

**FACTORS INFLUENCING PERFORMANCE OF UWEZO FUND  
SUPPORTED PROJECTS IN BOMET COUNTY, KENYA**

**BY**

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## DECLARATION

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

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

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## **DEDICATION**

This research project is dedicated to my dear husband Eric Kipsang Kirui who has always encouraged me to keep focused in order to achieve my full potential .Also I dedicate it to my sons Eugene Kibet Cheramgoi and Ryan Kiptoo Sanga for their understanding during this period of study.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>CUFMC</b>	:	Constituency Uwezo Fund Management Committee
<b>ILO</b>	:	International Labour Organisation.
<b>YEDF</b>	:	Youth Enterprise Development Fund
<b>YDF</b>	:	Youth Development Fund
<b>MOYAS</b>	:	Ministry of Youth Affairs and Sports
<b>YEDA</b>	:	Youth and Economic Development in Africa
<b>YEN</b>	:	Youth Employment Network
<b>EEF</b>	:	Economic Empowerment Fund
<b>T EEF</b>	:	Tanzania Economic Empowerment Fund
<b>UNICEF</b>	:	United Nations International Children's Emergency Fund
<b>Y2Y</b>	:	Youth to Youth Fund
<b>SME</b>	:	Small and Medium enterprises
<b>NYF</b>	:	National Youth Funds
<b>NEEDS</b>	:	National Economic Empowerment and Development
<b>YEELD</b>	:	Youth Enterprise Employment and Livelihoods Development
<b>MFI</b> s	:	Micro financial institutions

## ABSTRACT

Uwezo Fund is a specific Government of Kenya intervention for youths, women and persons with disabilities and a flagship programme for Kenya's vision 2030. The major aim of the Fund is to spur the nation's economic growth and development by providing affordable, available and accessible credit, as well as mentorship programme on the 30% Public Procurement and Disposable (Preference and Reservation) Regulations 2013 for women, youth and persons with disabilities through its capacity building program. The purpose of the study is to investigate factors influencing performance of Uwezo fund project in Chepalungu constituency, Bomet County in Kenya. Research done on government funds in different countries including Kenya shows these national funds faces challenges of management structures, inadequate funding and inaccessibility of the fund, lack of stakeholder support, institutional factors affected projects performance negatively, to a high extent and limited funding due to high default rates by beneficiary groups. Factors influencing performance of Uwezo fund supported projects is of interest, if solutions of the above mentioned challenges are to be found. The study was guided by the following objectives; to assess influence of training of beneficiaries on performance of Uwezo Fund project, to establish how funding procedures influenced performance of Uwezo Fund project, to determine how public awareness influenced performance of Uwezo Fund project and to determine the extent to which socio-cultural factors influenced performance of Uwezo Fund project in Chepalungu constituency. Contingency Leadership theory on institutional management and system theory were used to guide the study. A comprehensive literature review has been conducted towards guiding the study in answering the research questions. The researcher used descriptive survey study design in conducting the study. Reliability test of the research instruments was conducted using split-half technique. Target population of 225 respondents and sample size of 162 was used. Questionnaires and interview schedule were used to collect data. Data was analysed using descriptive statistics and were presented in frequency tables and percentages. From the findings it was noted that Uwezo fund project is faced with a number of challenges in its attempt to empower youths, women and persons with disabilities. Majority of the beneficiaries were not trained before funding and those trained felt that training was inadequate with emphasis on training on proposal writing so that they could only benefit from funding, the training covered less on record keeping, and financial management, key skill areas for business success. Beneficiaries took long to access the loan due to long funding procedure of loan application and lending process of the fund. On public awareness, it was noted that majority of beneficiaries indicated that they have not attended uwezo fund sensitization meeting. This indicated that most of beneficiaries have not benefited from useful information on uwezo fund and this has impacted negatively on performance of uwezo fund project in the constituency. On social cultural factors, majority of the beneficiaries were reported to be men and this indicated that more men than women are involved in key decision making in the community and this limits women involvement and contribution towards success of the fund project. From results of this study, the following recommendations were made to Uwezo fund board, policy makers should redesign Uwezo fund project to be implemented by one independent ministry to reduce the long procedures of accessing the fund and hence enhancing effectiveness and efficiency of the fund. The study also recommends, Training of beneficiary groups should be adequate and should also be done before any government funding is given out. The study also recommends that, Public awareness of government fund should be done adequately using appropriate channel of communication. Every constituency should domesticate appropriate channel of communication which works for that particular area.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

United Nations estimates that in year 2013 there was 3.5 Billion young people between the ages of 15 - 24 years; representing about 18% of global population. Accordingly, the World Youth Report (2013) showed that Africa had 43% (338 million) of her population made of young people under age of 15- 24 years. In Kenya, the National Population Census and Demographic Survey of 2009 indicated that her population is characterized by youthful population, which stands at 38 % ( KNBS2009).

Women tend to have less access to formal financial institutions and savings mechanisms. While 55% of men report having an account at formal financial institutions, only 47% of women do worldwide. This gap is largest among lower middle- income economies as in South Asia, Middle East and North Africa (UN development programme, 2013).

Young people who constitute a large segment of society are the future of any economy and key drivers of employment growth and economic activities through ownership of SMES (MOYAS UNDP 2009 report). Youth unemployment in Kenya is compounded by substantial levels of underemployment and poor quality jobs in the informal sector. Coupled with this, youth are confronted with other social problems such as poverty, HIV/AIDS, drug and substance abuse and crime and violence. This situation presents youth as needy, helpless and unprepared towards making any significant contribution in national development. Consequently, they are marginalized in national state policies and also portray weak legal position in such engagements (Abbink and Ineke Van Kessel, 2005).

The enlightened public of the twenty first century has continually demanded good governance, proper monitoring and evaluation of public projects (and therefore funds) as well as total compliance to the law by officer given the responsibility to manage public funds as contained in a recent report by National Tax Payers Association (NTPA, 2010). There was also increasing demand by the public and other government services consumers world over for timeliness in materials, goods and services availing by the public procuring entities to enhance efficiency, effectiveness, transparency and accountability by various user departments; all these are captured in the World Bank Procurement guidelines (World Bank; 2005) objectives of; maximization of economy and efficiency, promotion of competition and fair treatment of competitors, integrity promotion and fairness of procedures, increasing

transparency and accountability of procedures, increasing public confidence of the said procedures and facilitation of promotion of local industry and economic development. It is critical to note that most government policies and procurement reforms, guidelines and regulations (world over) were customized from World Bank procurement guidelines likewise Government of Kenya.

According to the Africa Economic Survey (2006), SMES sector contributed over 50% of the new jobs created in the year 2005. Micro lending schemes have emerged as means of guaranteeing access to credit for the poor through financial intermediaries strategy that is responsive to social economic realities. This has been necessitated by many hindering factors associated with formal lending institutions whose credit products are highly collateralized. They are also not tailored for youth and women segment because of their high interest rates (Chigunta, 2002).

As a deliberate strategy to address funding of marginalized groups including the Youth, Women and Persons with Disabilities in Kenya, the government initiated Uwezo Fund in 2013. The fund stems from the pledge by the President that Ksh.6 Billion reserved for an election run-off would be used to set up a youth and women fund for socio-economic and entrepreneurial empowerment. The framework to implement and manage the fund, under Public Financial Management (Uwezo Fund Regulation, 2013) was then approved by parliament.

In Bangladesh, a microcredit scheme was introduced to mediate the delivery of low interest rates and collateralized credit to rural poor youth who rely on social collateral and joint liability (Olomola, 2000). In related study by Ardener (1995), it was observed that young and small scale agricultural farmers who accessed these microcredit loans could however, not realize the benefits due to high interest rates, short repayment periods and inadequate loan sizes that could not adequately meet input costs.

Globally, efforts towards empowering young entrepreneurs have been initiated. In Latin America for example, the Government engaged 700 youth groups by funding each with US \$50,000 to broaden access to information in ICT skills among the youth for future self-employment. It was noted that imparting skills to youth entrepreneurs prior to loans advancement led to success of start-ups and business performance (Akweety, 2006).

According to a report by the Ministry of National Service and Culture of Namibia (2008), the government, through its socio-economic empowerment policy introduced the Namibia Youth Credit Scheme (NYCS) to empower and increase number of youth participating in social economic affairs of the county. The Fund however faced challenges on performance and sustainability.

The government of South African through its policy programme on poverty alleviation and unemployment reduction also established new enterprise facility, UMSOBOMVU youth fund. The fund was observed to enjoy nationwide presence as a result of good partnership strategy, monitoring and evaluation of its activities. However, the fund similarly experienced performance challenges (Ahaibwe, 2014).

While conducting a study in Tanzania, Makombe Temba (1999) noted that among constraints facing and affecting performance of government credit schemes are issues related with management, limited capacity building, and lack of entrepreneurship skills among youth and women. The study further found out that if such factors are adequately addressed, the Fund's success can be assured. In Tanzania, the full potential of the SME sector has yet to be tapped due to the existence of a number of constraints hampering the development of sector. These include unfavourable legal and regulatory framework, undeveloped infrastructure, poor business development services, limited access of SME to finance effectively and poor coordinated institutional support framework. Lack of planning, improper financing and management have posited as the main causes of failure of small enterprises (Longencker, etal, 2006).

In Kenya, Uwezo Fund strategic focus is on development of small enterprises in the country through empowering youth, women and Persons with Disability groups. The key strategic plan in the programme is to increase economic opportunities for the groups' participation and empowerment. Accordingly, the initial phase of Uwezo Fund has however, been faced with various challenges; ranging from political factors, public perception that the Fund is grant which was meant for an election runoff, hence not to be repaid. This has led to high default rate among beneficiaries and thus affected performance of the fund negatively (Chepalungu Uwezo Fund Management Committee, 2016).

In a study among the youth and women of Nairobi, Kenya, in their preparedness on management and performance of WEF and YEDF, Gicharu and Mahea (2011) observed that the number of entrepreneurs who benefitted from these funds is still low. The study further

indicated that 48% of youth surveyed had less than 50% likelihood of business success and that this was due to low entrepreneurial skills. They found out this to have negative impact on fund performance.

In a study by Juma(2010) on factors affecting performance of constituency Development fund project in Kenya noted that procurement process of CDF projects was not effectively done.SMEs totally lacked entrepreneurial attitude, governance of CDF projects was marred with political interference, monitoring and evaluation was uncoordinated, ineffective and does not promote superior performance of CDF projects in Kenya.These five factor procurement, entrepreneurial attitude, governance and political interference, monitoring and evaluation and capacity constraints directly affects CDF project performance which in turn resulted into CDF projects in Kikuyu constituency being rated by the public as being behind schedule(88%) of projects, with partly 12% of projects being schedule and no project was rated as being ahead of schedule(0%).

In a related study by Ng'ang'a (2010) on the analysis of factors influencing implementation of YEDF in Westlands Constituency, Nairobi, he noted that government efforts were inadequate in addressing challenges facing the youth. This was because youth were not involved in participating towards addressing the Fund's management challenges. The study further found out that lack of business skills among many youth negatively influenced loan repayment. This therefore led to poor overall performance of the Fund. Similarly, the study observed the need to ensure that skills on entrepreneurship, business planning and financial management are elaborate towards having impact on the youth before funds are disbursed to ensure projects' success. Gachathi (2010), while conducting a parallel study with Ng'ang'a (2010), noted that personal factors; such as attitude towards enterprise development affect implementation and performance of projects both negatively and positively. The study also observed that institutional factors such as management structures usually affect projects' performance. The study further recommended for institutional involvement in management of YEDF funded projects. Moreover, the need to consult and benchmark widely with successful youth groups towards integrating best practises in the fund's administration was suggested.

