KENYATTA UNIVERSITY

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

DEPARTMENT OF PUBLIC POLICY AND ADMINISTRATION

EFFECT OF YOUTH ENTERPRISE DEVELOPMENT FUND ON THE PERFORMANCE OF YOUTH ENTERPRISES IN MARSABIT COUNTY, KENYA

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A research project Submitted to the School of humanities and social sciences in Partial Fulfilment of the Requirements for the Award of the degree of Master of Public Policy Administration of Kenyatta University

JUNE 2019
DECLARATION

This project is my original work and has not been presented to any other University.

Signature………………………. Date……………………..

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This project has been submitted with my approval as the Kenyatta University supervisor

Sign…………………………… Date……………………

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KENYATTA UNIVERSITY
DEDICATION

This work is dedicated to my family for their moral, financial support, encouragement and understanding me during the study period.
ACKNOWLEDGEMENT

I thank the Almighty God for giving me the knowledge, strength and zeal to undertake this project and the entire course to its completion. Secondly, I would like to express my sincere appreciation to my supervisor; Dr. Felix Kiruthu for the support and guidance he gave me throughout my research. His input helped me shape this work and made its completion possible. Similarly, thanks goes to the department of Public Policy Administration and the entire team for guiding my work.
LIST OF TABLES

Table 4.1 Response Rate ........................................................................................................26
Table 4.2 Cronbach’s Alpha Coefficients ............................................................................23
Table 4.3 Response by Gender ............................................................................................27
Table 4.4 Lending Conditions on the Effectiveness of the YEDF ................................32
Table 4.5 Accountability Issues on the Effectiveness of the YEDF .................................38
Table 4.6 Timeliness of Disbursements of YEDF Loans ..................................................35
LIST OF FIGURES

Figure 4.1 Response by Age.................................................................................................................. 28
Figure 4.2 Response by Whether Loan Received .................................................................................. 29
Figure 4.3 Response by Amount Received ............................................................................................ 30
Figure 4.4 Response by Loan Use........................................................................................................ 31
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU</td>
<td>African Union</td>
</tr>
<tr>
<td>C-YES</td>
<td>Constituency Youth Enterprise Scheme</td>
</tr>
<tr>
<td>EACC</td>
<td>Ethics and Anti-Corruption Commission of Kenya</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<td>KKV</td>
<td>KaziKwaVijana</td>
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<tr>
<td>MFIs</td>
<td>Microfinance Institutions</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non-Governmental Organizations</td>
</tr>
<tr>
<td>NYC</td>
<td>National Youth Council</td>
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<tr>
<td>NYS</td>
<td>National Youth Services</td>
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<tr>
<td>TISA</td>
<td>The Institute of Social Accountability</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>YEDF</td>
<td>Youth Enterprise Development Fund</td>
</tr>
<tr>
<td>YEFs</td>
<td>Youth Enterprise Funds</td>
</tr>
<tr>
<td>YVCF</td>
<td>Youth Venture Capital Funds</td>
</tr>
</tbody>
</table>
OPERATIONAL DEFINITION OF TERMS

Enterprise: Is a venture undertaken by the youth in Marsabit County in order to gain profit benefit or material

Lending Conditions: Requisite information and/or documentations from the youth before funds can be disbursed to them

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

Timeliness of Disbursements: This refers to the duration between the actual application of the YEDF loan and the receipt of funds by the beneficiary. When disbursement is not done in a timely fashion, it could derail the business plans of the applicants.

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

Youth Enterprise: Activities by young people directed towards making profits

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

Despite data availability on YEDF loan disbursements and repayment, empirical literature on the performances of youth-run enterprises from the loan across various counties in the country remains scanty, yet the basis of sustained YEDF disbursements ought to be youth empowerment. Against this backdrop, the main study objective was to examine the effect of YEDF on the performance of youth enterprises in Marsabit County, Kenya. More specifically, the study sought to determine the effect of lending conditions on the performance of youth enterprises; establish how disbursement timeline impacts the performance of youth enterprises as well as examine how program accountability affects the performance of youth enterprises; in Marsabit County. Theories underpinning the present study include the Precipitating Events Theory by Shapero, Public Interest Theory of Regulation by Arthur Cecil Pigou and Systems Theory by biologist Ludwig Bertalanffy. The present study design is the descriptive survey with simple random sampling. A sample of 84 youth (YEDF beneficiaries) and 4 YEDF officers were sampled. Both interview schedules and questionnaires were used to collected data. Descriptive analysis was then conducted. Findings indicate that lending conditions are a significant challenge towards youth’s uptake of the YEDF loans. Among these prohibitive conditions include cumbersome loan processing and application procedures as well as conditions attached to subsequent loans. It was also found that accountability issues also present a notable challenge towards uptake of YEDF among youth in the study area. Most notably, most youth shy away from taking up YEDF due to YEDF officers asking for bribes before support, unawareness of most of the youth of the YEDF procedures as well as unclear rates of interest charged on the loans. The study also found that timeliness of disbursements of YEDF loans are also a considerable hindrance towards the uptake of YEDF by the youth. More specifically, it is complained that YEDF has long procedures in accessing loans and that the duration between the formal application and receipt of funds is inconveniencing. The study recommends that the government ought to lift stringent requirements in the application of the loan so that a wider pool of youth can apply. In addition, in order to empower the youth, it is important to offer entrepreneurial trainings, which would go a long way in ensuring there is discipline in the usage of the funds and therefore less chances of misuse and more chances of servicing the same. The study is further of the view that youth entrepreneurs are provided with relevant and continuous business development knowledge for the success of enterprise development initiatives as well as for the creation of long term employment.
# TABLE OF CONTENTS

