

**ACCESS AND IMPACT OF DEVOLVED FUNDS ON ENTERPRISES OWNED BY
WOMEN AND THE POOR: A CASE STUDY OF GATUNDU SOUTH SUB COUNTY**

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X51/60939/2013

**Research project submitted in partial fulfillment for the award of degree of Masters of Arts
in Economic Policy Management in the School of Economics, University of Nairobi**

November, 2014

DECLARATION

This research paper is my original work and has not been presented for a degree in any other university.

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DEDICATION

I dedicate this work to my loving parents Mr. and Mrs. John Kamau who invested heavily in my education and to my beloved son, brothers and sisters for their moral support.

ACKNOWLEDGEMENT

This research paper would not have been successful without support and generous contribution of many individuals and organizations. First is to thank our almighty God for the gift of life, knowledge, strength and divine intervention throughout the course.

I am deeply indebted to my supervisors Prof. Jane Kabubo- Mariara and Dr. George Ruigu who dedicated their valuable time and provided academic guidance during preparation of this paper. Their rich knowledge, experience and skills in economics and research work greatly added value to this paper. I also want to thank my parents Mr. and Mrs. John Kamau, my brothers and sisters for their contribution and moral support.

Special thanks go to Ministry of Devolution and Planning for their financial support. Similarly, I wish to express my appreciation to the officers working with Gatundu South Sub County Social Development office and Sub County Development and Planning office for their support during data collection process. Their useful insights helped in the design and directional framework for this paper. I deeply appreciate the group officials who sacrificed their valuable time to be interviewed and provided me with vital information I used to write this paper.

I am grateful to my fellow MA classmates for their substance and moral support. I particularly wish to single out my study group members; Stephen, Julius, Charles and Faith who encouraged and kept me strong even when my spirit was dampened. Finally, I deeply appreciate the support I received from my beloved son Fabius Kamau who endured my long absence in the course of producing this paper.

ABSTRACT

This research project seeks to examine access and impact of constituency women enterprise fund and poverty eradication commission revolving fund on enterprises owned by women and the poor in Gatundu south sub county in Kiambu County. Despite efforts by the government to promote enterprises through provision of funds, a number of challenges such as inadequate finances or capital due to lack of collaterals to secure the loans, difficulties in transport and marketing, perishability of primary products or commodities still exist. The main objective of the study is to investigate accessibility to Constituency Women Enterprise Fund and Poverty Eradication Commission Revolving Fund and examine their impact on enterprises owned by women and the poor.

The study uses primary data based on 80 groups and probit models are used to analyse the relationship between access and impact of devolved funds and enterprises owned by women and the poor. The study offers important insights for the rural enterprise development and poverty reduction. The results of the study show that CWEF and PECRF plays an important role in improving the lives of rural women and the poor and calls for policy makers to improve on management of the devolved funds. Duration of group existence, collateral and gender had significant effects on access to funds while PECRF had significant effect on enterprise development. The study gave a number of policy recommendations: conducting training to capacity build for groups, train citizenry on what is required of them to access funds and upscaling of CWEF and PECRF to reach more groups.

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ACRONYMS

APTF	Anti-Poverty Trust funds
CBOs	Community Based Organizations
C-WEF	Constituency Women Enterprise Fund
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation
IGAs	Income Generating Activities
IMF	International Monetary Fund
MDG	Millennium Development Goal
MSMEs	Medium, Small and Micro enterprises
NPEP	National Poverty Eradication Plan
OVC	Orphans and Vulnerable Children
PECRF	Poverty Eradication Commission Revolving Fund
PRSP	Poverty Reduction Strategy Paper
SHG	Self Help Group
YEDF	Youth Enterprise Development Fund

CHAPTER ONE

1.0: Introduction

1.1: Background of the study

Poverty is a feature that dominates people's life in developing world. It is a multi-dimensional concept encompassing economic, social political and cultural aspects (Jean and Jeremy, 2000). It refers to lack of basic needs namely food, clothing and shelter. There are two types of poverty namely absolute poverty which occur when people cannot obtain resources to support minimum level of physical health and relative poverty which occurs when people do not enjoy minimum level of living standards set by a government that vary from one country to the other. Absolute poverty can be eradicated whereas relative poverty is seen to be increasing and may never be eradicated (Scott et.al, 2009).

Many economies in developing world have been facing challenges as they try to eradicate poverty. In Kenya, efforts have been made such as provision of funds to support Small and Medium Enterprises owned by women and the poor. However these enterprises have been facing challenges such as discrimination, poor access to justice, lack of finances among others (Mwobobia, 2012). Most of these problems were the main focus of Kenyan government in post independence era and the same has continued to dominate in today's world and the main concern has been to achieve sustainable development (Sessional paper No.1 of 1965).

According to the Kenya Integrated Household Budget Survey (2006), the percentage of people living below the poverty line in Kenya was 45.9 whereas the poverty gap ratio which is an indicator reflecting incidence and depth of poverty was 16.2 percent. It is therefore deemed necessary for the country to devise multi-dimensional policies and interventions that could provide a permanent solution to the poor through provision of affordable basic services, income earning opportunities, ready access to means of production and the protection of the law.

Government of Kenya and development partners have been assisting poor people through provision of credit in form of Revolving Loan Fund (RLF), with the aim of facilitating sustained and rapid economic growth, improving governance and security, increasing the ability of the poor to raise their incomes, improving the quality of life of the poor and promoting equity and participation (International Monetary Fund, 2000). For instance, the government of Kenya

launched the National Poverty Eradication Plan (NPEP) in 1999 which provided policy direction for forging partnership and mobilization of additional resources from non state actors in fight against poverty. This was followed by Poverty Reduction Strategy Papers (PRSPs) and later on Economic Recovery Strategy for Wealth and Employment Creation in 2003. Kenya Vision 2030 and its Medium Term Plans also recognize economic empowerment of citizens through provision of funds to the poor at low interest rates.

Different channels have been used to disburse soft loans to women and the poor. These include disbursement through financial institutions and through government agencies. Studies carried out have shown that lending requirements by banks and other financial institutions are harsh and lock out the poor from accessing credit. Their requirements of collaterals create barrier for the poor, thereby stopping them from accessing loans as they cannot meet them. The poor urban and rural households are constrained when lenders demand for collaterals (that the poor lack) in order to obtain loans for development and growth of their Medium, Small and Micro enterprises (MSMEs), (Mwangi and Shem, 2012). The borrowers may be willing to borrow at prevailing interest rates, but the lenders lack adequate information on credit worthiness of the borrower since the lenders ask for collateralisable assets to measure creditworthiness. This makes borrowers limit their investment by restricting enterprises growth and development hence stagnate their earnings.

1.1.1 Constituency women enterprise fund and poverty eradication commission revolving fund

In trying to achieve Kenya Vision 2030 and Millennium Development Goal (MDG) number one on eradication of extreme poverty and reduction of hunger, the government came up with various interventions as a way of boosting the country's economic activities. C-WEF and PECRF are examples of government interventions.

Women enterprise funds are received from annual budgetary allocation. They are disbursed through financial intermediaries at an interest rate of 8 percent and also through the sub county with the help of sub-county committees where 5 percent is deducted upfront for administration purposes. The funds objective is to empower women and their enterprises in order to eliminate poverty (Centre for Governance and Development, 2007). The Poverty Eradication Commission

on the other hand was established through a Kenya Gazette notice in April 1999 to spearhead the fight against poverty and oversee implementation of National Poverty Eradication Plan (1999-2015). It advocated for provision of grants to sub county committees to enable them fund community poverty reduction strategy. It mostly supports income generating activities (IGAs) that are social and income generating projects.

C-WEF and PECRF are disbursed to registered community groups through sub county committees. The only difference between them is that PEC funds are held at sub county Bank account but disbursements are done after authority is given by the Commission whereas C-WEF funds are held at the Ministry's bank account at the headquarters but vetting of proposals is done at the sub county (Centre for Governance and Development, 2007).

Periodical assessment on implementation process of C-WEF and PEC funded activities is vital in evaluating the effects of devolved funds on poverty reduction. A Monitoring and Evaluation directorate was established to impart monitoring and evaluation skills to community members. The directorate had to develop a monitoring and evaluation system to ensure leaders and implementers account for funds disbursed to various projects and programmes (Republic of Kenya, 2009). This study examines whether the funds may have changed lives of women and the poor.

1.1.2 Devolved funds in Gatundu south sub county

Gatundu South Sub County is one of the twelve sub counties in Kiambu County. It has been in existence since 2009. It covers an area of 192.4 square kilometres. It borders Juja sub county to the South, Githunguri sub county to the West, Ruiru sub county to the East and Gatundu North sub county to the North. It is further divided into four wards namely Ng'enda, Ndarugu, Kiamwangi and Kiganjo.

According to census done in 2009, Gatundu south sub-county had a population of 114,180 (Republic of Kenya, 2009). It was projected to be 124,223 in 2012 and 135,149 in 2015 (Gatundu Planning unit, 2013). Over 80 percent of this population is engaged directly and indirectly in agriculture which implies that agriculture remains the main economic activity within the locality. Residents mostly rely on rain fed agriculture. The sector is also the highest

contributor to household incomes in the sub county at 72 percent compared to other sectors. Declining gains in the coffee and tea sub sectors has been frustrating sustainable economic growth in the sub county. This is attributed to cash crop farming gains having not trickled down to the farmers leading to increasing number of people living below the poverty line which stands at thirty one (31) percent with a poverty gap ratio of 8 (Republic of Kenya, 2006).

Gatundu south sub county has benefited with various devolved funds as stipulated in Table 1.1.

Table 1.1 : Government Interventions in Gatundu South sub county, 2004-2010.

Government Intervention/ Fund/ Strategy	Year of Launch by the Government	Year of Initiation in Sub county	Target Group	Remarks
Women Enterprise Fund	2007	2009	Women groups	It was created through legal notice No.147 of 3 rd August 2007 (Government Financial Management Act). It is a revolving loan under former Ministry of Gender and Social services and Children. It is a flagship project. Individual loans are given by financial intermediaries or banks.
District Poverty Eradication Commission Revolving Fund	1999	2007	Poor citizens groups	It is a revolving loan given to poor.
Youth Enterprise fund	June 2006	2008	Youth Groups	It's a revolving loan given by former Ministry of Youth Affairs. It is a flagship project.
Cash Transfers to Orphans and Vulnerable Children (OVCs)	2004	2004	Households living with Orphans and Vulnerable Children.	Grants under former Ministry of Gender and Social services and Children. Ksh 2000 given bimonthly. It is a flagship project.

Source: Gatundu South Planning unit, 2013

1.2: Statement of the problem

Despite the initiative by the government to introduce devolved funds in Kenya, their real effects are yet to be experienced in many communities in Kenya. According to Ogolo, (2009) most people in Kenya were reported to have little knowledge or simply lack interest on the government's new initiatives of spearheading development. Abject poverty in most communities

is an issue of concern as most people are perpetually tied to low income jobs with others having no jobs at all hence their focus is skewed towards meeting their immediate basic needs as opposed to the long term development projects targeted by devolution. Such people usually have very limited time out of their income generating activities to participate in the new establishments (Ogolo, 2009).

The success of the Government's integrated strategy on the promotion of entrepreneurship and small enterprises is the continued creation of new start up funds, especially for innovative initiatives, and the growth of existing businesses by all segments of society and in all corners of the country resulting in the improvement of economic and social wellbeing of the poor communities (Kiraka et al. (2013); Poverty Eradication Commission (2009). C-WEF and PECRF are some of deliberate efforts by the government of Kenya aimed at accelerating enterprise development in order to create jobs and reduce poverty. The two funds have been revolving in Gatundu South sub county for more than three years but poverty level still stands at 31 percent. The study seeks to establish why poverty level is still high despite government efforts to promote enterprise development.