A report by the Constituency Uwezo Fund Management Committee (CUFMC) of Chepalungu observed that the constituency was lagging behind in her Uwezo loan repayment in comparison with her neighbouring constituencies. In Sotik constituency, repayment stands at 6.4million against the disbursed amount of Kshs. 20,593,967, representing 31% repayment

rate. In Bomet East constituency, Kshs.19, 169,094 was disbursed and a total of 4 million has been repaid; which is 21% repayment rate. Compared to Chepalungu constituency where a total of Kshs. 21,490,000 was disbursed to 215 groups, only Kshs.1,813,814 has been repaid as on 1<sup>st</sup> March, 2016.This repayment rate represents 8.4% only, (CUFMC Chepalungu, 2016).

## **1.2 Statement of the problem**

Uwezo Fund is a revolving fund that is meant to provide capital to youth, women and Persons with Disability groups to start or expand income generating activities for self-reliance. Uwezo Fund is a specific Government of Kenya intervention under a flagship programme for Kenya's vision 2030.The major aim of the Fund is to spur the nation's economic growth and development by providing affordable and accessible credit to these vulnerable groups. A study in Tanzania, Makombe Temba (1999) noted that among constraints facing and affecting performance of government credit schemes are issues related with management, limited capacity building, and lack of entrepreneurship skills among youth and women. Ng'ang'a (2010) on the analysis of factors influencing implementation of YEDF in Westlands Constituency, Nairobi, he noted that government efforts were inadequate in addressing challenges facing the youth. This was because youth were not involved in participating towards addressing the Fund's management challenges. Studies on performance of government fund projects in various constituencies have been conducted. However, challenges on their performance are still widespread. A report by the Constituency Uwezo Fund Management Committee of Chepalungu observed that the constituency was lagging behind in her Uwezo loan repayment in comparison with her neighbouring constituencies. In Sotik constituency, repayment stands at 6.4million against the disbursed amount of Kshs. 20,593,967, representing about 31% repayment rate. In Bomet East constituency, Kshs.19, 169,094 was disbursed and a total of 4million has been repaid; which is about 21% repayment rate. Compared to Chepalungu constituency where a total of Kshs. 21,490,000 was disbursed to 215 groups, only Kshs. 1,813,814 has been repaid as on 1<sup>st</sup> March 2016, representing 8.4% only. According to CUFMC Chepalungu report (2016), on the issue of training, trainers compressed all trainings in one day instead of stipulated time of one week and also a challenge of delay in disbursement of cheques was noted. This study therefore investigated possible factors influencing performance of Uwezo Fund supported projects in Chepalungu constituency.



### **1.3 Purpose of the Study**

The purpose of the study was to investigate factors influencing performance of Uwezo Fund supported projects in Chepalungu constituency, Bomet County.

### **1.4 Objectives of the Study**

The study was guided by the following research objectives;

1. To assess how training of beneficiaries influence performance of Uwezo fund supported projects in Chepalungu constituency.
2. To establish how funding procedures influence performance of Uwezo fund supported projects in Chepalungu constituency.
3. To determine how public awareness influence performance of Uwezo fund supported projects in Chepalungu constituency.
4. To determine extent to which socio-cultural factors influence performance of Uwezo fund supported projects in Chepalungu constituency.

### **1.5 Research questions**

The study was guided by the following research questions

1. To what extent did training of beneficiaries influence performance of Uwezo fund supported projects in Chepalungu constituency?
2. How did Uwezo funding procedures influence performance of Uwezo fund supported projects in Chepalungu constituency?
3. How did public awareness influence performance of Uwezo fund supported projects in Chepalungu constituency?
4. To what extent did socio- cultural factors influence performance of Uwezo fund supported projects in Chepalungu constituency?

### **1.6 Significance of the Study**

The study hoped by documenting current practices on performance and utilization of Uwezo fund enabled policy makers target right interventions to ensure that the Fund succeed in tackling poverty and unemployment among beneficiaries. Report study findings hoped to provide insight to policy makers towards developing appropriate funding programmes in other departments targeting women and youth. It was also hoped that lessons learned from performance and management challenges of Uwezo Fund would be important to Non-

Governmental Organizations and other government agencies in their future funding programmes.

### **1.7 Limitations of the Study**

Limitations were expected in this study and this included shortage of financial resources during data collection. This was minimized by ensuring that reasonable finance was secured before embarking on fieldwork. Also the respondents were secretive with their records and this was minimized by creating a rapport with them and building confidence on them to create an interactive exercise. Weather was not conducive since the data collection was done during rainy season. This was overcome by going to the field very early in the morning. Lastly, challenges of illiteracy, the researcher thoroughly explained to the targeted respondents the questionnaires in detail before data collection.

### **1.8 Delimitations of the Study**

The study was confined on factors influencing performance of Uwezo Fund supported projects in Chepalungu constituency, Bomet County. Chepalungu constituency registered low repayment rate of the fund as compared to other constituencies in Bomet County. Four independent variables; training, funding procedures, public awareness and socio-cultural factors were proposed to be investigated and their possible influence on performance of Uwezo Fund project presented by the study. Moreover, the researcher analysed possible influence of moderating and intervening variables on the study variables and take appropriate control to limit their influence on the study.

### **1.9 Basic Assumptions of the Study**

The research was based on assumptions that the sample drawn was representative of target population. Moreover, data collection instruments were assumed to be valid and reliable. It is also assumed that other factors influencing performance of Uwezo fund supported projects not under study would not affect the findings of the study.

### **1.10 Definition of Significant Terms as used in the Study**

**Training of beneficiaries:** Refers to a process of imparting knowledge on entrepreneurial skills to the targeted beneficiaries before and after receiving the Uwezo fund.

**Funding procedures:** These are specified steps and requirements to be followed before the targeted beneficiaries access the Uwezo fund.

**Socio-cultural factors:** Refer to issues such as religion, marital status, age, individual attitude on loans and other social activities, which influence performance of government funding.

**Public awareness:** A process of providing information to the public on issues they should know.

**Beneficiaries:** Groups of Youth, women and persons with disabilities that have received Uwezo Fund in the Chepalungu constituency.

### **1.11 Organization of the Study**

This research report contains five chapters and an appendices section. Chapter one features the background of the study, the statement of the problem, the purpose of the study and objective of the study. Included also in chapter one were the research questions, significance of the study, limitations of the study as well as the basic assumptions of the study. Besides, delimitations of the study and definition of significant terms as used in the study are also outlined in this chapter.

Chapter two of the study covers the study literature review against the backdrop of the key study variables. Also highlighted were the theoretical framework and the conceptual framework of the study. Gaps identified in the literature reviewed and a summary of the literature was also presented in this chapter. Chapter three describes research methodology used in the study including the research design, target population, sample size and sampling procedures. Data collection procedures and data analysis techniques used were also provided in this chapter. Ethical considerations for the study were also presented here.

Chapter four contains data analysis , presentation , interpretation and discussion on the the variables of the study. Data was collected from beneficiaries in Chepalungu based on factors influencing performance of Uwezo fund supported projects in the constituency. Data was interpreted as per the research questions. The presentation was guided by questionnaire of the researcher and findings presented using frequencies and percentages. The analysis also included the questionnaire return rate and demographic characteristics of respondents. Chapter five gives the summary research findings, discussions, conclusions , recommendation for policy formulation.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter contains literature review on the parameters of the study variables. It also features the theory supporting the study area, which forms a foundation of the problem under study. Moreover, it explains the conceptual framework, which explores the relationship between the independent and dependent variables; and how the relationship would influence the results of the study. Finally, the chapter provides a summary of the significant literature reviewed the findings and how is it relevant to the study

#### **2.2 Concept of Youth Enterprise Development Fund in Kenya**

The Youth Enterprise Development Fund (YEDEF) was established in the year 2006 by the government as one of the flagship projects of vision 2030, under the social pillar. This was seen as a strategic move towards arresting unemployment which is virtually a youth problem. YEDEF came legally into operation on 8<sup>th</sup> December 2006. It was translated into a state corporation on 11<sup>th</sup> May 2007 through legal Notice No.63. The fund focuses on enterprise development as a key strategy that aims to increase economic opportunities for and participation by Kenyan youths in nation building. The loan targets all forms of youth owned enterprises (YEDEF status report, 2007-2012).

The objectives of YEDEF include; providing loans for lending to youth enterprises; attract and facilitate investment in Micro, Small and Medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented Micro, Small and Medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; provide business development services to youth enterprises; and to facilitate employment of youth in the international labour market. (YEDEF status report, 2007-2012). Minimum conditions for accessing the Fund include; one must be a Kenyan who falls in the age bracket of 18 to 35 years and has the intention of investing the Fund in a business venture. This portion of the Fund is to ensure that all young people especially those living in remote areas not well served by Financial Intermediaries are not disadvantaged in accessing the Fund (YEDEF guide, 2009). The features and access procedures include: The loan is accessible only to youth groups operating within the constituency, maximum loan amount per group is Kshs. 50,000, the loan attracts no

interest but has administration fee of 5% deductible upfront from the approved loan ,3-month grace period and full repayment within 12 months after the grace period, having a registered group which has been in existence for at least 3 months as of the date of application, the registered entity must have a bank account ,the entity must have at least 70% youth membership and 100% of its leadership in the youth bracket(YEDEF guide,2009).Further the group prepares business proposal using the standard format provided and submits the proposal form to the Constituency Officers who eventually hands over to the Youth Enterprise Development Fund Secretariat which in turns disburses the cheques of the approved groups (YEDEF guide, 2009).

The Fund disburses loans in three ways: First, The Constituency Youth Enterprise Scheme(C-YES) which is a component that finances projects of registered youth groups. The maximum amount lent through this component is Kshs. 50,000.Second, the Easy Youth Enterprise Scheme (E-YES) which finances projects of individuals who belong to groups. Groups that have completed repayment of the C-YES loan will benefit from individual loans. Individuals start with loans of Kshs.25, 000 and graduate upwards up to Kshs 100,000 after which they can access the loans through financial intermediaries. Lastly, through financial intermediaries that are in partnership with the Fund (YEDEF guide, 2009).The government set aside Kenya shillings one billion in the 2006/07 budget to fast-track this noble and timely initiative of the fund. As at 30th September 2011, the fund had advanced loans worth Ksh.5.2 billion to 144,000 youth enterprises. Out of this amount Ksh.545.3 million had been advanced to 12,407 group projects while 54.2 million had been disbursed to 2,111 individual enterprises at the constituency level. Through financial intermediaries the fund had financed 129,385 group and individual enterprises to a tune of Ksh.4.6 billion (YEDEF status report 2007-2012).The Fund has eventually become an important source of credit to young people across the Country both in urban and rural areas in Kenya. For the Youth Enterprise Development Fund to sustain viable credit initiatives, then it's incumbent upon the borrowers to be able to make regular payments as agreed on time.