DECLARATION ......................................................................................................................... ii
DEDICATION ................................................................................................................................. iii
ACKNOWLEDGEMENT ................................................................................................................ iv
LIST OF TABLES ......................................................................................................................... v
LIST OF FIGURES ....................................................................................................................... vi
LIST OF ABBREVIATIONS ......................................................................................................... vii
OPERATION DEFINITION OF KEY TERMS ........................................................................ viii
ABSTRACT ................................................................................................................................. ix

## CHAPTER ONE: INTRODUCTION .................................................................................. 1

1.1 Background to the Study ................................................................................................. 1

1.1.1 Youth Enterprise Support and Initiatives ................................................................. 3

1.2 Statement of the Problem ............................................................................................... 5

1.3 Objective of the Study ...................................................................................................... 6

1.3.1 Specific Objectives ...................................................................................................... 6

1.3.2 Research Questions ...................................................................................................... 6

1.4 Assumptions of the Study .............................................................................................. 6

1.5 Justification and Significance of the Study .................................................................... 7

1.6 Scope and limitation of the Study .................................................................................. 7

## CHAPTER TWO: LITERATURE REVIEW & THEORETICAL FRAMEWORK .......... 9

2.1 Introduction ....................................................................................................................... 9

2.2 Youth Enterprise Development Fund ........................................................................... 9

2.3 Lending Conditions and Performance of youth enterprises ........................................ 9

2.4 Disbursement Timelines and Performance of youth enterprises ................................ 12

2.5 Accountability Issues and Performance of youth enterprises ..................................... 14

2.6 Theoretical Framework .................................................................................................. 15

2.6.1 The Precipitating Events Theory ............................................................................. 16

2.6.3 Systems Theory .......................................................................................................... 17

2.7 Conceptual Framework ................................................................................................ 18

## CHAPTER THREE: RESEARCH METHODOLOGY ................................................. 19

3.0 Introduction ..................................................................................................................... 19
3.1 Research Design ............................................................... 19
3.2 Site of the Study .............................................................. 19
3.3 Target Population ................................................................ 20
3.4 Sampling Techniques and Sample Size .................................. 20
3.5 Research Instruments ......................................................... 21
3.6 Piloting Study ..................................................................... 22
3.7 Validity and Reliability ......................................................... 22
  3.7.1 Validity of Research Instruments ....................................... 22
  3.7.2 Instrument Reliability ..................................................... 22
3.8 Data Collection Procedures .................................................. 23
3.10 Data Management and Ethical Considerations .................... 24
  3.10.1 Data Management ......................................................... 24
  3.10.2 Ethical Consideration .................................................... 24

4.0 CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION....26
  4.1 Introduction ....................................................................... 26
    4.1.1 Response Rate .......................................................... 26
  4.2 Demographic statistic ........................................................ 27
    4.2.1 Response by Gender .................................................... 27
    4.2.2 Response by Age ......................................................... 28
    4.2.3 Response by Whether Loan Received .............................. 28
    4.2.4 Response by Amount received ...................................... 29
    4.2.5 Response by Loan Use .................................................. 30
  4.3 Lending Conditions on the Effectiveness of the YEDF .................. 31
  4.4 Accountability Issues on the Effectiveness of the YEDF ............... 34

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS........49
  5.1 Introduction ....................................................................... 49
  5.2 Summary of Key Findings ................................................. 49
  5.3 Conclusion ........................................................................ 50
  5.4 Recommendations .......................................................... 51
  5.5 Suggestions or Future Studies ............................................ 52

REFERENCES ........................................................................... 53
APPENDICES.........................................................................................................................63
Appendix I: Research Questionnaire for the Youth ...............................................................62
Appendix II: Interview Schedule ..........................................................................................66
Appendix III: Ethical Consent Form .....................................................................................67
Appendix IV: Map of Marsabit County ..................................................................................68
Appendix V: NACOSTI Permit .............................................................................................69
Appendix VI: Letter from graduate school ..........................................................................70
CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Youth-owned enterprises have increasingly been seen as playing an important role in the economies of many countries. Many, governments throughout the world have focused on the development of Micro and Small Enterprises (MSEs) sector in order to promote economic growth (Olawe & Garwe, 2018). Youth-owned enterprises evolve in difficult business environments that are characterized by globalization, the internationalization of markets and there is a need to enhance greater efficiency, effectiveness, and competitiveness that are based on innovation and knowledge. The MSEs have faced many barriers that have prevented their start-up or growth and hinder their potential (Mateev & Anastasov, 2017).