There seems to be a gap existing which is clearly depicted from the literature. The subject on C-WEF and PECRF has not been fully explored and one has to rely on government reports to get insights to the programmes. In addition, it is not clear to what extent C-WEF and PECRF have supported new business ideas that have not had access to other credits. It is also unclear as to what extent the provisions of funds has contributed to the growth of enterprises owned by women and the poor, as well as improve their social well being. The study therefore seeks to address this gap by investigating access to and impact of C-WEF and PECRF on enterprises owned by women and the poor in Gatundu South sub-county in Kiambu County.

The study is guided by various research questions; what are the factors determining accessibility of funds by women and the poor, what are the effects of C-WEF and PECRF on enterprises owned by women and the poor and what would be policy recommendations for improving the welfare of people in Gatundu South constituency.

1.3: Research objectives

The primary objective of the study is to investigate accessibility to C-WEF and PECRF and to examine their effects on enterprises owned by women and the poor in Gatundu south sub county

The specific objectives are:

- 1) To investigate the factors determining accessibility of devolved funds by women and the poor.
- 2) To examine the effect of C-WEF and PECRF on enterprises owned by women and the poor.
- 3) Based on findings, derive policy recommendations for improving the welfare in Gatundu South sub county.

1.4: Significance of the study

This study is beneficial to scholars as it adds to the existing knowledge on devolved funds and their role in development agenda. It contributes to existing literature in addressing future research problems.

Policy makers are expected to use this study to evaluate the role played by devolved funds in reducing poverty through enterprise development. The study is therefore useful for evaluating existing policies that assist in developing clear and relevant policies that are aimed at improving the well being of women and the poor.

The study could assist the government in budgeting process as it forms the basis of determining how resources are mobilized and allocated to pro-poor activities with the aim of reducing poverty while promoting economic growth and development.

The study forms a platform that gives an opportunity to the poor and the women to express their views and sentiments on how devolved funds have impacted either positively or negatively on their lives.

1.5: Organization of the study

The study is organized in five chapters, with chapter one covering basic introductory and background issues, the statement of the problem, the research questions, the objectives and significance of the study. Chapter two provides literature review based on study objectives. Chapter three presents the conceptual framework and methodology used. Chapter four presents research findings and discussions while chapter five presents summary of the study, conclusions and policy recommendations, limitation of the study and areas for future research.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of relevant theoretical and empirical literature on access to credit and impacts on enterprises including those owned by women and the poor. It also gives a summary of the literature reviewed and its contribution to the existing literature.

2.1: Theoretical Literature

This section presents theoretical literature relevant to the study.

Classical theory: Classical theorists believed in perfectly competitive markets with flexible prices resulting from self-adjusting, market-clearing aggregate markets. They believed that saving and investment can actually be equal. They held that every act of increased saving by an individual necessarily brings into existence a corresponding act of increased investment. Marshall for example, believed that aggregate saving and aggregate investment are necessarily equal. Classicalists embraced the fact that the level of income has an important influence on the amount saved. People with high level of income save more and later invest the entire amount into various enterprises. This further raises income leading to high purchasing power with improved quality of life for the citizenry (Jhingan et al. 2012).

An entrepreneur always borrows money keeping in mind the expected return on the new investment. Everyone who desires a loan at prevailing interest rate in a perfectly competitive market therefore obtains it hence credit needs of micro enterprises from other business are met (Barham, et.al. 1996). In reality credit markets are not perfectly competitive since there are transaction costs in making and processing loans and information asymmetry between the parties involved. These costs vary in percentage size and may lock out the poor, entrepreneurs and other potential borrowers from accessing bank credit (Barham, et al. 1996). This may contribute to borrowers seeking loans from informal credit markets with an aim of acquiring loans at lower transaction costs.

Loanable fund view theory: Devolved funds are associated with loanable fund theory of interest (also known as Neo classical theory) that explains determination of interest in terms of demand and supply of loanable funds. The theory was expounded by the famous Swedish

economist Knut Wicksell (1936). It is an attempt to improve upon the classical theory of interest. It recognizes that money can play a disruptive role in the saving and investments processes and thereby cause variations in the level of income which further affects employment creation. It synthesizes both the monetary and non-monetary aspects of the problem.

The loanable funds view argues that the risk-free interest rate is determined by the interplay of two forces: the demand for and supply of credit (loanable funds). The demand for loanable funds consists of credit demands from domestic businesses, consumers, and governments, and also borrowing in the domestic market by foreigners. The supply of loanable funds comes from various sources namely saving, dishoarding, bank credit and disinvestment. Some of these sources for example, bank credit require collaterals thus locking out potential borrowers. Collaterals in lending contracts is based on moral hazard and adverse selection that leads to credit rationing (Stiglitz and Weiss, 1990)

Sometimes, the supply of loanable funds is increased by a release of cash balances, and other times diminished by the absorption of various savings into cash balances. This gives the impression that the cash balances of the community can be increased or decreased. This however may not be actually the case as the total amount of cash balances of a community are at any time, fixed and necessarily equal to the total amount of money supply.

The theory is criticized as it combines money factors with real factors. They argue that it is illogical to combine factors like saving and investment with monetary factors (Metzler (1951).

Modern development theory: Modern development theory studies the evolution of growth, relative income inequalities, and their persistence in unified models. The models argue that financial market imperfections play a central role in influencing key decisions regarding human and physical capital accumulation and occupational choices. Some theories take credit constraints or other frictions as exogenous. In others, static information and transaction costs endogenously yield adverse selection and moral hazard frictions that impede the operation of financial markets. Theories stressing on entrepreneurship argue financial market imperfections determine the extent to which talented but poor individuals can raise external funds to initiate projects while capital accumulation theories argue that financial market imperfections determine

the extent to which the poor can borrow to invest in schooling or physical capital. For instance, Galor and Zeira (1993) and Banerjee and Newman (1993) models show that the lack of access to finance can be the critical mechanism for generating persistent income inequality or poverty traps, as well as lower growth. Evolution of financial development, growth, and intergenerational income dynamics therefore are closely intertwined.

Finance influences the efficiency of resource allocation throughout the economy as well as the comparative economic opportunities of individuals from relatively rich or poor households. Theorists argued that the need to finance large, indivisible investment projects in the process of development implied that rapid growth would need wealth concentration, leading to a fundamental trade-off between growth and social justice (Kuznets, 1955, 1963)

Social Capital theory: The term social capital is used to refer to the outcomes from the network of relationships between people in a community that help that community to operate effectively (Robinson 1997). These relationships are often centred on voluntary associations such as community groups, sports clubs and work-based associations, and are based on trust and reciprocity between the individuals concerned. A point noted in the social capital literature is that it develops from the core building blocks of the personal capacity for trust, tolerance, value of life, and pro activity. Connections are formed first within the family and neighborhood, and later within wider communities (Bullen and Onyx 1998).

Social Capital has borrowed much from social welfare function (Berguson and Samuelson, 1938). Social capital theory shows how the poor have been accessing informal credit to invest in various enterprises hence improving their social well-being through increased income. The theory evolved from Marx's conceptualization of capital within economic realms and later into human capital namely skills, education, and talents among others. It was further built by Arrow (1963) who mapped out a set of individual ordering for everyone in the society.

Social capital has promoted effective participation in decentralized funds which is of importance especially to the poor who are most disadvantaged in terms of access to various resources. Once the poor are given an opportunity, they build strong and sustainable organizations, enormous generosity and solidarity (Otieno, 2013).

Poverty theories: High incidences of poverty level are reduced when community groups get empowered (Bradshaw 2005). The Indian school of thought discussed a lot of issues that would help in reducing poverty. They said that government loans are part of public finance or government revenue from taxes. Ranade (1842-1901) argued that poverty would be eradicated if people engaged in large scale farming and establishment of agro-based industries by the state (Jhigan et al. 2012).

From the theoretical review, classical theory and loanable fund view theory are relevant to the study as they give theoretical concept on how to access credit. Collaterals are seen to be hindering entrepreneurs (both the poor and women) from accessing funds thus resulting in credit rationing which further affects various enterprises. Modern theories have also stressed on entrepreneurship development and recognize the role of financial market imperfections which determine the amount to be borrowed for investment. However funds given out are not adequate to facilitate establishment of large enterprise by the poor and women (Jhigan et al. 2012). Social capital theories and poverty theories are alluded to since they form the basis of the factors determining access to government loans.

2.2: Empirical Literature

This section gives highlights of studies carried out by other scholars that are relevant to the study. It presents the summary of previous studies that relate to accessibility of funds and their impacts on rural enterprise development and poverty reduction.

2.2.1: Access to Credit.

Snyder (2008) carried out a study on the potential for credit scoring for SME lending in Kenya. The study objective was to investigate the then use of credit scoring to aid in SME credit decisions, constraints on the implementation of credit scoring, and options for an implementation strategy. A survey was conducted where key stakeholders such as banks, prospective credit bureaus, the Ministry of Finance, the International Finance Corporation, the Kenya Institute of Bankers and SMEs were interviewed. The study found out that most lenders were not using credit scoring for assessing the credit risk of SMEs. It concluded that the larger lenders were developing their own custom-score-cards using internal data and best practices whereas the

smaller lenders were not able to develop, implement or manage their own custom credit scorecard. He recommended that the Government of Kenya should publish the credit-information regulations in order to establish licensed credit bureaus, and for all lenders to report positive and negative information on repayment performance. The study showed that the lack of credit information regulatory body can have negative impact on small enterprises especially when they want to access fund hence their growth is at risk.

Beverly et al. (2012) studied factors affecting mobilization of Kenyan resources for health and development by community based organizations (CBOs). Their study was descriptive and used both qualitative and quantitative methodologies. The variables used in the study included gender, level of performance, size of membership, geographical location and integrated health and development intervention. Three sampling methods were also used namely purposive, stratified and random. They showed how Kenya had shifted its approach on development from top-bottom to bottom-up approach. They emphasized the benefits of active participation during projects implementation process. The study concluded that payment of members' monthly contribution assisted groups in mobilizing internal resources. However, the study did not concentrate on internal resources and failed to bring out other ways of mobilizing resources especially external resources.

Mundia (1978) carried out a study on informal credit in Mathira Division in Nyeri District to assess whether credit was distributed equally to the population and whether informal credit was contributing to economic growth and development in rural areas. He used descriptive regression analysis and percentages to explain the results. He found that the demand for steady income level and collateralizable assets by formal institution were hindering access to credit by the poor. He also noted that the interest rate in the formal credit institutions was crudely determined and not all poor people would access it. The institutions were relying much on social capital hence loan defaulting rate was low as compared to the formal credit markets. However, the study did not show how variations in the amount of money borrowed impacted on the well being of the borrowers.

Agolo (2009) attempted to establish whether devolved funds initiatives were a curse or a blessing to Kenyans. He pointed out that decentralized projects that enjoy synonymous resource

distribution in Kenya included the Local Authority Transfer Fund, the Constituency Bursary Fund, the Free Primary Education Fund, the Constituency HIV/AIDS Fund, the Roads Maintenance Levy Fund, the Rural Electrification Levy Fund, the Water Service Trust Fund, the Women Enterprise Fund, the National Development Fund For Persons With Disability, the Constituency Development fund and the Poverty Eradication Fund. He used primary data and analyzed it using descriptive analysis. His results were given in percentages and the majority of the sample population said they were not aware of government initiatives hence active and effective participation in development projects by the community was low. He concluded that bottom-up approach was an effective way of realizing sustainable development. The study highlighted various types of government interventions.

Mwangi and Shem (2012) studied social capital and accessibility of credit in Kenya. They used bivariate probit model to analyze the effect of social capital on access to informal credit. They argued that accessibility to credit was a constraint in Kenya especially for poor urban and rural households since they lack collateral. They examined various variables such as social capital as a determinant of accessing credit in Kenya, gender, age, education and marital status. Sixty percent of the sample size did not have access to credit and women stood a higher chance of accessing loans in informal sector as compared to men. The study concentrated on how social capital can influence credit accessibility from financial institutions and informal groups yet social capital was not the only factor affecting access to credit.