### **2.3 Concept of Uwezo Fund**

The Uwezo Fund is a flagship programme for vision 2030 aimed at enabling women, youth and persons with disability access finances to promote businesses and enterprises at the constituency level, thereby enhancing economic growth towards the realization of the same and the Millennium Development Goals No.1 (eradicate extreme poverty and hunger) and 3

(promote gender equality and empower women).The Fund was launched by His Excellency the President of the Republic of Kenya on 8th September 2013 and enacted through a Legal Notice No. 21 of the Public Finance Management Act, 2014, and published on 21st February, 2014.The Fund seeks to expand access to finances and promote women, youth and persons living with disability led enterprises at the constituency level. It also provides mentorship opportunities to enable the beneficiaries take advantage of the 30% government procurement preference through its Capacity Building Programme. Uwezo Fund, therefore, is an avenue for incubating enterprises, catalysing innovation, promoting industry, creating employment, and growing the economy.

At national level, a national Uwezo fund oversight Board provide overall management, design and oversight of the fund. The Board is supported by secretariat. Uwezo fund is administered through the Constituency Development framework in all the 290 constituencies. The constituencies Development Fund committees in turn constitute the Uwezo Fund Management Committee to oversee implementation and management of the fund. Representatives of women, youth and person with disability were part of the constituency Uwezo fund management committees. The fund operates as a revolving fund ensuring continuity and sustainability. Borrowing groups are expected to apply table banking principles.

Gachathi(2010) in his study of factors influencing implementation of projects in Kenya,projects funded by Youth Enterprise Development Fund in Westlands constituency found out that personal factors affect project implementation and generally its overall performance both negatively and positively. Positively (when the desired factors were present) they created an enabling and facilitative foundation for the projects. Negatively (when the desired factors were missing) they created a hostile environment for the projects. The findings indicated that the respondents felt that institutional factors affected projects performance negatively, to a high extent.

#### **2.4 Training of beneficiaries and performance of Uwezo Fund supported projects**

Entrepreneurship training and provision of appropriate business development services form part of training.Many institution have incorporated training as part of mandate in order to enhance the growth of micro enterprise.Okurut and Ama ( 2013) point out that Botswana Local Enterprise Authority is mandated to provide technical skills, on job training ,bookkeeping ,managerial and marketing service to the youth.European Microfinance

Network (2012) notes that micro credit for youth entrepreneurs need more than financing in order for their enterprises to succeed

A study conducted by Klein, et al (2003) showed that individuals who completed entrepreneurship training increased self employment levels by 28% and increased household incomes by 85% within two years. The role of entrepreneurship education is mainly to build an entrepreneurial culture and in turn improve their career choices towards entrepreneurship (Deakins, et al 2005).

According to a study conducted by Karlan (2009) on impact of Business training on Microfinance Clients and Institutions, using a randomized control trial, they measured the marginal impact of adding business training to a Peruvian group lending program for female micro entrepreneurs. Treatment groups received thirty to sixty minute entrepreneurship training sessions during their normal weekly or monthly banking meeting over a period of one to two years. Control groups remained as they were before, meeting at the same frequency but solely for making loan and savings payments. They found that the treatment group led to improved business knowledge, practices and revenues. The program also improved repayment and client retention rates for the microfinance institution. This has important implications for implementing similar market-based interventions with a goal of recovering costs.

Nganga (2011) in her study of analysis of factors influencing implementation of YEDF in Kenya found out that government efforts were inadequate in addressing the challenges facing the youth in that youth were not involved and lack of business skills and this impacted heavily on success of the fund, while Kimando et al. (2012) also noted that skills in entrepreneurship, business planning and financial management must be elaborately impacted to youth before fund are disbursed if the funded projects are to succeed.

#### **2.4.1 Level of education**

The number of years of formal schooling is an indicator of human capital, which affects positively efficiency Gershon et al (1988). In addition to this, educated beneficiaries are expected to adopt new production technologies that increase returns from the enterprises Njoku, (1997). For these reasons, education would be an indicator of creditworthiness, and would increase repayment capacity of the borrowers. In addition, entrepreneurs, especially those in poor countries, are concentrated in low value local markets. Such entrepreneurs also lack access to information on product and input markets. Thus, promoting the viability of such enterprises will require facilitating the access of beneficiary groups to information on product

and input markets and linking them to global value chains.(Goel 2006).This would require encouraging these groups to explore existing global initiatives aimed at promoting trade between developed and developing economies.The system of education and training in Kenya has been blamed for failing to impart appropriate skills for enhancing self-employment. The 8-4-4 system of education was introduced in 1985, and comprises 8 years of primary education followed by 4 years each for secondary and university education. It was geared towards changing the “academic” bias of the previous system with a strong emphasis on practical and technical subjects (Ikiara et al, 1995). However, due to high costs of education, poverty and lack of appropriate facilities, most youth are forced to drop out, and those who graduate do not possess adequate skills to facilitate employment (Gok, 2006).According to the United Nations Development Programme (UNDP) Report of 2006, four out of eight provinces recorded an increase in poverty levels while Kenyans living in abject poverty deepened. These people are subsequently incapable of acquisition of proper dietary needs, medical care and clean habitats (Achoka et al. 2005) The country’s training institutions are not only inadequate, but lack the essential facilities and technology to prepare students for the challenging labour market demands (Government of Kenya, 2006); In addition, training institutions have no linkages with the labour market. The society’s negative attitudes towards the informal sector discourages some youth from venturing into it. To enhance education and training for the youth, the NYP proposes to: improve affordability and accessibility of quality education, promote non-formal education, enforce re-admission policy for girls who drop out of school due to pregnancy and create linkages between educational institutions and the private sector through research, technical education, internship opportunities and financing. Most of the youth either drop out of school or graduate without necessary skills for self-employment. Many girls drop out of school due to pregnancy. Recently, sub-standard institutions have come up to take advantage of shortage of training opportunities to exploit desperate youth. Youth trained in these institutions cannot, therefore, be immediately absorbed into the job market. Provision and improvement of existing training as well as vocational training and imparting life skills are among strategies to be used to empower the youth and women. Other strategies are involving the youth in formulating and reviewing of the education and training policy as well as creating linkages between training institutions and the private sector through research internship opportunities and finance and encouraging the private sector to get involved in technical education and training (MOYA Strategic plan-2007).



Uwezo fund has been organizing training for beneficiary groups, Public finance management (Uwezo fund) Regulation article 14(d) provides that the ministry responsible for youth and gender affairs shall facilitate and oversee the operations of the board in the implementation of fund and in particular shall be responsible for development of curriculum, content and standards for training in fund recipients on table banking, business entrepreneurship and public procurement and other business development areas. The ministry has undertaken and finalised the recruitment exercise of capacity building service providers and read to undertake capacity building exercise in ten clustered regions. The focus areas for capacity building programme will include: First, Dissemination of general information on Uwezo fund. secondly, Provide business development service and mentoring to youth and women groups. thirdly, Provide access to public procurement opportunities in a devolved context. Lastly, Table banking concept. However, beneficiaries of these training were reported to be few because most of the service providers trained for less duration and thus most of the youth, women and person with disabilities did not benefit from the the good content which was to be delivered for a whole week but done in a day.

## **2.5 Funding Procedures and performance of Uwezo fund supported projects**

Micro funding schemes have emerged as a means of guaranteeing access to credit for the poor and vulnerable groups through financial intermediaries strategy that is responsive to social economic realities. This has been necessitated by many hindering factors associated with formal lending institutions. Formal lending institutions is highly collateralized and attracts high interest rates (Nelson & Nelson 2010). Collateral requirements make financial services inaccessible to the poor and specifically the youth and women hence the need to improve access to credit for the vulnerable groups. The kind of repayment infrastructure and follow-up mechanisms or measures in place greatly influences performance of loans. Awoke (2004) reported that most of the default arose from poor management procedures, loan diversion and unwillingness to repay loans. Therefore lenders must devise various institutional mechanisms aimed at reducing the loan default.

In Bangladesh, Micro credit scheme was introduced to mediate the delivery of low interest rates and non collateralized credit to the rural poor who rely on social collateral and joint liability (Olomola 2000). The government of Namibia introduced Namibia Youth credit scheme (NYCS) to empower and increase the number of youth participating in social economic affairs of the country. (Namibia Ministry of National Service Sports and Culture, 2008).

In Tonga the government in partnership with Africa Development Bank (ADB) assistance to Tonga initiated The Youth Micro Enterprise Development project (TYMDP) as a means of addressing the issues of youth unemployment and lack of participation in economic development in order to improve youth status and provide training and support on key business concepts ,skills and techniques(Guttenbeil-likiliki 2009).

The credit lending schemes have not however been without challenges.Chigunta (2002) noted that lack of credit access to youth run enterprises seems to be more pronounced in developing countries and that state sponsored youth credit in Africa have suffered a number of weaknesses including poor programme design, implementation, poor loan disbursement, lack of youth training and group management conflicts and as well politicization of the funds (Chigunta and Mkandawire,2002).

Chemwa (2014) The study indicated that funding procedures and generally its framework determine the repayment and funds performance, it took long for the youth entrepreneurs to access the loan with majority 74.14 % reporting to have accessed loans after 6 months.By the time the group accessed the loan, the group will have lost a lot of opportunities especially for farming projects which need proper timing.All groups reported that access of the loan was through group and not individual has benefited from. The individual component was not accessible due to complex lending framework which requires youth to have a chattel, insurance and collateral as well six month savings for one to access the loan.Majority (84.48) % got loans of Kshs 50000 and 20.87% had repaid halfway while 25.87% failed to repay completely.Monitoring by youth fund official was felt to be inadequate by 57.58% and therefore groups failed to get guidance and lack of follow up may have passed as laxity on officers part which group took advantage not to repay the loan. In accessibility of repayment points was rated high at 57.58 as a cause not to repay the loan and Mpesa was seen by majority at 67.38% as a solution to ease repayment challenges.

In Kenya, Uwezo fund loan targets all forms of youth,women and person with disabilities owned enterprises whether companies, groups, cooperatives or otherwise and the loan is accessible to any of youth owned enterprise operating within the constituency.The FIs could also be commercial banks supporting the growth of SMEs, but their core goal is to maximize profits regardless of the funding impact.Financial intermediaries lending policy consider the Target Market, Eligibility & Credit Selection criteria, Loan assessment & Loan eligibility amount, Required Documents, Pricing, Repayment mode and period, Verification

requirement, Amount & Type of collateral for secured loan before funding business proposal. All these requirements cannot be met by these beneficiary groups, rules should be more flexible and needs based in order to benefit some of the needy and illiterate youth and women who require more rigorous training and support to succeed, Odhiambo et. al (2013).

### **2.5.1 Uwezo Fund Monitoring and Evaluation framework and performance of Uwezo fund supported projects**

Monitoring and evaluation make it possible to know whether the intended results are being achieved or not and corrective action needed to ensure delivery of intended results and positive contribution of the project towards human development (UNDP 2009).

Quality evaluation provides feedback that can be used to improve programming policy and strategy. Lack of commitment on part of microfinance institution on monitoring and evaluation adversely affect the concept of sustainable Small business enterprises Howes (1997). The Global conference on Youth Enterprise Employment and Livelihoods Development (YEELD) notes challenges facing monitoring and Evaluation and their impact on evaluation as: inflexibility, adaptability, M&E process multifaceted nature, inability to define intended program impacts, inability to design impact evaluation that attribute program intervention to change beneficiaries, ethical consideration and difficulty in incorporating Gender in M&E. Micro lending institutions encourage group monitoring whereby group members act as guarantors for an individual during access to loan. This was meant to increase individual liability and hence members feel obliged to pay. However, according to Karlan & Gine (2008) there is no significant change in repayment when individual liability is compared to group liability. It was found out that after the removal of group liability, monitoring went down but repayment improved thus suggesting that peer monitoring or pressure was unnecessary as group lending does not add up an economically meaningful way to higher default.

