority of the respondents (77.83%) strongly agreed or agreed that the type of project influence accessibility of YEDF, with only 13.3% either strongly agreeing or agreeing. This implies that the members are encouraged to take loans knowing that they will not struggle a lot in repayment.

The study further sought to establish the ways in which YEDF makes youth understand the loan disbursement timeline policies and whether it had any influence on project development. For the youth to understand well the loan disbursement timeline policies they have to be well educated on the YEDF procedures and guidelines. The respondents were therefore requested to provide information on how the YEDF procedures and guidelines were passed to them. The responses are shown in the Table 4.6.4.

Table 4.6.4: Ways in which YEDF makes youth understand the loan disbursement timeline policies

YEDF make youth understand their loan disbursement timeline policies through	Frequency	Percentage (%)
workshops	28	13.79
Seminars	52	25.61
Written literature	105	51.73
Politicians	18	8.87
	203	100.00

Table 4.6.4 shows that 51.73% of the respondents indicated that YEDF make youth understand their loan disbursement timeline policies through written literature than workshops (13.79%), politicians (8.87%) and Seminars (25.62%). This implies that to understand the loan disbursement timeline policies one had to be literate since most YEDF Loan Disbursement procedures and accessibility come in written literature.

The respondents were further asked to indicate whether YEDF loan disbursement timeline policies and guidelines are friendly to the loan applicants. The responses are recorded in the Table 4.6.5.

Table 4.6.5: Whether YEDF loan disbursement timeline policies and guidelines are friendly to the loan applicants.

Response	Frequency	Percentage (%)
Yes	99	48.98
Not Sure	46	22.44
No	58	28.58
Total	203	100

The findings indicate that nearly half of the respondents (48.98%) were of the opinion that YEDF loan disbursement timeline policies and guidelines are friendly to the loan applicants. A few of the respondents (22.44%) were non-committal on whether YEDF loan disbursement timeline policies and guidelines are friendly or not to the loan applicants. Only (28.58%) of the respondents felt that YEDF loan disbursement timeline policies and guidelines are not friendly to the loan applicants. This implied that members were not afraid to borrow loans from YEDF due to the friendly loan disbursement timeline policies and guidelines.

4.7 YEDF market linkage and youth development projects

The study also sought to investigate whether the market linkage services being provided by the Youth Enterprise Development Fund have provided adequate market for the goods and services being produced by the youth enterprises. The findings are indicated in the Table 4.7.1

Table 4.7.1: Provision of market

Status of the market provided	Frequency	Percentage (%)
Enough	67	33.01
Not Sure	13	6.40
Not Enough	123	60.59
Total	203	100

Majority of the respondents (60.59%) observed that market linkage services from the YEDF have not been able to provide them with enough market for their goods and services. According to Lagat, Maru, Chepkwony and Kotut (2012), youth programs should be oriented to market opportunities and should stimulate a local market response to provide services to the youth. Lagat et.al (2012) further explains that in the past many enterprise development projects focused on the supply side of the market by identifying the existing suppliers of business development and helping them improve and expand the services they were offering, which is not the same with YEDF.

The study sought to investigate whether the market linkage services being offered by the Youth Enterprise Development Fund has enabled the respondents to access new markets for their goods and services. The findings are shown in the Table 4.7.2.

Table 4.7.2: Access to New Markets

Has YEDF made you access new markets as a group?	Frequency	Percentage (%)
Yes	117	57.64
Don't know	2	9.85
No	84	41.38
Total	203	100

From table 4.7.2 it can be observed that majority of the respondents (57.64%) agreed that the YEDF had enabled them access new markets. Will Power Incubation and Research (2009), states that most small businesses, whether formal or informal, suffer from one major problem which is lack of market for their goods and services. This makes them undersell their wares thus the sequel to poor capital formation which reflects in unending poverty. The Youth Entrepreneurship Paper (2002) emphasizes that the youth employment programs and the youth enterprise development programs should be linked to market opportunities because in an increasingly global economy many products are outside the producing country.