In an effort to increase youth entrepreneurial performance in the country, the Youth Enterprises Development Fund (YEDF) has categorized the youth according to a particular age range which groups them jointly without regard to the differences in dynamics that embodies them (Makau, 2017). YEDF was launched on the 8th day of December, 2006 and formed later on 11th May, 2007 into a State Corporation. With a view to enhance access to funds by the youth, the Fund has partnered with 32 Financial Intermediaries (FIs) to empower the youth to directly access funds either as organized entities or as individuals. In addition to the fund’s on-lending package through financial intermediaries, the Constituency Youth Enterprise Scheme (C-YES) which provides credit to youth groups across the constituencies of Kenya (Gudda & Ngoze, 2009).

YEDF assumes that any Kenyan youth that is jobless will certainly apply for the loan with a view to participate actively in the development of the country (Republic of Kenya, 2014). This
calls for increased performance of youth groups in order to not only engage the youth in economic development, but also address the increased youth unemployment in the country (Snodgrass & Winkler, 2016). This is in light of the unreliable informal sector whereby most of them are involved in working as porters, sand loaders, and unskilled construction workers and also to be able to fully take advantage of the 30% procurement business window reserved for the youth in Kenya at the national and county levels of government (Republic of Kenya, 2014).

As reported in the 2009 national census report, the youth ranging between the ages of 18 and 35 years average more than 30% of the total population. Of these, 51.7 per cent are female. KNBS, 2010). Youth groups across the continents are continually becoming acceptable organization strategies for young people to realize their full potentials. There are 60 active women self-help groups, 345 community based organizations and 280 youth groups registered and operating in the county (Marsabit County Development Profile 2017). According to the 2009 census the group aged 15-29 years provides labour force of 40845 both male and female and is part of the economically active group in Isiolo County. The figure was expected to rise to 54623 in 2017 in this area which is a semi-arid and arid zone. The bulk of this labour force is either unskilled or semiskilled mostly engaged in livestock activities.

A report on the performance of the YEDF between 2007 and 2017 indicated that KSh94 million (US$4,640,000) had been allocated to the 47 counties. The fund targeted slightly over 13 million young people. However, by 2017, only 358,000 youth enterprises had received YEDF loans – only 1.2 per cent of the target. Almost half of the funds had not been distributed to youth groups (Sikenyi, 2017).
Anyidoho, Kayuni, Ndungu, Leavy, Sall, Tadele & Sumberg (2012) observed that successive governments and agencies in sub-Saharan Africa have encouraged youth engagement in agricultural-related initiatives as a means to counter youth under- and unemployment. Similarly, the South African government alleviates poverty and unemployment through new enterprise programme, *Umsobomvu Youth Fund*. Though the fund enjoys nationwide presence as a result of good partnership strategy, monitoring and evaluation of its activities has been a challenge.

Oloo (2014) found that there exist different kinds of youth empowerment funds in Rachuonyo District namely; Youth Enterprise Development Fund, Uwezo Fund, NGO related funds and County Development Fund. However, the researcher points out that the YEFs were largely inadequate and unreliable, and that the youths had a negative perception towards the YEFs. The study further concludes that although youth empowerment funds play a critical role in helping the youths, they were not effectively managed to achieve optimal youth empowerment as envisaged.

1.1.1 Youth Enterprise Support and Initiatives

Two types of entrepreneurship exist according to Entwistle (2008), including economics focused entrepreneurship and social entrepreneurship. The former is characterized by both profit generation and wealth creation and the entails creating private sector enterprises, while the latter is mainly concerned with directly contributing to a social cause but still involves profit creation albeit in this case, profits are used as a means and not the end in itself. Most youth-run enterprises are however economics focused.
Innovation as presented by Alam and Hossan (2003) may entail a new mixture of production factors, which may have characteristic traits or take various forms. Among the forms it may occur in include new goods, a new method of production, reorganization an existing industry, a new market, as well as source of supply of production factors. Ability to innovate should form the basis of innovation for an entrepreneur (Schumpeter, 1978; Kunt et al., 2007).