In Ghana Boateng & Dawoe (2005) identified monitoring and evaluation of loans as among good practices that will lead to technological growth of SMEs, however choice of efficient M&E systems may pose a challenge to most micro lending institutions. Other mechanism such as screening and monitoring do not add up in an economically meaningful way to high default Karlan & Gine (2007) and therefore suggest that innovators should move towards the right direction and add that if joint liability and peer monitoring could involve screen monitoring and enforcement in micro lending, then there will be no challenge in monitoring and evaluation within micro lending institution and group loan approval decisions

Chakravarty & Shatryan (2006). Uwezo fund does not have a strong legal mechanism to address default cases and impacting on general performance of the fund.

## **2.6 Public awareness and performance of Uwezo fund supported projects**

Efficient and effective management of projects can be achieved within an environment where all stakeholders are fully and actively involved. Studies on management and performance of projects have argued that public awareness is paramount. Accordingly, Maina (2013) observed that management of projects within complex situations requires community involvement at all stages. The study further asserted that when this is conducted proactively, it may limit future problems on projects' ownership and sustainability. In Kenya for example, the rights to involve the public in development activities is enshrined in the Constitution of Kenya 2010 (Mbaabu, 2012). Nikkah and Redzuan (2009) similarly noted that prudent management of infrastructure projects cannot be adequately achieved where participation and public involvement is low. They further found out public awareness is an important component for achieving goals of infrastructure projects. As a process, public awareness requires adequate and elaborate planning towards its effectiveness. Mobilization as an important aspect in realizing performance and can be efficiently achieved within an environment where awareness is created on subject matters. Priority should be given to processes of information flow to the public regarding community activities (Nyamori, 2009). Studies have also shown that inadequate capacity to participate and lack of awareness among community members has hampered their contribution in processes of projects planning. Inappropriate modes of communication used to create public awareness on their participation in management of projects can also lead to poor performance of projects. This was noted by Weyama (2013) who found out that low participation by public in management of projects resulted from inappropriate communication channels used to create public awareness. In the study, it was observed that print media and letters were used to invite selected stakeholders for public meetings during projects' identification processes. Illiterate members of the public were never reached in these arrangements. As a result, important ideas to spur projects development were omitted and other potential stakeholders left out. The study further observed that individual differences in the community were not adequately addressed to fully appreciate existence of different social structures, which can influence participation and performance in the project.

In a related study investigating the influence of community participation in successful implementation of CDF funded projects in Mwea constituency, Kenya, public awareness was

found to be low (Nyaguthii and Oyugi, 2013). They noted reluctance by the public, who reported lack of fully involving them in projects' planning processes. The study further found that there were high levels of ignorance by the public on projects planned for construction because of low involvement. Accordingly, most of the infrastructure projects in the constituency were mainly identified by either the politicians or the projects' committee members. This practice was observed to have led to misappropriation of public funds and generally led to poor performance of the projects. It was also noted that only influential people in the community were fully involved in identification, planning and implementation of these projects. Management and ownership of finished projects was however a challenge.

Processes of implementation and management of projects involve rules and regulations, which are essential for their sustainability. It is equally necessary to fully integrate the public in the best practices towards realizing this goal. According to Ochieng and Tubey (2013), inadequate public awareness on these rules and regulations led to low achievement of projects' objectives in Ainamoi constituency of Kericho County, Kenya. The study also confirmed that only committee members and influential local leaders understood rules and regulations on required level of performance and management of projects. This led to low public involvement and reluctance to participate in processes they feel ignorant about and complex for them to understand. However, reasons for this inadequacy was not fully presented and captured by the objectives of the study. Accordingly, Ngesu, Gunga, Gakuru and Kahigi (2014) observed that planning processes of project management and performance were hampered by inadequate public awareness creation, which later compromised sustainability. They therefore noted the importance of ensuring that the public is fully involved in all stages of creating awareness on projects' implementation and achievement of performance targets. The study recommended the need for making appropriate arrangements towards promoting public awareness in project implementation processes by organizing an all-inclusive process of public awareness creation.

Similarly, low participation by the public in management of community development projects was noted to be a result of poor planning during processes of creating community awareness (Muriu, 2014). This study also confirmed Nyaguthii and Oyugi (2013) assertion that power to make decisions on such processes is normally taken over by influential local leaders; who sometimes change projects' objectives to suit their interests. In such cases, projects' ownership and management by the community gets compromised. In many cases where

processes of identifying community projects is selective, sustainability challenges are widely experienced.

In a study on public involvement in implementation and management of community water projects, the United Nations International Children's Emergency Fund observed the need to fully involve the public in all the processes of implementing the project (UNICEF, 1999). The study further noted that the community can only be fully involved when adequate information on how and when to participate is clearly provided. When endowed with adequate information, community members feel empowered and the sense of projects' ownership increases. Accordingly, the United States Agency for International Development further observed that information is power and that where the public is adequately empowered, participation and control in managing projects improves (USAID, 2009). Accordingly, proper provision of information at initial stages of project identification is important in ensuring that community members participate actively in the process (Omondi and Kamau, 2010). To achieve this, the study noted the need of establishing mechanisms, which promote active participation as opposed to passive participation usually witnessed in implementation of many projects.

It is evident from the literature reviewed that public awareness might be an important factor towards ensuring high performance and proper management of projects. This study assessed the extent to which public awareness influenced performance of Uwezo fund supported projects in Chepalungu constituency.

## **2.7 Socio-Cultural factors and performance of Uwezo Fund supported projects**

Participation by stakeholders in management and implementation of projects has been viewed by different researchers as key to projects' sustainability. Control and directives on decision made during project cycle mainly demonstrate nature of participation by different stakeholders in the community. Integrating gender issues in participatory processes of project management and implementation is an important factor in promoting inclusivity (ADB, 2010). In Indonesia, the study further observed widespread exclusion of women in community development programmes; a practice which is traditionally accepted. Decision making on issues touching their interests is usually at the mercy of their male counterparts and it negatively affect general performance of the project.

A study in rural Kerala, India noted the deliberate government legislative provisions put in place to specifically uplift the womenfolk towards participating in the management of water

community projects (Owino, 2011). This was mainly to promote confidence levels, leadership potentials and decision making processes among women in rural areas; where management of water projects were predominantly in the hands of the male gender due to local cultural practices and beliefs on leadership. The study further observed the need for more legislation to redirect focus on water management to social implications as opposed to technical infrastructure implications.

While investigating factors influencing management of women income generating projects in Kiambu County, Kenya, Gakuru, Gunga, Ngesu and Kahigi (2014) observed that women's participation in community development is constrained by the many domestic roles they undertake. Challenges to their performance and contribution in management of infrastructure projects were further noted to be influenced by social norms in the community. This study investigates possible factors which might have contributed to the laxity among community members to continuously participate at all levels of project cycle. In Kenya, Muriu (2014) also observed low participation of females in Local Authority Service Delivery Action Plan (LASDAP) programmes at only 54% compared to that of their male counterparts at 57.4%. The males were further noted to have participated actively in processes of projects' implementation and management. However, according to Ngunjiri (2010), women have managed to multitask and become community leaders through election in national and regional governments.

In rural Indonesia, older people; mainly men were observed and regarded as the ultimate decision makers on development programmes (Yuerlia, 2004). Youth and women were mostly left out in processes of decision making and their participation was equally noted to be low. However, such low participations were not adequately explained by the study. As a result, the study noted poor projects sustainability, which was partly attributed to inadequate involvement of all projects' stakeholders in the community. In Mali, a study investigating determinants of community participation similarly observed the need to fully involve all community social actors in processes of project management (Brett, Margaret and Tammo, 2007). This was further noted to promote social inclusion in management of community projects.

Gender inequality has also been widely noted as a major obstacle towards meeting development targets globally (UNDP, 2009). Active involvement of women in management of infrastructure projects has equally been recorded to be very low in many parts of Asia and

Sub Saharan Africa. In Denmark, deliberate government policies designed to promote family friendly activities during public participation in development promoted women involvement (D' Agostino and Levine, 2011). The policies were noted to enable women participate in activities previously considered dominated by men. Accordingly, in related study by Maria and Levine (2011), it was noted that social stability and progression in modern societies can be effectively achieved through full representation of minority population to participate in development programmes.

A study on the Maasai community in Kenya and Tanzania observed that women are regarded as weaker sex and that they are required to submit to the leadership of men (Kipuri and Ridgewell, 2008). The study further noted low participation among women in development forums, partly attributed to this socio-cultural profiling. This was also noted by Cornell (2001) and Hodgson (2000) that women play secondary societal role and are excluded from community decision making processes on management of projects. According to Wanyoike (2014), age had an impact on how individuals approach their environment and activities in a given social setting. Young people were observed to be aggressive and impatient during their participation in public meetings on processes of implementation and management of projects. Wanyoike (2014) further noted marital status and friends of young people to influence their participation in such projects. However, the extent of influence was not adequately explained by the study. Similarly, women were found to rarely participate in community development issues as compared to men. They were observed to be more involved in family ties and domestic chores as opposed to community development issues (Wanyoike, 2014).

In rural India, UNESCO (2015) also observed that management of community water projects was closely monitored through strong historical beliefs and practices, as this ensured effective achievement of projects' goals. Local farmers were trusted with management of irrigation water schemes in regions considered historical to the community. Inadequate strategies by relevant institutions to address socio-cultural perceptions towards ensuring women inclusion in management of projects are still widespread globally and this has impacted negatively on performance of these projects (World Bank Report, 2009).

## **2.8 Theoretical framework**

The study was guided by principles of Contingency Leadership theory and system theory in investigating the variables under study. An early pioneer of Contingency theory was Fred Fiedler who participated in a research focusing on situational factors that affected structures



of organizations. The study was also to find out appropriate leadership techniques, which can be effectively applied in addressing different situations in organizations. The theory was developed in the 1960s and 1970s.

In his study, Fiedler argued that any task oriented or relationship oriented leadership can be effectively achieved where they fit characteristics of a given situation. The basic approach of this theory is that there is no single management technique which is appropriate to all situations of management.

The Contingency Leadership theory is based on the principle that an organization is an open system which continually interacts with its environment; hence it must adapt itself to the environment. Moreover, its design further shows that no organizational structure can be suitable for all situations. In management cycle, Contingency theory asserts that management is entirely situational and that functions of management (planning, staffing, leading and controlling) should be tailored to particular circumstances faced by an organization.

The strengths of this theory is that managers of organizations can effectively apply it to manage individual differences across organizations which are facing different contingency variables and are in need to be managed differently. Moreover, it emphasizes the need for managers to manage their organizations depending on complex varieties of important environmental and internal contingencies.

The theory also put a lot of emphasis on the dynamic nature of organizations, people and situations and how they change over time. This enables organizational management to be tailored to the prevailing circumstances in achieving desired goals and objectives.

