

**FACTORS INFLUENCING UPTAKE OF YOUTH ENTERPRISE
DEVELOPMENT FUND LOANS IN TAMBACH WARD,
KEIYO NORTH CONSTITUENCY,
ELGEYO MARAKWET COUNTY KENYA**

BY

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**A Research Project Report Submitted in Partial Fulfillment for the Requirements for the
Award of the Degree of Master of Arts in Project Planning and Management of The
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DECLARATION

This research project report is my original work and has not been submitted to any university for any award.

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DEDICATION

This research report is dedicated to my late father TuitoekCherono who inculcated in me the urge to grow academically and my dear mother Christine Kimoi for the moral support and love she has been giving me while undertaking the course.

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Figure1:conceptual framework

ABBREVIATIONS AND ACRONYMS

ASALs	Arid and Semi-Arid Lands
C-YES	Constituency Youth Enterprise Scheme
CDYFOs	Constituency Development Youth Fund Officers
EEF	Economic Empowerment Fund
EYES	Easy Youth Enterprise Schemes
FIs	Financial Intermediaries
GDP	Gross Domestic Product
ICT	Information and Communication Technology
KNBS	Kenya National Bureau of Statistics
KNYP	Kenya National Youth Policy
MOYAS	Ministry of Youth Affairs and Sports
NYF	National Youth Funds
OECD	Organization for Economic Cooperation and Development
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Scientists
YEDF	Youth Enterprise Development Fund

ABSTRACT

The youth represents an important segment of Kenya's population. Consistent with the population growth rate, the youth population has been increasing over time. The youth aged between 15 to 34 years account for about 37% of the Kenyan population (KNBS 2009). Youth face a myriad of challenges, key among them being unemployment, lack of professional skills demanded by the job market, high dependency levels that lead to slow economic growth and increasing poverty levels. In order to address the increasing unemployment among the youth in Kenya, the Government of Kenya established Youth Enterprise Development Fund (YEDF). The fund is revolving scheme which is meant to provide loans to youth enterprises. While the government has disbursed over Ksh 5.96 billion, the fund still experiences low uptake of loans especially in Arid and Semi-Arid Lands like Tambach ward, Elgeyo Marakwet County. The purpose of the study was to examine the factors that influence uptake of Youth Enterprise Development Fund loans in Tambach ward. The study objectives were: to examine the influence of awareness of youth on uptake of fund loans; to establish the influence of entrepreneurial education on uptake of fund loans, to assess the influence of youth attitude towards entrepreneurship on uptake of fund loans and to establish the influence of lending framework on uptake of fund loans. The study sought to answer the research questions: how youth awareness influence uptake of fund loans, how does entrepreneurial education influence uptake of fund loans, how do youth attitudes towards entrepreneurship influence uptake of fund loans and how does lending framework influence uptake of fund loans in Tambach ward, Keiyo North constituency. The study was guided by theoretical framework of process driven theory which asserts that behavior is greatly influenced by one's intention to engage in that behavior and intentions are influenced by attitudes towards the behaviour. The study used a descriptive survey design. The target population was the youth in groups which have benefitted from the YEDF and those who have not. Random sampling was used to get the sample size of 260 youth group members from a population of 840 youth drawn from 70 youth groups in Tambach ward and 2 Constituency Fund Officers. Data was analyzed using descriptive statistics in aid of SPSS and presented in tables. The findings of the study indicate that majority of the youth groups composed of males of between 18 and 35 years 168 (76%) who had completed secondary level of education. The findings indicate that the youth were not aware of youth fund, but they had inadequate trainings in entrepreneurship which is necessary for utilization of funds. Findings reveal that awareness level was at 100 (45.5%) of youth, mostly through friends 60 (60%). 77 (35%) of the youth felt that entrepreneurship training was important in uptake of youth fund. There was positive attitude towards entrepreneurship and there was willingness to start business an indication youths willing to take loans in future. The lending framework played a role in uptake of youth fund. The study found that provision of continuous and relevant business development services to youth was vital to the success of enterprise development initiatives in enhancing sustainability. The study recommended that there is need for Youth Enterprise Development Fund to encourage the youth to get loans from them by easing the procedures followed for them to access funds and equip youth entrepreneurial skill and business management skills to help them make informed decisions on the business that are viable for their groups. There needs to be more sensitizations to encourage youth to join groups and also to form their own groups.

CHAPTER ONE

INTRODUCTION

1.1 Background Information

Youth unemployment remains at high levels around the world. Kenya is no exception. According to the International Labour Organization (2011), there are more than 1 billion young people in the world with the global youth unemployment standing at 14.4%. In developing countries of Africa, Asia and Latin America, urban unemployment rates for young people often reach over 30%. Even in developed countries, with few exceptions, youth unemployment is in double digits (Organization for Economic Cooperation and Development, 2010). The youth population in Africa constitutes about 37 percent of the total labour force, a social category that is projected to expand more rapidly than anywhere else in the world. The youth unemployment rate in Kenya increased to 40 percent in 2011 from 12.70 percent in 2006 (Kenya National Bureau of Statistics, 2011). Chirisa and Muchiri (2011) point out that the past decades have seen a very uneven trend in the economic environment of Kenya. There are about 500,000 youth who graduate from various tertiary institutions ready to enter the job market every year, (Kenya National Youth Policy, 2006). However, due to the slow economic growth, corruption, nepotism and demand for experience by potential employers, 75% remain unemployed. Therefore there is need to develop policies that will address unemployment problems and create an enabling environment where youth can exploit their potential through value adding initiatives.

In order to respond to this high rate of unemployment, policy makers are increasingly focusing on encouraging young people to create their own jobs. Various governments are taking an increased interest in promoting the growth of entrepreneurship. Individuals are encouraged to form new business and are provided with such government support as tax incentives, buildings roads and a communication system to encourage this creation process. This will be of paramount importance because the size of the projected growth of the labour force, even under the best of scenarios, the expansion of wage and salary jobs will not absorb the majority of the future labour force. (ILO, 2011)

Various initiatives have been put forth to try to address the problem of youth unemployment. The International Youth Foundation (IYF) launched a program called Caribbean Youth Empowerment program in 2008 with the support of the US Agency for International Development (USAID), (ILO, 2011). The program targets those people aged between 17 and

25 years in Antigua and Barbuda, Grenada, Jamaica and Saint Lucia. The program equips vulnerable youth with technical, vocational, entrepreneurial and life skills needed to develop sustainable livelihoods.

In Britain, the Prince's Trust Enterprise Program (PTEP) is for people who have a business idea they want to exploit and aged between 18 and 30 years, unemployed or working less than 16 hours per week. Services provided include advice on employment options, start-up loan funding, ongoing support from a volunteer business mentor, access to specialist support including free legal services and also access to wide range of free and discounted products and services (The Prince's Trust,2012).

In Bangladesh micro credit scheme was introduced to mediate the delivery of low interest rates and collateralized credit to the rural poor youth who rely on social collateral and joint liability (Olomola,2000). Young small scale agricultural farmers in Bangladesh who had access to credit loans could however not realize the benefits due to high interest rates, short loan repayment periods and inadequate loan sizes that could not adequately meet the input costs (Ardener, 1995).

In Canada, Canadian Youth Business Foundation was started in 1996 to run specialized Youth Business Loan Programmes designed to help young men and women who are unemployed and underemployed,(Wadell,2011). The youth are required to be committed and sign an agreement, to mandatory mentorship programme, get appropriate training and write a valid business plan without providing any collateral to access the loan(Maina, 2012).

Most African countries established National Youth Funds (NYF). These are financial resources that are allocated and reflected in national budgets by governments, either as grants or loans for young people to start new businesses or expand existing businesses(ILO, 2012). The rationale for starting such fund is to address the growing challenge of youth unemployment in an environment, where economic growth is insufficient to generate enough job opportunities for all youth. The objectives of NYF vary from one country to another, depending on the policy issues to be addressed. However, the common thrust tends to define a national goal which the fund objectives address; to focus on employment creation through small enterprise development; to use instruments of financial and other support to youth employment or youth enterprise that create employment; and to focus on a specific homogeneous target group(s) rather than aim to reach a very diverse group of people, for example women &youth(ILO, 2012)

According to a report by ILO,(2012), in Botswana, Out of School Youth Fund was established in 2001 to diversify the economy. The fund objectives emphasized the creation of income generating projects built on an entrepreneurial culture amongst the youth and thereby diversifying the economy. Another objective was to stem the rural to urban migration. While in Mali, Mali intervention was established in 2003 as a response to the existence of multiple funds that had limited or no impact on employment creation or integration of youth and women in the economy. The fund epitomizes effectiveness of funding mechanisms for youth that are operational in mali, by adapting and complementing the available financial instruments. The objectives of the fund are: to create more employment, to create better quality jobs and to integrate the informal sector into the formal sector.

According ILO Report, (2012), Tanzania Economic Empowerment Fund (EEF) and Youth Development Fund was established in 1993 and emphasized on employment creation. Other objectives of the fund included to avail credit to adults and youth with business ideas and projects; and to promote the culture of banking and savings. The Tunisia fund addresses a problem facing a number of other African and European countries, where graduates from tertiary institutions are underemployed. In Tunisia, the approach by the private sector is to employ labour that is “skill poor” (poorly trained) so that they can lower labour costs to remain competitive in the global market. This model has resulted in high unemployment levels among highly educated youth. The goal of the fund is to significantly reduce the unemployment rate, with a main focus on increasing employment among tertiary education graduates. The objectives of the fund have been to develop new organizational operational model for employment offices, establish public private partnership for employment efficiency, improve support measures for entrepreneurs and improve Tunisia’s competitiveness in the global labour market.

In Kenya the crisis of unemployment for many young women and men and their communities has given rise to support and incentive programs. One of the challenges facing the youth entrepreneurs is the lack of start –up capital. To address this problem the government of Kenya created YEDF kitty in 2006.The objectives of the YEDF include: to provide funding and business development services to youth owned and youth focused enterprises; to provide incentives to commercial banks through appropriate risk mitigation instrument to enable them increase lending and financial services to the youth; to provide loans to existing micro finance institutions, registered NGOs involved in micro financing and savings and credit co-operative for lending to youth enterprise; to attract and facilitate

investment in micro, SME oriented commercial Infrastructure, for example, borrowers of industrial parks, stalls, market or business incubators; to support youth oriented micro SMEs to develop linkages with large enterprises, to facilitate marketing of products and services of youth owned enterprises in both domestic and international markets; to facilitate employment of the youth in the international labour market; to carry out any other activities relevant to its principal mandate (GOK,2011). The fund benefits Kenyan youth of between 18 years and 35 years age bracket and investing the fund in a business venture (GOK,2011)

Unemployment and poverty are serious problems facing the youth in Keiyo North sub county. The low uptake of YEDF loans derails the process of addressing the challenges. The Youth Enterprise Development Fund (YEDF) was established by the Kenyan government with the mandate to create a platform for job creation and skills development in response to this crisis. According to YEDF report (2013), an estimated Kshs 5.96 billion has been disbursed to 315, 076 group and individual enterprises all over the country. Out of this amount Kshs 614.8 million has been advanced to 13,341 group projects while Kshs 66.1 million has been disbursed to 2,645 individual enterprises at the constituency level. Through FIs, the fund has financed 141,552 group and individual enterprises by Kshs 5.3 billion. The fund disbursed is expected to be repaid back to the lending institutions so as to be accessed by other youth enterprises that were unable to access the fund due to limited allocation by treasury. The YEDF received Ksh 3,315,664,170 from the Treasury between the years 2006 and 2011. Keiyo North sub County was allocated Ksh 7,540,000 which was distributed to 122 groups as loans through CYES and EYES. On the other hand financial intermediaries distributed Ksh 4,461,145 of YEDF loans to individual borrowers.

1.2 Statement of the Problem

Youth Funds are financial resources that are allocated for young people to start new businesses or expand existing businesses. When we speak of National Youth Funds, we only refer to those funds that are set aside by government, (ILO, 2012). Examples of this funds include; Youth Enterprise Development Fund, Women Enterprise Development fund and Uwezo Fund. There is the Access to Government Procurement Opportunities (AGPO): established as an avenue through which the youth, women and persons with disability could access and take advantage of the 30 per cent government procurement reservation scheme. The rationale for starting such funds is to address the growing challenge of youth unemployment in an environment, where economic growth is insufficient to generate enough job opportunities for all youth (National Empowerment Strategy, 2015).

Despite the existence of the fund for the last 9 years, the rate of unemployment among youth is still high in Kenya. The fund which was formed to create employment for the youth of Kenya by economically empowering them appears to be failing in the mandate of job creation. One of the measures of success for youth funds is its outreach in terms of its beneficiaries and the coverage area. However, the youth fund uptake in Tambach ward in Keiyo North constituency seems to be low standing at 20% of the total funds disbursed to the constituency. This study, therefore, seeks to investigate the factors that influence the uptake of youth funds in Tambach ward in Keiyo North constituency. According to YEDF status report in Keiyo North Sub county total of 6.1 million has been disbursed to 122 youth groups under C-YES scheme and 1.4 million disbursed to individual youth in groups under the EYES scheme. According to the Keiyo North Monitoring and Evaluation Committee report (2013), Kapchemutwa ward disbursed 2.5 million to 50 youth groups, Kamariny ward disbursed 2.4 million to 48 youth groups and Tambach ward disbursed 1.2 million to 24 youth groups. From the report, through EYES the fund in Kapchemutwa ward disbursed kshs. 600,000 to 24 individual youths, Kamariny ward disbursed kshs. 500,000 to 20 individual youths and Tambach ward disbursed kshs. 300,000 to 12 individual youths. From the amount that has been loaned to the groups, Tambach ward has few youth groups that have borrowed the YEDF loan and few individual youths who have taken individual loan. The study seeks to find out the cause of the low uptake of the fund by the youths of Tambach ward as compared to other 2 wards in Keiyo North Constituency.

1.3. Purpose of the study

The purpose of the study was to investigate Factors Influencing Uptake of Youth Enterprise Development Fund Loans in Tambach ward, Keiyo North Constituency, Kenya.

1.3. Objectives of the study

The study was guided by the following objectives:

1. To examine how youth awareness influence uptake of Youth Enterprise Development Fund Loans in Tambach ward, Keiyo North Constituency
2. To establish how entrepreneurial education influence uptake of Youth Enterprise Development Fund Loans in Tambach ward, Keiyo North Constituency.
3. To assess how youth attitude towards entrepreneurship influence uptake of Youth Enterprise Development Fund loans in Tambach ward, Keiyo North Constituency.