Mbaya (2013) noted that in Uganda, the Government responded to youth unemployment in urban areas by putting in place Youth Venture Capital Funds (YVCF) in 2009, which were accessible to youth between the ages of 18-35 years through the banking system. The government allocated 25 billion Uganda Shillings (9.7 Million USD) 20 to the Youth Venture Capital Fund (YVCF), and later increased it to Ushs. 32.5 billion (12.7 Million USD). Youth enterprises were allowed to borrow specified amounts of money from a minimum of Ushs 100,000 to a maximum of Ushs25 million (for established companies) to enable them to start their own businesses. Youth were able to access the funds through accredited commercial banks on the condition that they met some standard requirements. The funds however, could only be accessed by a very small proportion of the youth as the majority of them reside in rural areas and were not literate enough to benefit from such schemes.

1.1.3 Youth Enterprises and Performance

Performance is a multifaceted concept consisting of both financial and non-financial measures (Chen & Huang, 2017). While financial measures entails revenue and cost-based measures including profitability, sales turnover, new wealth creation and efficiency and; non-financial measures include such qualitative indicators as customer satisfaction, stock performance,
customer retention, market share, reputation, innovation-related performance, corporate social responsibility and employee-related performance (Dalrymple, 2017).

Performance of youth enterprises is hindered by a variety of aspects including lack of entrepreneurship and managerial skills, business knowledge, experience and social capital that have resulted in overall poor youth enterprises’ performance of (World Bank, 2017). It can be deduced from the vulnerability of the youth to business failure is significantly high. Many youth have consequently found themselves engaging in street-type activities including hawking (Ernst and Young, 2016). Conversely, the youth have been found to exhibit peculiar experiences and performance needs different from other demographic and social categories in the community, which significantly affects their entrepreneurship. Unlike more mature individuals, the youth’s entrepreneurial ventures are affected by family (European Microfinance Network, 2017).

1.2 Statement of the Problem

Despite data availability on YEDF loan disbursements and repayment, empirical literature on the performances of youth-run enterprises from the loan across various counties in the country remains scanty, yet the basis of sustained YEDF disbursements ought to be youth empowerment. A majority of previous studies have for instance only focused on factors influencing uptake of the fund (Asamba, 2016; Birech, 2013; Kanyari & Namusonge, 2013); challenges facing the administration of the fund (Amenya, 2011; Sagwe, Gicharu & Mahea, 2011); determinants of effective utilization of the fund (Kisunza & Theuri, 2014); factors affecting repayment of the fund (Mugira, 2012; Njoku & Odii, 2011); and its influence on growth and empowerment of the youth (Atieno, 2013; Mburu, 2010) while only limited studies have assessed how the variable affects performance of youth-run enterprises, albeit in
different counties (Makini, 2015; Savatia, 2018; Wanami, 2014) leaving Marsabit County largely unexplored. The present study examined this gap by investigating the effect of Youth Enterprise Development Fund (YEDF) on the performance of youth enterprises in Marsabit County.

1.3.1 Specific Objectives

1. To determine the effects of lending conditions on the performance of youth enterprises in Marsabit County

2. To find out the effect of disbursement timelines on the performance of youth enterprises in Marsabit County

3. To examine the effects of programs accountability on the performance of youth enterprises in Marsabit County

1.3.2 Research Questions

1. What are the effects of lending conditions on the performance of youth enterprises in Marsabit County?

2. To what extent does disbursement timelines affect youth enterprises in Marsabit County?

3. How does programs accountability affect youth enterprises in Marsabit County?

1.4 Assumptions of the Study

i. The lending conditions of youth enterprise development fund significantly affect the operations of youth enterprises in Marsabit County.
ii. Disbursement timeline has no significant effect on operations of the youth enterprises in Marsabit County.

iii. Programs accountability has significant effect on the performance of youth enterprises in Marsabit County.

1.5 Justification and Significance of the Study

A study in Marsabit County is justified, considering the high youth unemployment level in the County. Besides despite this intervention in the county, the problem remains unresolved, and in fact worsening. This brings up the question as to whether YEDF as implemented in the county is effective or not. This study is significant since the findings of the study may be used by the County Government of Marsabit, the managers of YEDF in assessing how unmanaged systemic issues affect the effectiveness of the program on youth enterprise. The findings can also be used in guiding policy review or development in respect youth enterprise in the county. Other youth enterprise programs in the county and the rest of the country, Kenya can also use the findings in enhancing their effectiveness in fighting youth unemployment in their respective operational zones. The study will also be a good reference material for future researchers and academicians. YEDF was selected since there are very few empirical studies done in this area.