The theory however, has been criticized for its non-scientific approach to management. By approaching management based on situational changes can lead to planning inefficiency. Uncertainties in organizational management can sometimes lead to management crisis due to “await and see” approach for a situation to arise. Inadequacy in resource allocation and organization of such resources can lead to misallocation of resource to non-prioritized sections and departments.

Despite its weakness, the researcher used this theory to investigate factors influencing performance of Uwezo Fund supported projects in Chepalungu constituency. Even though the sampled youth, women and people with disability groups for study were all conducting their entrepreneurial activities in the constituency, they were from different zones within different

socioeconomic, physical and organizational environments. Members from these groups were faced with different contingency variables ranging from their household levels, religious and cultural background and to the group's administrative environment which they participate in. The researcher hoped that the application of Contingency Leadership theory in this study would provide an appropriate background to investigate the study variables by assessing their relationships towards answering the research questions.

System theory principles was also adopted by the study. System theory was used by L.von Bertalanffy, a biologist, as the basis for the field of study known as general system theory, a multidisciplinary field(1968). Some influences from the contingency approach can be found in system theory.

### **Core assumptions and statements**

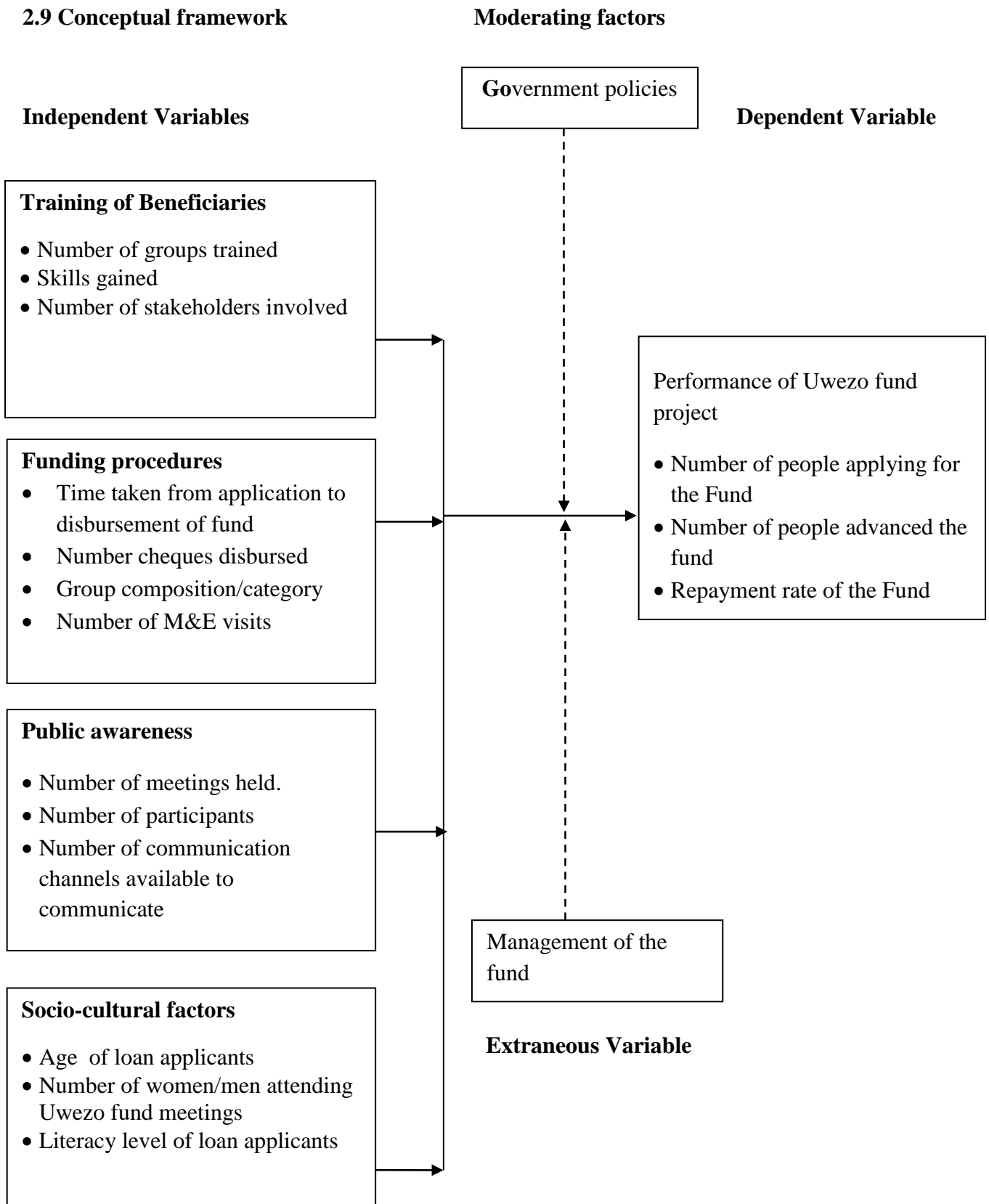
System theory is transdisciplinary study of abstract organization of phenomena, independent of their substance, type or spatial or temporal scale of existence. It investigates both principles common to all complex entities and the models which can be used to describe them. A system can be said to consist of four things. The first is objects – the parts, elements or variables within the system. These may be physical or abstract or both, depending on the nature of system. Second, a system consists of attributes – the qualities or properties of the system and its objects. Third, a system has internal relationships among its objects. Fourth, systems exist in an environment. A system, then is a set of things that affect one another within an environment and form a larger pattern that is different from any of the parts. The fundamental systems- interactive paradigm of organizational analysis features the continual stages of input, throughput (processing), and output, which demonstrate the concept of openness/closedness. A closed system does not take in information and therefore is likely to atrophy, that is to vanish. An open system receives information, which it uses to interact dynamically with its environment. Openness increases its likelihood to survive and prosper. Several system characteristics are wholeness and interdependence, correlations, perceiving causes, chain of influence, hierarchy, suprasystems and subsystems, self regulations and control, goal oriented, interchange with environment, inputs/outputs, the need for balance, change and adaptability. There are various ways to achieve goals. Different types of networks are: line, commune, hierarchy and dictator networks. Communication in its perspective can be seen as integrated process not as isolated event.

Strengths of this theory is the fact that it is useful for developing holistic view of persons in environment and enhances understanding of interactions between micro-meso-macro levels of organization, when one part is strengthened of the system or subsystem it impacts the whole system.

Weakness of this theory is that it doesn't adequately address power and social inequalities and their causes. It is better at description and explanation than at predictions and it's also better at probabilistic level of explanation than at deterministic level.

Despite its weakness, the researcher used this theory to investigate factors influencing performance of Uwezo Fund supported projects in Chepalungu constituency. Uwezo fund is a government fund which is implemented by two ministries and it targets three categories that is women groups, youth groups and persons with disability groups. The theory is appropriate because the two ministries work as a system and improvement in one subsystem will impact on the whole system. The researcher hoped that the application of system theory in this study would provide an appropriate background to investigate the study variables by assessing their relationships towards answering the research questions.

## 2.9 Conceptual framework



**Figure 1. Conceptual frame work**

Source:own research

## **2.9 Gaps in Literature Review**

The way Uwezo fund has been structured does not allow it to operate the way commercial banks operate due to the connection with government politics. There is an overall acknowledgement in literature that institutions matter and have a direct impact on performance. For example, Rodrik et al. (2002) found in a study that the “estimated direct effect of institutions on incomes is positive and large. Besides an observed direct impact, most studies also acknowledge an indirect impact on growth and economic development. Institutions can lead to an increase in investment, to a better management of ethnic diversity and conflicts, to better policies and to an increase in the social capital stock of a community. All these factors have a recognized positive influence on performance. Therefore, most of the studies suggest a strong and robust relationship between institutional quality and growth and development outcomes (Johannes Jütting, 2003). Institutional framework play advisory role and is responsible for effective Monitoring and Evaluation. Uwezo fund in Kenya has not been structured properly and its monitoring and evaluation is poor with beneficiaries complaining of being not given enough support in form of capacity building programmes, cheplungu Uwezo fund Management Committee report(2016). Programmes targeting youth women and persons with disabilities in Kenya are also a few hence there is a financing gap for beneficiaries. This study therefore was to find out how performance Uwezo fund project would be improved so that more youths, women and persons with disabilities could benefit and own the fund.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the methodology used in the study. It also describes research design, target population, sample size, sampling procedure, research instruments, piloting of the study, reliability and validity of research instruments. It also presents data collection procedures and instruments, data analysis and finally ethical considerations that the researcher observed to ensure confidentiality was adhered to.

#### **3.2 Research Design.**

The study adopted descriptive survey research design since it describes existing phenomena and individuals could be asked about their experience, values and perceptions. The study sought to find out factors involved in a given situation, the extent in which they exist and relationship between them. (Travers, 1969). The study is suitable in that the objectives are systematic and description of facts and characteristic of population is accurate and factual (Kothari 2007). The purpose of descriptive survey is to observe, describe and document aspects of a situation as it naturally occurs (Politis and Hanger, 1995). Schindler and Cooper (2003) also observed that descriptive studies are structured with clearly stated questions to be investigated. This design would help the researcher establish factors influencing performance of Uwezo funds project.

#### **3.3 Target Population**

The research was carried out among groups which have been funded by Uwezo Fund Board. In total, 215 groups were funded comprising of 90 youth groups, 118 women groups and 7 PWDs (Youth Affairs and Gender Dept 2016).

**Table 3.1 Target population**

<b>CATEGORY</b>	<b>TOTAL POPULATION</b>	<b>TARGET POPULATION</b>
Women group	118	12
Youth group	90	9
PWDs group	07	1
<b>TOTAL</b>	<b>215</b>	<b>22</b>

Each group has an average of 10 members making a total of 220 respondents and 5 committee members.

### **3.4 Sample size and sampling procedure.**

This section provides the sample size the researcher used in the study. It also gives sampling procedure used in drawing the sample.

#### **3.4.1 Sample size**

The sample size of 162 respondents was used for this study.

#### **3.4.2 Sampling Procedure**

The study targeted beneficiary groups and five uwezo fund committee mebers.10% was used to attain number of beneficiary groups in each of the three categories of beneficiaries(Mugenda and Mugenda,(2003).12 women groups were picked,9 youth groups were picked and one PWDs was picked.In total 22 beneficiary groups were picked and each group has an average of 10 members making a total of 220 respondents. According to Krejcie and Morgan, a sample size of 162 is appropriate for a target population of 225 respondents. The researcher used stratified random sampling to identify groups and their proportions to ensure representation from three strata and also ensure that no strata was over represented.To form a sample the following formula was used

$$\frac{\text{Target population}}{\text{Total population}} \times \text{Sample size}$$

Using the above formula the sample size consisted of 66 members of youth groups, 89 members of women groups and 7 members of PWDs groups. From here the number of respondents were obtained. 162 respondents in total were selected.

Purposive sampling was used to select five constituency Uwezo fund committee members who would include fund manager, one youth representative, one women representative, one person representing person with disabilities and youth officer.

### **3.5 Data collection Research instruments**

Questionnaires were distributed to obtain data from the funded groups. Interview schedule were administered to the committee members sampled. The questionnaire had both open and close ended questions. (Kothari 2008) points out that questionnaires are more objective as compared to observations since responses are gathered in standardized manner while at the same time observing confidentiality. It also provides opportunity for anonymity and promote high response rate. Interviews however, give one opportunity to clarify on issues not clear and get deeper insight of an issue Mugenda and Mugenda, (2003).