The researcher sought to investigate whether the market linkage services being offered by the YEDF have influenced the development of youth projects. The findings are indicated in the Table 4.7.3.

Table 4.7.3: The volume of sales

Influence of market linkage services being offered by the YEDF on sales	Frequency	Percentage (%)
Increased	153	75.37
No effect	44	21.67
Decreased	6	2.96
Total	203	100

The findings in Table 4.7.3 indicate that YEDF has performed quite well in providing continuous market linkage services to the youth in TransNzoia West Sub-County. Majority of the youth (75.37%) indicated that market linkage services being offered by the YEDF increased their volume of sales. This has gone a long way in developing the youth projects in Trans-Nzoia West Sub-County. Only a small fraction of the respondents (2.96%) observed that market linkage services being offered by the YEDF decreased their volume of sales. Youth Entrepreneurship Report (2002), argue that the key problems facing the youth run enterprises is limited prospects for value addition because the youth run enterprises in poor countries are concentrated in low value local markets and as a result the youth lack access to information on product and input market. It further observes that the promotion of the viability of the youth run enterprises will require facilitating the youth to access information on product and input market, and linking them to global value chains which requires the young people to explore the existing global initiatives aimed at promoting trade between developed countries and less developed countries.

These findings were also supported by the YEDF regional co-ordinator who had the following to say:

“...YEDF collaboration linkages have revealed that although the office has exhausted most opportunities for all inclusive approach to creating networks and building partnership with the private sector and the local authority in its Programmes, there has been a general and consistent lack of support from most stakeholders in providing appropriate infrastructure and this has affected market linkages being offered to great extent.

In the face of these drawbacks, the YEDF has nonetheless attempted to offset them through utilizations of appropriate technology for youth training in entrepreneurship and business skills and use of tried and tested business opportunities in the market.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the major findings of the study are highlighted and conclusions drawn from the study are made. In addition, the implications and policy recommendations derived from the study are made, and also areas of further study recommended.

5.2 Summary of findings

The purpose of this study was to investigate the influence of YEDF on youth project development in TransNzoia West Sub-County, Kenya. It sought to establish the number of loans disbursed, types of training, loan disbursement timelines and YEDF market linkages on youth project development in TransNzoia West Sub-County. The data was collected using questionnaires and interview. It was also analyzed using descriptive statistics and presented using frequency tables.

The study found out that the majority of the respondents, (69.45%) who constitute the youth groups are within the age bracket of 24-29 years, which is within the age bracket defined as youth. However, majority of the members, (71.92%) are males with only (28.08%) females. Also most of the respondents (58.62%) had basic education of up to secondary level. Those with tertiary education were very few, (41.38%).

The study sought to establish whether YEDF loan disbursement procedures and guidelines influenced the development of youth projects. Most of the respondents

(82.76%) felt that the application formalities and procedures influence the accessibility of YEDF loan for project development. This implies they viewed YEDF positively since a majority (89.66%) of them had received loans to develop enterprises. Most of the respondents (70.44%) disagreed or strongly disagreed that the duration taken in processing the YEDF loan applications did not have an influence on project development. Majority of the respondents (66.93%) strongly agreed or agreed that the type of project influenced accessibility of YEDF for developing enterprises.

The study also determined the influence of YEDF trainings on the development of youth projects. The indicators under investigation were frequency of trainings, types of trainings, number of projects initiated after trainings. It was revealed that majority of the respondents (55.17%), agreed that they had received some training from YEDF in project development. A majority (62.07%) also agreed that certificates acquired after the trainings in project development influenced their accessibility of YEDF loans. This implied that trainings and certification of the same played a crucial role in accessing YEDF and in so doing project development.