Atieno (2001) studied formal and informal institutions lending policies and access to credit by small scale enterprises in Kenya. The study used both descriptive and analytical methods to analyze primary data sourced from individual entrepreneurs and farmers receiving credit from both formal and informal credit institutions as well as those who did not. She found out that the limited use of credit was due to lack of supply of credit caused by rationing by lenders in both formal and informal credit markets. The study concentrated on role of credit in creating employment and improving income levels.

2.2.2: Effect of devolved funds on enterprise development.

Kimenyi (2005) studied efficiency and efficacy of Kenya's development fund. He used descriptive method to analyse data on social economic characteristics, population size, location and citizen's demand. He argued that development should go directly to local levels in order to provide people at the grassroots the opportunity to make expenditure decisions that maximize their welfare consistent with the theoretical predictions of decentralization theory. He looked into concerns revolving around issues of allocative efficiency. He concluded that there was need to have proper utilization of funds to ensure that the program achieves its full potential. This was to be realized if prioritization of projects and programmes by community was done as well as "need responsive" development enhanced. The study concentrated solely on allocative efficiency.

Mogaka (2013) sought to establish the effects of cash transfer on Orphans and Vulnerable Children's (OVC's) well being and social relations in Nyamira division. She used stratified random sampling to identify the respondents. She used qualitative and quantitative methods to analyze the data. Then study found out that cash transfer had positive effect on OVC well being in terms of food security, food consumption and education. Cash transfer was used to cater for basic needs, education, medical expenses, small scale investments and livestock. The study recommended that the government should upscale the number of beneficiaries and capacity build them to increase the number of income generating activities for sustainability of the programme. The study focused more on social assistance interventions rather than the impact of devolved funds.

In Kenya, many studies relating to cash transfer for Orphans and Vulnerable Children (OVCs) have been done to justify their operations and their impacts on enterprises. Ward et al., (2010), Stewart and Handa (2008), Asfaw et al. (2012), Taylor et al. (2013) evaluated the changes that have been brought about by OVCs programme. The majority of the researchers used primary data in their studies and concluded that the funds were associated with positive changes in the lives of the households. They recommended to the government to consider up scaling the programme and reach as many beneficiaries as possible. They concluded that cash transfer for OVC programme

has economic impacts on household livelihoods leading to reduced poverty levels however, the studies concentrated on social well-being of beneficiaries resulting from the programme.

Mutinda (2011) carried out a study on assessment of the effectiveness of the Women Enterprise Fund in enabling women to set up enterprises in Matuga Constituency. The study analyzed data using frequencies and percentages. The variables studied included development of women enterprises, women empowerment, adequacy of loans, accessibility of the loans and capacity building. She concluded that the core functions of Women Enterprise fund included the provision of credit to women for enterprise development, capacity building of women beneficiaries and their institutions, promotion of local and international marketing, promotion of linkages of micro, small and medium enterprises owned by women with big enterprises, attract and facilitate investments in infrastructure that support women enterprises, for example markets, business incubators among others. The study however was not clear on the magnitude of women empowerment and enterprise development in improving the well being of beneficiaries.

Mwobobia (2012) sought to identify the challenges facing small scale women entrepreneurs in Kenya and the initiatives put in place to counter the challenges. Her study used descriptive methods to analyze data. She established that women Enterprise fund plays a major role in economic growth as many stakeholders from both public and private sector are helping to empower women entrepreneurs in Kenya. Women used little resources that they had to start up or expand their enterprises and to create employment for other stakeholders within a community. They operate small scale enterprises which in most cases are started off using loaned funds from group contributions done monthly or weekly. The study highlighted challenges faced by women which included inadequate finances or capital due to lack of collateral to secure the loans, difficulties in transport and marketing, perishability of primary products or commodities and competition demand related to household chores among others. The study recommended that women in entrepreneurs need to be accepted and supported financially, legally and more capacity building should be made available. Further research was also recommended in this area. The study did not expound more on the impact of women fund given to small scale entrepreneurs.

Mukua (2010) examined the factors influencing access and management of devolved women enterprise fund in Mvita Constituency Mombasa District, Kenya. The study examined day to day

operations and management of WEF. The study used random sampling to collect data and descriptive data analysis. The research found out there was poor community involvement, delay in disbursement of funds, inadequate capacity building efforts were the issues influencing the access and management of the devolved women enterprise fund. The researcher recommended further research to establish whether the current institutional structure of the devolved fund is capable of promoting gender equality and empowering women. The study concentrated more on operations of WEF.

Kabubo-Mariara and Kiriti-Ng'ang'a (2013) investigated the role of social protection on welfare of vulnerable groups in Kenya. They further investigated the impact of social protection of enterprise development and asset accumulation. They used descriptive analysis and probit models to achieve the objectives of the study. They found out that beneficiaries of social protection fund were likely to accumulate more assets (livestock, farm equipments and household assets) and enterprises than non beneficiaries. They concluded that social protection in form of cash transfers has important implications of household welfare. The study was skewed towards asset accumulation and enterprise development.

Matovu and Birungi (2013) examined the types of shocks and risks experienced by vulnerable groups and the coping mechanisms used to address different types of shocks. They used probit model to achieve their objectives. The study further explored sources of financing enterprises owned by women. They concluded that access to social assistance protections increased probability of women owned enterprises as well as asset accumulation. From the study, social protection was seen to be an integral part of government effort to reduce poverty, vulnerability and economic inequality. The study was carried out in rural areas which may have contributed to majority of the women owning assets.

Mupfasoni et al. (2013) investigated the implications of social protection on household welfare in Burundi. They argued that enterprise development funding was largely dependent on agriculture. They used descriptive analysis and probit model to achieve their objectives. The study was aimed at examining the role of the social protection in promoting household's welfare. The study was focused on promotion of enterprise development and asset accumulation for women and advancement of education for the children. They concluded that programmes to

support women economic empowerment should use existing informal network to promote sustainable group lending schemes. The study clarified education was not a critical factor in determining the level of asset accumulation and was not applicable in all locations.

Using a political economy approach within an environment of increasingly policy institutional support, Mathiu et al. (2012) discussed a cash transfer programme for social protection as a development strategy for the ageing in Kenya. They used descriptive analysis to achieve their objective. They proposed a transformative thinking for planning social protection for the elderly by targeting the youth. They found out that national programmes are pegged on political economy and national economic outlook dynamism. They argued that social protection programmes have been operationally feasible within government delivery mechanisms and budgetary provisions that have allowed gradual expansion of enterprises, with some significance in poverty reduction. Furthermore, there have been increased linkages with other complimentary public services like health services. They concluded that social protection development strategies are contributing to poverty reduction and achievement of MDGs. The study findings raised critical question as to whether social protection had really assisted the aged in asset accumulation and enterprise development.

2.3: Overview of the Literature

Access to credit plays a critical role in improving the welfare of the people through enterprise development. This has prompted researchers to carryout studies using different methodologies to investigate factors affecting access to credit (Snyder (2008); Beverly et al. (2012); Mwangi and Shem (2012); Mundia (1978) and Atieno 2001) and examine effects of devolved funds on enterprise development (Kimenyi (2005); Mogaka (2013); Mutinda (2011); Mwobobia (2012); Kabubo-Mariara and Kiriti-Ng'ang'a (2013); Matovu and Birungi 2013).

The literature reviewed focused more on benefits derived from various social protection programmes. The studies concentrated on social well-being of beneficiaries resulting from the programme rather than the fund's impact on enterprise development. Some of them did not go further into establishing whether there were barriers in accessing funds allocated and enterprise growth. Majority of them concentrated more on beneficiaries and neglected the need of having a

control population. The findings further showed that there was little research done on enterprise development in Kenya and in particular, Gatundu south sub county. The study therefore fills the gap by generating more information on access to and impact of C-WEF and PECRF on enterprise development and how the same may improve the well being of the residents.

CHAPTER THREE: METHODOLOGY

3.0 Introduction

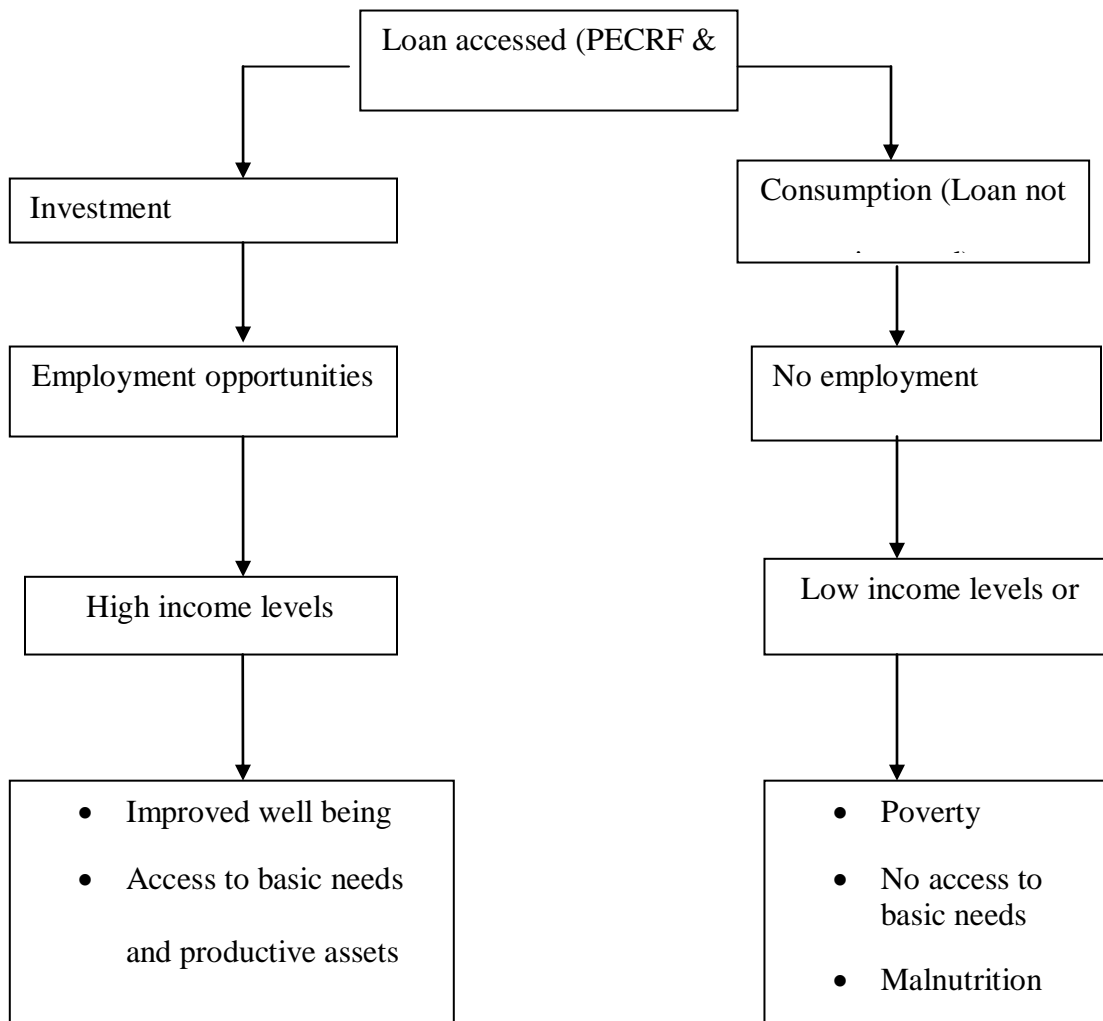
This chapter presents the conceptual framework, model specification, study area, data source, data collection and sampling procedure to be used by the researcher to investigate accessibility to and examine impact of C-WEF and PECRF on enterprises owned by women and the poor. It further highlights limitation of the study

3.1: Conceptual Framework

High levels of poverty experienced in Kenya are attributed largely to lack of adequate financial resources and machineries used in exploiting available opportunities. This has led to limited access to basic needs and productive assets by majority of the people living which implies that there is low participation in wealth creation. Poverty therefore has contributed to reliance on government and other development partners as well as dependence on the small proportion of working population to bridge up the gap between the poor and the rich.