1.6 Scope and limitation of the Study

This study was conducted in Marsabit County among all the youth individually and in groups who have benefited or are registered under YEDF offices in the County. The respondents were preferred given that they are in a strategic position to provide information sought. The confine of the study was to examine the effect of systemic issues (accountability issues, lending
conditions, disbursement timelines) on the effectiveness of YEDF on the performance of youth enterprises in Marsabit County. The study faced a number of limitations. It includes; this study focused on systemic issues affecting the effectiveness of YEDF on the performance of youth enterprises in Marsabit County. Further the study was conducted in Marsabit County which presents a socio-economic setting different other parts of the country, it may therefore not be possible to generalize the study findings to the entire country.
CHAPTER TWO: LITERATURE REVIEW & THEORETICAL FRAMEWORK

2.1 Introduction
In the present chapter, theoretical, empirical and conceptual literature was explored in relation to the effect of YEDF on youth enterprises. The literature reviewed in this section is drawn from government publications, books, reports, previous empirical studies among other documents. The topics presented include: an overview of youth enterprise development fund, lending conditions, accountability issues, disbursement timelines, theoretical framework and conceptual framework.

2.2. Youth Enterprise Development Fund
In 2012 the youth population in Marsabit County was 86,879 accounting for 27.5 per cent of the total population (County Government of Marsabit 2017). Several youth development funds are present in the area, and such include YEDF, UWEZO fund; County Enterprise Fund and KaziKwaVijana (KKV) programme has been engaging the youth in income generating activities. The Biashara center, a Business Development model whose objective is to promote inclusive economic growth and job creation by empowering small and medium entrepreneurs, small holder farmers, youth, women and people living with disabilities has also been established in the area. However, the high population of the youth coupled with high illiteracy and few self-employment avenues poses a great unemployment challenge to the county (Marsabit county integrated development plan 2013-2017).

Amenya, Onwonga Onsongo and Huka (2011), a study done in Nyaribari chahe Sub County found out that access to YEDF by youth remains still a big challenge. Their study showed that most youths do not have proper information on how to access the YEDF, most projects were
poorly managed leading to low repayment rates and that the fund has not made significant change on the society as gender imbalance has not been addressed among the funded youth groups. In a related study in Ongata Rongai, Maina (2012) also noted that promotion of entrepreneurship among the youth for self-employment in Ongata Rongai is derailed by credit inaccessibility and unavailability due to low repayment rates by already funded groups. The foregoing studies however fail to show how the effect of YEDF on youth enterprises in Kenya, prompting the present study.

Maina (2013) found despite huge allocations, the Fund has not made significant impact on youth employment and enterprise development. However, Maina’s study did not look at the systemic issues impeding effectiveness of this fund. In addition, Maina’s study was carried out in Muranga, an area with distinct geographical and operational characteristics from Marsabit.

2.3 Lending Conditions and Performance of youth enterprises

In a descriptive study to determine the factors affecting financial access to youth owned businesses in the small and medium sized enterprises in Kenya using Kiambu County as a case study, Babu (2017) used Pearson correlation and regression analysis to determine how independent variables influences dependent variable. Findings revealed that high interest rate as a lending condition influences access to finance, financial institutions use collateral as security before issuing finance to SMEs, SMEs have enough collateral to qualify for a loan and proper maintained and managed financial records and loan repayment period affects SMEs’ access to finance. The study was however conducted in Kiambu County which is socio-economically different from Marsabit County and therefore the findings may not be applicable in Garissa.
Karanja (2014) studied factors determining women entrepreneurs’ ability to access credit services in Kenya found that procedures for lending are inflexible and women entrepreneurs’ needs are not accommodated. The lending institutions screen bad borrowers from good ones but insufficient disclosure prevent them from getting relevant information, thus making it difficult to extend finance. Quality financial information is also important because it reduces information asymmetry between the management of the enterprise and the banks; its reduction has desirable effects on the cost of finance. The study however focused on women enterprises which are dynamically different from youth enterprises.

According to a study done by Osano and Languitone (2016), on factors influencing access to finance by SMEs in Mozambique the study found that collateral requirements influence access to finance by SMEs. In addition a lot of SMEs are denied and discriminated by lenders when accessing finance. This is because most SMEs do not have sufficient resources to offer as security. The study was however conducted in Mozambique which is different from Kenya.

Opiyo, Kivuva and Onyanja (2015) in a study in Kangundo Constituency, Machakos County revealed that the sustainability of the YEDF activities in the Constituency could not be guaranteed. This according to the researchers was mainly due to unfavorable lending conditions. They noted that the conditions attached and long periods of accessing loans paint an unwelcoming future in youth fund compromising sustainable and continuous youth empowerment. The study was however conducted in Machakos County, which may not be reflective of the scenario in Marsabit County.

Nabwala and Ombui (2016)’s study in Trans Nzoia Sub County, Kenya found that that the tedious procedures and rigid regulations were negatively influencing the uptake of the loan.
The researchers established that most youths in the sub county could not stand the regulations and the procedure that came with accessing the loan. The study was however conducted in Trans Nzoia Sub County, which may not be reflective of the scenario in Marsabit County, further prompting the present study. In a study by Makau (2010), it was established that the youth were not comfortable with the loan limit. A considerable number of the youth offered that they did not take up YEDF loans owing to the fact that according to them the amount was inadequate. They added the amount (Kenya shillings 50,000) that the fund was giving could not match up to the amount they needed to finance their ideas. This conditionality of loan limit if flexed can help the program achieve its aim of reducing youth unemployment by supporting self-employment in the enterprises. The study does not however link the loan limit requirement to performance of youth-run enterprises hence the present study.