The study also sought to establish the influence of YEDF loan disbursement timelines on the development of youth projects. Majority of the youth (51.72%) they were not aware of the YEDF loan disbursement timeline policies. This implies that many do not understand the loan disbursement policies which might impact negatively to the development of their projects. A majority of the respondents (52.04%) also observed that the YEDF loan disbursement timeline policies were fair which implied that they did not

influence much the development of youth projects. A majority of respondents (66.51%) further observed that they were not comfortable with the loan disbursement timelines. Most of the respondents (59.61%) agreed or strongly agreed that the loan disbursement timelines are always fixed and known to the loan borrower. This implied that the members were encouraged to take loans knowing that the loan disbursement timelines are always fixed and known to them. Most of the respondents (51.73%) indicated that YEDF make youth understand their loan disbursement timeline policies through written literature than workshops (13.79%), politicians (8.87%) and Seminars (25.62%). This implies that to understand the loan disbursement timeline policies one had to be literate since most YEDF Loan Disbursement procedures and accessibility come in written literature. Lastly, nearly half of the respondents (48.98%) were of the opinion that YEDF loan disbursement timeline policies and guidelines are friendly to the loan applicants.

The study further sought to investigate the influence of YEDF market linkages on the development of youth projects. It was realized that majority of the respondents (60.59%) observed that market linkage services from the YEDF have not been able to provide them with enough market for their goods and services. It was also realized that majority of the respondents (57.64%) agreed that the YEDF had enabled them access new markets. Lastly, majority of the youth (75.37%) indicated that market linkage services being offered by the YEDF increased their volume of sales. This has gone a long way in developing the youth projects in Trans-Nzoia West Sub-County.

5.3 Conclusions

The government needs to be applauded for introducing the YEDF, which provides a cheaper way for the youth to develop enterprises. However this study has revealed that development of youth projects is influenced by number of loans disbursed, types of training, loan disbursement timelines and YEDF market linkages.

The study established that YEDF loan disbursement procedures and guidelines influenced the development of youth projects. The application formalities and procedures influenced the accessibility of YEDF loan for project development. Most YEDF loan recipients viewed YEDF positively since most of them had received loans to develop enterprises. It was further established that the type of project influenced accessibility of YEDF for developing enterprises.

The study revealed that majority of the youth received some training from YEDF in project development. It was also established that certificates acquired after the trainings in project development influenced their access of YEDF. This implied that trainings and certification of the same played a crucial role in accessing YEDF and in so doing project development.

The study observed that most of the YEDF loan beneficiaries were not aware of the YEDF loan disbursement timeline policies. The study established that YEDF loan disbursement timeline policies were fair but most of the loan recipients were not comfortable with the loan disbursement timelines. The study found out that the loan

disbursement timelines are always fixed and known to the loan borrower. It was established that YEDF make youth understand their loan disbursement timeline policies through written literature than workshops, politicians and Seminars. Lastly, it was established that YEDF loan disbursement timeline policies and guidelines are friendly to the loan applicants.

It was realized that market linkage services from the YEDF have not been able to provide youth groups members with enough market for their goods and services. It was also realized that YEDF had enabled youth groups members access new markets. Lastly, market linkage services being offered by the YEDF increased the youth groups members volume of sales.

5.4 Recommendations

Based on the findings of this study, it is recommended that:

There is need to enlighten the youth more on all new developments in loan disbursements and all packages of the youth fund available in order to increase the number of youths accessing the funds hence more development projects. This is because the youth may not be aware that they could access the funds individually even if they belong to youth groups.

Training in financial management before and after the disbursement of the funds is necessary. This is because the target group which is the youth has only basic education, which may not be adequate in managing the funds received, bearing in mind that these

funds are loans which have to be repaid. More sensitization is also required through seminars and workshops to encourage women to join the youth groups or even form their own groups. It was observed that the number of women in the youth groups was small.

The application procedures to be made easier and more friendly for the youth. The duration taken to process the applications needs to be made shorter to encourage more youths to apply and also the funds to be disbursed according to the set timelines.

The youth also needs to be helped to form youth groups and assisted to market the goods or services.

5.5 Further research

The study suggests further study to be done on the following areas.

- 1) The study recommends that further studies should be done on appropriate funding of YEDF in Kenya. It would be beneficial to study the best strategies for disbursement of the funds to maximize its effectiveness.
- 2) The factors influencing women participation in the group activities and attainment of gender parity in the youth groups. This was suggested due to the low number of women in youth groups.
- 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.