#### **3.5.1 Piloting of the study**

The questionnaires were pilot tested in Bomet East Constituency, 10 % of sample in order to check their reliability, Bomet East Constituency borders the study area and the two constituencies have a lot of aspects in common besides it being in the same County thus the choice for pilot area. Reports from pre-test indicated that questionnaires were all duly filled and returned indicating respondents understood the content and responded accordingly. Wiersma (1995) reveals that piloting is vital since it aids in identification of ambiguities and inadequate items in the data collection tool. This would help identify potential problem areas in the research instruments so that corrections could be done to ensure accuracy and clarity is achieved.

#### **3.5.2 Validity of research instrments**

Validity refers to the degree to which components of the research reflect the theory, concept, variable under study (Streiner & Norman 1996). Kothari (1998) defines it as the degree to which a test measure the variable it claims to measure while Borg and Gall (1993) say validity of an instrument represent the degree to which a test measure what it purports to measure. The researcher ensured that research covers the research objectives adequately. Content validity was addressed by seeking the opinion of technical experts in the field. Also peer review was



done prior to embarking on fieldwork to ensure that the questionnaires captured all the themes in the objectives.

### **3.5.3 Reliability of research instruments**

Reliability is the consistency of measurement over time and whether same results are attained. Split half technique was used to determine the reliability of the instruments. The same questionnaire was administered to the sample which was randomly divided into two halves, there after Pearson product moment correlation co-efficient was applied to compare the correlation between the total of two sets of scores. Co-efficient of 0.8 was obtained which is considered acceptable.

### **3.6 Data collection procedures**

Data was collected after obtaining research permit from the university and seeking consent from the departments concerned in the constituency. The researcher made field visits and obtained data for variables under investigation from the sample population. Questionnaires were distributed and follow up was done to ensure all of them are returned.

Data was presented in form of frequency tables and percentages for easier interpretation.

### **3.7 Data analysis techniques**

Questionnaires were used to collect raw data from the field. Questionnaires were edited to ensure completeness and coded for easy analysis. Descriptive statistics were used to analyze data and present in percentages and frequencies.

### **3.8 Ethical considerations**

Permit for the research was obtained and then the researcher introduced herself to the respondent and explain to them the purpose of carrying out the research. The questionnaires would not require the respondents to fill the names in order to maintain confidentiality of information collected. The researcher would uphold integrity and professionalism. All respondents would be treated with dignity and respect and they were assured that the data was purely for academic reasons and no information would be divulged without their permission.

### **3.9 Operationalization of variables**

Performance of Uwezo fund project was influenced by training beneficiary groups gets prior to funding., funding procedure, Public awareness of the fund and social cultural factors of

funded groups. However Government policy and management of the fund might affect the performance of the fund.

**Table 3.2 Operationalisation of variables**

**Dependent Variables**

<b>Objectives</b>	<b>Variable</b>	<b>Indicators</b>	<b>Measures</b>	<b>scale</b>
Factors influencing performance of Uwezo Fund supported projects in Chepalungu constituency, Bomet county.	performance of fund supported projects	Number of people applying the fund Number of people advanced the fund Repayment rate	No of applications received No Of people advanced the fund Repayment status,if its halfway,nil or repayment is complete	ordinal

## Independent variables

Objectives	Variables	Indicators	Measurements	Scale
1.To assess how training of beneficiaries influence performance of Uwezo Fund supported projects	Training	Skills gained by groups	Whether new skills were applied	Nominal
		No and type of groups trained	Training certificates issued	Nominal
		No of stakeholders involved	If stakeholders are involved Reports on M&E	Nominal
To assess how funding procedures influence performance of Uwezo fund supported projects	Funding procedure	Time taken from application to disbursement of fund	Records of application forms recieved	Nominal
		composition of the group(group category)	Minutes of the meetings	Nominal
		Number of cheques disbursed	Disbursement lists	Ordinal
		No of M&E visits		Nominal
To determine how public awareness influence Performance of Uwezo fund supported projects	Public awareness	No of sentisation meetings	Report	Nominal
		No of participants Number of Communication channels available to communicate	Participant lists If communication channels are in place.	Nominal

<p>To determine the extent to which socio-cultural factors influence performance of Uwezo Fund supported projects</p>	<p>Social cultural</p>	<p>Age of loan applicants</p> <p>Number of women/men attending Uwezo fund meetings</p> <p>Literacy level of loan applicants</p> <p>Marital status of loan applicants</p>	<p>Participant lists,men and women participants</p> <p>How regular are sensitization meetings done</p>	<p>Ordinal</p> <p>Nominal</p>
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## CHAPTER FOUR

### DATA ANALYSIS , PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This chapter contains data analysis , presentation , interpretation and discussion on the the variables of the study.Data was collected from beneficiaries of Uwezo fund in Chepalungu based on factors influencing performance in the constituency. Data was interpreted as per the research questions.The presentation was guided by questionnaire of the researcher and findings presented using frequencies and percentages.The analysis also included the questionnaire return rate and demographic characteristics of respondents.

#### 4.2 Questionnaire Return Rate

A total of 162 questionnaires were issued and 150 questionnaires were returned .Response rate of this study was 92%, response rate of 50% is adequate for analysis and reporting, response rate of 60% is good while response rate of 70% and above is excellent.The study therefore returned an excellent questionnaire response rate.

#### 4.3 Demographic Characteristic of the respondents

The demographic characteristic of respondents, age, marital status and qualification were sought to determine factors influencing performance of Uwezo fund project in Chepalungu constituency.

##### 4.3.1 Group members demographic characteristics

Gender of the group members was necessary in order to determine extent of involvement of beneficiary groups and influence on performance of Uwezo fund project.

The findings were as shown in the table below:

**Table 4.1.0 Group members demographic characteristic by Gender**

<b>Respondent</b>	<b>Category</b>	<b>Frequencies</b>	<b>Percentage</b>
Gender	Male	65	43.3
	Female	85	56.7
<b>N=150</b>			

85 (56.7%) of beneficiaries were female while 65(43.3%) were male. This implied more female have benefited from the fund and were likely to be involved in business than male beneficiaries.

Female beneficiaries are likely to form groups and start their enterprises compared to male beneficiaries.

#### 4.3.2 Group members Demographic Characteristic by Age

Age was considered to find out the dominant age group of the beneficiaries

**Table 4.2 Group members demographic characteristics by age**

<b>Respondent</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age</b>	18-24	45	30
	25-35	90	60
	Above 35	15	10

**N= 150**

25-35 is dominant category at 60% while the age of 18-24 yrs follows at 31.48% and lastly people above 35 years are less likely to benefit from the fund.

#### 4.3.3 Group Demographic characteristics by Marital Status

Marital status was established to find out whether uwezo fund beneficiaries were married ,single or divorced as shown in the table below.

**Table 4.3 Group Members Demographic Characteristic by Marital status**

<b>Respondent</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Marital Status	Married	90	60
	Single	50	33.33
	Divorce/separated	10	6.66

**N=150**

90(60%) of the respondents were married while the single category comprised of 50 (33.33.6%).This can be attributed to the fact that most youths may have completed secondary school and got married early. 10 (6.66%) of the respondents were separated reflecting that some of beneficiaries may still be young to be in stable family set up and lacked commitment.

#### 4.4.4 Group Members demographic characteristics' by level of education

Education background was established to find out the level of education of beneficiaries and ability to practice skills gained in subjects studied in schools and colleges.The findings were as follows:

**Table 4.4 Group members demographic characteristics' by level of education**

<b>Respondent</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Level of Education	Primary	32	21.33
	Secondary	78	52
	College	23	15.33
	University	14	9.33
	No formal education	3	2

**N=150**

32 (21.33%) of the respondents had primary education, 78 (52 %) had secondary education, 23 (15.33%) had college education, 14 (9.33% ) had University education and lastly 3(2% ) had no formal education.This implied that most of the beneficiaries after completing secondary education are likely to start businesses so as to benefit from funding.It also indicate that the performance of fund project could be affected by high mobility by beneficiaries who leave for colleges after funding, crippling the group activities especially if they are influential members of the group.

#### 4.4.5 Duration of the Group

Stability of the groups is reflected by the length the group has been in existence.Some of the groups were formed to benefit from the government funds only and after funding they disintegrate .

**Table 4.5 Duration of the Groups**

<b>Respondents</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Length of Time the group has been in existence	Less than 3months	3	13.64
	4months-1 yr	6	27.27
	1-3 yrs	9	40.9
	Above 3 yrs	4	18.18

**N=22**

Most groups were formed 1-3 years ago at 9 (40.9%) followed by those formed ,4months-1 yr 6(27.27) above 3yrs 4 (18.18%) and lastly which have been formed less than 3months (13.64%).This implies that majority of the groups were formed in anticipation of the government fundings as less groups were formed after the uwezo fund had been disbursed. Individuals are likely to register groups when the government announce funds to benefit them.Such groups are likely to collapse at storming and norming stage before reaching performing stage and hence hindering fund project performance in general.

#### **4.6 Beneficiaries training on performance of Uwezo fund supported projects**

The above objective looks at whether the group was trained before funding, the level of education,rate training content offered and areas in which the beneficiaries are trained to impart them with necessary business skills



**Table 4.6 Beneficiaries training on performance of Uwezo fund supported projects**

Item	Response	Frequency	Percentage
i) Whether group was trained before funding	Yes	37	24.66
	No	113	75.33
ii) Specific areas in which the youth group was trained on after funding	Table banking	34	22.66
	Financial management	17	11.33
	Proposal writing	76	50.66
	Records keeping	23	15.33
iii) Rate training of beneficiaries	Adequate	12	8
	Fairly adequate	26	17.33
	Inadequate	97	64.66
	Not trained	15	10
iv) Does level of Education contribute to better performance of project	Strongly agree	68	45.33
	Agree	27	18
	Neutral	22	14.66
	Disagree	20	13.33
	Strongly disagree	13	8.66

N=150

37(24.66%) reported to have been trained before funding while majority 113 ( 75.33 %) were not trained.76 (50.66%) were trained on proposal writing, 34(22.66) on table banking, 17(11.33%) on financial management and 23( 15.33%) on record keeping.12(8%) responded that training was adequate, 26 (17.33%) indicated that training was fairly adequate, 97(64.66%), 15(10%) indicated that they were not trained.68( 45.33%) of the respondents strongly agreed that the level of education contributed to better performance of business, while 27 (18%) agreed , 22 (14.66%) were neutral,20 ( 13.33%) disagreed and 13 (8.66%) strongly disagreed.This implied that while beneficiaries were trained on how to write the

proposals so that they could benefit from funding, the training covered less on record keeping, and financial management, key skill areas for business success.

#### 4.7 Funding procedures on performance of uwezo fund supported projects

The objective looks at the period the group has accessed youth fund loan , how long it took for loan to be funded, beneficiary group category and opinion of respondents on Monitoring and Evaluation of the Fund.