Realization of development agenda which is characterized by improved well being is adversely affected when people fail to invest in income generating activities (IGAs). This further constrains the available resources. The provision of credit to the poor and women therefore is seen as a way of enhancing access and control of productive assets to improve people's livelihoods. The poor and women are expected to invest in productive enterprises in order to create more employment opportunities which further translate to improved levels of income. When income rises, the borrowers are in a position of repaying the loans which could then be re-invested. This leads to more wealth creation with improved livelihoods of the poor, their households and community. The opposite will happen if income is consumed. The conceptual framework is illustrated in figure 3.1.

Figure 3.1: Conceptual Framework for devolved funds



Source: Author's conceptualization

3.2: Model specification

3.2.1: Access to credit model

C-WEF and PECRF were introduced by the government of Kenya to enable women and the poor who were hitherto excluded from accessing formal credit due to harsh lending requirements, access funds. To examine the factors that determine access to credit by the two groups, the study

adopts the approach applied by Mwangi and Shem (2012) in examining the impact of social capital variable on access to credit.

The probability of accessing loan is a function of various independent variables. The model takes the following functional form

$$C_i = f(\text{NGM}_i, \text{NHH}_i, G_i, \text{LED}_i, \text{VOC}_i, \text{DGE}_i, \text{AIL}_i, \mu_i) \dots \dots \dots (1)$$

Where i denotes the group.

C represents access to fund (C-WEF or PECRF). It is a dependent variable which takes the value of one if a group accesses loan and zero if it does not; NGM represents average number of group members; NHH represents average number of household dependants; G represents gender; LED represents average level of education; VOC represents value or type of collateral; DGE represents duration of group existence; AIL represents average income level and μ is the error term.

The model is represented in a mathematic expression as shown below:

$$C_i = \beta_0 + \beta_1 \text{NGM}_i + \beta_2 \text{NHH}_i + \beta_3 G_i + \beta_4 \text{LED}_i + \beta_5 \text{VOC}_i + \beta_6 \text{DGE}_i + \beta_7 \text{AIL}_i + \mu_i \dots (2)$$

The study estimates models, one for the poor and the other one for women. Since the dependent variable (access to devolved funds) is qualitative and is a binary choice, the study uses probit model. The probability may be given as $\text{pr}(C=1) = \Phi(X'\beta)$ where Φ is cumulative density function of standard normal distribution. The study therefore observes $Y=1$ if a group accesses funds and $Y=0$ if it does not.

3.2.2: Effects of PEC and C-WEF on enterprise development model

When devolved funds accessed are put in to proper use, they can improve well being of the poor and women and reduce levels of poverty. Improved well being may be brought about by positive impacts of devolved funds on enterprise development. To examine effects of PECRF and C-WEF on enterprises owned by the poor and women, the study will adopt the approach applied by Mutinda (2011) in assessing the effectiveness of the Women Enterprise Fund in enabling women

to set up enterprises in Matuga Constituency. The study will modify the model to suit the objective.

The study uses both descriptive and regression analysis to achieve the objectives. Enterprise development is the dependent variable which is a function of various independent variables. It is a binary variable equal to 1 if a group operates an enterprise and 0 if otherwise. Independent variables are vectors of H_d , demographic characteristics (group size, gender and average age of group members), H_c , human capital (average education level), F_p is a binary variable equal to 1 if a group benefits from PECRF and F_w , is a binary variable equal to 1 if a group benefits from C-WEF.

The model takes the following functional form

$$ED = f(H_d, H_c, F_p, F_w, \epsilon) \dots \dots \dots (3)$$

Where ϵ is the error term and other variable are as defined above. Probit model is used to estimate equation (3).

The function form of the model is estimated is as shown below:

$$ED_i = \alpha_0 + \alpha_1 NGM_i + \alpha_2 G_i + \alpha_3 AGM_i + \alpha_4 LED_i + \alpha_5 PECRF_i + \alpha_6 CWEF_i + \epsilon_i$$

Where NGM is the average number of group members, G is dominant gender of the group, AGM is average age of group members, LED is the average level of education, $PECRF$ is amount of poverty eradication commission revolving fund accessed by the group, $CWEF$ is the amount of constituency women enterprise fund accessed by the group and ϵ is the error term.

Tables 3.2 and 3.3 presents variable measurement, expected signs and literature sources.

Table 3.2: Access to credit model variable definitions and hypothesized relationships

Variable	Measurement	Expected sign and literature source.
Average number of group members	Number of persons in a group.	A group is expected to have between 5-60 members. Group risks are shared amongst members hence they are less constraints. It is expected that there is a positive relationship between accessibility to funds and number of members in a group (Mwangi and Shem, 2012; Beverly et al. 2012).
Average number of household dependants in a group	Number of dependants within a group	Many dependants motivate a group to engage productive activities with an aim of creating more wealth. As a result the group demand for more funds to assist them accomplish their goal hence a positive sign (Russler and Gillespie, 2008).
Gender dominating a group	Male or female	A group accessing CWF is expected to have 70 percent of its members being women with the group leadership 100 percent whereas PEGRF does not have restrictions in relation to gender issues. Women are discriminated against access to credit hence expected sign is negative for women groups (Beverly et al. 2012; Mwangi and Shem, 2012; Russler and Gillespie, 2008)
Average level of education of group members	Highest education level	High level of education raises access to credit hence the expected sign is positive (Mwangi and Shem, 2012).
Value of collateral of loan accessed by the group	Kshs in thousands	High value of collateral reduces the chance of accessing credit for the poor and women hence expected sign is negative (Mwangi and Shem, 2012; Mundia, 1978).
Duration of group existence	Number of months	This refers to the number of months group members have stayed together since their group registration. The expected sign is positive (Russler and Gillespie, 2008).
Average income level of the group	Kshs in thousands	High and stable income level is associated with easy access to credit and improved level of well being of group members. The expected sign is therefore positive (Mwangi and Shem, 2012).

Source: Author's Construction

Table 3.3: Effects of devolved funds variable definitions and hypothesized relationships

Variable	Measurement	Expected sign and literature source.
Average number of group members	Number of persons in a group.	Group risks are shared amongst members hence they are less constraints. It is expected that there is a positive relationship between accessibility to funds and members in a group. The same is translated to an increase in enterprise development hence the sign remain positive (Mogaka, 2013; Mwobobia, 2012 and Kimenyi, 2005).
Gender dominating a group	Male or female	Women play a critical role in enterprise development as compared to men. The relationship between enterprise development and gender is positive (Mwobobia, 2012; Mukua, 2010; Asfaw et.al. 2012; Taylor et al. 2013 and Ward et al. 2010).
Average Age of group members	Number of years	People invest a lot at intermediate age to ensure they have enough at old age. Expected sign is therefore positive (Kimenyi, 2005; Asfaw et.al.2012 and Mathiu et al. 2012).
Average level of education of the group	Highest education level	The groups whose members have high level of education tend to invest more in enterprises hence the expected sign is positive (Mogaka, 2013; Mutinda, 2011 and Mupfasoni et al. 2013).
Poverty Eradication Commission Revolving fund	Kshs in thousands	The amount of money received from PECRF at the sub county level ranges between Kshs 50,000 to 250,000. Increase in absorption of devolved funds is associated to increase in enterprise development. The expected sign is therefore positive (Poverty Eradication Commission, 2009).
Constituency Women Enterprise fund	Kshs in thousands	The minimum amount of money given is Ksh 50,000. The higher the absorption rate of funds from the high the rate of enterprise development. The expected sign is therefore positive (Mwobobia, 2012; Mukua, 2010 and Mutinda, 2011).

Source: Author's construction

3.3 The study area, data sources and data collection

The study is carried out in Gatundu South sub county in Kiambu county. The study is based on primary data. In order to achieve the study set objectives, questionnaires were administered to 80 PEC and WEF beneficiaries and non beneficiaries groups from the four wards in Gatundu

South namely Ndarugu, Kiganjo, Kiamwangi and Ng'enda. Questionnaire administered is attached to this paper as an appendix.

3.4 Data sampling procedure

The study carried out comprises of 80 PEC and C-WEF beneficiary and non beneficiary groups. This comprises of 80 respondents who are selected randomly from the three officials of each group namely chair person, secretary and treasurer since they have adequate information about the group. The sample size came from a population of 52 groups funded under PECRF and 148 groups funded under C-WEF between 2007 and 2013. The list of beneficiaries and control groups were sourced from Sub County Social Development office in case of C-WEF and Sub County Development and Planning office in case of PECRF.

The optimal sample size was determined using a sample determination table which was developed using Krejcie and Morgan (1970) formula shown below

$$s = \frac{X^2NP(1-P)}{d^2(N-1) + X^2P(1-P)}$$

Where s is the sample size, X is the value of Chi-square value at one degree of freedom, N is the population size. p is the population proportion assumed to be 0.5 and d is degree of accuracy expressed as a proportion of 0.5

Using the sample size determination table, the sample size of PECRF is 46 groups where as that of C-WEF is 107 groups adding up to 153 groups. The study had limitations in terms of resources (available funds and time) hence the sample size was reduced to 80 groups. One official of each group was randomly chosen to make a total of 80 respondents. The total number of groups interviewed under PECRF was 24 while those interviewed under C-WEF was 56 groups.

The study used stratified random sampling method where groups in each form of revolving fund is categorized into two stratas namely beneficiaries and non beneficiaries. Stratified random sampling method is preferred because it does not have biasness. Considering the degree of accuracy is 0.5 (Krejcie and Morgan,1970), the total number of beneficiaries and non beneficiaries under PECRF was 12 groups each whereas C-WEF had 28 beneficiary and 28 non beneficiary groups.

Table 3.4 shows sample breakdown into various groups and source of their funding.

Table 3.4: Target population

Devolved funds	PEC Revolving Fund	C-Women Enterprise Fund	Total
Beneficiaries	12	28	40
Non beneficiaries	12	28	40
Total	24	56	80

Source: Author's construction

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the data that was found on access and impact of devolved fund on enterprises owned by women and the poor. The study targeted groups in Gatundu South Sub-County. The research targeted 52 groups funded under PECRF and 148 groups funded under C-WEF between 2007 and 2013. However, it sampled 80 groups who filled and returned the questionnaire. This was 40 percentage of the total groups' population.

The data were analyzed using both descriptive and regression analysis. Using descriptive technique, the study made use of frequencies (absolute and relative) on single response questions. These were then presented in tables and graphs as appropriate. Findings from open-ended questions were also analysed.

4.2 Descriptive statistics

This section presents the characteristics of the sample used in the study. It describes the distribution of each variable: mean, standard deviation and minimum and maximum values. Table 4.5 gives the summary statistics of the main variables that have been included in the model including: minimum, maximum, mean and standard deviation. Mean is used to locate the center of the relative frequency distribution.

From the descriptive statistics, the total number of group members had an average of 21.25 with a maximum of 142 and a minimum of 10 members. The average number of household dependants was 3 dependants with a maximum of 5 and a minimum of 1. Gender had a mean of 0.5 which means there was no gender (male or female) dominating a group. The mean of average level of education was 2.17 with a maximum range of 3 (Tertiary level) and a minimum of 1 (primary level). The value or type of collateral was treated as a dummy (equal to 1 if collateral is required and 0 if otherwise) since groups could not quantify the value of collateral and most of

them benefited with collateral free funds such as PECRF, CWEF and YEDF. It had a mean of 0.333 with a minimum of 0 and a maximum of 1.