4. To examine how lending framework influence uptake of Youth Enterprise Development Fund Loans in Tambachward, Keiyo North Constituency.

1.5. Research Question.

The study was guided by the following research questions.

1. How do youth awareness influence uptake of Youth Enterprise Development Fund Loans in Tambach ward, Keiyo North Constituency?
2. How does entrepreneurial education influence uptake of Youth Enterprise Development Fund loans in Tambach ward, Keiyo North Constituency?
3. How do youth attitudes towards entrepreneurship influence uptake of Youth Enterprise Development Fund Loans in Tambach ward, Keiyo North Constituency?
4. How does lending framework influence uptake of Youth Enterprise Development Fund Loans in Tambach ward, Keiyo North Constituency?

1.6. Significance of the Study

This study was purposed to benefit the Youth Development Fund and the Directorate of Youth in assisting in efforts to increase uptake of YEDF loans. Findings would also assist the youth to have a positive attitude towards entrepreneurship. The study would be of help to both the national government and the county governments to put up the right mechanisms and structures in place that would help efficiently run other government funds such as the Women fund, Uwezo fund and the various funds established by county governments targeting the youth and other groups. This study would contribute to the already existing knowledge on youth entrepreneurship and youth development. Finally the findings and recommendations from this study would be used as a guide while planning and developing entrepreneurship issues by individual youth entrepreneurs, youth groups, policy makers, donors, researchers and development partners.

1.7. Assumptions of the Study.

The study assumed that the respondents provided correct and honest information to the questions and explanations that the research instruments sought. It also assumed that the views of the respondents would be representative of the entire population.

1.8. Delimitation of the Study

The study was carried out among youths in registered youth groups, those which have benefitted from YEDF and those which have not, in Tambach ward, Keiyo North

Constituency, ElgeyoMarakwet County. The researcher decided to carry out the study in Tambach ward because the youth in the ward were not taking the loans as required. From the monitoring and evaluation committee report (2013) Tambach ward has disbursed 1.2 million to 24 youth groups as compared to Kamariny ward that has disbursed 2.4 million to 48 youth groups and Kapchemutwa ward that disbursed 2.5 million to 50 youth groups.

1.9. Limitations of the Study

The study was limited by time, this was due to the demanding nature of research collecting, interpreting and analyzing data which is time consuming affair. To handle this challenge, the researcher sought for time off from her employer during which she collected and analyzed the data. Another challenge was the accessibility of the area of study. Some of the youth groups were in remote areas and public transport could not access the area. However, the available means of transport was utilized and also made use of group officials who distributed and collected the questionnaires from the youth group members.

1.10. Definition of Significant Terms as used in the study

Youth: According to the Constitution of Kenya (2010) a youth is a person who has attained the age of 18 years but has not attained the age of 35 years. For this study youth will be a person residing in Kenya of age between 18-35 years who can enter into legal contracts.

Youth Enterprise Development Fund: A government Kitty primarily established to provide credit access, business development services and support to youth entrepreneurs and their businesses.

Youth Attitude: an expression of favour or disfavour towards a person, place, thing or event. It is a manner, disposition, feeling position e. t. c. with regard to a person or things, tendency or orientation. It is mindset of the youth

Uptake: The act of borrowing or rate of absorption of youth fund in Tambach ward

Influence: the capacity to have an effect on the character, development or behavior of someone or something or the effect itself.

Awareness: people's knowledge of the existence of youth funds in Tambach ward

Entrepreneurship education: a formal structured instruction that conveys entrepreneurial knowledge and develops focused awareness relating to opportunity recognition and the creation of new ventures amongst students.

Lending Framework: these are the regulations meant to be met by loan applicants before accessing the funds from the YEDF.

1.11 The Organization of the Study.

The study sought to investigate the factors influencing uptake of youth Enterprise Development Funds in Tambachward, Keiyo North constituency. The research report is organized in five chapters, chapter one which contains: statement of the problem, purpose of study, the research objectives, the research questions, the significance of the study, the delimitation and limitations of the study. It contains the definition of significant terms. The study has chapter two which contains the literature review of the major themes of the youth funds and various schools of thought. It also contains the theoretical and conceptual frame work . Chapter three contains sample size, sampling design ,data collecting instruments and procedures. The validity and reliability of data collecting tools is considered. The data analysis and presentation is in the chapter. Chapter four contains data analysis, presentations, interpretations and discussions. Chapter five provides a summary of findings, conclusions and recommendations. This is followed by references and appendices section.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines literature on the Youth Enterprise Development Fund and other related sources of credit. It encompasses each of the independent variables and the dependent variable. It analyzes the findings of other researchers and how each of these relate to youth uptake of YEDF loans. It also includes the theoretical and conceptual frame work.

2.2 Concept of Youth and Uptake of YEDF loans.

Globally there is no commonly accepted definition of the term “Youth”. Different countries and people define youths differently. The UN Department of Economic and Social Affairs define the youth as that population in the age bracket of 15 – 24 years. The United Nations Population Fund (UNFPA), World Health Organization (WHO) and the United Nations Children’s Fund (UNICEF), for example, define the youths as those aged between 10 and 24 years. They further identify three categories of youth within this age range as adolescents(10-19 years), youth (15-24 years) and young people(10-24 years). The categories used by the UNFPA, WHO and UNICEF signals the ages of maturity, and the nurturing and building of skills and knowledge in readiness for integration in the social, economic and political spheres of life. The Youth Policy Act in India defines the youth as ranging from 15 to 35 years of age (brown and Larson, 2002). According to Chirsa and Muchiri (2011) youths are referred to as the population in the age of 14 to 30 years, usually unmarried, out of school and/ or in search of employment. Youth can be said to be a transitional phase of one’s life cycle, between childhood to adulthood.

The World Bank (WB) focuses on youth as those in the age range of 12-24, which is the time when important foundations are laid for learning and skills development. The Africa Youth Charter(2011) has defined youth as individuals between the ages of 15 and 35 years. This definition views young people within the African context and is based on Africa’s development realities. The Millennium Declaration Summit has defined the youth as persons between ages 15-28 years old. In South Africa, according to Curtin (2004) young people are historically defined as being between ages 15 and 35. In Nigeria for example, the youth are classified as those individuals between ages 18 to 35 years, while in Uganda, it is between 12 to 30 years (ILO, 2005)

The Kenya National Youth Policy (2002) has defined youth as those individuals aged between 15 – 30 years of age. This definition takes into account the physical, psychological, cultural, social, biological and political aspects, which explain the Kenyan youth situation. However, according to new constitution, (2010) young people in Kenya are between 18 to 35 years. It is only those individuals who are 18 years and above under Kenyan Law who can be permitted to enter into legal contracts. For this study the operation definition of youth is a person residing in Kenya in the age bracket of 18 – 35 years and this takes into account the physical, biological, psychological, social, cultural and political dimensions(Kenya National Youth Policy 2006).

Youth unemployment is one of the most daunting economic challenges facing Kenya at present .The youth account for 61% of the unemployed and the 92% of the unemployed have no training other than formal schooling and hence lack employable skills (MOYAS Report, 2006).Lack of skills is due to inadequacy of training infrastructure as well as means to acquire skills due to poverty (Kimando et al.,2012). Youths are tremendous resource for national development and most important for social change. They are full of vibrant ideas and capacities when properly motivated and strategically guided.The economic growth has not been sufficient to create enough employment opportunities to absorb the increasing labour force estimated to growing by 500000 people annually, Only 25% of whom are absorbed both by informal and formal sector leaving the rest to bear the burden of unemployment (Kenya National Youth Policy, 2006).

The few young people who are lucky to get through college and university come against the wall of experience, without experience they cannot acquire a job and without a job there can be no experience. Youth seeking self-employment face a range of obstacles including lack of capital, harassment from local authorities over licenses and business permits and are often forced to bribe the authorities. Most youths also migrate from rural to urban areas seeking better livelihoods in urban settings however, this lead to pressure on social services and amenities and mushrooming of slum areas which are predominantly populated by young people.(Kenya Situational Analysis Report, 2010). Lack of credit history, insufficient collateral and the fact that young people are seen as risky investment make them face difficulties accessing the loans. Due to age factor young people are unlikely to have any type of business experience and track record of business skills that financial institution requires when assessing the their creditworthiness (Schoof, 2006).

Youth Employment Network also indicates that 60% of the Microfinance's do not lend to youth segment while the remaining 40% state that though they cannot discriminate on basis of age demand for loans outstrip the supply. Factors hindering youth from accessing microcredit were identified as being high risk takers ,low technical knowledge , lack of experience and low credibility Owuala(1999); Llisteri et al (2006). Akweetey (2006) also argues that, youth despite having numerical strength and high degree of mobility and adaptability, lack adequate space to organize in order to design their own credible path towards realizing their potential and meeting their financial needs. In addition, the cost of borrowing is high and conventional banks find it nearly impossible to provide loans to just anyone more so Youth. Cash flow based lending entails considerable due diligence and are therefore more costly than collateral – based lending .This leads banks to focus only on largest borrowers ,so as to amortize the cost of due diligence over a larger investment amount.

The government introduced the Youth Enterprise Development Fund with the overall aim of the fund being to facilitate youth to access credit without collateral so that they could start income generating projects to ease the burden of unemployment among the youth (YEDF Report 2006).Aeyeteey (2004) points out that there are two ways to use micro credit programmes. Loans are either used to start a new enterprise or expand an existing one .Youth fund loans can also be loaned to youth to start income generating projects and enterprises or expand the existing ones. Job creation leads to reduction in unemployment and improved living standards.

2.3. Awareness of the youth and uptake of YEDF loans

According to Saleemi (2009), entrepreneurs and their businesses are affected by the level to which they can access information pertinent to the business operations. Such information includes knowledge on the availability of loans and how these credit facilities can transform business. When information is not availed on time to the right people, entrepreneurs may continue to fail to take advantage of these credit facilities to boost their enterprises.Chant (2009), maintains that poverty of information is as important as poverty of income, meaning that although opportunities for income access and generation may be available, inefficient and ineffective communication may render the investments not worthwhile. Lekies(2008), concurs with Chant(2009), that youth lack knowledge , experience and capacity to develop

worthwhile ideas, to address critical community issues or to handle major decision making responsibility.

Kirby (2003), asserts that entrepreneurship can benefit immensely from the emergence of the information and knowledge society. This is a phenomenon in which knowledge and information are available in huge volumes and from a multiplicity of sources. The information age is propelled especially by the proliferation of the internet. The role of knowledge and information in rural development cannot be underestimated. This owes to the fact that social and economic development is premised on the availability of relevant and timely information. These assertions are supported by Okoth (2010) and Ondieki, (2010) who cite various applications of knowledge in the development processes of rural communities. Moreover, information only has usefulness when it is applied to the intended purpose. Charles et.al, (2012) noted that increasing awareness of YEDF, its objectives and features among the youth will have an effect on the growth of small enterprises. Bruton et.al (2000) supports that entrepreneurship awareness is created through entrepreneurship training which promote career purposes and provide skills and training for business creation and development.

Okungu(2008), in a study on factors influencing performance of youth group micro and small enterprises in Kisumu, established that 78% of youth were not aware of various government initiatives to promote youth small enterprises. A study by United Nations Child Fund (UNICEF,2011)concurred with the findings of Okungu (2008) in which it states that most young people in Kenya were unaware of youth related government policies and programmes. Okungu attributed the higher number of youth unawareness of government initiatives to MSES to limited public education targeting the youth on existing programmes, policies and legislative frameworks. Muthoni (2015), in a study on factors influencing disbursement of YEDF loans established that awareness on qualifications, use of media and extend of government sensitization hinder the loan utilization by the youth.

Most young entrepreneurs miss to enhance their business or opportunities because of lack of information or knowledge on various supports available at their disposal. In South Africa for example, low awareness of support available to young entrepreneurs constrained youth enterprise development and self-employment promotion, (Republic of South Africa, 2013). Awareness on YEDF creates an understanding of what an enterprise is and what it takes to own and manage a business so that young men and women can consider self-employment

realistically as a career option. Should a young person decide to explore further or to start their own business, practical support services(e.g training, advice, access to finance) should be provided(Kanyari&Namusonge, 2013).

Awareness of the available financial and non-financial services – as much as specific financial schemes may be set up for young people, they may not know about their existence due to lack of promotional strategies for such schemes. According to Organization for Economic Cooperation and Development (OECD) report(2001), effective way of promoting entrepreneurial culture among the young population is to call upon successful entrepreneurs. They are the best ambassadors, as they deliver an image of independence, success and achievement and they can motivate young people to consider entrepreneurship and self-employment. It could also be that young people may be in areas that are inaccessible by service providers, who operate specific schemes for youth. Organization for Economic Cooperation Development report (2001), maintains that other initiatives such as youth business fairs, exhibition and public relation campaigns can be useful tools for introducing entrepreneurship to young people. Youth business events, for example, Galas, Concerts, open business days, competitions and awards are other ways to tap into youth culture and gain media exposure.

Young entrepreneurs in rural areas are often confronted by lack of pertinent information on availability of credit. Even when this information is available, it may be inadequate or incomplete. However, although the number of financial intermediaries has been rising over time and the number of loan products are on the upsurge, young rural entrepreneurs still suffer from informational gaps that prevent them from benefiting from credit. The situation is aggravated by the lack of basic infrastructure in rural areas which renders such places inaccessible and hostile to financial institutions seeking to offer affordable credit (MOYAS, 2006). The youth need to be sensitized to have information of the existence of YEDF loans and the actual conditions set so that one can access the loan.

There is an increasing emphasis on using information and communication technologies (ICT) in the context of global youth priorities such as access to education, employment and poverty eradication. ICT can create effective channels of cooperation, dialogue and information exchange among young people. The benefits that ICT can bring to young people have been widely acknowledged. The benefits arise from improvements in education and access to information. While access to technology and associated electronic content has changed the

lives of many young people in developed countries, this is not the case for those in less developed countries. There is need to promote universal, non-discriminatory, equitable and affordable access of youth to ICT. The gap that the study is to address is the influence of youth awareness of information, especially access to internet and ICT training for the youth on uptake of YEDF loans.