2.4 Disbursement Timelines and Performance of Youth Enterprises

Njoki (2015) studied the factors influencing disbursement of youth enterprise development fund project in Kirinyaga south constituency, Kirinyaga County, Kenya. Findings reveal a disbursement rate of 44.8% and that awareness level was at 90.8% mostly through friends. 66% of the respondents felt that entrepreneur skills were vital and both lending procedures and group dynamics play a major role in disbursement timelines of YEDF at 94% and 83.9% respectively. The study was however conducted in Kirinyaga and did not link the loan limit requirement to performance of youth-run enterprises hence the present study.

Kira and He (2012) examined the impact of firms’ characteristics on time take to access finance by SMEs in Tanzania study revealed that there is a significant relationship between availability of collateral and time take to access to finance. According to a report done by
Kamau (2009), on "challenges facing small and micro enterprises in Kenya" it was revealed SMEs faces a challenge accessing finance due to lack of collateral as security which delays funds disbursement. The study also revealed that 92% of respondents studied had applied for a loan and were rejected while others had decided not to apply because they knew they would not get a loan due to lack of collateral. The study was however general to SMEs and not specific to youth-run enterprises hence may not be applicable in the present study.

According to a study done by Kakuru (2008), on the supply-demand factors interface and credit flow to small and micro enterprises (SMEs) in Uganda. The study examined organizational structure, banking lending culture, information asymmetry, bank lending policies and practices. Multiple methods of data collection were used. Findings revealed that organizational structure and bank lending policies and practices both significantly affected the disbursement period for the loans. The study was however conducted in Uganda and was general to SMEs and not specific to youth-run enterprises hence may not be applicable in the present study.

Ndirangu (2014) conducted a study on Influence of YEDF on Youth Empowerment in Ruiru Constituency, Kiambu County. The study specifically studied the influence of youth enterprise development fund on youth empowerment through four variables; loan disbursement, capacity building, timeliness of disbursement and project identification. The total target population comprised 572 members and sample size consisted of 233 respondents, with 3 of those being key informants from the Youth Fund office. According to the findings, timeliness of disbursement had an influence on youth empowerment in the Constituency. The study was however conducted in Kiambu County, which may not be reflective of the scenario in Marsabit County, further prompting the present study. The study was however conducted in
Kiambu County which is different from Marsabet County and hence may not be applicable in the present study.

2.5 Programs Accountability and Performance of youth enterprises

Morse, Fowler and Lawrence (2017) conducted an explanatory study on the impact of virtual embedness on new venture survival. The study concluded that credit officers ought to consider the collateral margin which refers to the difference between the loan to be granted and the value of the security. This gives financial institution a cushion in case the marketability of the security is in question. Collateral undergoes a process of collateralization before they can be accepted. This process includes, creation of security, perfection and enforcement in case of default. This is done to create a legal binding contract enforceable in court of law in case of non-repayment. The study was however specific to YEDF hence findings may not be replicated in the present study.

In Tanzania, Kuzilwa (2015) studied the role of credit from small business success with reference to the National Entrepreneurship development fund in Tanzania. The study concluded that during client character appraisal, accountable loan managers are interested with establishing if the client is trustworthy, whether he has integrity and are honest. The information provided by the client in the application, combined with information secured from other sources plays a critical role in appraising the clients’ character. The study was however conducted in Tanzania and was general to SMEs and not specific to youth-run enterprises hence may not be applicable in the present study.

Deakins, Whittamb and Wyper (2016) analyzed bank manager decision making in their study on SMEs’ access to bank finance in Scotland. The study found that bank managers considers
the cash flow anticipated from the business, household income, budget (income and expenditure) among others. Critical consideration is also the timing of the income and the sources of income for repayment. Financial institutions rely on previous repayment record (credit relationship-personal or commercial) and client saving /banking culture. Financial requires being convinced beyond any doubt that the client has income sufficient enough to guarantee the loan repayment and forestalling any default. The study was however conducted in Scotland and was general to SMEs and not specific to youth-run enterprises hence may not be applicable in the present study.

Godquin (2015) conducted a study on Micro-Finance Institution (MFI) repayment performance in Bangladesh with reference to how to improve the allocation of loans by MFIs. They study found that a key element of financial institutions’ accountability is due diligence which requires staff to work with their counterparts in borrowers’ agencies, throughout the processes of project identification, preparation and appraisal. This is to ensure the financial institution that all reasonable efforts have been made by the borrower to prepare meaningful forecasts of cash receipts and payments to support effective and timely project delivery. The study was however conducted in Bangladesh and was general to MFIs and not specific to youth-run enterprises hence may not be applicable in the present study.