Duration of group existence considered number of months in existence. It had a mean of 5.375 with a maximum of 55 and a minimum of 2. The average income level was 1.342 with a minimum of 1 (Ksh 20,000 and below) and a maximum of 5 (above Ksh 50, 000). The average age of group members was 4.125 with a minimum of 2 (18-25 years) and maximum of 6 (above 55). PECRF, CWEF, access to credit and enterprise development were dummy variables with a minimum of 0 and a maximum of 1 and mean of 0.15, 0.375, 0.5 and 0.288 respectively.

Table 4.5: Summary of descriptive statistics

Variable	Observations	Mean	Standard Deviation	Minimum	Maximum
Total number of group members (measured in numeric)	80	21.250	15.810	10	142
Average number of household dependants in a group (measured in numeric)	80	3.000	1.169	1	5
Gender (Dummy)	74	0.489	0.870	0	1
Average education level of the group as a whole	80	2.175	2.359	1	3
Value or type of collateral (Dummy)	78	0.333	0.474	0	1
Duration of group existence	80	5.375	8.060	2	55

Average income level	79	1.342	0.677	1	5
Average age of group members	80	4.125	0.973	2	6
PERCF	80	0.150	0.359	0	1
CWEF	80	0.375	0.487	0	1
Access to credit	80	0.500	0.503	0	1
Enterprise development	80	0.288	0.455	0	1

Source: Author's calculations based on survey data

The study sought to find the gender that was dominant within the sampled groups. Table 4.6 shows gender composition of the group. 16.3 percent of the sampled group was dominated by men while 73.7 percent was dominated by female. On the other hand 8 groups had equal number of male and female which amounted to 10 percent of the sampled group. The results showed that most of the groups accessing various funds were female dominated.

Table 4.6: Gender composition of the Group

Dominant Gender	Frequency	Percentage
Male	13	16.3
Female	59	73.7
None	8	10.0
Total	80	100.0

Source: Author's calculations based on survey data

The study sought to find the membership composition of sampled groups. The findings in table 4.7 shows that 10 percent had members ranging between 5 and 10, 58.8 percent had between 11 and 20 members, 22.5 percent of the group had members ranging between 21 and 30 where as 8.7 percent of groups had more than 30 members. Out of the 80 groups that had been sampled,

Table 4.7: Membership composition of the groups

Average number of member	Frequency	Percentage
1 - 10 Members	8	10.0
11 - 20 Members	47	58.8
21 - 30 Members	18	22.5
More than 30 Members	7	8.7
Total	80	100.0
Disability	12	15.0

Source: Author's calculations based on survey data

From table 4.8, 38.8 percent of the group members were aged between 36 and 45 years old. In addition 50% of group members were aged between 25-35 years and 46-55 years with each having 25 percent. The three categories are at their reproductive age and require funds to support their enterprise and improve their well being. 2.5% comprised of members aged between 18-25 years where as 8.8% comprised of members aged above 55 years.

Table 4.8: Average age bracket of the group members

Range	Frequency	Percentage
18-25 Years	2	2.5
25-35 Years	20	25.0
36-45 Years	31	38.8
46-55 Years	20	25.0
Above 55 Years	6	8.8
Total	80	100.0

Source: Author's calculations based on survey data

Table 4.9 shows the average level of education. A notable proportion of 47.6% of group members had secondary school education, 30% had primary school education and 22.5% had higher education (tertiary level).

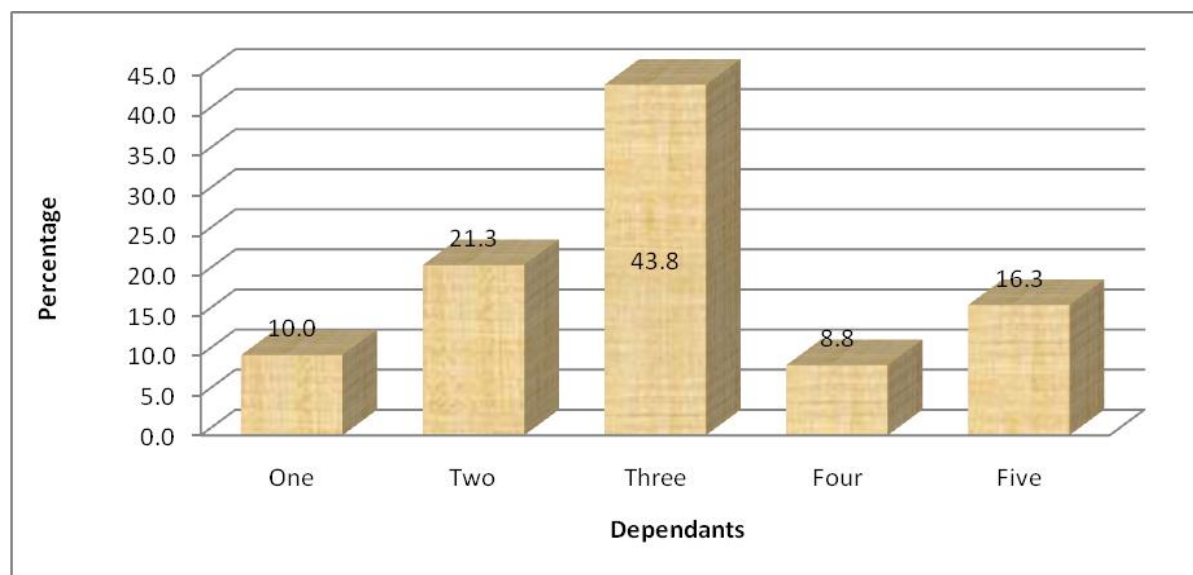
Table 4.9: Average education level of the group as a whole

Education Level	Frequency	Percentage
Primary	24	30.0
Secondary	37	47.6
Tertiary	18	22.5
Total	80	100.0

Source: Author's calculations based on survey data

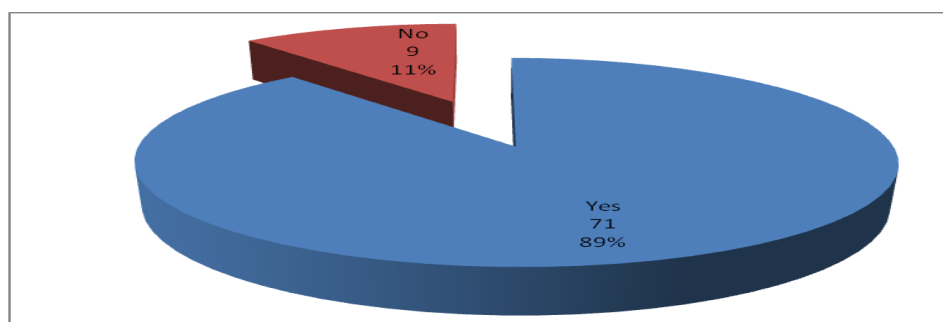
Figure 4.2 shows the average size of household dependents in the group. Groups with three dependants had the highest percentage of 43.8%. This was followed by groups with two dependants standing at 21.3%, five dependants at 16.3%, one dependant at 10% and lastly four dependants at 8.8%. Many dependants motivate a group to engage in productive activities with an aim of creating more wealth through use of productive machinery or assets.

Figure 4.2: Average size of household dependants in the group



Source: Author's calculations based on survey data

Figure 4.3: Entrepreneurship Training



Source: Author's calculations based on survey data

Figure 4.3 shows that 89% of sampled groups were trained whereas 11% had not been trained. The respondents and their groups had undergone various trainings such as CWEF, green house farming, agri-business, table banking advisory, book keeping, home base care, business planning and management, *kilimo biashara*, environment and conservation, ngumbato loans, and animal husbandry. 70% of groups were trained on business planning, 37.5% of them on book keeping and 35% had undertaken CWEF training while 17.5%, 11.3%, 5% and 2.5% of the groups were trained on accounting, agribusiness, *kilimo biashara* and greenhouse respectively. Rabbit husbandry, environment conservation, home base care, table banking and ngumbato all had 1.3% of groups trained. Number of groups trained in various field and the percentage is shown in table 4.10.

Table 4.10: Number of groups trained in various field

Training undertaken	No. of groups trained(Frequency)	Percentage
Agribusiness	9	11.3
Rabbit husbandry	1	1.3
Business planning	56	70.0
Kilimo biashara	4	5.0
Book keeping	30	37.5
Accounting	14	17.5
Environmental conservation	1	1.3
Green house	2	2.5
Table banking	1	1.3
CWEF training	28	35
Home base care	1	1.3
Ngumbato loan training	1	1.3

Source: Author's calculations based on survey data

The groups' main enterprises included: acrobats and bead work, agribusiness, table banking, general supplies, general farming, basket making (weaving), *boda boda* business, chicken farming, cattle rearing, construction, energy saving jikos, fish farming, green grocery, mushroom farming, *ngumbato*, constructing biogas for farmers, and posho mill. Some of the groups have more than one enterprise. Animal husbandry has the largest share with half of the groups (50%) being involved. The percentage of groups' main enterprises is given in table 4.11.

Table 4.11: Main enterprises of various groups and their percentages

Main enterprise	Frequency	Percentage
Farming (horticulture, organic, banana, potato, fish, flower, green house, mushroom)	14	17.5
Animal husbandry (pig, goats, sheep, cattle, poultry)	40	50.0
Acrobat	1	1.3
Small scale business (general supplies, retail shop, posho mill, catering, bodaboda, supply of tents and chair)	11	13.8
Agribusiness	1	1.3
Energy saving jiko (construction and selling)	3	3.8
Biogas construction	1	1.3
Bead work	4	5.0
Knitting, embroidery, weaving and painting	3	3.8
Tree nurseries	4	5.0
Confectionary	1	1.3
Making of detergents	1	1.3
Table banking	36	45.0

Source: Author's calculations based on survey data

Table 4.12 shows that majority (67.5%) of sampled groups earned below ksh 100,000. 21.25% earned between 100000- 200000 Kenya shillings, 6.25% earned between 200000 and 300,000 shillings and lastly 5% of group members were earning more than 300,000 shillings. Groups that benefited from both CWF and PECRF had started up small scale businesses as the others expand some of their enterprises. However, majority of them were earning less than Kshs 100,000 which they attributed to inadequacy of funds disbursed to respective groups. When asked whether PECRF and CWF was lengthy and tedious, 100% of beneficiary groups responded that loan processing took shorter time as application forms were straight forward.

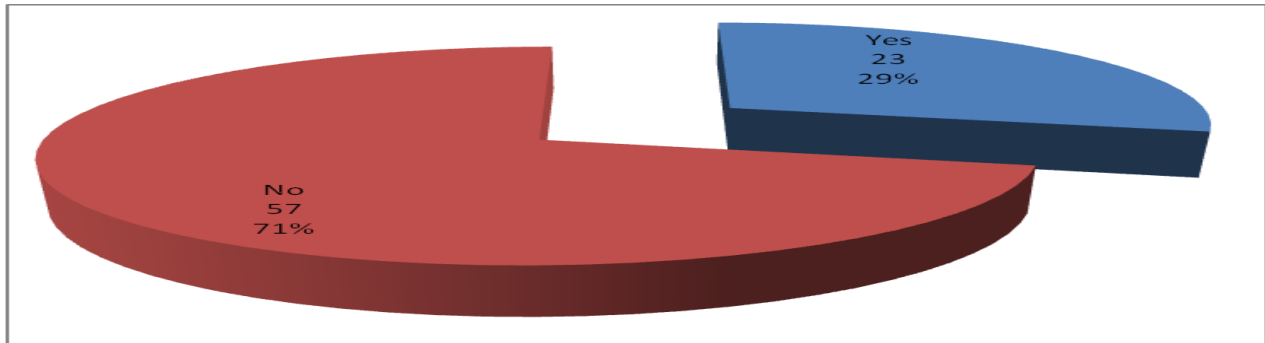
Table 4.12: Annual turnover

Annual Turn over (2013)	Frequency	Percentage
Ksh 100,000 and below	54	67.5
Ksh 100,001 - 200,000	17	21.25
Ksh 200,001 - 300,000	5	6.25
More than Ksh 300,000	4	5
Total	80	100

Source: Author's calculations based on survey data

Figure 4.4 shows the number and percentage of sampled groups that had other sources of income. 71% of them did not have any other sources while 23% had other income sources other than the main enterprise owned by the respective group.