2.4. Entrepreneurship education and uptake of YEDF.

Sexton and similar (1997) defined entrepreneurship education as a formal structured instruction that conveys entrepreneurial knowledge and develops focused awareness relating to opportunity recognition and the creation of new ventures amongst students. The major objective of enterprise education is to develop enterprising people and inculcate an attitude of self-reliance using appropriate learning processes. According to Dearing Report,(1997) entrepreneurship education is crucial in assisting young people to develop entrepreneurial skills, attributes and behavior as well as to develop enterprise awareness, to understand and to realize entrepreneurship as a career option. It is not only a means to foster youth entrepreneurship and self-employment but at the same time to equip young people with the attitudes (e.g. flexibility and creativity) necessary to cope with the uncertainty in employment paths of today's societies. The report further maintains that young people can no longer expect to find the traditional job-for-life careers but rather portfolio careers (contract employment, free lancing, periods of self-employment e. t. c.). Enterprise education is therefore seen as a highly valuable preparation for changing job market and economy in which young people have to operate.

The role of entrepreneurship education is mainly to build an entrepreneurial culture among young people and in turn improve their career choices towards entrepreneurship (Deakins, et al. 2005). According to Cole (1997), training is a learning activity, which is directed towards acquisition of specific knowledge and skills for the purpose of an occupation. Training can be both formal and informal and is usually carried out to assist a person understand and perform his/ her job better. Armstrong (1999), concurs with Cole that training is a systematic modification of behavior through learning which occurs as a result of education and instruction. Entrepreneurship education should be mainly focused on starting a business and subsequent sustainability of such business. Entrepreneurship is not an easy option for everyone; it is only best suited to those with necessary skills and acumen. According to schoof(2006) entrepreneurship education is not only a means to foster youth entrepreneurship; it also seeks to equip young people with entrepreneurial attitude and

skills. Since the 1990s entrepreneurship education has grown substantially especially in countries already known to be entrepreneurial such as the U.S, Canada and Australia as well as in Nordic European countries (Schoof, 2006). According to Chamey and Libecap (2000), in the United States more than 1,500 colleges and Universities offer some form of entrepreneurship training. More than 100 active universities – based entrepreneurship centers were established and more than 270 endowed positions in entrepreneurship were created.

Herrington et.al, (2009), held that the most crucial factor hindering entrepreneurship among youth in South Africa was lack of education and training. According to studies by Olwale and Lynety (2011), entrepreneurship education is one of the initiatives that can be designed to enhance skills and knowledge among the youths. Entrepreneurial skills include; creativity, innovation, risk-taking and ability to interpret successful entrepreneurial role models and identification opportunities.

According to Organization for Economic Cooperation and Development report (2001), many experts believe that entrepreneurial education and training should begin early as possible for two main reasons; first in that it forms an essential component in the preparation of potential young entrepreneurs to go into business by themselves. Second is that it instills entrepreneurial habits in the mind and work skills which can serve equally well for successful employees in the new, globalized, post-industrial economy and those who actually choose to establish their own enterprises.

Entrepreneurship education has expanded gradually over the past few recent years. The European Commission (EU) in 2004 for instance proposed that all EU member states should introduce entrepreneurship education into their national curriculum and in all institutions of learning. Lundstrom (2005), confirmed that there has been a rapid development in the area of enterprise education in the Nordic countries (Denmark, Sweden, Norway, Finland and Iceland) over the last decade. However, a report by European Network on youth employment (2010) suggested that in many European countries entrepreneurship education is not yet sufficiently integrated into the curriculum of higher education institutions particularly in some of the member states that joined the EU after 2004. Providing entrepreneurship training at secondary schools can be regarded as an element of life-skills education, but it also aimed at sensitizing young people to entrepreneurship as a career option (ILO, 2006).

In most developing and transition countries, enterprise education does not simply exist or has not been sufficiently adopted among in and out-of-school youth and where offered it is not

applied on all different levels of education i.e primary, secondary, technical and vocational and higher education (schoof, 2006). According to Vanguard (2004), while entrepreneurship education has continued to thrive in many societies, in Nigeria it has been neglected. Literature from developing countries on the entrepreneurship education remains patchy. A study on Kenya, Botswana and Uganda by World Bank (2002), revealed that entrepreneurship education is essentially provided through technical and vocational training (TVET) and the pedagogy essentially remains limited to traditional classroom teaching even though the learning outcome is to teach students on how to start and run a business. At the secondary school level in Kenya, entrepreneurship education offered is very shallow and can hardly enable young people to start their own businesses after school.

According to Rasheed and Howard (2000), secondary school students with entrepreneurship training have higher achievement motivations, more personal control, and greater self-esteem. Students who initiate a business venture have higher achievement motivation more personal control greater self-esteem and more creativity. Research by Klein, Alisultanov and Blair (2003), have shown that individuals who completed entrepreneurship training increased employment self -employment levels by 28% and increased household incomes by 85% within 2 years. Chigunta (1999), postulates that the key challenge facing the Kenyan youth are lack of necessary education, relevant training and knowledge and skills required to enhance their absorption into labour market. He argued that initiatives need to be put in place and implemented to ensure that youth have adequate skills that can assist them in identifying and tapping into business opportunities and embrace modern business management skills. His study revealed that entrepreneurship training has been seen as a way of thinking, reasoning and acting that is opportunity- obsessed holistic in approach and leadership balanced towards an entrepreneurial culture.

Various institutions have adopted the training as part of mandate in order to enhance growth of micro enterprise. According to Pori et.al (1998), entrepreneurship training programmes can be important component of economic strategies for fostering job creation. Gibb (1998), pointed out that education and training programmes equip young people with skills required by the labour market and are an important element in facilitating the transition of young people to decent work and also in enterprise development. Training of youth entrepreneurs on entrepreneurship and provision of business development services are important to sustainability and growth of group enterprises. Chigunta (2002), notes that potential youth entrepreneurs need more than credit in form of financial trainings and record keeping.

Kinyanjui (2006), concurs that youth entrepreneurs find it difficult to obtain loans as their records are not well maintained and they cannot be used to show their credit history.

YEDF has in training programmes as a way of supporting youth towards sustainability of projects including business development services for youth entrepreneurs. But the training should be done earlier in life so that it creates entrepreneurial culture among the youth and propel them to aspire to borrow loans from financial institutions and YEDF. The level of education of youth entrepreneurs reflect the extent to which they have been exposed to entrepreneurship. Those with larger stocks of human capital in terms of education and or vocation training are better placed to adapt their enterprises to constantly changing environment (King and Mcgrath, 2002).

2.5. Youth attitude towards entrepreneurship and uptake of YEDF loans

Attitude is one of the major concepts in motivation theories, which are considered to be an important determinant of behavior (Kuratko and Hodgetts, 2001). Attitudes are also based on normative beliefs about behaviour. According to Collins English dictionary (2009), attitude is defined as the way a person views something or tends to behave towards it; often in an evaluative manner. A person's attitude is the positive or negative evaluation of performing a specific behavior. Attitude can be defined as the predisposition to respond in a generally favourable or unfavourable manner with respect to the objective of the attitude (Ajzen, 1991). In Ajzen's model, intentions come from attitudes and become the immediate determinant of behaviour. An intention is based on one's attitude and the attitude can be predicted by one's own beliefs of significant others (social norms) and refers to the perception of pressure towards performing the behavior. Along with this definition, it is suggested that attitudes have a strong impact on behavior (Robinson, 1991; Kirby, 2003). Psychologists define attitude as learned tendency to evaluate things in a certain way, which includes evaluation of people, issues, objects or events (Cherry, 2014). He further asserts that people are more likely to behave according to their attitudes under certain conditions. Among these conditions are when one expects a favourable outcome and when one stands to win or lose something due to the issue.

In the field of entrepreneurship, attitude has received much attention, and scholars see attitude as being much less stable over time than personality (Robinson, 1991). The individual attitudes and subjective norms influence a person's behavioral intention which in turn, influences the actual behaviour. A study by Kiraka (2009), showed that young people were

reluctant to borrow loans from banks because they feared the consequences of defaulting. This opinion is supported by report by YEDF Board (2010) that these attitudes and practices could be rooted in traditional and cultural beliefs on loan and the perceived risks. The situation gets compounded further where political leadership appears to send signals to the youth that the funds are political tool The uptake of YEDF in Tambach ward, Keiyo North Constituency, ElgeyoMarakwet County can be looked at in lieu of some distinctive behavioral patterns of the youth. Being a semi-arid area, the constituency boasts of significantly few financial institutions.

The lack of information and financial services products leads to unfounded fears and wrong perceptions among young people. Even with the eventual establishment of such institutions, many young people have continued to harbor mistrust towards financial institutions. Some believe that such institutions are only for the rich or for larger amounts of money (YEDF, 2011). It has also been noted that like their counterparts elsewhere in the world, teenagers often earn and save money for consumption purposes such as entertainment and technology rather than productive purposes. Thus, they view savings in short term instead of in long term. This kind of behavior or attitude drew many of them to the fund in its initial stages. According to Gnyaweli&Fogel (1994), negative attitude of people towards government policies have resulted in failure of attempts to promote entrepreneurship.

Many youth desire to have their own business enterprises. Decode (2008) in a study in Ontario Canada found out that young people have positive attitude towards entrepreneurship. However any attempt made towards starting their business is hampered by lack of startup capital. But they do not want to get into debts in the process. Schoof(2006), observed that youth's attitude towards entrepreneurship and available resources of funds will influence the fund accessibility. Mutuku, (2010) also observed that success in business and entrepreneurship has no two way but calls for one to have a positive attitude and confidence to believe that they are able to make a difference. UN Report (2013), suggest that among other well recognized constraints to entrepreneurship, youth's attitude plays an important role. Kounilsky (1995) emphasizes that perceptions and positive attitude about entrepreneurship are extremely important and set the foundation for becoming an entrepreneur. While the government provides the funds for YEDF it should ensure proper follow up is made and an effort put in improving and boosting the youth attitudes towards entrepreneurship.

Having a positive attitude makes all difference in entrepreneurship. Mutuku (2010), maintains that having been born and brought up in abject poverty, most youth have low self-esteem that eats their confidence. A UN report (2012), indicated that most youth cited sources of start-up capital are those closely linked to family. This may mean that the youth will first exhaust family sources of funds before venturing outside the family circle. Sieverding (2012), after a study in Egypt highlighted key messages on youth entrepreneurship. Some of these messages among others are that while many youth see self-employment as attractive few actually start a business. Financing is seen as a major difficulty facing youth who want to start a business. Also, financing and entrepreneurship education should be promoted to reduce fear and misunderstanding of loans and to help change the youth's attitudes towards risk. It would be important to carry out similar study in Tambach ward, Keiyo North constituency to find out whether the same applies there as well.

Krueger and Brazeal (1994), quoted in Wastald and Kounilsin (1995), stress that perceptions and positive attitudes about entrepreneurship are extremely important and set the foundation for becoming an entrepreneur long before one makes the decision to become one. It further argues that those who wish to foster entrepreneurship must support and reinforce perceptions and attitudes that are personally feasible and socially desirable. Thus, entrepreneurship among the youth can be greatly, affected by providing an environment that encourages positive and self-enabling perceptions of potential entrepreneurs. It has been found that socialization impacts on individual's attitude towards entrepreneurship (Brockhaus and Horwitz, 1986; Jackson & Rodkey, 1994) .

An individual's socialization takes place at home, at the place of education, and in other spheres of interactions. Family background and parental role-modeling has been found to be the most prominent factor that affects early socialization and hence formation of attitudes towards entrepreneurship (Mathews & Moser, 1995; Scott & Twomey, 1988). In Singapore, Lee and Wong (2003a,b), found that those showing more interest during programs on the entrepreneurship were more likely to engage in entrepreneurial activity. As cultural and social backgrounds influence an individual's approach to life, they similarly influence entrepreneurial activity and enterprise culture. Gibb (1988), defined enterprise culture as a set of attitudes, values and beliefs operating within a particular community or environment that lead to both enterprising behavior and aspiration towards self-employment.

A good number of non-governmental organizations operate within ElgeyoMarakwet County. Most of these organizations offer charity services. As a result, they have permeated a culture of 'tokenism' among young people. The resultant scenario has been of idle, lazy and dependent youths, not ready to engage in any activity that does not offer immediate free goodies. This has therefore affected their interest in gainful engagements that require commitment and inputs such as entrepreneurship. Where the same attitude has attracted them to the youth fund, their repayments have posed a serious challenge to the fund managers (YEDF, 2010). The youth in Tambach ward are used to free grants that are availed by NGOs that operate within the county. These grants may have an influence on the uptake of YEDF loans in the ward.

2.6.Lending Framework and uptake of YEDF loans.

Micro lending schemes have emerged as a means of guaranteeing access to credit for the poor through financial intermediaries strategy that is responsive to social economic realities. This has been propelled by many hindering factors associated with formal lending institutions. Formal lending institution is mainly collateralized and attracts high interest rates (Nelson & Nelson, 2010). Collateral requirements make financial services inaccessible to the poor and specifically the youth; hence the need to improve access to credit for the low, vulnerable and middle class. Banks and other financial institutions have had difficulties in advancing loans to youths operating youth enterprises. The main reasons for this include: lack of collateral required by the financial institutions, inadequately compiled financial records and lack of technical and management skills of the youth(Wanjohi,2008).

Lenders would be willing to provide more credit if borrowers provided collaterals, a guarantor or if they borrowed credit to carry out a business related activity(Plam& Lensink,2007). The youth often fail to produce the collateral demanded by financial institutions and other lenders.In Nigeria, young rural dwellers have had limited access to financial services due to disparities between their needs, concerns and procedures by the commercial banks (Nelson & Nelson, 2010). Commercial banks support growth of SMES but their core goal is to maximize profits regardless of the funding impact.

The majorfactors that can influence demand for formal credit include: high interest rates, bureaucratic loan process, high transaction costs, collateral risk and asymmetric information (Adebajo, 2010). Potential borrowers can be rationed out of the loan market due to a number of market imperfections. These imperfections include: monopoly power in credit market,

interest rate ceiling, large transactional costs incurred by borrowers in applying for loans and moral hazard problems Rahji.et.al (2010). Sacerdoti(2008), asserts that in Sub-Sahara Africa, the reason why borrowers lack access to credit from banks are inability to provide accurate information on their financial status, lack of collaterals, cumbersome lending procedures, high cost of credit and long physical distance to the nearest financial services. Fatoki&Asah(2011), maintains that business location is another important factor considered by lenders. Physical closeness between lenders and borrowers produce an impressed environment scrutiny that aid SMEs to access credit from lenders in South Africa. Mwangi& Shem (2012) indicated that in Nakuru county, different channels have been used to disburse soft loans to the youth. These include disbursement through financial institutions and through government agencies. It has been evident that lending requirements by banks and other financial institutions are harsh and lock out the poor from accessing credit. The bureaucracies of lending create barriers for the youth thereby stopping them from accessing loans as they cannot meet them. Wachira(2012), points out that in Eldama Ravine , there is a negative relationship between interest rates and the uptake of credit by the youth and that youth did not apply for credit because of the requirements of huge collaterals.