**Table 4.7 Responses on funding procedures on performance uwezo fund supported projects**

Item	Response	Frequency	Percentage
i)When the group accessed uwezo fund	3mths-6mths ago	96	64
	7mths-1 Yr ago	33	22
	Over 1 yr ago	21	14
ii)Duration it took you To access uwezo Fund loan	Less than 3 mths	17	11.33
	3-6 months	36	24
	More than 6 months	97	64.66
iii) cumbersome funding procedures affects access of uwezo fund	Strongly agree	43	28.66
	Agree	67	44.66
	Neutral	15	10
	Disagree	11	7.33
	Strongly disagree	14	9.33
iv)Group category	Women group	12	54.54
	Youth group	9	40.9
	PWD group	1	4.54
v)monitoring and evaluation	Adequate	13	8.66
	Fairly adequate	34	22.66
	Inadequate	103	68.66

N= 150

On when the group accessed fund, 96 (64%) accessed the loans 3months-6 months ago, 33 (22%) said they accessed the loans 7 months-1 year ago, 21 (14%) reported to have accessed fund over one year ago.This implied that most of the groups benefited from the funds recently due to long funding procedures.

On the duration the group took to access the loan majority 97 (64.66%) reported that it took them more than six months after applying for the loan to be funded.36 (24%) waited for 3-6 months while 17(11.33%) reported to have waited for the shortest time of less than 3 months.

On group category, 12(54.54%) women groups have benefited, 9(40.9%)youth groups and 1(4.54%)PWD group.This implied that the fund targeted 3 group categories and this has restricted other groups from accessing Uwezo fund.

More women groups have benefitted 54.54% from the fund followed by youth groups 40.9% and lastly PWD groups 4.54%.

On Monitoring and Evaluation, 13 (8.66%) of the respondents reported that it was adequate, 34 (22.66% ) said it was fairly adequate while majority at 103 (68.66%) reported that it was inadequate.This implied that due to inadequate monitoring and follow up of the groups by offices,groups took advantage of the laxity hence negatively impacting on fund project performance.

#### **4.8 Public awareness on performance of uwezo fund supported projects**

The objective was to find out how public awareness influenced performance of uwezo fund project.Lack of adequate public awareness creates diconnect and lack of information negatively affecting project performance.The areas focused on were information on whether beneficiaries have attended uwezo fund public meeting, preffered channel of communication, rate whether inadequate information contribute to low performance of uwezo fund project.

**Table 4.8 Public awareness on performance of Uwezo fund supported projects**

<b>Item</b>	<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
i)Attendance of fund sensitisation meetings	yes	48	32
	No	102	68
ii)Preffered channel of communication	Faith based institutions	87	58
	Friends	38	25.33
	Radio	11	7.33
	Posters	14	10.33
iii)Inadequate information on uwezo fund project contributes to low participation and general poor performance of the fund.	Strongly agree	23	15.33
	Agree	81	54
	Neutral	20	13.33
	Disagree	16	10.66
	Strongly disagree	10	6.66

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**N= 150**

On attendance of uwezo fund sensitization meeting, majority of beneficiaries 102(68%) indicated that they have not attended and 48(32%) indicated that they have attended uwezo fund meetings. This implied that most of beneficiaries 68% have not benefited from useful information on uwezo fund and this has impacted negatively on performance of uwezo fund project in the constituency. Only 32% are well informed on how the fund should be utilized and repaid and thus impacting negatively on fund project performance because right information about the fund is key to its success.

On preferred channel of communication Faith based institutions recorded the highest 87(58%), followed by information through friends 38(25.33%), posters 14(10.33%) and lastly those who preferred radio as a channel of communication 11(7.33%). Uwezo fund officers used posters (print media) as an official means to invite all the stakeholders to their sensitization meeting. Illiterate members never reached these arrangements as a result important ideas to spur project management and performance were omitted and this implied that inadequate public awareness created compromise on project success and sustainability.

On whether inadequate information on uwezo fund project contribute to low participation and generally poor performance of the project, 23(15.33%) strongly agree that it contributed, 81(54%) agree, 20(13.33%) were neutral, 16(10.66%) disagree and finally 10(6.66%) strongly

disagree. This implied majority 54% agree and 15.33% strongly agree that inadequate information did contribute to general poor performance and this emphasised importance of adequate public awareness if performance of fund is to be improved.

#### 4.7 Socio- Cultural factors on performance of Uwezo fund supported projects

The objective was to find out if socio cultural of beneficiaries and that of their surrounding may have impacted on performance of uwezo fund supported projects.

**Table 4.9 Socio cultural factors**

Item	Reponse	Frequency	Percentage
i) Category of members attending meetings	Male	97	64.66
	Female	53	35.33
ii) Age of those attending meeting	18-35	20	13.33
	36-50	97	64.66
	Above 50	33	22
iii) Marital status of applicant influences repayment and general performance of fund	Strongly agree	33	22
	Agree	74	49
	Neutral	20	13.33
	Diagree	13	8.66
	Strongly disagree	10	6.66
iv) literacy level of applicant influences performance of fund	Strongly agree	39	26
	Agree	47	31.33
	Neutral	31	20.66
	Disagree	20	13.33
	Strongly disagree	13	8.66
v) women participation in community development projects is constrained by many domestic roles they undertake	Strongly agree	43	28.66
	Agree	47	31.33
	Neutral	30	20
	Disagree	20	13.33
	Strongly disagree	10	6.66

**N=150**

On category of respondents attending uwezo fund meetings, 97(64.66%) were reported to be men and 53(35.33%) were female. This implied more men than women attend public meetings and this indicated that more men than women are involved in key decision making in the community.

On age of those attending meeting, 97(64.66%) were those from 36-50, 33(22%) of the respondents were above 50 years and lastly those between age of 18-35 recorded the least of 20(13.33%). This implied that key decision making forums were attended by middle aged and elderly people because majority 64.66% were age bracket of 36-50 and that youths seemed to be left out in key project meeting which impacts negatively on uwezo fund project which target youth as one of the beneficiary group.

On whether marital status of the applicant influence performance of the fund, 33(22%) strongly agree that marital status influence performance of uwezo fund, 74(49%) agree that indeed marital status influence performance of the fund, 20(13.33%) were neutral, 13(8.66%) disagree and 10(6.66%) strongly disagree. This implied that majority of the respondents agrees that marital status of the applicant influence performance of the fund.

On whether women participation in community development projects is constrained by many domestic roles they undertake. 43(28.66%) strongly agree, 47(31.33%) of respondents agree that women participation is constrained by domestic roles, followed by 30(20%) who were neutral, 20(13.33%) disagree and finally 10(6.66%). Majority of the respondents 31.33% agree that women participation is constrained by domestic chores this implied that women involvement and efforts have been constrained and this has impacted negatively on performance of uwezo fund project because women is one of the category targeted by uwezo fund.

On whether literacy level of the applicant influences performance of fund project, 39(26%) strongly agree, 47(31.33%) agree that literacy level of the applicant influences performance of the fund. 31(20.66%) were neutral, 20(13.33%) disagree and lastly 13(8.66%) strongly disagree. Majority 47(31.33%) agree that literacy level influence performance of the fund and also 39(26%) strongly agree. This implied that indeed literacy level of applicant is key to performance of uwezo fund project in the constituency.

#### 4.8 Performance of uwezo fund

The objective is to determine repayment of the fund and amount advanced to beneficiaries

**Table 4.10 performance of uwezo fund**

Item	Response	Frequency	Percentage
i)loan amount in Kshs	50, 000 and below	93	62
	51,000-100000	57	38
	Over 100000	0	0
ii)loan repaid by beneficiary groups	Nil	82	54.66
	Half way	64	42.66
	completed	4	2.66

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**N = 150**

93 ( 62%) of the respondents indicated that they were offered Kshs 50,000 and below, 57 (38 %)were advanced Kshs 51,000-100,000 while none of the groups were funded over KShs. 100,000.This shows that the money advanced to majority of beneficiaries 62% were offered 50,000 and below and this implied that amount advanced may not be sufficient.

On repayment 82(54.66%)of the respondents indicated they have not repaid completely,64(42.66%)of the respondents have repaid halfway and smallest share of respondents 4(2.66%) have reported to have completed repaying the loan.This implied that repayment rate was registered to be low among beneficiaries because majority 54.66% have not repaid completely and thus impacting negatively on fund performance and sustainability.

**CHAPTER FIVE**  
**SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND**  
**RECOMMENDATION**

**5.1 Introduction**

This chapter gives the summary research findings, discussions, conclusions , recommendation for policy formulation and recommendation for further research.

**5.2 Summary of the findings**

The research was based on factors influencing performance of Uwezo fund supported projects in Chepalungu constituency.

The first objective was to assess how training of beneficiaries influenced performance of uwezo fund supported projects. The study indicated that training of beneficiaries determine performance of Uwezo fund supported projects, 37(24.66%) reported to have been trained before funding while majority 113 ( 75.33 %) were not trained. Majority 76 (50.66%) were trained on proposal writing and thus key areas which are essential for business success like financial management were not done adequately. Majority 97(64.66%) indicated that training was not adequate and 15(10%) indicated that they were not trained.

The second objective was to establish how funding procedures influence performance of uwezo fund supported projects. The study indicated that funding procedures determine performance of uwezo fund project, it took long for the beneficiaries to access the loan with majority 64.66% reported that it took them more than six months after applying for the loan. Monitoring by uwezo fund offices was felt to be inadequate by majority 68.66%. On when the group accessed fund, majority 64% accessed the fund recently due to long funding procedures.

The third objective was to determine how public awareness influence performance of uwezo fund supported projects, majority of beneficiaries 68% indicated that they have not attended uwezo fund sensitization meeting. Faith based institutions recorded the highest 87% on preferred channel of communication, Uwezo fund officers used posters(print media) as an official means to invite all the stakeholders to their sensitization meeting. On whether inadequate information on uwezo fund project contribute to low participation and generally poor performance of the project, 54% agree, 15.33 strongly agree, 10.66% disagree, 6.66% strongly agree however, 13.33% were neutral .



The fourth objective was to determine extent to which socio-cultural factors influence performance of uwezo fund supported projects, majority 64.66% were reported to be men. On age of those attending meeting, 64.66% were those from 36-50. On whether women participation in community development projects is constrained by many domestic roles they undertake. 28.66% strongly agree and 31.33% of respondents agree that women participation is constrained by domestic roles. On whether literacy level of the applicant influenced performance of fund supported projects, 31.33% agree that literacy level of the applicant influenced performance of the fund. Majority 31.33% agree that literacy level influence performance of the fund.

### **5.3 Discussion of the findings**

The first objective was to assess how training of beneficiaries influenced performance of uwezo fund supported projects. The study indicated that training of beneficiaries determine performance of Uwezo fund supported projects, 37(24.66%) reported to have been trained before funding while majority 113 ( 75.33 %) were not trained. This showed that majority of beneficiaries received uwezo fund before they were trained and this led to misuse and diversion of funds received from initial intended purpose thus impacting negatively on performance of the fund. Majority were trained on proposal writing and thus key areas which are essential for business success like financial management were not done adequately. majority indicated that training was not adequate and 10% indicated that they were not trained this contributed to poor performance of uwezo fund project. This implied that while beneficiaries were trained on how to write the proposals so that they could benefit from funding, the training covered less on record keeping, and financial management, key skill areas for business success.

The second objective was to establish how funding procedures influence performance of uwezo fund supported projects. The study indicated that funding procedures determine performance of uwezo fund project, it took long for the beneficiaries to access the loan with majority 64.66% reported that it took them more than six months after applying for the loan. By the time the group accessed the loan, the group will have lost a lot of business opportunities. Monitoring by uwezo fund officers was reported to be inadequate by majority 68.66%, due to inadequate monitoring and follow up of the groups by offices, groups took advantage of the laxity hence negatively impacting on fund project performance.