Figure 4.4: Other sources of income of the group



Source: Author's calculations based on survey data

The study sought to know the monthly income of the group. Table 4.13 shows the study findings with majority of members (72.5%) earning Ksh 20000 and below. 21.3% of the sampled group were earning between kshs 20,001 and 30,000 while 3.8% and 2.5% of the sampled groups were earning between Ksh 30,001 and Ksh 40,000 and above Ksh 40,000 respectively.

Table 4.13: Group's monthly income in Kshs

Money range	Frequency	Percentage
Ksh20,000 and below	58	72.5
Ksh20,001-30,000	17	21.3
Ksh30,001-40,000	3	3.8
above Ksh40,000	2	2.5
Total	80	100.0

Source: Author's calculations based on survey data

The enterprises main sources of funding included: banks, NGOs, microfinance, co-operative societies or SACCOs, CWEF, members' contribution, PECRF, USAID or IFAD grant, Youth Enterprise Development Fund (YEDF). Table 4.14 shows sources of credit to groups.

Table 4.14: Source of credit

Source of credit	Frequency	Percentage
Bank	6	7.5
C-WEF	28	35.0
PECRF	11	13.8
Grants	6	7.5
Microfinance Institutions	7	8.8
Local Money Lenders	2	2.5
Cooperative Societies	7	8.8
Others	13	16.3
Total	80	100.0

Source: Author's calculations based on survey data

The type or value of collateral given out by the groups as security for the credit facilities include: farm animals such as pigs, cows, goats; electronics and household assets/goods; member's shares; and, land title deed. 62.5% of sampled groups did not give any security since the type of funding source did not require provision of collateral. Most of these groups had accessed government (devolved) funds. Some groups had more than one collateral which was dependent on the source of funds accessed. Table 4.15 shows types of collaterals and their percentages.

Table 4.15: The type or value of collateral

Collateral	Frequency	Percentage
Membership shares	10	12.5
Land title	3	3.8
Household items	3	3.8
Electronics	1	1.3
Animals	1	1.3
None(No collateral)	50	62.5

Source: Author's calculations based on survey data

4.3 Multicollinearity Test

Variance Inflation Factors (VIF) was used to test for multicollinearity among the independent variables. Table 4.16 shows that there is low collinearity amongst the independent variables as the VIF values were below the critical value of 10: Average number of group members (1.29) average number of household dependants in a group (1.27), gender dominating a group (1.17), average level of education of group members (1.30), value of collateral of loan accessed by the group (1.16), duration of group existence (1.04) and average income level of the group(1.06). As stated by Studenmund (2006), the variance (the square of the estimate's standard deviation) of an estimated regression coefficient is increased because of collinearity.

Table 4.16: Multicollinearity Test- Access to credit

Variable	VIF
Average number of group members	1.29
Average number of household dependants in a group	1.27
Gender dominating a group	1.17
Average level of education of group members	1.30
Value of collateral of loan accessed by the group	1.16
Duration of group existence	1.04

Average income level of the group	1.06
Mean VIF	1.18

Source: Author's calculations based on survey data

Table 4.17 shows that there is low collinearity amongst the independent variables as the VIF values were below the critical value of 10: Average number of group members (1.03), gender dominating a group (1.20), average level of education of group members (1.04) Average age of group members (1.32), CWEF (1.26) and PECRF (1.15).

Table 4.17: Multicollinearity Test- Effects of devolved funds

Variable	VIF
Average number of group members	1.03
Gender dominating a group	1.20
Average level of education of group members	1.04
Average age of group members	1.32
CWEF	1.26
PECRF	1.15
Mean VIF	1.17

Source: Author's calculations based on survey data

4.4 Correlation Analysis

Correlation matrix is an important indicator of a linear association of the explanatory variables. This study further tested for existence of multicollinearity using pairwise correlations (table 4.18 and 4.19).

The results suggests that there was a positive correlation but low between access to credit and duration of group existence (0.195), average level of income (0.093), average level of education (0.021), average number of household dependants (0.326) and number of group members

(0.071). However there is negative relationship between access to credit and gender (-0.287) as well as value or type of collateral (-0.462)

Table 4.18: Correlation Matrix- Access to credit

	Access to credit	Number of group members	Number of household dependants	Gender	Average level of education	Value or type of collateral	Duration of group existence	Average level of income
Access to credit	1.000							
Number of group members	0.071	1.000						
Number of household dependants	0.326	0.174	1.000					
Gender	-0.287	-0.168	-0.240	1.000				
Average level of education	0.021	0.371	-0.173	-0.0155	1.000			
Value or type of collateral	-0.462	-0.054	-0.225	-0.157	-0.051	1.000		
Duration of group existence	0.195	0.040	0.125	-0.0875	-0.037	-0.140	1.000	
Average level of income	0.093	-0.087	-0.008	0.097	0.110	0.082	0.030	1.000

Source: Author's calculations based on survey data

From the Table 4.19, it can be deduced that there was low positive correlation between effects of devolved funds and gender (0.021), average age of group (0.041), PECRF (0.411) and CWF (0.03). However there is negative relationship between effects of devolved funds and number of group members (-0.098) and average level of education (-0.063).

Table 4.19: Correlation Matrix- Effects of devolved fund

	Enterprise development	Number of group members	Gender	Average age of group	Average level of education	PECRF	CWEF
Enterprise development	1.000						
Number of group members	-0.098	1.000					
Gender	0.021	-0.018	1.000				
Average age of group	0.041	-0.037	-0.332	1.000			
Average level of education	-0.063	0.129	-0.016	-0.105	1.000		
PECRF	0.411	0.028	0.012	0.243	-0.0568	1.000	
CWEF	0.030	-0.094	-0.308	0.282	0.0627	-0.19	1.000

Source: Author's calculations based on survey data

4.3 :Regression Results and discussions

4.3.1 Access to Funds

Probit regression analysis was used to measure the relationship between access to funds and their predictors (average number of group members, average number of household dependants, gender, average level of education, value of collateral, duration of group existence and average income level).

The results (table 4.20) show that 36.9% of the variations in access to fund is explained by the independent variables. The marginal effect of gender is -0.278. This is statistically significant at 5%. It shows that 1% increase in proportion of women in a group leads to a 27.8% decrease in access to funds. This conforms to the prior expectation that women are discriminated against access to credit (Beverly et al, 2012).

The marginal effect of value or type of collateral of loan accessed by the group is -0.538. This is statistically significant at 1% level of significance. This can be interpreted as 1% increase in

value or type of collateral leads to 53.8% decrease in access to fund. High levels of collateral reduce the chances of accessing credit hence the finding matches the expectations (Mwangi and Shem, 2012 and Mundia, 1978).

The marginal effect of duration of group existence is 0.120 and is significant at level of 10% significance level respectively. This implies that 1% increase in number of months a group has been in existence leads to 12% increase in access to credit. Russler and Gillespie (2008) argued that a group has social cohesiveness when its members stay together and they are able to exercise social sanctions in case of a certain anomaly. The relationship between duration of group existence and access to credit is positive hence the findings conform to prior findings.

Table 4.20: Correlates of PECRF and CWEF funds: Probit model results

Independent Variable	Coefficients	Z	P- value	Marginal effects
Average number of group members	-0.01	-0.4	0.69	-0.00388***
Average number of household dependants in a group	0.068	0.34	0.734	0.023**
Gender	-0.845	-2.25	0.025	-0.278**
Average level of education of group members	0.034	0.36	0.72	0.011
Value or type of collateral of loan accessed by the group	-1.56	-3.77	0	-0.538***
Duration of group existence	0.366	1.78	0.075	0.12**
Average income level of the group	0.367	1.24	0.215	0.121
Number of observations				71
LR chi2 (7)				36.1
Pseudo R2				0.369
Log likelihood				-30.817

Source: Author's calculations based on survey data

Note: ***, **, * significant at 1%, 5% and 10% respectively

4.3.2 Access to PECRF

The study sought to establish the factors that affect access to PECRF and the results are presented in Table 4.21 below. Pseudo R² of 0.432 illustrates that 43.2% of the change in access to PECRF is caused by the variations in the explanatory variables. All the explanatory variables

were statistically insignificant at 95% confidence level except gender composition and value or type of collateral of loan accessed by the group in explaining the variation in access to PECRF. At 5% level of significance, value or type of collateral of loan accessed is important determinant of access to PECRF. This illustrates that 1% increase in the value or type of collateral of loan will lead to 53.8% decrease in PECRF accessed.

Table 4.21: Access to PECRF

Independent Variable	Coefficients	Z	P- value	Marginal effects
Average number of group members	-0.009	-0.3	0.52	-0.027
Average number of household dependants in a group	0.043	0.27	0.814	0.019
Gender composition	-0.701	-3.1	0.017	-0.301
Average level of education of group members	0.725	0.53	0.45	0.025
Value or type of collateral of loan accessed by the group	-1.47	-4.10	0.000	-0.538
Duration of group existence	0.310	1.55	0.061	0.23
Average income level of the group	0.578	2.98	0.065	0.250
Number of observations				24
LR chi2 (7)				29.5
Pseudo R2				0.432
Log likelihood				-32.15

Source: Author's calculations based on survey data Note: significant at 5% respectively

4.3.3 Access to C-WEF

Table 4.22 below shows the regression probit results on factors affecting access to C-WEF. Pseudo R² of 0.568 illustrates that 56.8% of the change in access to C-WEF is caused by the variations in the explanatory variables. The findings indicated that average number of group members, duration of group existence and average income level of the group are not significant at 5% level of significance while gender composition, value or type of collateral of loan accessed by the group and average education of the group are significant at 5% level of significance. The marginal effect of gender composition, value or type of collateral of loan accessed by the group

and education level of group members is -0.451, -0.4521 and 0.024 respectively. This implies that 1% increase in value or type of collateral of loan accessed by the group will lead to 45.21% decrease in access to C-WEF while 1% increase in average level of education of group members will result to 2.4% increase in access to C-WEF.

Table 4.22: Access to C-WEF

Independent Variable	Coefficients	Z	P- value	Marginal effects
Average number of group members	-0.0151	-0.45	0.715	-0.034
Average number of household dependants in a group	0.5014	0.19	0.752	0.023
Gender composition	-0.6511	-4.5	0.000	-0.451
Average level of education of group members	0.458	3.84	0.0125	0.024
Value or type of collateral of loan accessed by the group	-1.34	-3.95	0.015	-0.4521
Duration of group existence	0.451	1.24	0.075	0.85
Average income level of the group	0.578	2.98	0.065	0.250
Number of observations				56
LR chi2 (7)				26.87
Pseudo R2				0.568
Log likelihood				-36.5

Source: Author's calculations based on survey data

Note: ***,**,* significant at 1%, 5% and 10% respectively

4.3.4 Effects of PECRF and C-WEF on Enterprise Development

Probit regression analysis was used to measure the relationship between effects of funds on enterprise development and their predictors (average number of group members, dominant gender of the group, average age of group members, average level of education, amount of poverty eradication commission revolving fund, amount of constituency women enterprise fund).