In addition, the micro-lending model often requires groups to be funded in groups and this makes individuals vulnerable to the failings of undisciplined groups (UNDP, 2009). When such groups collapse, many young genuine entrepreneurs are left demoralized and unwilling to access credit from other sources. Moreover, youth are required to do a lot of paper work and provide documentation. In rural areas facilities for production of such documents are few and spaced in vast geographical areas and this makes it problematic for youth. The key parameters of an agency's lending policy are the target market, eligibility & credit selection criteria, and loan assessment & loan eligibility amount, required documents, pricing, repayment mode and period, to verification requirement, amount & type of collateral (secured loans). All these requirements cannot be met by the youth,Odhiambo et.al (2013)

According to Heyer et.al (2003), YEDF loans use the group as some form of collateral for those with few or no assets, where joint liability for loan repayment transfers the risks associated with the loan from lender to the group. Group proposals are vetted as a prerequisite for qualification criteria for YEDF loans. The vetting ensures that youth projects to be funded are viable and also proper management of the funds and minimizes risks of poor repayment of the loans borrowed. According to Graham. A. (2003), financial vetting include a thorough scrutiny of the credit policy and the proper credit appraisal. The vetting of

most YEDF projects does not focus on viability of the project but consideration is placed on application process and selection criteria stipulated by the guiding principles of lending of the devolved funds. According to YEDF report (2012), the eligibility criteria include: mixed group of both genders, 70% of the group members must be youth of 18-35 years, 30% membership be above 35 years, the officials of the group must be 100% youth; the group must be registered with the department of gender and social services or the registrar of societies, minimum of 15 group members, group minutes indicating members request for the loan, active bank account, copies of national identity cards of all the group members and the group must be in existence for a period of 3 months before applying for the loan. There is a tendency to treat youth as a homogeneous group which could end up isolating some young people who cannot fulfill YEDF requirements such as business plan, a registered group and existing bank account. There has been admission by the YEDF management that vetting process is never rigorous as undertaken by most financial institutions. However, in support of this assertion, the YEDF explains that rigorous vetting could only serve to lock out many youths from benefitting from YEDF whose main aim is to allow youth access credit with ease (YEDF, 2012).

The youth group in Kenya are eligible to borrow funds depending on their product line (MOYA,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 prospects across various economic sectors among others. There are funds known as Easy Youth Enterprise Scheme (EYES) which provides loans to individuals in groups. It includes E-YES Smart which is meant to empower individuals within groups to start or expand their personal businesses and E-YES Swift, meant for new youth groups who may not have benefitted from C-YES Scheme. While these funds are available to the youth accessibility remains a challenge. This concurs 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 cite complexity of loan processing and the risk involved in taking loan in general. It could take 2-3 months to process the loans once an application has been made. However, the YEDF Board maintains that it will take one month to process it (Otuki, 2014). This is an indication that the lending procedures are challenging and this may put off some youth 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. From experiences of

what takes place after the loan application has been vetted in the constituency office, it takes a long time for the board to process and lend the funds to the youth.

In a study to determine the effect of YEDF on youth enterprise in Siaya County in Kenya Odera, et.al (2013), gives the opinion that lending procedures for the YEDF are stringent and some needy and illiterate youth are not able to fulfill some requirements. Youth access to credit is a complex issue that is constrained by the deficiencies inherent in situations that young people find themselves in. Whether or not youth apply for loans for their businesses depends to an extent on the conditions that are placed on young people by the lending institutions.

2.7. Theoretical Framework.

This study will be guided by Bandura's process driven theory of 1991 and 1986; and Ajzen & Fishbein's (1975) theory of reasoned action which state that behaviour is greatly influenced by one's intention to engage in that behaviour and intentions are influenced by attitude towards the behaviour. This implies that intention comes first before the actual behavior. Thus, behavior is dependent upon an individual's perception that they can carry out the intended action. Process driven theory perceives that external environment influences thoughts, which shape attitude and form intention, which if strong enough leads one to action. Such external environmental influences include group's cohesion factors, entrepreneurial and management skills, financial credits accessibility among others. Therefore displacement can occur in a negative form such as job loss or a positive form such as financial support. The intention to form organized groups and initiate economic activity therefore depends on the individual perceptions of desirability and feasibility in relation to that activity. Thus, human beings are rational and make systematic use of information available to them when making decisions. In our variables of study, awareness towards availability of the youth fund is regarded as a behavior which if an individual possesses will increase their chances of loan uptake. Similarly, entrepreneurial trainings are behaviors which also governs the uptake of funds in such a way that absorption of the fund hinges on. This theory therefore informs the study as the variables under study are considered as behaviors necessary for uptake of loans.

2.8. Conceptual Framework

Intervening variable

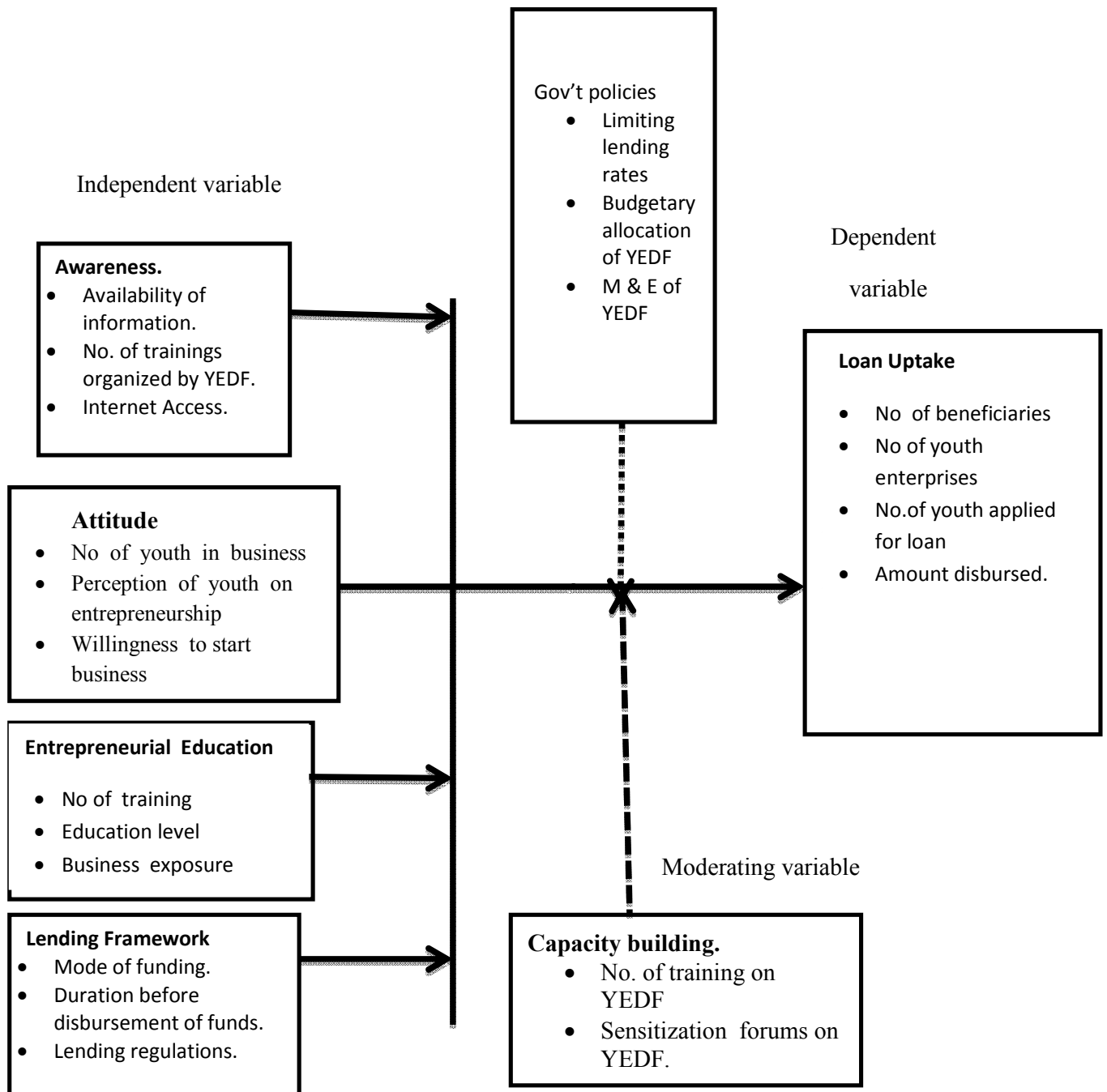


Figure:1 Conceptual Framework

The figure 1 shows that independent variables for this study are factors influencing uptake of YEDF loans. They include awareness of the youth towards uptake of YEDF loans which can be measured through availability of information through which the youth can get to know about the funds. This may be through the media or by word of mouth. In addition a number of trainings if any, which are provided by the management of the funds will be investigated. It shows the relationship between the awareness among the youth and the loan uptake. The loan uptake depends on the awareness of the youth about the existence of YEDF loans.

The entrepreneurial education attained can influence the investments that an entrepreneur can make and the ability to borrow loans and expand the enterprises and investments. The number of training and development services, the level of education and business exposure will be investigated.

It also indicates that youth attitudes towards entrepreneurship influence the degree to which they can access the loan. The attitudes may make the youth to borrow the loan or not. The number of businesses established by the youth and the number of youth in business and willingness to start business will be investigated. Also the perception of the youth towards entrepreneurship and loans will be investigated.

The lending framework may have influence on the uptake of the loan. That means the loan uptake may be largely dependent on the laid down procedures to access the loan. The mode of funding through groups and groups which are in existence for 3 months before funding may discourage youth from borrowing the YEDF loans. Again the duration taken to process loan and disbursing may take long and may discourage the youth from borrowing the loans. The lending regulations that require the members to co-guarantee each other may make youth to shy away from taking the funds.

2.9. Gaps in Literature Review.

Many studies have been done on effectiveness of the YEDF in dealing with the unemployment problem and how it enhances entrepreneurship among the youth. Those studies concentrated on the youth groups which are already funded. However, this study is on the uptake of YEDF for those that have been funded and those that have not been funded in Tambach ward, Keiyo North Constituency and individual youth who have not borrowed loans from MFIs and EYES meant for individuals in groups. The group members are the guarantors of the loan. For defaulters, the guarantors will be asked to pay all the outstanding amounts plus any interest and recovery charges in respect to the debt. The mode

of repayment of members of groups co-guaranteeing each other have not been investigated and the researcher seeks to investigate the influence of the same on uptake of YEDF. The MFIs could be commercial banks supporting the growth of SMEs, but their core goal is to maximize profit regardless of the funding impact. The records of YEDF show that no youth has benefitted from YEDF individual funding from the MFIs (YEDF Report, 2013). This creates the concern that the youth are not aggressive to utilize the fund. Although the fund has partnered with FIs to channel out the loans to the youth enterprises, there is no equal distribution of FIs within the constituencies and even some constituencies lack FIs.

The youth attitudes towards entrepreneurship have been investigated in other studies but the perception and fear of loans by youth in Tambach ward, Keiyo North constituency have not been investigated.

Lack of adequate funds has been cited in many studies as one of the major challenges facing the entrepreneurship. In general, the main reason for poverty is believed to be weak or lack of access to initial resources to start a business (Shodder&Karani, 2008). The influence of level of education will be investigated in the area of study. There is need to study further the factors that influence the uptake of YEDF loans in Tambach ward, Keiyo North Constituency.

2.10. Summary of Literature Review

From the literature review various scholars have examined the various initiatives by different governments to address the issue of youth unemployment. The review demonstrated challenges the youth face in trying to address the same and the difficulty of not being able to utilize the initiatives provided by the government. The main one is access to funds for entrepreneurship. Though studies show that youth are willing to venture into business and self-employment, lack of capital is a major concern.

There are regulations that guide the lending of YEDF loans that pose a challenge to the youth. The lending regulations have hampered utilization of the funds in that the youth may not be able to comply with the conditions. Lending process are policies and factors considered by YEDF before any youth group is funded. It entails the requirements the groups need to fulfill and the laid down structures on how the youth groups qualify for the loans and the disbursement and repayment procedures. Factors that are considered prior to the loan sanction include best available information about the borrowers, ability to pay, type, tenure and quantum of the loan and security and or collateral available. In order to make an

assessment of borrower ability to pay under writing policies for sanctioning any credit facility should place reliance on factors like income, debt burden, and credit reference agency verification or proven performance on other facilities as it is indicative of the cash flow position of prospective borrower that can assist in establishing the repayment capability. Youth fund structures has not factored in such factors to ensure proper utilization and repayment of the fund.

The literature reviewed has shown the importance of entrepreneurial education. This increases success rate of the youth fund and also eliminates the fear the youth have towards loans. The level of entrepreneurial education impacts on the youth ability to borrow loans in that entrepreneurial education is normally offered in tertiary colleges and university and those of primary education level cannot access that opportunity. Training in form of business development service is training given to the youth with the aim of helping them to make their new business ventures successful. This training should be given prior to or after disbursement of youth fund. Prior training impacts a lot on success of business and hence should be mandatory done to the youth before funding.

There is a strong link between early exposure of youth to business and the success of the process ran by the youth. The character of the youth entrepreneur, the level of entrepreneurial motivation ability to set achievable goals, attitudes towards risk taking and persistence of youth entrepreneurs is very critical for business success.

The literature also highlighted the importance of information access to the youth. The youth will make use of the available opportunities if they are properly informed. The youth can change their attitudes towards entrepreneurship once they have required trainings and the right approach.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter introduces and describes the research design and methodology which was used to carry out the study. It outlines the sampling design technique that was used to select sample of the study. It outlines the method, technique and tools which were used to collect data and how the data was analyzed. The chapter further describes the population of the study which the sample selected and the types of data and how the data was collected.

3.2 Research Design.

A research design is described as the plan, structure and strategy of investigation conceived to obtain answers to research questions. It is the researcher's plan for the study, which includes the methods to be used, what data to be collected, where, how and from whom. This study used descriptive survey design. This research design is used in determining and reporting the way things are (Mugenda & Mugenda, 2003). It attempts to describe any possible behavior, attitudes, values and characteristics. This type of research was instrumental in obtaining data that could help determine specific characteristics of a group. Descriptive survey design was appropriate for the study because it was used to ask questions about respondent's beliefs, opinions, attitudes, characteristics and behaviours in order to generalize to the population. The study describes the characteristics, attitudes and opinions of the respondents in Tambach ward of Keiyo North constituency. The dependent and independent variables were the uptake of YEDF loans and the factors influencing YEDF loans respectively.