- 4) Some survey could be done to establish the levels of education in the study area and then sensitize the youth including the ones with tertiary education not to shy away from the YEDF which could assist them immensely.
- 5) It would be important to identify the challenges the women are facing either in formation of their own groups or in joining already existing ones.

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APPENDIX I: LETTER OF TRANSMITTAL

University of Nairobi,
P.O. 30197 - 00100,
Nairobi - Kenya

Dear Respondent,

RE:INTRODUCTORY LETTER FOR DATA COLLECTION.

My name is Simon K. Wahome. I am a student at the University of Nairobi undertaking a degree in Masters of Arts in Project Planning and Management. I am undertaking a research project entitled: **influence of youth enterprise development fund on youth projects development in Trans-Nzoia West Sub-County, Kenya.** You have been selected to participate in this study to obtain your perceptions and views regarding various aspects of the youth development projects. There are no good or wrong answers but your honest participation in answering the questions will assist in establishing the influence of youth enterprise development fund on youth projects development in Trans-Nzoia west sub-county, Kenya. The information provided will be treated confidentially.

Thank you in advance.

Signature..... date.....

Simon K. Wahome,

MA student.

University of Nairobi.

APPENDIX II: QUESTIONNAIRE TO THE RESPONDENTS

Instructions: Please Tick (√) or fill in the appropriate answer in the spaces provided.

Section A: Demographic Information.

1. Gender Male-() Female-()

2. Age Bracket

i) 18-23 () ii) 24-29 () iii) 30-35 () iv) above 35 ()

3. Level of education

i) No schooling () ii) Primary ()

iii) Secondary () iv) College ()

v) University ()

4. Marital status

i) Single () ii) Married ()

iii) Separated/divorced () iv) Widowed ()

5. Employment status

i) Self-employed ()

ii) Casual/temporary employment ()

iii) Permanent employment. ()

Section B: Loan disbursement and development of youth projects

6. Have you ever applied for a loan from YEDF? Yes () No ()

If Yes did you receive the funds? Yes () No ()

7. How has YEDF loans benefited you in your business

- Develop an enterprise ()
- pay debts ()
- Earn an income ()
- Create Employment ()

Any other benefit _____

8. To what extend do you agree or disagree with the following sentences

	SA	A	NS	D	SD
Application procedures and formalities influence accessibility of YEDF					
Duration taken to process the application influence the accessibility of YEDF					
Repayment rules and procedures influence accessibility of YEDF					
Type of project influence accessibility of YEDF					

NB: SA-Strongly agree, A-Agree, NS-Not sure, D-Disagree, SD-Strongly disagree

Section C: YEDF Trainings and development of youth projects

9. Have you ever received any YEDF sponsored training?

- Yes () No ()

10. Has the YEDF certificate you received through training influenced your project development in any way?

- Yes () No ()

11. Have you been able to access the training manuals that are published by YEDF?

Yes () No ()

If yes, do you find them relevant to your situation or business-----

12. Are YEDF staff willing to share information with regards to the successful youth groups as an incentive? Yes () No ()

13. Were you given any training in starting a business before you started your business?

Yes () No ()

if yes, how did it help you -----

14. Are the trainings put in place by the YEDF helping improve the youth's entrepreneurial skills? Yes () No ()

If yes, how? -----

Section D: YEDF loan disbursement timelines and development of youth projects

15. What is your opinion how can you rate the YEDF loan disbursement timeline policies in relation to the influence they have on development of youth projects?

i) Excellent () ii) Good () iii) Fair ()
iv) Poor ()

19. Are you aware of the YEDF loan disbursement timeline policies?

Yes () No ()

20 How does YEDF make youth understand their loan disbursement timeline policies?

i) Through workshops ()
ii) Through seminars ()
iii) Written literature ()

iv) Through politicians ()

21. What do you recommend as a way of addressing the challenges, emanating from the loan disbursement timeline policies, facing the Kenyan youth?-----

22. In your view, are the YEDF loan disbursement timeline policies and guidelines friendly to the loan applicants?

Yes () No ()

If not, what should be amended to improve them?