The regression results (R^2) show that 17.7% of the variations in effects of funds are explained by variations in the independent variables. The expected frequencies are all greater than 5 hence the sample size is sufficiently large for chi-square goodness-of-fit test to be appropriate.

The marginal effect of PECRF is 0.654 at statistical significance of 1%. An increase in 1% of PECRF therefore will lead to 65.4% increase in enterprise development at 1% level of significance. This conforms to prior expectation of investing more with availability of funds (Poverty Eradication Commission, 2009). Increase accessibility to funds leads to an increase in enterprise development therefore relationship is positive. Table 4.23 shows effects of devolved funds on enterprise development.

Table 4.23: Effects of PECRF and C–WEF on Enterprise Development: Probit results

Independent Variable	Coefficients	Z	P- value	Marginal effects
Average number of group members	-0.026	-1.06	0.287	-0.009***
Gender dominating a group	-0.029	-0.14	0.891	0.004***
Average Age of group members	-0.119	-0.61	0.54	-0.064**
Average level of education of the group	-0.035	-0.29	0.768	-0.004***
Poverty Eradication Commission Revolving fund	0.254	2.87	0.004	0.654
Constituency Women Enterprise fund	0.057	0.61	0.541	0.174
Number of observations				74
LR chi2 (7)				15.6
Pseudo R2				0.177
Log likelihood				-36.34
Source: Authors calculations based on survey data				

Source: Authors calculations based on survey data Note: significant at 5%.

4.3.5 The effect of PECRF on Enterprise Development: Probit results

Probit regression analysis was used to measure the relationship between effects of poverty eradication commission revolving fund on enterprise development and their predictors (average number of group members, dominant gender of the group, average age of group members, average level of education, amount of constituency women enterprise fund).

Pseudo R-Squared of 0.275 was established by the regression result. This illustrates that 27.5% of the total variation in enterprise development is attributed to the changes in the explanatory variables.

Table 4.24: The effect of PECRF on Enterprise Development: Probit results

Independent Variable	Coefficients	Z	P- value	Marginal effect
Average number of group members	-0.041	-1.01	0.245	-0.019
Gender dominating a group	0.023	0.18	0.785	0.032
Average Age of group members	-0.109	-0.53	0.370	-0.047
Average level of education of the group	-0.052	-0.31	0.704	0.273
Number of observations				24
LR chi2 (7)				16.52
Pseudo R2				0.275
Log likelihood				-208

Source: Author's calculations based on survey data Note: significant at 5%.

4.3.6 The effect of C-WEF on Enterprise Development: Probit results

Probit regression analysis was carried out to examine the relationship between effects of Constituency Women enterprise Fund on enterprise development and their predictors (average number of group members, dominant gender of the group, average age of group members, average level of education,).

The probit regression result indicates pseudo R² of 0.294 indicating that 29.4% of the changes in enterprise development is caused by the changes in the explanatory variables.

Table 4.25: The effect of C-WEF on Enterprise Development: Probit results

Independent Variable	Coefficients	Z	P- value	Marginal effect
Average number of group members	0.041	1.52	0.275	-0.021
Gender dominating a group	0.031	0.12	0.681	0.029
Average Age of group members	-0.048	-0.039	0.289	-0.039
Average level of education of the group	-0.033	-0.27	0.715	0.199
Number of observations				56
LR chi2 (7)				11.35
Pseudo R2				0.294
Log likelihood				--235

Source: Authors calculations based on survey data Note: significant at 5%.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0: Introduction

This chapter presents summary, conclusion and policy recommendations of the study in line with study objectives. It is divided into three sections. The first section presents summary and conclusion of the study, the second one present policy recommendations while the third one suggests areas for further study.

5.1: Summary and Conclusions

Women and the poor are marginalized at the community level and have limited access to employment opportunities. Devolved funds therefore offer an avenue for them to improve their living standards and therefore improve their livelihood. Marginalization of the women and the poor retains a cycle of poverty in future generations.

Levels of education among women and the poor has been a motivating factor of the study and seem to correlate with social economic profile and uptake of Poverty Eradication Commission Revolving fund (PECRF) and Constituency Women Enterprise fund (CWEF). Thus women and the poor with no education are likely to have no or low incomes which increases their vulnerability. Those holding higher than basic education are likely to benefit more from devolved funds. The uptake of devolved funds among the women and the poor is based on knowledge of the existence of the funds and the mode of communication used to inform and educate the public about the funds.

The study used both primary and secondary data in examining access and effects of devolved funds on enterprises owned by women and the poor in Gatundu South sub county. Questionnaire was administered to eighty groups benefiting from the fund. The data was analysed using both descriptive and probit model regression analysis.

The study found out that gender, duration of group existence and type or value of collateral was statistically significant while accessing funds. Gender composition, value or type of collateral, duration of group existence and average income level were statistically significant while accessing PECRF whereas gender composition, average level of education,, value or type of

collateral, duration of group existence and average income level were statistically significant while accessing CWEF. Duration of group existence determined the level of access to funds while value or type of collateral decreased the rate of accessing funds. Gender composition and value or type of collateral decreased the rate of accessing PECRF while duration of group existence and average income level increased the rate of accessing PECRF. In addition, gender and value or type of collateral decreased the rate of accessing CWEF while level of education, duration of group existence and average level of income increased the rate of accessing CWEF.

The findings further showed that funds from Poverty Eradication Commission revolving fund were statistically significant on effects of devolved funds on enterprise development. PECRF had impacted positively on development of enterprises owned by the poor and women. However, the variables explaining the effect of either fund (PECRF or CWEF) on enterprise development were not statistically significant.

The study concludes that majority of the groups were female dominated and CWEF can act as an avenue for training the women in business management and record keeping. CWEF has played an excellent role in reducing unemployment by promoting self employment as some youthful women form start-up businesses through the capital gained while other expand their business by acquiring more assets and employ more workforce. These business establishments range from green groceries to entertainment joints such as video shops and bars, milk distribution, general and mobile phone and accessories shops, chemists, tailoring and craft shops.

5.2 Policy Recommendations

Kenya has been trying hard to encourage the residents to embrace key ideas that can assist one to grow economically. It has come up with various devolved funds to assist the residents in acquiring capital to start up or expand various businesses. For a person to access the fund, he or she requires to be in a group which acts as loan security. The government of Kenya should therefore capacity build the residents by conducting regular trainings and advice them on requirements of group requirements. As a result, the citizenry will be equipped with information on availability of funds and procedures used to access it.

Most of the funds being availed to the community is targeting youth and women. There is therefore need to train citizenry on group composition ie percentages of gender requirement which in turn would ensure that women groups have 70% membership requirement and 100% leadership by women.

Poverty Eradication Commission revolving fund was found to be significant in enterprise development. The fund was piloted in Gatundu South sub county in 2007. The fund has been revolving without any budgetary allocation to the sub county. The government of Kenya therefore needs to upscale this fund and allow groups access adequate amounts in order to participate fully in development agenda. This calls for cohesiveness of the group which is mostly seen if a group has been in existence for a long period of time and evidence of meeting frequently. Clear guidelines should be put into place to assist during proposal vetting process.

5.3: Limitation of the study and areas for further studies

The study carried out involves alot of travelling in rural settings to collect the requisite data. However it was limited in terms of resource availability in form of funds and time. This constrained the ease of realization of research objectives and the scope of the study

The study suggests that similar studies can be replicated to other devolved funds other than CWF and PEGRF in various sub counties. This owes to the fact that this study cannot be generalized to other devolved funds without running into reliability issues as the CWF and PEGRF target different groups of persons. Besides, replication of this study in other contexts and regions (beyond Gatundu South Sub County) would strengthen the findings. This would help get comprehensive information on how devolved fund affect enterprise development. Besides, this is premised on the fact that enterprise development could be influenced by contextual factors which might differ from one sub-county to the other.

Further studies can be replicated in financial intermediaries charged with PEGRF and CWF disbursement to establish how the beneficiaries are managing with loan repayment and why only a small fraction of persons targeted obtain funds from the institutions.

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APPENDIX 1:QUESTIONNAIRE ON ACCESS AND EFFECTS OF DEVOLVED FUNDS ON ENTERPRISES

Introduction

This questionnaire is administered by or on behalf of Sophiah Kamau, an M.A student in School of Economics, University of Nairobi. The purpose of this questionnaire is to collect information for research purpose. The information given will be treated with utmost confidentiality

PART 1: GENERAL INFORMATION

Date of interview: Day.....Month.....Year.....

Interviewed by.....

Questionnaire No:Sub County...**GATUNDU SOUTH**

PART 2: GROUP AND RESPONDENT PARTICULARS

1. Group name.....
2. Group location.....
3. Date of group registration.....
4. Group membership

Gender	18 years & above	Members with disabilities
Male		
Female		
Total		

5. Name of respondent.....
6. Position of the respondent (*Tick appropriately*)
 Chair person () Secretary () Treasurer ()
7. Gender of the respondent: (*Tick appropriately*) Male () Female ()
8. Age bracket of the respondent: (*Tick appropriately*)
 18 and below () 18-25 () 25-35 () 36-45 () 46-55 () Above 55 ()
9. Highest education level of the respondent(*Tick appropriately*)
 Primary () Secondary () Tertiary ()

10. Average age bracket of the group members : *(Tick appropriately)*
 18 and below () 18-25 () 25-35 () 36-45 () 46-55 () Above 55 ()
11. Average education level of the group as a whole *(Tick appropriately)*
 Primary () Secondary () Tertiary ()
12. What is the average size of household dependants in the group? *(Tick appropriately)*
 1 () 2 () 3 () 4 () 5 () 6 and above ()

PART 3: GROUP ACTIVITIES

13. Has the group been trained on entrepreneurship? Yes () No ()
 If yes, indicate when and on what topics
 Accounting () Book keeping () Business Planning () Others () *Specify*.....

Give three main enterprises of the group and their turnover.

S/No	Main type of enterprises	When was the enterprise started	Source of capital	Annual turnover (2013) 1= Less than 1 2= (1- 100,000) 3= (100,001 – 200,000) 4 = (200,001-300, 000) 5 = (300,001 –400,000) 6 = (Above 400,000)
a)				
b)				
c)				

PART 4: INCOME

14. Does the group have other sources of income other than from enterprises? Yes () No ()
 If yes indicate the sources and the amount of income earned from each per year.
- a)..... Kshs
- b)..... Kshs.....
- c)..... Kshs.....
- d)..... Kshs

17. How much is the group's monthly income in Kshs? 20,000 and below ()
 20,001-30,000 () 30,001- 40,000 () 40,001- 50,000 () Above 50,000 ()

PART 5: CREDIT ACCESS

18. From the list below, indicate where you access credit (source of credit) which helps in financing group activities. *Tick appropriately*

Bank () C- WEF () PECRF () Grants ()
 Microfinance institutions () Local money lenders () Friends ()
 Cooperative societies () Others ()(*Specify*).....

19. From the answers above, what were the necessary requirements of accessing credit by the group?

Source of credit and amount borrowed in Kshs	Type or Value (Khs) of collateral	Requirements

20. How was the credit utilized by the group and what was the outcome?

Source of Credit	Activities carried out by the group	Outcome/ Benefits

21. For groups that accessed Poverty Eradication Commission revolving fund and Constituency women enterprise fund, indicate impact on enterprise development.

22.

a) Poverty Eradication Commission revolving fund

i) How many times has your group accessed PECRF loans?

One Two Three Other (Please indicate how many).....

ii) What is the highest amount of loan that you have accessed from PECRF as a group?

50,000(Minimum) 100,000 150,000 200,000 250,000

iii) How was the process of applying for the loans?

Short and easy Lengthy and tedious Others (*Specify*).....

iv) What was the length of time taken to receive the PECRF loans?