2.6 Theoretical Framework

Theoretical frameworks according to Kothari (2014) are elucidations on the occurrence under study. The present study is underpinned by the Precipitating Events Theory by Shapero, Public Interest Theory of Regulation by Arthur Cecil Pigou and Systems Theory by biologist Ludwig Bertalanffy.
2.6.1 The Precipitating Events Theory

The Precipitating Events Theory was developed by Shapero (1975). The theorist asserts that feasibility and desirability are on their own not adequate enough to account for when and whether a person will aggressively begin a business. Starting a business or enterprise presupposes some occasion that causes an alteration in the person’s career path. These occasions may be the entrance at various cross-roads, including leaving military service or completing school.

Shapero asserts that such attributes can to result in forced or necessity entrepreneurship. Forced or necessity entrepreneurship takes place when persons begin business since that is the best available option. The present study was anchored on the Precipitating Events Theory which is relevant because it relates well to the characteristics of projects executed by the Kenyan youth.

2.6.2 Public Interest Theory of Regulation

According to public interest theory, government regulation is the device for overpowering the shortcomings of unbalanced market operation, defective competition, unwanted market results and absent markets (Pigou, 1932). Regulation can in the first place improve YEDF allocation through maintaining, imitating or facilitating or market procedure. The principal gathering of control suppositions signify course from the standpoint of open interest, which can further be portrayed as the perfect allocation of assets that are rare for aggregate and individual products. The exchange of goods and production factors in markets assumes the definition, allocation and assertion of individual property rights and freedom to contract.
Typically, it is observed that in particular circumstances, the allocation of resources for the private sector by technique is ideal. Government direction is among the techniques for realizing adeptness in the allocation of resources. The theory further argues that any essential execution of contractual agreement and the assurance of property rights may be more resourcefully prearranged collectively as opposed to individually. Antimonopoly legislature is geared towards upholding the actual implementation of YEDF to guarantee its accomplishment by way of prohibiting corruption, punishing misuse, limiting agreements and monitoring the formation of economic power positions.

### 2.6.3 Systems Theory

The Systems theory was propounded by biologist Ludwig Bertalanffy in 1968. Systems theory treats an organization as a system, and the very establishment of the YEDF is treated as an organization in this regard. A system is any set of distinct parts that interact to form complex whole. An organization is also a system with parts such as assets, employees, products, information and resources that constitute a complex system (Rice, 2013).

In the context of this study internal forces /process and external forces are seen to affect the desired outcome of YEDF, its effectiveness and this is a concern in this study. These forces include accountability issues, lending conditions, disbursement timelines, monitoring and evaluation of youth projects and loan accessibility. The issues interfere with the process (implementation) of the YEDF (organization) and subsequently compromise the output (Organization’s efficacy).
2.7 Conceptual Framework

The graphic representation of the association among the dependent and independent variables of this study is illustrated below.

**Independent Variables**

**Lending Conditions**
- Loan processing procedures
- Collateral requirement

**Disbursement Timeline**
- Frequency of disbursement
- Time taken to approve loans

**Accountability**
- Appraisal by YEDF officers
- Frequency of Project Audits

**Dependent Variable**

**Youth Enterprise Performance**
- Increased profits
- Reduced unemployment
- Resource utilization

**Figure 2.1: Conceptual Framework**

This study conceptualizes that the independent variables are lending conditions; accountability and timeliness of disbursements, and these have an effect on the performance of youth enterprises, the dependent variable.
CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction
This chapter covers the research design that was used in the study. It also addresses the target population, sample size determination and sampling procedure. The chapter also covers the validity, methods of data collection and reliability of data collection instruments, analysis of data as well as the ethical considerations.

3.1 Research Design
The research adopted the descriptive survey design, covering all the administrative locations of Marsabit County, Kenya served by the YEDF. Mugenda (2008) describes a survey as an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. This method also enabled the researcher to obtain information including the respondents’ perceptions, attitudes, behavior, and values. Through this design the researcher was able to collect and analyze both qualitative and quantitative data.

3.2 Site of the Study
The study was conducted in Marsabit County. The county is located in the extreme part of northern Kenya and has a total area of 70,961.2 sq km. It has an international boundary with Ethiopia to the north, borders Lake Turkana to the west, Samburu County to the south and Wajir and Isiolo counties to the east (Revised First County Integrated Development Plan 2013 – 2017). The county has four sub counties, namely, Saku, Laisamis, North Horr and Moyale. These sub counties accessed funds from YEDF. In 2012, the population stood at 86,879 people, accounting for 27.5 per cent of the total population (CIDP 2013-2017).
3.3 Target Population

The target population of this research comprised all the youth groups within Marsabit County that applied for and received loans from the Youth Enterprise Development Fund since 2007. According to the Youth Enterprise Fund Status Report (2017), 450 youth have accessed YEDF (200 male and 250 female) this translated to a target population of 450 youth and 4 YEDF officers in charge (one from each of the 4 sub counties).