3.3 Target Population

Target population refers to all members of the population to which the research findings will be generalized and is an accurate record of the sampling from which the sample will be drawn. The target population in this research consisted of youth who were in 70 youth groups which were registered with the department of social development services, from the 4 locations of Tambach Ward, Keu location-12 groups, Kiptuilong-16 groups, Kokwao- 18 groups and Kamogich-24 groups, with each group having 12 members giving a total of 840 members and 2 Constituency Development Youth Fund Officers.

3.4 Sample Size and Sampling Procedure

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

3.4.1. Sample Size.

A sample size is a subset of the population that is used to give the general views of the target population (Kothari, 2004). From the total population of 840 members of the 70 groups in the ward a sample size of 260 members was interviewed according to Krejcie and Morgan table for determining sample size (attached) and 2 CDYFOs to make a total of 262 respondents.

3.4.2. Sampling procedure.

According to Kombo and Tromp (2006) sampling is the procedure of selecting a number of individuals or objects from population such that the selected group contains elements representative of the characteristics found in entire group. The researcher applied simple random sampling to arrive at a sample of 260 youth from a population of 840 youth drawn from 70 youth groups in 4 locations: Kokwao, Kamogich, Kiptuilong and Keu in Tambachward. Purposive sampling was used to select 2 Constituency Development Youth Fund Officers (CDYFOs) within the constituency who were included in the study. To avoid being biased the researcher used proportion sampling in determining the sample size of each location as follows

S/NO	Location	No. of groups	Target population	Sample size sub total
1.	Keu	12	144	$144 \times 260 / 840 = 45$
2.	Kiptuilong	16	192	$192 \times 260 / 840 = 67$
3.	Kokwao	18	216	$216 \times 260 / 840 = 59$
4.	Kamogich	24	288	$288 \times 260 / 840 = 89$
5	Constituency youth Fund manager		2	2
TOTAL		70	840	262

3.5. Data Collection Instruments.

Data collection involves the process of preparing and collecting data primarily to provide information regarding a specific topic. This research used a questionnaire for primary data collection. According to Kothari (2003), primary data is collected from immediate source for the purposes of research. The data collection tool was a questionnaire which was issued to youth group members / respondents. However, interview schedule was used on CDYFOs to corroborate what was found from the members of youth groups. Kothari (2008) points out that questionnaire are more objective as compared to observations since responses are

gathered in standardized manner while at the same time observing confidentiality. It also provides opportunity and promote high response rate. Interviews give one an opportunity to clarify on issues not clear and get deeper insight of an issue (Mugenda&Mugenda, 2003). The questionnaire consisted of open and closed ended questions and likert scales.

3.5.1. Pilot Testing of Research Instruments.

This involves trying out in the field once the research questions have been formulated. The questions were pre-tested to a selected sample used before finalizing them. This was to ascertain the reliability of the data collection instruments. Here deficiencies such as the insufficient space to write, wrong phrasing of questions, vague questions and clustered were detected (Borg, 2007). The respondents were represented by groups in Keu location who were picked for pilot study to fill the questionnaire, collected and assessed for inconsistencies. The researcher decided on Keu location because the location had the least groups.

3.5.2. Validity of the Research Instruments

According to Kombo and Tromp (2006), the validity of test is a measure of how well a test measures what it is supposed to measure. According to Cook and Campell(1979), it is the best available approximation to the truth or falsity of a given inference, proposition or conclusion. To establish face and content validity the researcher sought guidance from the supervisors to give opinion as to whether or not the instruments met the criterion. The instrument of data collection, the questionnaire, was based on the objectives of the study to ensure that every question was relevant. According to Carmine and Zeller (1979), validity can be assessed using expert opinion and informed judgment from the supervisor.

3.5.3. Reliability of Research Instruments.

Reliability is the extent to which a measurement gives results that are consistent. According to Shaughnessy and Zechmeister (1997), reliability refers to the ability of an instrument to produce similar results at different times with the same respondents. The researcher used pilot testing which involved test retest method which involves subjecting the instruments to a sample to ensure the questions were constructed in a simple language which was easy to understand, at the same time using side notes in guiding the respondent to fill questionnaire. The researcher tested the instrument of data collection to ensure its reliability. The reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency. The measure has a coefficient ranging from 0 - 1. A value of 0.7 or less generally indicates unsatisfactory internal reliability.

3.6. Data Collection Procedures.

Data was collected after obtaining a letter from the university which was used to request for the research permit from Commission of Higher Education and presented to the County Commissioner who gave consent for the study and sought the consent from the concerned departments in the constituency. The researcher made field visits to obtain data for variables under investigation from the sample population. Questionnaires were distributed and follow up was done to ensure all of them were returned.

3.7. Data Analysis Techniques

Data analysis consists of examining, categorizing, and tabulating of collected information. This involves a careful analysis of the completed questionnaires in order to ensure that collected data is accurate and consistent with other information. Descriptive statistics was used to establish the general characteristics of the population under study. Primary data was processed using Statistical Package for Social Scientists (SPSS). The relationship between the independent variables (awareness on youth fund loans, youth attitudes, entrepreneurial education and the lending framework of YEDF) and the dependent variable (uptake of YEDF loans) was determined and findings were presented by use of frequency tables and percentages.

3.8. Ethical Considerations.

Permit for the research was obtained and the researcher introduced herself to the respondents and explained to them the purpose of carrying out the research. The questionnaire did not require the respondents to fill their names in order to maintain confidentiality of information collected. The researcher upheld integrity and professionalism. All respondents were treated with dignity and respect and they were given assurance that the data was purely for academic purposes and no information was exposed without their permission. The researcher acknowledged all the sources of information collected from text books and other research materials.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1. Introduction.

This chapter presents an analysis of the data that was gathered for this study. The study aimed at establishing the factors influencing uptake of youth fund in Tambach ward, Keiyo North Sub County, ElgeyoMarakwet County.

4.2 Response rate

Target respondents were the members of youth groups in Tambach Ward, Keiyo North Sub County. Out of 260 questionnaires distributed to the respondents 220 were completely filled and returned, 40 questionnaires were not returned. It is out of these questionnaires' responses that the presentations of the general information and other analysis were done. The response rate is presented in Table 4.1

Table 4.1 Response rate

	frequency	Percentage
Return rate	(f)	(%)
Returned	220	84.6
Not returned	40	15.4
Totals	220	100.0

An overall response rate of (220) 84.6% was realized which was higher than 70% that is recommended by Mugenda and Mugenda(2003) who asserts that more than 70% response rate is very good to proceed with data analysis. The questionnaires which were not returned accounted for (40)15.4%.

4.3 Demographic characteristics of respondents

Personal information of the respondents was based on gender of the respondents, age of the respondents and the highest level of education of the respondents. These demographic characteristics are examined to determine if they play a role in uptake of YEDF loans.

4.3.1: Distribution of respondents by Gender

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 4.2

Table 4.2 Distribution of Respondents by Gender

Gender	frequency (f)	Percentage (%)
Male	122	55.4
Female	98	44.6
Totals	220	100.0

The results analysed shows that male respondents were 122 males,(55.4%) and the females were 98, (44.6%). This shows most of the groups are made of up of male respondents. The results points out equity issues and may cause imbalance in development between men and women. It would be important to identify the challenges the women are facing either in formation of their own groups or in joining already existing groups. The YEDF is meant to benefit all the youth regardless of gender, and if need be affirmative action can be put in place to address the difference. Also more effort should be put in place to carry out sensitization so as to enable more female youth to borrow the funds. According to the institute of Economic Affairs (2008), various national, regional and international conventions and documentation have emphasized that enabling the population, regardless of gender to actively participate in social and economic wellbeing is critical for long-term and sustainable social, political and economic development of any society. In Kenya, gender equity has taken centre stage resulting in the development and enactment of various legal and policy interventions including enactment of the National Commission on Gender and Development Act in 2003 and subsequent establishment of the National Commission on Gender and Development in November the same year; introduction of gender desks in key parastatals and police stations; the introduction of the women’s enterprise fund; the passing of the National Policy on Gender and Development in 2006 and the 30% presidential decree on affirmative action in public appointments, among others. Although, females constitute 51% of the population in Kenya, gender disparities are still persistent in most sectors. A study on the profile of women’s socio-economic status in Kenya (2008) shows that there is low female representation in post primary education, formal employment, enterprise ownership outside

wholesale and retail trade, and political decision making processes. Gender inequalities can be attributed to limited access and control over productive resources, access to financial services, insufficient access to education, lack of skill, limited access to technology, cultural impediments and other constraints limiting employment options and participation in decision making. All these serve to seriously constrain women’s ability to effectively participate in and benefit from economic development. Policy interventions towards removing barriers to general female well-being include economic and knowledge empowerment, increasing access to financial services, employment and participation in decision making.

4.3.2: Distribution of respondents by Age

The study also sought to establish the distribution of the respondents by age. This was because the study is on youth fund and it mainly targets the youth. The results are as presented in the Table 4.3

Table 4.3 Distribution of Respondents by Age

Age bracket	Frequency (f)	Percentage (%)
Below 18	12	5.5
18-35	168	76.5
Over 35	40	18.0
Totals	220	100.0

The results of analysed data revealed that 168 (76.5%) of the respondents were aged between 18-35 years, 40 (18%) were over 35 years. The least 12 (5.5%) were those below 18 years. This can be understandable because the study is concerned with the youth and the youth are taken to be the people in the 18-35 years age bracket. The age bracket is supported by constitution of Kenya (2010) which defines a youth as a person who has attained the age of 18 years but has not attained the age of 35 years. It can also be because the study was concerned with the youth. It can be concluded that the youth in the ages between 18 to 35 years represented the largest proportion mainly because most of them had completed secondary and colleges and were beginning to establish themselves. The implication is that the majority of the youths try to form groups that can enable them to get assistance in terms of seed capital to start their businesses. This happens after they lack formal employment opportunity.

4.3.3: Distribution of respondents by education level

The respondents were requested to provide information about their highest level of education. This was because it could give an indication whether education levels influence the uptake of YEDF loans. The results are tabulated in the Table 4.4

Table 4.4 Distribution of Respondents by education level

Education level	Frequency (f)	Percentage (%)
Post graduate	1	0.4
Degree	5	2.3
Diploma	12	5.5
Certificate	44	20.0
Secondary	104	47.3
Primary	52	23.6
None	2	0.9
Total	220	100

The results shown in Table 4.4 indicate that respondents who had attained secondary level education were 104 (47.3%), primary education were 52 (23.6%) and those with certificate level were 44 (20%), the holders of diploma were 12 (5.5%), degree holders were 5 (2.3%), postgraduate were 1 (0.4%) and those with no education were (0.9%). These results indicate that most youth had completed secondary and had acquired certificates and diplomas in different fields. It was revealed that respondents with post graduate and degree level of education formed a small proportion of the respondents. According to Rasheed and Howard (2000), secondary school students with entrepreneurship training have higher achievements, more personal control and greater self-esteem. The level of education of youth entrepreneurs reflect the extent to which they have been exposed to entrepreneurship. Those with larger stocks of human capital in terms of education and or vocation training are better placed to adapt their enterprises to constantly changing environment (King and Mcgrath,2002). It could be that those with tertiary education shy away from the activities of the YEDF or they engage in formal employment. Those respondents with no education indicate that low education level may inhibit the uptake of the fund by the youth due to lack of exposure.

4.4: Awareness of the youth on YEDF loans

In order to know the level of awareness of the existence of the fund, the researcher asked respondents if they were aware of the fund and whether they had received any form of sensitization or trainings from YEDF management or the government. These have been discussed in the following sub topics:

4.4.1: Availability of information on existence and intentions of the fund

The researcher further sought to establish whether the availability of information on existence of the fund influenced the uptake of the fund. Table 4.5 summarizes what was obtained from the respondents.

Table 4.5: Distribution of responses on awareness of the existence and intention of YEDF

Characteristic	frequency	Percentage
Do you have knowledge on the existence and intention of YEDF	(f)	(%)
Yes	100	45.5
No	120	54.5
Totals	220	100.0

The data gathered revealed that 100 (45.5%) of the respondents had knowledge of the existence and intention of the youth fund, whereas 120 (54.5%) of the respondents said they were not aware of it. These results indicate that majority of the youth were not aware of the fund and its intentions for the youth and therefore its level of uptake may be hindered by lack of awareness. The youth may be aware of the existence of the fund but do not have the proper information of how to access it. The findings of the study support Charles et.al (2012) who noted that increasing awareness of YEDF, its objectives and features among the youth will have an effect on the growth of small enterprises. It also concurs with Bruton et.al(2000) who maintains that entrepreneurship awareness is created through entrepreneurship training which promote career purposes and provide skills and training for business creation and development.

Okungu (2008), in a study on factors influencing performance of youth group micro and small enterprises in Kisumu, established that 78% of youth were not aware of various government initiatives to promote youth small enterprises. A study by United Nations Child Fund (UNICEF,2011)concurred with the findings of Okungu (2008) in which it states that most young people in Kenya were unaware of youth related government policies and

programmes. Okungu attributed the higher number of youth unawareness of government initiatives to MSES to limited public education targeting the youth on existing programmes, policies and legislative frameworks. Muthoni (2015), in a study on factors influencing disbursement of YEDF loans established that awareness on qualifications, use of media and extend of government sensitization hinder the loan utilization by the youth.

The implication of inadequate awareness is that the youth will not utilize the fund as required and the fund will not achieve the mandate of providing employment to the youth and also the poverty level among the youth will not be reduced since the loan uptake will be low and the country's Gross Domestic Product will not improve.

Table 4.6. Distribution of respondent by source of information

Characteristic	Frequency	Percentage
If yes how did you come to know	(f)	(%)
Through Media	10	10
Through Friends/ relatives	60	60
Through YEDF Office	12	12
Through public Baraza	18	18
Totals	100	100.0

To further establish where the respondents got the awareness from, 10(10%) of the respondents indicated learning of the youth fund through the media, 60 (60%) had known through a friend or a relative, 12 (12%) got the youth fund awareness through the YEDF office whereas 18 (18%) had learned from public baraza. These results reveal that although the media, public barazas and YEDF office had played a role in dissemination of information on the government youth fund, most of the awareness of the fund and its intentions were learned from friends and/or relatives. These results reveals that uptake of the YEDF would be high if the youth are well acquainted with information necessary for borrowing of youth funds.