1 – 3 months 4 – 6 months 7 – 9 months 10 – 12 months

Above 12 months

v) Was the loan your group accessed from PECRF adequate? Yes No

vi) In general, indicate the extent to which you agree that through PECRF your group has become economically empowered?

Strongly agree Somewhat agree Average Somewhat disagree

Strongly disagree

vii) In our own opinion indicate to what extent PECRF has increased group's income

To a large extent To a small extent To no extent

viii) What is the group enterprise turnover before and after accessing PECRF?

S/No	Main enterprises	Date of starting the enterprise	Access to PECRF =1 & otherwise = 0	Initial Annual turnover 1= Less than 1 2= (1-50,000) 3= (50,001 – 100,000) 4 = (100,001-150, 000) 5 = (150,001 –200,000) 6 = (above 200,000)	Current Annual turnover (2013) 1= (Less than 1) 2= (1- 100,000) 3= (100,001 – 200,000) 4 = (200,001-300, 000) 5 = (300,001 –400,000) 6= (Above 400,000)
a)					
b)					
c)					

ix) What are your suggestions on what should be done to improve the performance of PECRF in empowering women? (*List in order of priority*)

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.....

b) Constituency women Enterprise Fund

i) How many times has your group accessed CWEF loans?

One Two Three Other (Please indicate how many).....

ii) What is the highest amount of loan you have accessed from CWEF as a group?

50,000(Minimum) 100,000 200,000 350,000 500,000

iii) How was the process for applying the loans?

Short and easy Lengthy and tedious Others (*Specify*).....

iv) What was the length of time taken to receive the CWEF loans?

1 – 3 months 4 – 6 months 7 – 9 months 10 – 12 months

Above 12 months

v) Was the loan you accessed from CWEF adequate? Yes No

vi) In general, indicate the extent to which you agree that through the women enterprise fund you have become economically empowered?

Strongly agree Somewhat agree Average Somewhat disagree Strongly disagree

vii) In our own opinion indicate to what extent CWF has increased group's income

To a large extent To a small extent To no extent

viii) What is the group enterprise turnover before and after accessing CWF?

S/No	Main enterprises	Date of starting the enterprise	Access to CWF =1 & otherwise = 0	Initial Annual turnover 1= Less than 1 2= (1-50,000) 3= (50,001 – 150,000) 4 = (150,001-250, 000) 5 = (250,001 –350,000) 6 = (Above 350,000)	Current Annual turnover (2013) 1= Less than 1 2= (1-100,000) 3= (100,001 – 200,000) 4 = (200,001-350, 000) 5 = (350,001 –500,000) 6 = (Above 500,000)
a)					
b)					
c)					

ix) What are your suggestions on what should be done to improve the performance of CWF in empowering women? (*List in order of priority*)

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Thank you for your time and God bless you

APPENDIX II: SAMPLED GROUPS

S/NO	Group name	Type of business	Sources of fund	Type of Collateral	Training undertaken
1.	Ichamu farmers SHG	Dairy goat faming Table banking	PECRF	None	Agribusiness skills
2.	Graze Dairy Farmers	Dairy farming Rabbit farming	PECRF	None	Agribusiness skills
3.	Wamitaa Rabbit	Rabbit keeping Table banking	PECRF	None	Rabbit husbandry
4.	Mwangaza GaitheceSHG	Making detergents Bead work	PECRF	None	Business planning
5.	Kamina SHG	Potato farming Rocket Jiko construction	PECRF	None	Business planning Kilimo biashara
6.	New Gitwe horticulture	Horticulture Table banking	PECRF	None	Agribusiness skills
7.	Gathuya Kabuteti	Rabbit keeping Table banking	PECRF	None	Business planning
8.	Matanya SHG	Banana planting Table banking	PECRF	None	Business Planning Agribusiness
9.	Gatitu Kimuri SHG	Dairy farming Table banking	PECRF	None	Book keeping Agribusiness
10.	Ituru Disabled new (SHG)	Weaving and painting Bead work	PECRF	None	Accounting, book keeping and business planning
11.	Undugu integrated SHG	Tree nurseries Table banking Confectionery (Bakery)	PECRF	None	Environment conservation
12.	Kirangari Youth Fellowship group	Retail shop Table banking	PECRF	None	Book keeping Business planning
13.	Mutunguru Group for disabled	Rabbit keeping Table banking	Grant (NjaaMarufuku)	None	Business planning
14.	Gaitakuri SHG	Horticulture farming	Microfinance USAID & AMIRAN grant	Member shares	None

S/NO	Group name	Type of business	Sources of fund	Type of Collateral	Training undertaken
15.	Between Hardworkers T group	Cattle rearing	YEDF	None	Book keeping
16.	Mundoro Youth Bunge	Poultry farming Table banking	YEDF	None	Accounting Book keeping Business planning Green house techniques
17.	Gakamwa SHG	Poultry farming	Cooperative societies Bank	Land Title deed	Book keeping
18.	Pamoja Tusaidiane	Table banking Selling conservation jikos	BEEP micro finance	Members' shares	Business planning
19.	Kibiru Youth in Development	Horticultural farming Tree nurseries Dairy farming	YEDF	None	Accounting Book keeping Business planning
20.	Gakihu Youth Group	Agribusiness Table banking General supplies	YEDF	None	Accounting, book keeping, business planning, agribusiness and table banking advisory
21.	Wajuzi SHG	Green house	Bank	Title deed of groups land	Business planning
22.	Gatundu Victors SHG	Poultry farming	YEDF	None	Business Planning
23.	Gitwe Progressive youth group	Pig rearing	Grants (Njaa marufuku)	None	Business planning
24.	Mbaru-ini SHG	Potato farming Table banking	Cooperative societies	Members shares	None
25.	Kikaga SHG	Poultry farming	CWEF	None	CWEF training Book keeping
26.	Mwihugo Action group	Dairy farming	CWEF	None	Book keeping

S/NO	Group name	Type of business	Sources of fund	Type of Collateral	Training undertaken
27.	Gikure Nyakiambi 07women group	Knitting and Embroidery	CWEF	None	Business planning Kilimo Biashara CWEF training
28.	Ngatho ingwataniro SHG	Poultry farming	CWEF	None	Business planning CWEF training
29.	Githigio SHG	Poultry farming-	CWEF	None	Business planning CWEF training
30.	Kahuho Wendi Mwega group	Dairy farming	CWEF	None	Accounting, Book keeping Business planning CWEF training
31.	Agape Giguarba SHG	Dairy farming	CWEF	None	Book keeping Business planning CWEF training
32.	Karoma Fans SHG	Acrobats Beadworks	CWEF	None	Accounting, Book keeping Business planning CWEF training
33.	Wonderful women group	Dairy farming	CWEF	None	Business planning CWEF training
34.	Jiinue Between SHG	Dairy farming Table banking	CWEF	None	Accounting, Book keeping Business planning
35.	Winner Women Group	Dairy farming Table banking	CWEF	None	Agribusiness Book keeping Business planning
36.	Murera GRR C Mercy	Flower farming Table banking	CWEF Microfinance	None	CWEF training Business planning
37.	Kioneki Heifer SHG	Heifer production	CWEF	None	CWEF training Business planning
38.	Kamunyu Volunteer SHG	Green house farming	Grants (Njaa Marufuku)	None	CWEF training Green house farming
39.	Wendani Wa Rubia Women group	Pig farming Table banking	CWEF	None	CWEF training Business planning

S/NO	Group name	Type of business	Sources of fund	Type of Collateral	Training undertaken
40.	Gichuka B women group	Pig farming Table banking	CWEF	None	Accounting Book keeping CWEF training Business planning
41.	Gwathika salama SHG	Construction of energy saving jiko Table banking	CWEF	None	CWEF training
42.	Urumwe Gichagini women group	Dairy farming Table banking	CWEF	None	Business planning CWEF training
43.	Haraka Thayu women group	Rabbit keeping Pig farming Table banking	CWEF	None	CWEF training
44.	Muriithi self help group	Sheep farming Goat keeping Table banking	CWEF	None	Business planning CWEF training
45.	Githioro old women group	Basket making Table banking	CWEF	None	CWEF training
46.	Shalom kigaa women group	Mushroom growing Table banking	CWEF	None	Business planning CWEF training
47.	Ikuma good hope self help group	General supplies Table banking	CWEF	None	CWEF training
48.	Bio growers self help group	Organic farming Selling bio products Constructing biogas for farmers	CWEF	None	Agribusiness CWEF training
49.	Golden star self help group	Retail shop	CWEF	None	Book keeping Business planning
50.	Munyuini women glory group	Dairy farming Table banking	CWEF	None	Business planning CWEF training
51.	Urumwe open air juakali self help group	Juakali business	CWEF	None	Book keeping CWEF training
52.	Evergreen women group	Table banking Posho mill Dairy farming	CWEF	None	Business planning

S/NO	Group name	Type of business	Sources of fund	Type of Collateral	Training undertaken
53.	Kamunyu HIV/AIDS Homebase group	Tree nursery	Shylock	Household goods	Book keeping Homebase care
54.	Kamunyu Emmanuel self help group	Table banking	Group members savings	Household goods	None
55.	Kamunyu star women group	Merry go round	None	None	None
56.	Kamunyu B umithio self help group	Table banking	Ngumbato credit	Membership shares	Ngumbato loans
57.	Mwicariria self help group	Poultry farming	SACCO	Shares	Book keeping Business planning
58.	Gitwe goats rearing	Goat rearing	Youth fund	None	Book keeping Business planning Agribusiness
59.	Githungu mukinyi women group	Poultry farming Table banking	Youth fund	None	Business planning
60.	Kwa Mucheru Muthoko	Tent and chair hiring Table banking	SACCO	Membership shares	Business planning
61.	Unity tusaidiane self help group	Bodaboda business Table banking	SACCO	Log book of previously owned motorbikes	None
62.	Muthiga women group	Dairy farming Table banking	Microfinance institutions	Shares	Business planning
63.	Harmony women group	Dairy goat farming	Microfinance institutions	shares	Business planning
64.	Huduma women self help group	Market grocery traders	SACCO	Shares	Book keeping Business planning
65.	Upendo thaara self help group	Fish farming Table banking	Shylock	Household goods	Accounting Book keeping Business planning
66.	Kiamwangi pigs & rabbit farmers	Pig farming Table banking	Grants(IFAD)	None	Business planning Agribusiness

S/NO	Group name	Type of business	Sources of fund	Type of Collateral	Training undertaken
67.	Kiahuho kioneki self help group	Market traders Table banking	Bank(Equity bank)	Electronics	Accounting Book keeping Business planning
68.	Uwezo wetu self help group	Weaving Table banking	Microfinance	Shares	Business planning
69.	Vijana wa kujitegemea	Greenhouse farming	Amiran & bank	Title deed of the group	Accounting Book keeping Business planning
70.	Future leaders self help group	Exotic poultry farming	Bank	Savings in the bank	Accounting Book keeping Business planning
71.	Amani women group	Individual businesses Table banking	SACCO	Shares	Accounting Book keeping Business planning
72.	Karwa self help group	Poultry farming Table banking	Bank	Household assets	None
73.	Kaka wendani self help group	farming	None	None	Business planning Kilimo biashara
74.	Ariagiki self help group	Bead work Table banking	Microfinance institutions	Shares	Business planning
75.	Maganjo kona self help group	Dairy farming	Members contribution	Dairy farming	Business planning Kilimo biashara
76.	Gatundu South industrialization self help group	Juakali works Table banking	SACCO	Members shares	Book keeping Business planning
77.	Muchugu FFS members	Dairy goat farming Table banking	Grant	None	Accounting Book keeping Business planning
78.	Kinyeje women group	Table banking	Members contribution	None	Business planning
79.	Githima 2007 cigi- ini self help group	Tree nursery Table banking	Youth fund	None	Business planning
80.	Sweet melody self help group	Outdoor catering Table banking	Microfinance institutions	Members shares	Business planning