On when the group accessed fund, majority 64% accessed the fund recently due to long funding procedures and this negatively influenced performance of Uwezo fund supported projects.

The third objective was to determine how public awareness influence performance of uwezo fund supported projects, majority of beneficiaries 68% indicated that they have not attended uwezo fund sensitization meeting. This implied that most of beneficiaries 68% have not benefited from useful information on uwezo fund and this has impacted negatively on performance of uwezo fund project in the constituency. Faith based institutions recorded the highest on preferred channel of communication, Uwezo fund officers used posters (print media) as an official means to invite all the stakeholders to their sensitization meeting. Illiterate members never reached these arrangement as a result important ideas to spur project management and performance were omitted and this implied that inadequate public awareness created compromise on project success and sustainability. On whether inadequate information on uwezo fund project contribute to low participation and generally poor performance of the project, majority 54% agree that inadequate information did contribute to general poor performance and this emphasised importance of adequate public awareness if performance of fund supported projects were to be improved.

The fourth objective was to determine extent to which socio-cultural factors influence performance of uwezo fund supported projects, majority 64.66% were reported to be men and this indicated that more men than women were involved in key decision making in the community and this limits women involvement and contribution towards success of the fund thus negatively impacting on performance of uwezo fund supported projects.

On age of those attending meeting, 64.66% were those from 36-50. This implied that key decision making forums were attended by middle aged and elderly people because majority 64.66% were age bracket of 36-50 and that youths seemed to be left out in key project meeting which impacts negatively on uwezo fund project which target youths as one of the beneficiary group.

On whether women participation in community development projects is constrained by many domestic roles they undertake. 28.66% strongly agree and 31.33% of respondents agree that women participation is constrained by domestic roles. Majority of the respondents 31.33% agree and 28.66% strongly agree that women participation is constrained by domestic chores this implied that women involvement and efforts have been constrained and this has impacted negatively on performance of uwezo fund supported projects because women groups are one of the category targetted by uwezo fund.

On whether literacy level of the applicant influenced performance of fund supported projects, 31.33% agree that literacy level of the applicant influenced performance of the Uwezo fund supported projects. Majority 31.33% agree that literacy level influence performance of the fund. This implied that indeed literacy level of applicant is key to performance of uwezo fund supported projects in the constituency.

#### **5.4 Conclusions of the study**

From the findings, it was noted that Uwezo fund project is faced with a number of challenges in its attempt to empower youths, women and persons with disabilities.

Majority of the beneficiaries were not trained before funding and those trained felt that training was inadequate with emphasis on training on proposal writing so that they could only benefit from funding, the training covered less on record keeping, and financial management, key skill areas for business success. Beneficiaries took long to access the loan due to long funding procedure of loan application and lending process of the fund. On public awareness, it was noted that majority of beneficiaries indicated that they have not attended uwezo fund sensitization meeting. This indicated that most of beneficiaries have not benefited from useful information on uwezo fund and this has impacted negatively on performance of uwezo fund supported projects in the constituency. Faith based institutions were most preferred channel of communication by beneficiaries but Uwezo fund officers used posters (print media) as an official means to invite all the stakeholders to their sensitization meeting. Illiterate members never accessed these arrangements and as a result important ideas to spur project management and performance were omitted and this implied that inadequate public awareness created compromise on project success and sustainability. On socio-cultural factors majority of the beneficiaries were reported to be men and this indicated that more men than women are involved in key decision making in the community and this limits women involvement and contribution towards success of the fund thus negatively impacting on performance of uwezo fund supported projects. Women participation is constrained by domestic roles they undertake. This implied that women involvement and efforts have been constrained and this has impacted negatively on performance of uwezo fund supported projects because women groups are targetted category by uwezo fund project.

## **5.5 Recommendations of the study**

From results of this study, the following recommendations were made:

1. The policy makers should redesign Uwezo fund project to be implemented by one independent ministry or one department, to reduce the long procedures of accessing the fund and hence enhancing effectiveness and efficiency of the fund supported projects. Uwezo fund board should also set up clear policy on repayment and recovery of loans from defaulters.
2. Training of beneficiary groups should be adequate and should also be done before any government funding is given out. Beneficiaries need to be trained on proper record keeping, table banking and financial management because those are key skill areas for every successful project. They should also be sensitized on importance of repaying the fund since it is a revolving fund.
3. Public awareness of government fund should be done adequately using appropriate channel of communication. Every constituency should domesticate appropriate channel of communication which works for that particular area.
4. Business education should be emphasised in secondary education and also in tertiary institution because it build strong foundation for good business practices and improved performance of projects.

## **5.6 Suggestions for further research**

Further research can be done on the following areas:

1. Factors influencing performance of Women Enterprise Development Fund supported projects in chepalungu constituency should be done, so that best practices can be shared among government funds.
2. Youth groups accessing Uwezo fund in the constituency are less compared to women groups. A study on socio-economic factors influencing accessibility of Uwezo fund loans by youths should be done.
3. A comparative study on factors influencing performance of uwezo fund supported projects should be carried out in other constituencies in Bomet county.

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**APPENDIX I: LETTER OF TRANSMITTAL**

CHEPKOECH EMILY

P.O BOX 444

SOTIK

0720240000

THE COUNTY YOUTH DIRECTOR

BOMET COUNTY

P.O BOX 71

BOMET

Dear sir /Madam,

**RE:REQUEST FOR RESEARCH DATA COLLECTION**

I am a student doing Masters of Arts in Project Planning and Management at the University of Nairobi . As part of course requirements, I am required to do project work. My research is on Factors influencing performance of Uwezo Fund project in Chepalungu constituency in Bomet County.

I have designed a questionnaire to enable collect data .The beneficiary groups are the respondents for the study and I am therefore seeking your authority to collect data from the groups. Data collected will be used only for academic and will make the findings available to you upon request. Looking forward to your positive response. Thank you.

Chepkoech Emily

## APPENDIX II : RESPONDENTS' QUESTIONNAIRE

I am a student doing Masters in Project Planning and Management at University of Nairobi. Currently, I am doing research on Factors influencing performance of Uwezo fund project in Chepalungu constituency, Bomet County.

You have been identified as a respondent in this research .The information you give is expected to give information on what interventions can be put in place to ensure improved performance and sustainability of Uwezo Fund project. The information you give will be treated with confidentiality .Your support and cooperation is highly appreciated.

### SECTION A: Background information

Kindly answer the questions

Tick appropriate spaces

1. Gender Male ( ) Female ( )
2. Which is your bracket? 18-24( ) 25-35 ( ) Above 35 ( )
3. Marrital status married( ) single( ) others( ) specify\_\_\_\_\_
4. What is your highest level of education? Primary ( ) Secondary ( )  
College ( ) University ( )Other( )
5. How long has your group been in exisence? 1- 3 months( )4-12 months ( ) more than  
12 months( )

### SECTION B

#### Training of beneficiaries

8a).Was your group trained by Uwezo fund before funding ? Yes ( ) No ( )

b) If yes in which specific areas.

Table banking ( ) Financial management ( ) proposal writting. ( )

Records keeping. ( ) Others( ) Specify .....

9) How do you rate the training content

adequate ( ) fairly adequate ( ) Inadequate ( ) others( )specify.....

10) Indicate whether education level contribute to better performance of Uwezo fund project

a) Strongly agree b) Agree c)Neutral d)Disagree e) Strongly Disagree

**Funding procedures**

10a) When did your group access Uwezo fund?

3 months – 6 months ( ) 7 – 1yr ago ( ) over 1 year ago

b) Indicate whether you agree/disagree that cumbersome funding procedures influences accessibility of uwezo fund and thus negatively affecting Uwezo fund project in general.

i) Strongly agree [ ] ii) Agree [ ] iii) Neutral [ ] iv) Disagree [ ] iv) Strongly disagree [ ]

11) what is your group composition/category

Women group ( ) youthgroup. ( ) PWD group( ) others( ) specify.....

12) How long did it take you to access loan after application?

Less than 3 months ( ) 3- 6 months ( ) More than 6 months( ) Others

Specify.....

13) How do you rate the monitoring and evaluation of the fund

Very adequate ( ) Fairly adequate ( ) Adequate ( ) Inadequate( ) others( )

specify.....

**Socio-cultural factors**

14) Which category of community members frequently participate in Uwezo fund public meetings? a) Female [ ] b) Male [ ]

15) Tick appropriately on the ages of those attending Uwezo fund public meetings referred to in the question above?18-35 ( ) 35-50( ) above 50( ) others ( ) specify.....



16) How do you rate these socio cultural factors on performance of Uwezo fund project in your sub county?

<b>STATEMENT</b>	Strongly agree - 1	Agree-2	Neutral-3	Disagree-4	Strongly disagree-5
Marital status of applicant influences loan repayment and general performance of Uwezo fund project					
Literacy level of applicant influences performance of the fund					
More men than women attend uwezo fund public meetings					
Women participation in community development and project is constrained by many domestic roles they undertake					

**Public awareness**

17).Have you ever attended a public meeting discussing on Uwezo fund project ? (a)Yes

[ ] (b) No [ ]

18) Which channel of communication do you prefer in creating public awareness in your locality?

a) Radio [ ] b) Posters [ ] c) Faith Based Institutions [ ] d) Friends [ ] e) School pupils [ ]

19) Indicate whether you agree/disagree that inadequate information on Uwezo fund project among community members contributes to low performance of the fund

- a) Strongly agree [ ]
- b) Agree [ ]
- c) Indifferent [ ]
- d) Disagree [ ]
- e) Strongly disagree [ ]

**Performance of Uwezo fund project**

Tick appropriate category

20)How is repayment of the borrowed uwezo fund loan Nil ( ) half way ( ) complete ( ) others( ) specify.....

21) how much was your group funded?

Less than 50,000( ) 50,000-100,000 ( ) over 100,000. Others( )specify.....

**APPENDIX III: INTERVIEW SCHEDULE FOR THE COMMITTEE MEMBERS**

1 .For how long has the fund been in operation in Chepalungu constituency?

---

2 .In your own opinion what are the major challenges experienced by youth,women and person with disabilities

i)Accessing Uwezo fund as groups?

---

ii)Accessing information about Uwezo funding procedures?

---

3 . How has the repayment rate in the constituency?

---

4 . In your opinion what can be done to improve training of beneficiaries before and after Uwezo loan disbursement?

---

5 . In your own opinion what do you think can be done to improve performance of Uwezo fund project in the sub county?

---

6 .In your opinion, what are some of socio-cultural factors influencing attendance and participation of women,youth and persons with disabilities in Uwezo fund project public meetings a).....

b).....

c).....

d).....

**APPENDIX V: Morgan's Table for Determining sample size from a given population**

<b>Population size</b>	<b>Sample size</b>	<b>Population size</b>	<b>Sample size</b>
10	10	300	169
20	19	400	196
30	28	1500	306
40	35	2000	322
50	44	3000	341
60	52	4000	351
70	59	5000	357
80	66	6000	361
90	73	7000	364
100	80	10000	370
150	108	20000	377
200	132	50000	381
250	162	100000	384

**Source: R.V Krejcie and Morgan (1990)**