Most young entrepreneurs miss to enhance their business or opportunities because of lack of information or knowledge on various supports available at their disposal. In South Africa for example, low awareness of support available to young entrepreneurs constrained youth enterprise development and self-employment promotion, (Republic of South Africa, 2013).

Awareness on YEDF creates an understanding of what an enterprise is and what it takes to own and manage a business so that young men and women can consider self-employment realistically as a career option. Should a young person decide to explore further or to start their own business, practical support services(e.g training, advice, access to finance) should be provided(Kanyari&Namusonge, 2013).

The YDEF management needs to provide up to date information concerning the requirements so that a group can access the funds.Wrong information may be passed to the youth and may not benefit from the fund as required which results in low uptake of the youth funds.

Table 4.7 Distribution of respondents on rate of government sensitization

Characteristic	frequency	Percentage
How would you rate government's sensitization of YEDF among youth	(f)	(%)
Very high	27	12.27
High	31	14.09
Low	70	31.82
Very low	92	41.82
Total	220	100.0

When asked to rate the level which the government had played in sensitization of the youth fund,12 (12.27%) of the respondents thought that the sensitization of the fund was very high, 31(14.09%) thought it was high, 70 (31.82%) thought that it was low and 92 (41.82%) thought that the government sensitization was very low. These results reveal that the respondents had very low opinion of the government in as far as sensitization of the youth fund was concerned.

Young entrepreneurs in rural areas are often confronted by lack of pertinent information on availability of credit. Even when this information is available, it may be inadequate or incomplete. However, although the number of financial intermediaries has been rising over time and the number of loan products are on the upsurge, young rural entrepreneurs still suffer from informational gaps that prevent them from benefiting from credit. The situation is aggravated by the lack of basic infrastructure in rural areas which renders such places inaccessible and hostile to financial institutions seeking to offer affordable credit (MOYAS, 2006). The youth need to be sensitized to have information of the existence of YEDF loans and the actual conditions set so that one can access the loan.

The low sensitization of youth will impact negatively on the uptake of youth funds. Thus there is need for the government to put more efforts towards sensitization of the youth fund so as to realize high uptake of the YEDF loans.

4.4.2: Awareness of trainings organized by the management of YEDF

The researcher investigated on whether trainings organized by YEDF management influenced the uptake of the fund. The results are presented in Table 4.8.

Table 4.8 Distribution of Responses on awareness of trainings organised by the management of YEDF

Characteristic	frequency(f)	Percentage (%)
Are you aware of trainings organised by the management of the YEDF		
Yes	165	75.0
No	55	25.0
Total	220	100.0

When the respondents were asked if they were aware of any trainings organized by the management of YEDF, 75% agreed there were such trainings whereas 25% were not aware of such trainings that had been organized by the management of YEDF. These results show that most of the respondents were aware of the trainings conducted by the management of the youth fund.

YEDF has in training programmes as a way of supporting youth towards sustainability of projects including business development services for youth entrepreneurs. But the training should be done earlier in life so that it creates entrepreneurial culture among the youth and propel them to aspire to borrow loans from financial institutions and YEDF. The study concurs with the view of Chigunta (2002), who notes that potential youth entrepreneurs need more than credit in form of financial trainings and record keeping. Kinyanjui (2006), concurs that youth entrepreneurs find it difficult to obtain loans as their records are not well maintained and they cannot be used to show their credit history.

The youth need to be provided with the required trainings before they receive the funds so that they can succeed in their business ventures and be encouraged to take the risk and venture into borrowing funds which will boost the uptake of YEDF.

Table 4.9. Distribution of respondents on extent of awareness creation by training

Characteristic	Percentage (%)	
If yes, what extent do you think the trainings create awareness to the youth on availability of YEDF		
Very large extent	112	67.9
Large extent	23	13.9
Moderate extent	15	9.1
Low extent	9	5.5
Very low extent	6	3.6
Total	165	100.0

To examine the extent to which these trainings conducted by the fund management had created awareness on the youth fund 112 (67.9%) of the respondents maintained that the trainings had assisted to a very large extent, 23 (13.9%) maintained that it had created awareness to a large extent, 15 (9.1%) maintained to a moderate extent, 9 (5.5%) said to be a low extent and 6 (3.6%) said that trainings by YEDF management had created awareness of the fund to a very low extent. The results suggest that trainings by management of YEDF had to a very large extent created awareness on the intentions of the youth fund. Thus, the training frequency should be increased to promote high uptake of the fund. To improve on the viability of the youth enterprises, there was need for the government to aggressively market the youth's products, and engage the youth entrepreneurship training before and after obtaining the loans (Aila et al, 2013).

4.3.3: Information access

The researcher sought to establish the thoughts of respondents on what extent they agreed that information access influenced uptake of youth fund. The results obtained from respondents are summarized in the Table 4.10

Table 4.10 distribution of respondents on information access

Characteristic	Frequency	Percentage
High frequency of information access influence uptake of the fund	(f)	(%)
Strongly agree	43	19.5
Agree	137	62.3
Undecided	21	9.5
Disagree	10	4.5
Strongly disagree	9	4.2
Total	220	100.0

When asked whether the frequency of information access influence the uptake of the fund, 43 (19.5%) respondents strongly agreed to the idea, 137 (62.3%) agreed, 21 (9.5%) were undecided, 10 (4.5%) of the respondents disagreed while 9 (4.2%) strongly disagreed. The results obtained indicate that almost all respondents were in agreement with the thought that high rate of information access influenced the uptake of the fund. Therefore the government need to increase access to information for the youth so that they can be encouraged to increase the uptake of the youth fund. The findings concur with the views of Saleemi (2009) that entrepreneurs and their businesses are affected by the level to which they can access information pertinent to the business operations. Such information include: knowledge on availability of loans and how these credit facilities can transform business. When information is not availed on time to the right people, entrepreneurs may continue to fail to take advantage of these credit facilities to boost their enterprises. Chant (2009) maintains that poverty of information is as important as poverty of income, meaning that although opportunities for income access and generation may be available, inefficient and ineffective communication may render the investments not worthwhile. The study found out that despite the fact that YEDF could be a preferred source of funding among the youths, accessing it remained a great challenge. Most youth have not been properly informed on how this fund can be accessed. As pointed out by Amenyah et al (2011) most of the youth are not properly informed about the loans which make it a challenge in accessing. There is need to provide the youth with adequate information on youth fund objectives and loan features.

4.4: Entrepreneurship education

The researcher sought to establish the influence of entrepreneurship training on uptake of YEDF, the researcher asked questions on trainings and business ownership

4.4.1. Trainings on entrepreneurship

The researcher sought to establish whether trainings on entrepreneurship influenced the uptake of youth fund. The results from respondents are tabulated in Table 4.11

Table 4.11 distribution of responses on entrepreneurship training

Characteristic	frequency	Percentage
Have you ever attended any training on entrepreneurship	(f)	(%)
Yes	99	45.0
No	121	55.0
Total	220	100.0

When the respondents were asked, if they had attended any course or training on entrepreneurship, 99 (45%) said they had attended a course in entrepreneurship while 121 (55%) had never attended any course on entrepreneurship. These results reveal that most of the respondents did not have more knowledge on entrepreneurship. The findings of the study concurs with what established in Nyandarua county, where 48.6% of the county's labour force is the youth, majority of them in the county have basic education, they need addition training for both formal and informal employment (NCIDP, 2013). In fact, it cites one of the weaknesses in its swot analysis as lack of entrepreneurial skills. In light of these, it is increasingly clear that youth without entrepreneurial training, which includes financial management training find it increasingly difficult to attract capital and start their own businesses. One of the intervention measures according to NCIDP (2013) is to expand training opportunities in existing institutions in order to equip small traders with the necessary modern skills. It further aims to have business education through seminars to educate people on areas such book keeping and business management skills.

Table 4.12 Distribution of respondents on number of trainings attended

	frequency	Percentage
If yes how many times have you attended	(f)	(%)
Once	54	54.5
Twice	15	15.2
Thrice	12	12.1
Four times or more	12	12.1
Five times and more	6	6.1
Total	99	100

On further probe on those who had attended the course, the findings revealed that most of them 54 (54.5%) of the total 99 respondents had attended the trainings only once. 15 (15.2%) had attended the trainings twice and 12 (12.1)Of respondents had had attended more than thrice or more and 6 (6.1%) attended five times and above. It is evident from the results that there are inadequate trainings on entrepreneurship which is important for utilization of youth fund and have a chance to start business initiatives. According to Dearing Report,(1997) entrepreneurship education is crucial in assisting young people to develop entrepreneurial skills, attributes and behavior as well as to develop enterprise awareness, to understand and to realize entrepreneurship as a career option. It is not only a means to foster youth entrepreneurship and self- employment but at the same time to equip young people with the attitudes (e.g. flexibility and creativity) necessary to cope with the uncertainty in employment paths of today's societies. The report further maintains that young people can no longer expect to find the traditional job-for-life careers but rather portfolio careers (contract employment, free lancing, periods of self- employment e. t. c.). Enterprise education is therefore seen as a highly valuable preparation for changing job market and economy in which young people have to operate.

The implication of limited trainings will mean that the youth will not make use of the funds and be successful entrepreneurs and this will hinder the uptake of the funds as most of them may not have knowledge to identify business ventures where the funds could be utilized.

Table 4.13 Distribution of respondents on influence of education level on entrepreneurship

Characteristic	frequency	Percentage
To what extent do you think the level of your education has direct influence on your entrepreneurship skill	(f)	(%)
Very large extent	77	35.0
Large extent	52	23.6
Moderate extent	42	19.1
Low extent	35	15.9
Very low extent	14	6.4
Total	220	100.0

On whether the level of education had any direct influence on their entrepreneurship skills, 77(35%) agreed that their education level influenced to a very large extent on the acquisition entrepreneur skills, 52(23.6%) indicated to a large extent, 42 (19.1%) said education influenced moderately, 35(15.9%) cited that it influenced to a low extent and 14(6.4%) indicated that education influenced to a very low extent. From the results, it is evident that level of education influenced largely on the development of entrepreneurship skills that are important to run a businesses. Enterprise education has not been sufficiently adopted among in and out-of-school youth and where offered it is not applied on all different levels of education i.e primary, secondary, technical and vocational and higher education (Schoof, 2006).

According to Organization for Economic Cooperation and Development report (2001), many experts believe that entrepreneurial education and training should begin early as possible for two main reasons; first in that it forms an essential component in the preparation of potential young entrepreneurs to go into business by themselves. Second is that it instills entrepreneurial habits in the mind and work skills which can serve equally well for successful employees in the new, globalized, post-industrial economy and those who actually choose to establish their own enterprises.

4.4.2: Exposure in business

The researcher sought to establish whether business ownership had played a role in the uptake of the youth fund in the study area. The results obtained are summarized in the Table 4.14

Table 4.14 distribution of responses on business ownership

Characteristic	frequency	Percentage
Have you ever owned a business individually or in a group	(f)	(%)
Yes	170	77.3
No	50	22.7
Total	220	100.0

When asked whether the respondents had ever owned a business individually or in a group, 170 (77.3%) indicated they had whereas 50 (22.7%) had never owned a business individually or as a group. The findings of the study show that most of the respondents had been to business activities before. Entrepreneurial experience is also seen to influence effective utilization of YEDF. Most of the respondents investigated responded with a that entrepreneurial experience influences effective utilization of YEDF. This was in line with findings by Olawale,(2011) who established that entrepreneurship education is one of initiatives that can be designed to enhance skills and knowledge among the youths which implies that the more the youths engaged in business, the better their skills hence the more effectively they utilize the YEDF.

The study shows that the youth who have owned business can help increase the uptake of YEDF in that the youth would wish to increase their stock. Also they have the urge to excel and may be encouraged to borrow the youth funds. The result will be increase in the uptake of the funds.

Table 4.15. distribution of respondentson influence of entrepreneurship skills on business enterprises

Characteristic	frequency	Percentage
If yes above, to what extent do you Think this was as result of entrepreneurship skills	(f)	(%)
Very great extent	60	35.3
Great extent	52	30.6
Moderate extent	27	15.8
Small extent	20	11.8
Very small extent	11	6.5
Total	170	100.

On whether those who had a business was as a result of entrepreneur skills, 60 (35.3%) maintained that they attribute to a very large extent to entrepreneur skills to being in business, 52 (30.6%) attributed to a large extent, 27 (15.8%) attributed to entrepreneur skills to a moderate extent,20 (11.8%) said that entrepreneur skills contributed to a low extent and 11 (6.5%) maintained that entrepreneur skills contributed to a very low extent. From the results, it could be concluded that entrepreneur skills contribute immensely to owning of business ventures.

Various institutions have adopted the training as part of mandate in order to enhance growth of micro enterprise. According to Pori et.al (1998), entrepreneurship training programmes can be important component of economic strategies for fostering job creation. Gibb (1998), pointed out that education and training programmes equip young people with skills required by the labour market and are an important element in facilitating the transition of young people to decent work and also in enterprise development.

Table 4.16 Distribution of respondents on willingness to start business

Characteristic	frequency	Percentage
To what extent are you willing to start your own business	(f)	(%)
Very great extent	80	36.4
Great extent	61	27.7
Moderate extent	58	26.4
Small extent	17	7.7
Very small extent	4	1.8
Total	220	100.0

On the extent in which the respondents were willing to start their own business, 80(36.4%) said that they were willing to start business to a very large extent, 61(27.4%) were willing to a large extent, 58(26.4%) were willing to a moderate extent, 17(7.7%) were willing to a small extent and 4(1.8%) of the respondents were willing to start their business to a very small extent. The youth need to enrol in business related courses or attend workshops that would boost their skills in entrepreneurship.

4.5: Youth attitudes

In an attempt to assess the influence of youth attitude on uptake of youth funds, the researcher investigated the attitude of youth towards loans and entrepreneurship.

4.5.1: Youth attitude towards entrepreneurship uptake of YEDF

The researcher sought to find out the attitude of the youth towards entrepreneurship. The respondents were requested to indicate their opinion concerning entrepreneurship. The data obtained is presented in the Table 4.9

Table 4.17 Distribution of responses on opinion of the youth towards entrepreneurship

Characteristic	frequency	Percentage
What opinion do think of youth towards entrepreneurship	(f)	(%)
Very positive	66	30.0
Positive	90	40.9
Not sure	15	6.8
Negative	42	19.1
Very negative	7	3.2
Total	220	100.0

The analysis shows that 66 (30.0%) of the respondents think that youth have a very positive attitude towards entrepreneurship and 90 (40.9%) respondents have positive attitude. 15 (6.8%) of respondents were not sure while 42 (19.1%) of the respondents thought that the youth have negative attitude and 7 (3.2%) thought youth have very negative attitude.