23. Which of the following sentences do you agree with?

	Yes	No
Am comfortable with the loan disbursement timelines	()	()
Loan disbursement timelines are always fixed and known to the loan borrower	()	()
I am comfortable with compulsory monthly Repayment	()	()
I am comfortable with compulsory monthly Savings	()	()
Mode of repayment of loan is good e.g. flexible loan repayment periods	()	()
The organization has fair lending conditions	()	()
There is a fair interest rates charged on loans by the organization	()	()

SECTION E: YEDF market linkages and development of youth projects

To what extent do you agree with the following statements regarding project identification of youth-run businesses?

	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
22	The Youth Fund assists the youth groups to come up with the most suitable business ventures.					
23	The government recognizes the youth who come up with innovative ideas					
24	The business Incubation and Development programme offers practical help to those youth who have innovative ideas.					
25	There is always adequate follow-up by an officer after the loans have been disbursed.					
26	The government links youth groups to markets where they can sell their products and services.					
27	We always know where to obtain information about similar products being made by other youth groups					
28	We have been encouraged to have a platform for marketing and networking nationally and internationally.					

Thank you

APPENDIX III: INTERVIEW SCHEDULE

Instructions: Please Tick (√) or fill in the appropriate answer in the spaces provided.

1. Gender Male-() Female-()

2. Age Bracket

i) 18-23 () ii) 24-29 () iii) 30-35 ()

3. Level of education

i) Primary () ii) Secondary ()
iii) Tertiary/College () iv) University ()

4. Marital status

i) Single () ii) Married ()
iii) Separated/divorced () iv) Widowed ()

5. In your view, has the YEDF helped the youth in uplifting their standards of living? If so, how?-----

6. In your opinion is the loan processing period adequate? Yes () No ().

If not, what can be done to be more efficient?

7. In your view, are the policies and guidelines of the YEDF friendly to the loan applicants?

If not, what should be amended to improve them?

8. In your opinion, do the youth groups always meet their goals and objectives as set out in their application forms?

9. Do you consider the initial loan amount adequate considering the number of people required per group?-----
10. Has the government done enough to educate and inform the youth of the availability of the YEDF? If yes how?

11. For the unsuccessful applicants, what can be done to ensure they are not left out?

12. When you do the reviews of the follow-ups, how do you rate the overall impact of the YEDF on youth project development in Trans-Nzoia west sub-county in the mid-term?
- i) Excellent ()
 - ii) Good ()
 - iii) Fair ()
 - iv) Poor ()
13. When it comes to Enterprise development, do you feel the Youth Fund is really encouraging innovations by the youth? If so, how

14. In your opinion, is marketing of the products a hindrance to growth of enterprises? If so, what can be done -----
15. What general suggestions would you offer that would make the YEDF more effective and efficient?

Thank you.

**APPENDIX IV: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN
POPULATION**

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

Note: **N** = Population size; **S** = Sample size

Source: Krejcie R. V., and Morgan W. D., (1990). Determining Sample Size For Research Activities: *Educational and Psychological Measurement*. 30(3): 607-610.

APPENDIX IV: RESEARCH PERMIT


**THIS IS TO CERTIFY THAT:
MR. SIMON K WAHOME
of UNIVERSITY OF NAIROBI, 1017-3200
Kitale, has been permitted to conduct
research in Transzoia County**

**Permit No : NACOSTI/P/15/7593/6006
Date Of Issue : 19th June,2015
Fee Recieved :Ksh 1,000**

**on the topic: INFLUENCE OF YOUTH
ENTERPRISE DEVELOPMENT FUND ON
YOUTH PROJECTS DEVELOPMENT IN
TRANS NZOIA WEST SUB-COUNTY,
KENYA**



**for the period ending:
6th November,2015**



.....
**Applicant's
Signature**


.....

**Director General
National Commission for Science,
Technology & Innovation**

CONDITIONS

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.**


REPUBLIC OF KENYA


NACOSTI
**National Commission for Science,
Technology and Innovation**

**RESEARCH CLEARANCE
PERMIT**

Serial No. A 5435

CONDITIONS: see back page