The results reveal that the majority of youth hold positive attitude towards entrepreneurship while others are not sure. This was a factor identified as influencing uptake of YEDF. Decode (2008) after study in Canada arrived at the same conclusion that young people have positive attitude towards entrepreneurship. However any attempt made towards starting their own businesses is hampered by lack of start-up capital. Schoof, (2006) observed that the youth's attitude towards entrepreneurship and available sources of funds will influence the fund's accessibility. Mutuku, (2010) also observed that success in business and entrepreneurship has no two ways but calls for one to have a positive attitude and confidence to believe that they are able to make a difference. The findings of this study also agrees with the UN Report (2013) on entrepreneurship which suggest that among other well recognized constraints to entrepreneurship, youth's attitude plays an important role. Kounilsky (1995) emphasizes that perceptions and positive attitude about entrepreneurship are extremely important and set the foundation for becoming an entrepreneur. While the government provides the funds for YEDF, it should also ensure proper follow up is made and effort put in improving and boosting the youth's attitude towards entrepreneurship. The youth may have positive attitude towards entrepreneurship but do hold fear of loans and need to be encouraged to borrow the funds so that they can excel in their business ventures.

4.5.2: Entrepreneurship and uptake of YEDF

The respondents were requested to indicate their level of agreement or disagreement with the given statements concerning the influence of willingness to start business, attempt to start a business and perception of youth towards loans on the uptake of YEDF. The responses are summarized in Table 4.18

Table 4.18 Distribution of responses on entrepreneurship and borrowing of YEDF loans

	S.A	A	N.S	D	S.D	TOTAL
Willingness to start business influence Uptake of YEDF	31.8	25.5	23.6	11.4	7.7	100
Attempt to start business influence uptake of YEDF	27.3	30.9	19.09	15.9	6.8	100
Perception of youth towards entrepreneurship influence uptake of YEDF	19.09	37.3	22.7	11.8	9.09	100

S.A-strongly agree, A-agree, N.S- not sure, D-disagree, S.D-strongly disagree

From Table 4.18, 70 (31.8%) of the respondents strongly agreed that willingness to start own business influence uptake of YEDF and 56 (25.5%) agreed. Those not sure were 52(23.3%), disagreed were 25 (11.6%) and 17 (7.7%) strongly disagreed.

When asked whether attempt to start a business influence the uptake of youth enterprise development fund, 60 (27.3%) of respondents strongly agreed and 68 (30.9%) agreed. Those that were not sure were 42 (19.09%) while 351(5.9%) disagreed and 15 (6.8%) strongly disagreed.

On the influence of perception of youth towards entrepreneurship on uptake of youth enterprise development fund, 42 (19.09%) respondents strongly agreed and 82 (37.3%) agreed. The respondents that disagreed were 261(1.8%) with 20 (9.09%) of them strongly disagreeing and 50 (22.7%) indicating that they were not sure of the influence of youth perception on uptake of youth.

From the findings, youth indicated their willingness to start their own businesses, but their main obstacles are lack of capital. Krueger and Brazeal (1994), quoted in Wastald and Kounilsin (1995), stress that perceptions and positive attitudes about entrepreneurship are extremely important and set the foundation for becoming an entrepreneur long before one makes the decision to become one. It further argues that those who wish to foster entrepreneurship must support and reinforce perceptions and attitudes that are personally feasible and socially desirable. Thus, entrepreneurship among the youth can be greatly, affected by providing an environment that encourages positive and self-enabling perceptions

of potential entrepreneurs. It has been found that socialization impacts on individual's attitude towards entrepreneurship (Brockhaus and Horwitz, 1986; Jackson & Rodkey, 1994) . Having a positive attitude makes all difference in entrepreneurship. Mutuku (2010), maintains that having been born and brought up in abject poverty, most youth have low self-esteem that eats their confidence. A UN report (2012), indicated that most youth cited sources of start-up capital are those closely linked to family. This may mean that the youth will first exhaust family sources of funds before venturing outside the family circle. Sieverding (2012), after a study in Egypt highlighted key messages on youth entrepreneurship. Some of these messages among others are that while many youth see self-employment as attractive few actually start a business.

4.6: Lending framework and uptake of YEDF.

The researcher sought to establish whether lending framework played a role in the uptake of the youth fund in the area.

4.6.1: Funds application and preferred mode funding

The respondents were requested to indicate whether they had applied for YEDF and whether they applied as individuals or groups. The data obtained is tabulated in Table 4.11

Table 4.19: Distribution of responses on loan application and preferred type funding

Characteristic	frequency	Percentage
Have you ever applied for the YEDF either individually or a group	(f)	(%)
Yes	201	91.4
No	19	8.6
Total	220	100.0

When asked about the application of YEDF, the respondents indicated that 201 (91%) have applied, 19 (8.6%) had not. This shows that it is not easy to access the funds. Brosvik, (2010), access to capital was one of the major obstacles to entrepreneurial growth among the youth, and that the money obtained is usually insufficient for business development

Table 4.20 Distribution of respondents on preferred type of funding

Characteristic	frequency	Percentage
If yes what preferred type of funding	(f)	(%)
Individual funding	150	74.6
Group funding	51	25.4
Total	201	100.0

The researcher sought to establish the preferred type of funding, 150 (74.6%) of the respondents preferred individual funding whereas 51 (25.4%) preferred group funding. The micro-lending model often requires groups to be funded in groups and this makes individuals vulnerable to the failings of undisciplined groups (UNDP, 2009). When such groups collapse, many young genuine entrepreneurs are left demoralized and unwilling to access credit from other sources. The individual youth can only be funded if they have an existing business with a business licence not a start-up. The funding in groups makes the youth to shy away from the fund since most of them do like establishing their enterprises as individuals and this makes the fund not to be well utilized. The youth found management need to avail the individual component of funding without the group members being the guarantors. The collateral required from individual youth to access the youth funds must not be made tough and youth to provide the stock of what they will buy as the collateral.

4.6.2: Application formalities

The researcher sought to establish the level of agreement of respondents concerning the influence of number of application formalities and procedures, duration taken to process the application and nature of repayment rules and conditions on decision to borrow or not borrow YEDF loan. The data obtained is summarized in Table 4.21

Table 4.21: Distribution of responses on number of application formalities and procedures

Characteristic	Frequency	Percentage
	(f)	(%)
Strongly agree	119	54.09
Agree	54	24.5
Not sure	15	6.82
Disagree	20	9.09
Strongly disagree	12	5.5
Total	220	100.0

The Table 4.21 shows that 119 (54.09%) of the respondents strongly agreed that number of application formalities and procedures influence uptake of youth funds, 54 (24.5%) agreed, 15 (6.82%) were not sure whereas 20 (9.09%) disagreed and 12 (5.5%) strongly disagreed.

The results obtained indicate that majority of the respondents were in agreement with the thought that the number of application formalities and procedures influenced the uptake of the funds. The formalities cause delay in processing of the loans and make the youth to be discouraged in applying for the funds. Moreover, youth are required to do a lot of paper work and provide documentation. In rural areas facilities for production of such documents are few and spaced in vast geographical areas and this makes it problematic for youth. The key parameters of an agency's lending policy are the target market, eligibility & credit selection criteria, and loan assessment & loan eligibility amount, required documents, pricing, repayment mode and period, to verification requirement, amount & type of collateral (secured loans). All these requirements cannot be met by the youth, Odhiambo et.al (2013) in a study to determine the effect of YEDF on youth enterprise in Siaya County in Kenya Odera, et.al (2013), gives the opinion that lending procedures for the YEDF are stringent and some needy and illiterate youth are not able to fulfill some requirements. Youth access to credit is a complex issue that is constrained by the deficiencies inherent in situations that young people find themselves in. Whether or not youth apply for loans for their businesses depends to an extent on the conditions that are placed on young people by the lending institutions.

The government should review these formalities and procedures to make it easier for the youth to access the fund.

4.6.3: Duration to process the application

The researcher further investigated on whether duration taken in the processing application forms influenced uptake of youth funds. Results obtained from respondents are recorded in the Table 4.22

Table 4.22: Distribution of responses on duration to process the applications

Characteristic	frequency	Percentage
	(f)	(%)
Strongly agree	55	25
Agree	110	50
Not sure	11	5
Disagree	32	14.5
Strongly disagree	12	5.5
Total	220	100.0

Regarding whether duration to process the application played a role in the uptake of the fund, the results indicate that 55 (25%) strongly agreed, 110 (50%) agreed, 11(5%) were not sure, 32 (14.5%) disagreed whereas 12(5.5%) strongly disagreed.

The study has established that the duration taken to process the applications is too long and sometimes the funds are accessed when it is too late for a planned seasonal activity. This makes the youth projects be overtaken by time which reduces their viability. This needs to be improved for the success of the YEDF. While these funds are available to the youth accessibility remains a challenge. This concurs 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 cite complexity of loan processing and the risk involved in taking loan in general. It could take 2-3 months to process the loans once an application has been made. However, the YEDF Board maintains that it will take one month to process it (Otuki, 2014). This is an indication that the lending procedures are challenging and this may put off some youth 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. From experiences of

what takes place after the loan application has been vetted in the constituency office, it takes a long time for the board to process and lend the funds to the youth.

4.6.4: Nature of repayment rules and conditions set

The researcher wanted to establish the extent that the nature of repayment rules and conditions set by the management of the fund influence its uptake. The results from respondents are presented in Table 4.23

Table 4.23: Distribution of responses on the nature of repayment rules and conditions set

Characteristic	frequency	Percentage
	(f)	(%)
Strongly agree	121	55
Agree	68	31
Not sure	8	3.6
Disagree	13	5.9
Strongly disagree	10	4.5
Total	220	100.0

On whether the nature of repayment rules and conditions set influenced uptake of YEDF, 121 (55%) strongly agreed and 68 (31%) agreed. However 13 (5.9%) disagreed and 10 (4.5%) strongly disagreed, 8 (3.6%) were not sure. According to Heyer et.al (2003), YEDF loans use the group as some form of collateral for those with few or no assets, where joint liability for loan repayment transfers the risks associated with the loan from lender to the group. Group proposals are vetted as a prerequisite for qualification criteria for YEDF loans. The vetting ensures that youth projects to be funded are viable and also proper management of the funds and minimizes risks of poor repayment of the loans borrowed. The study was in line with the findings of Chigunta (2002) who established that to promote effective youth fund programs, there is need both to reduce access barriers and design programs that meet the needs of potential youth entrepreneurs which requires treating youth as ‘clients’ and not mere program ‘beneficiaries’, and shifting the focus from ‘product-centred’ to ‘customer-based’ programs.

. 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 procedure be adequately communicated to the beneficiaries of the fund in good time.

4.7: Results from the interview schedule from the Constituency Youth Fund Officers (CYFOs)

The researcher sought to probe more about the fund's existence in the constituency, the 2 Constituency Youth Fund Officers gave their responses that the fund had been in existence for nine years.

The researcher sought to establish the challenges experienced by the youth in accessing the fund in groups, the fund officers said that time lapses between application and disbursement. They said that it may take almost 3 to 4 months to issue cheques. They maintained that group composition and the age bracket which makes it hard for them to form groups which they can sustain. Some groups may have people above 35 years which is not recommended age as the youth are to benefit from the YEDF.

The researcher also sought to establish the challenges experienced by the youth in accessing youth fund as individuals, the CYFOs responded that the requirements in accessing the individual loans are difficult in that to obtain the loan the youth must have collateral such as title deed or log book of which the youth cannot possess. The CYFOs maintained that the individual youth can only be funded if they have an existing business with a business licence not a start-up.

The researcher further wanted to know the rate of uptake of YEDF in Tambach ward, the respondents maintained that the uptake of youth fund stands at 20% which translates to low uptake of the youth funds

The respondents gave their view that more sensitizations need to be done and trainings so that the youth may know more about the youth fund and encourage them to borrow the loans.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

In this chapter, the major findings of the study are highlighted and conclusions are drawn. Recommendations from the study are made and areas of further study are also presented.

5.2. Summary of the findings

The study was intended at establishing the factors that influence uptake of the youth Enterprise Development Fund in Tambach ward, Keiyo North Sub County. It sought to establish the influence of youth awareness on uptake of YEDF, influence of entrepreneurial education, influence of youth attitudes towards entrepreneurship and influence of lending framework on uptake of YEDF in Tambach ward, Keiyo North Sub County. The data was collected using questionnaires and analysed using descriptive statistics and presented using frequency tables.

5.2.1. Demographic Characteristics of respondents

From the study it can be concluded that youth aged between 18-35 years 76.5% represented the largest proportion, largely most of them had completed secondary school and colleges and were beginning to establish themselves. Majority of these youth groups are dominated by the male youth representing 55.4% most of who had completed their secondary level of education 47.3% and some have trained in certificate courses. In addition, the fund has not been able to address gender imbalances evident from low numbers of female respondents.

5.2.2. Youth awareness on uptake of youth Enterprise Development Fund

The study found out that majority (54.5%) of the youth were not aware of the fund and its intentions for the youth and therefore its level of uptake may be hindered by lack of awareness. The study established that the respondents got the awareness of the youth fund through the media, a friend, a relative, YEDF office and public baraza. The results revealed that although the media, public barazas and YEDF office had played a role in dissemination of information on the government youth fund, most of the awareness of the fund and its intentions were learned from friends (60%). The results reveal that uptake of the YEDF would be high if the youth are well acquainted with information necessary for borrowing of youth funds.

The study established that rate of the government in sensitization of the youth fund, was very low (41.8%). The results reveal that the respondents had very low opinion of the government in as far as sensitization of the youth fund was concerned. There is need for the government to put more efforts towards sensitization of the youth fund so as to realize high uptake of the YEDF loans.

The results showed that 75% of the respondents were aware of the trainings conducted by the management of the youth fund and suggest that trainings by management of YEDF had to a very large extent (67.9%) created awareness on the existence of the youth fund. Thus, the training frequency should be increased to promote high uptake of the fund.

The study found out that 62.3% of the respondents were in agreement with the thought that high rate of information access influenced the uptake of the fund. Therefore the government need to increase access to information for the youth so that they can be encouraged to increase the uptake of the youth fund.

The YEDF officers have not provided adequate guidance on YEDF activities to the youth. The study found out that despite the fact that YEDF could be a preferred source of funding among the youths, accessing it remained a great challenge. Most youth have not been properly informed on how this fund can be accessed. The study concludes that increasing awareness of youth fund, its objectives and loan features among youth will have an effect on the growth of small enterprises. This would yield results as more youth will apply for the loans and also utilize the loans prudently in order to repay. There is need to provide the youth with adequate information on youth fund objectives and loan features.

5.2.3: Entrepreneurship education on uptake of YEDF.

The study revealed that 45% of the respondents did not have more knowledge on entrepreneurship. It was found out that there were inadequate trainings on entrepreneurship which is important for utilization of youth fund and have a chance start business initiatives. The response was that 54.5% of the respondents had attended the trainings only once. The study found out that level of education (35%) influenced largely on the development of entrepreneurship skills that are important to run a businesses. Those with secondary certificates have higher success in accessing the fund. They also suggest that an environment that encourages positive and self-enabling perceptions of potential entrepreneurs should be created at early ages and one such intervention can be done through entrepreneurship education.

Entrepreneurial experience is also seen to influence effective utilization of YEDF. 77.3% of the respondents investigated responded with a strong agreement that entrepreneurial

experience influences effective utilization of YEDF. Entrepreneurial trainings must be improved so as to enhance skills and knowledge among the youths which implies that the more the youths engaged in business, the better their skills hence the more effectively they utilize the YEDF.

5.2.4 Youth attitude towards entrepreneurship on uptake of YEDF.

The study revealed that 40.9% of the youth have a positive attitude towards entrepreneurship. Many of them (31.8%) desire to have and ran their own business enterprises. The study revealed that 37.3% of the youth agreed that youth perception towards entrepreneurship influenced the uptake of YEDF. This was a factors identified as influencing uptake of YEDF. However any attempt made towards starting their own businesses is hampered by lack of start-up capital. While the government provides the funds for YEDF, it should also ensure proper follow up is made and effort put in improving and boosting the youth's attitude towards entrepreneurship. Entrepreneurship among The youth can be affected by providing an enabling environment that encourages positive and self-enabling perceptions of entrepreneurs.

5.2.5 Lending framework on the uptake of YEDF

The results of the study showed that lending framework influence uptake of YEDF. The respondents indicated that 91.4% had applied most of them preferred individual funding that is hard to receive the funds. This is because for a youth to access youth funds as an individual requires that they provide collateral of either title deed or log book of a vehicle and must have an existing business which is licenced. This shows that it is not easy to access the funds. The factors identified under lending framework as influencing uptake of YEDF are application formalities as indicated by 54.09% of the respondents. Also, the duration taken in processing the application was identified as influencing uptake of YEDF as shown by 50% of the respondents. However, this may not be the picture on the ground, as the Constituency Youth Fund Officers responded that it takes up to 3-4 months to process an application form and issue a cheque.

Another factor is the nature of repayment rules and conditions set, where 55% of the respondents agreed that it influenced uptake of YEDF. Efforts should be put in place to have favourable conditions so as to enable majority of the youth to access the funds. This is an indication that the lending framework are challenging and this may put off some youth from applying the fund. The ability to access the funding needed at the right time and amount allows one to take advantage of existing opportunities.

In addition the CYFOs said that the youth should be sensitized more in that they faced the challenge of group funding in which it was hard to get people of the same age of 18- 35 years and share a common interest to form a group and borrow loan .The issue of paying as a group when a member defaults discourages the youth to shy away from borrowing loan in a group which leads to low uptake of YEDF loans.

5.3. Conclusions

The study found out that majority of the youth were not aware of the fund and its intentions for the youth and therefore its level of uptake may be hindered by lack of awareness.

The study established that the respondents got the awareness of the youth fund through the media, a friend, a relative, YEDF office and public baraza. The results revealed that although the media, public barazas and YEDF office had played a role in dissemination of information on the government youth fund, most of the awareness of the fund and its intentions were learned from friends. The results reveals that uptake of the YEDF would be high if the youth are well acquainted with information necessary for borrowing of youth funds.

The study established that rate of the government in sensitization of the youth fund, was very low. The results reveal that the respondents had very low opinion of the government in as far as sensitization of the youth fund was concerned. There is need for the government to put more efforts towards sensitization of the youth fund so as to realize high uptake of the YEDF loans.

The results showed that most of the respondents were aware of the trainings conducted by the management of the youth fund and suggest that trainings by management of YEDF had to a very large extent created awareness on the uptake of the youth fund. Thus, the training frequency should be increased to promote high uptake of the fund.

The study found out that almost all respondents were in agreement with the thought that high rate of information

Results obtained from the respondents indicate that most of the respondents had one time applied YEDF either individually or as a group although they were below 50%. Most of the respondents had knowledge on the existence and intention of the youth fund most of which they had learnt through friends, media, YEDF office and public barazas. The results indicate that most of the respondents were aware of the trainings conducted by the management of the youth fund and that most of these trainings had created awareness on the uptake of YEDF. The results indicate that the youth have very low opinion of government sensitization of

YEDF. Most of the youth (62%) agreed that they had information access which influenced uptake of the funds.

The second objective was to establish the influence of entrepreneurial education on uptake of YEDF loans. From the results, owning a business either individually or as a group was largely attributed to entrepreneur skills. Most of the respondents were willing to start their own business, though they were hampered by insufficient trainings on entrepreneurship which is necessary for utilization of funds and opening up of business ventures. However youth fund could be a good starting point in accessing funds to start their own businesses. Therefore, it would be important to remove all the conditions that are to be met before taking the funds. The youth can be self-reliant if they can start their own businesses which can offer employment to their colleagues and thus reduce unemployment.

The third objective was to assess the influence of youth attitude towards loans on uptake of YEDF. The study further sought to assess whether youth's attitude towards loans and entrepreneurship influence uptake of YEDF. Most of the respondents, though below 50% have positive attitude towards entrepreneurship. This implies they view entrepreneurship positively. Willingness to start own business was identified as influencing uptake of the YEDF by the respondents. It was also noted that attempt to start a business influence uptake of the YEDF. This was shown by 61.2% of the respondents who agreed while 15% of the respondents disagreed. Perception of the youth towards entrepreneurship was identified as influencing uptake of YEDF, which was shown by 37% of the respondents.

The fourth objective was to examine the Influence of Lending framework on uptake of Youth Enterprise Development fund. Results obtained indicate that almost all the respondents were in agreement with the thought that number of application formalities and procedures determined uptake of the fund and that majority of the respondents were in agreement that nature of repayment rules and conditions set influence the uptake of the youth fund. From the results, efforts should be put in place to have favourable rules and conditions so as to enable majority of the youth to access funds.

The government should be appreciated for establishing the YEDF, provides a cheaper way for the youth to access funds they need in their business ventures. From the findings of the study, it can be concluded that though most of the respondents were aware of the trainings conducted by management of the youth fund and that most of these trainings had created awareness of uptake of the fund, majority had not accessed the funds. Also, the youth thought that number of application formalities and procedures determined uptake of the fund and that

majority of the respondents were in agreement that nature of repayment rules and conditions set influence the uptake of the youth fund. The study has revealed that uptake of these funds is influenced by awareness of the youth, entrepreneurial education, the youth's attitude towards entrepreneurship, and the lending framework. The duration taken to process the applications was also shown to influence uptake of the YEDF.

The provision of continuous and relevant business development services to youth entrepreneurs important to the success of enterprise development initiatives in enhancing sustainability. Long term measures like continuous entrepreneurship training should be put in place to improve chances of success. Therefore, for the YEDF to succeed, both short and long term measures must be embraced. There is need for monitoring so that the bottlenecks to its success are identified and dealt with.

5.4 Contribution to the body of knowledge

Objective of the study	Contribution of objective to body of knowledge
1. Youth awareness of the fund	Awareness of the existence and intention of fund, qualification , use of media, information access and extent of government sensitization was investigated
2. Entrepreneurial Education	Those with businesses were focused in the study to establish whether it influenced uptake of YEDF, influence of level of education and number of trainings attended on uptake of YEDF was addressed.
3. Youth attitudes	Youth perceptions, willingness and attempt to start business influence on uptake of YEDF. It dwelt on the actual uptake of the actual fund meant for entrepreneurship. Also attitude towards entrepreneurship is addressed.
4. Lending framework	Application formalities, duration to process application and nature of repayment rules and conditions set were addressed. The mode of funding was addressed.

5.5. Recommendations

1. Drawing from the findings of the study, majority of the youth groups are dominated by the male youth, the government, youth organizations and the public should encourage female youth to join the male parts in forming youth groups. More sensitization is required to encourage female youth to join groups and also to form their own groups.
2. The YEDF should employ more staff and have a department charged with responsibility of training the youth on entrepreneurship because they are relying on the knowledge acquired from secondary and college. The staff also will allow for proper sensitization and increase the awareness of the youth on the existence and intentions of the fund. This will enable members of the youth groups to have more business skills which can be used to make their project prosper in line with vision 2030
3. The entrepreneurial education and training should be made more frequent so that the youth can get enough knowledge about the business ventures and also the trainings should be introduced in all education levels so that each youth at any level can access entrepreneurial education. Also there is need for the youth to be equipped with entrepreneurial skills and business management skills to help them make informed decisions on the businesses that are viable for their groups.
4. It is recommended that the application procedures to be made easier and more friendly for the youth. The duration taken to process the application needs to be made shorter to encourage more youths to apply and funds to be sufficient for their needs. The nature of repayment conditions should be reviewed and each member should be responsible as guarantor to the loans and the kin of a borrower should guarantee for the loans and not group members so that when a member his/her kin repay the loans.

5.6 Areas of further research

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

1. The factors influencing women participation in group activities and attainment of gender parity in the youth groups. This was recommended due to the low numbers of women in youth groups.
2. Further studies should 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
3. The role of youth development officers in increasing uptake of YEDF loans. This was recommended due to the fact that there is low sensitization from the government about the existence of the fund.

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APPENDIX I: TRANSMITTAL LETTER.

GLADY JEPKOSGEI TUITOEK

Dear Respondent,

RE: REQUEST FOR PARTICIPATION IN RESEARCH

I am a student at The University of Nairobi, carrying out research on Factors Influencing uptake of Youth Enterprise Development Fund loans in Tambach ward, Keiyo North Constituency, ElgeyoMarakwet County.

The main purpose of this research is purely for academic purpose. The research is for **partial fulfillment for the award of Master of Art in Project Planning and Management.**

This is to request you to fill this questionnaire by responding to the questions as truthfully as possible. The information gathered shall be treated in confidence and shall be used for this research only.

Your help in filling in the questionnaire will be highly appreciated.

Yours faithfully,

GLADYS JEPKOSGEI TUITOEK

APPENDIX II: QUESTIONNAIRE FOR YOUTHS

INSTRUCTIONS

- 1) Please do not write your name anywhere in this Questionnaire
- 2) Information provided will be treated with utmost confidence.
- 3) Tick where appropriate.

SECTION A: DEMOGRAPHIC DATA

(i). Gender

- a) Male [] b) Female []

(ii). Please indicate your age category

- a) Below 18 Years []
b) 18 – 35 Years []
c) Over 35 Years []

(iii). Highest level of Education attained

- | | | | |
|---------------|-----|-----------|-----|
| Primary | [] | Secondary | [] |
| Diploma | [] | Degree | [] |
| Post Graduate | [] | None | [] |

SECTION B: YOUTH AWARENESS ON YEDF LOANS

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

Yes () No ()

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

2. How could you rate government's sensitization of YEDF among the youths?

Very high () High () Low () Very low ()

3. a) Are you aware of trainings organized by the management of the YEDF?

Yes () No ()

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

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

4. Using a scale of 1 to 5 (where 1 means Strongly Disagree, 2 means Disagree, 3 means Neutral or Undecided, 4 means Agree and 5 means strongly Agree. Please tick appropriately, to what extent do you agree with the following statements concerning the influence of information access and awareness on the uptake of YEDF loans.

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
i). level of information access influence uptake of YEDF loan.					
ii) There is greater access to internet and mobile phones.					

SECTION C: ENTREPRENEURSHIP EDUCATION

1a) Have you ever owned a business individually or in a group?

a) Yes () b) No ()

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

Very large extent () Large extent () Moderate extent () Lower extent () Very low () Very great extent () Great extent () Moderate extent () Small extent () very small extent ()

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

a) Yes () (b) No ()

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

Once () Twice () Thrice () Four times () Five times or more ()

5) To what extent do you think your level of education has a direct influence on your entrepreneurial skills?

Very large extent () Large extent () Moderate extent() Lower extent () Very low extent ()

SECTION D: YOUTH ATTITUDE TOWARDS YEDF LOAN UPTAKE3)

1. What do you think is the opinion of the youth towards loans?

a)Very positive [] b) Positive [] c) Not sure [] d) Negative [] e) Very negative

2) To what extent are you willing to start your own business?

a)Very great extent [] b) Great extent [] c) Moderate extent [] d) Small extent [] Very small extent []

3.)To what extent do the following influence borrowing of YEDF loans?

Youth attitude towards loans.	Very great extent	Great extent	Moderate extent	Small extent	Very small extent
(i) Willingness to start business					
(ii) Attempt to start business					
(iii) Perception of youthtowards loans					

SECTION E: YEDF LENDING FRAMEWORK

1. Have you ever applied for the YEDF either individually or as a group?

a) Yes [] b) No []

b) If yes, what preferred type of funding?

a) Individual funding [] b) Group funding [].

2. Using a scale of 1 to 5 (where 1 means No Extent, 2 means Less Extent, 3 means Moderate Extent, 4 means Great Extent and 5 means Very Great Extent. Please tick the appropriate extent that the following aspects of Lending framework influence your decision to borrow or not YEDF Loan.

	Influence of Lending formalities and regulations	1	2	3	4	5
(i).	Number of application formalities and procedures influence uptake of fund					
(ii).	Duration taken to process the application influence the uptake of YEDF					
(iii)	Nature of repayment rules and conditions set influence uptake of YEDF					

APPENDIX III: INTERVIEW SCHEDULE FOR THE CDYFOs

1) For how long has the fund been in operation in Keiyo North constituency?

-

2) In your own opinion, what are the major challenges experienced by youth in :

i) Accessing youth funds in groups?

ii) Accessing youth fund as individuals?

3) How has the rate uptake of YEDF been in Tambach ward?

4) In your own opinion what do you think can be done to improve loan uptake in Tambach ward?

APPENDIX V: KREJCIE AND MORGAN TABLE

Table for Determining Sample Size from a Given Population

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

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

PERMIT