3.4 Sampling Techniques and Sample Size

This section contains the sampling techniques that were used and how the sample size was determined.

3.4.1 Sampling Techniques

The sampling frame for the study was made of a list of all the beneficiaries of the YEDF program as availed by the YEDF regional offices in Saku, Laisamis, North Horr and Moyale sub counties. The sample was proportionately distributed to the four sub counties on the basis of population holdings as guided by the list of beneficiaries. The sample was then selected using simple random sampling, whereby each possible sample combination was given an equal probability of being picked up and each item in the entire population had an equal chance of being included in the sample.

3.4.2 Sample Size

a) Determination of Customers’ Sample

The study used the Kothari (2004) sample determination formula as outlined below;

\[ n = \frac{Z^2pqN}{e^2(N-1)+Z^2pq} \]
Where:

\( n \) = is the sample size for a finite population

\( N \) = size of population which is the number of members

\( p \) = population reliability (or frequency estimated for a sample of size \( n \)), where \( p \) is 0.5 which is taken for customers’ population and

\( p + q = 1 \) e: margin of error considered is 10% for this study. \( Z_{\alpha/2} \): normal reduced variable at 0.05 level of significance \( z \) is 1.96

The sample size is therefore calculated as:

\[
\begin{align*}
  n &= \frac{(1.96)^2 \times 0.5 \times 0.5 \times 450}{(0.1)^2 (450 -1) + [(1.96)^2 \times 0.5 \times 0.5]} \\
  &= 79.29 \\
  &= 79 \text{ YEDF beneficiaries in Marsabit County}
\end{align*}
\]

The sample size for youth beneficiaries was 79. In addition all the 4 YEDF officers in charge of the program in the 4 sub counties were interviewed. This means the study used 83 respondents.

3.5 Research Instruments

The researcher used self-administered coded questionnaires and also conducted interview schedules to solicit information from YEDF officers in charge of the program with the aim of capturing their view point on issues affecting program effectiveness on respondents from the sample. With regards to the types of the questions, the questionnaire consisted of a combination of open-ended questions and closed-ended questions. Secondary data was obtained through literature review of the Ministry of Devolution annual reports on YEDF and other relevant research on impact assessment of YEDF.
3.6 Piloting Study

The study conducted a pilot test with a view to detect flaws in the data collection instrument as well as to act as probability sample proxy for data collection (Cooper & Schindler, 2006). Nine YEDF beneficiaries were used as sample in the pilot test in Saku sub county in Marsabit County. The study took measures to ensure that subjects who participated in the pilot study do not take part in the main study.

3.7 Validity and Reliability

3.7.1 Validity of Research Instruments

According to Kothari (2003), validity is “the degree to which the test actually measures what it purports to measure”, a direct check on how well the measure fulfills its function. A validity test was conducted for the survey instrument. According to Dempsey (2003), the following conceptions of validity are considered: content-related validity; internal validity; construct related validity; and criterion-related validity.

3.7.2 Instrument Reliability

In order to measure the reliability of the scale, the alpha value of the reliability coefficient was used. The value of the coefficient alpha varies from zero, which denotes no internal consistency, to one representing perfect internal consistency. The measurement scales was tested for reliability using the Cronbach’s alpha coefficient computed as: “Alpha = \( \frac{Nr}{1 + \frac{r}{N-1}} \) where \( r = \) mean inter item correlation, \( N = \) number of items in the scale” (Nunnally, 1978). It designates the degree to which a set of test items may be treated as assessing a single latent variable. According to George and Mallery (2003) the alpha value of greater than 0.50 is suggested as being satisfactory and acceptable to test for the reliability of constructs.
Nunnally (1978) recommended that the modest reliability of a construct should be 0.7. The results of the reliability test are as presented in Table 3.1.

**Table 3.1 Cronbach's Alpha Coefficients**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending Conditions</td>
<td>0.801</td>
<td>4</td>
</tr>
<tr>
<td>Disbursement Timelines</td>
<td>0.786</td>
<td>5</td>
</tr>
<tr>
<td>Programs Accountability Issues</td>
<td>0.822</td>
<td>4</td>
</tr>
</tbody>
</table>

*Source: Author researcher 2019*

As presented in Table 3.1, the Alpha Coefficients reveal that the 0.7 threshold was achieved in all the scales. The variable with the highest reliability level was Program’s Accountability Issues with 4 items ($\alpha=0.822$) followed by lending conditions ($\alpha=0.801$) with 4 items. Disbursement Timelines ($\alpha=0.786$) with 5 items was also reliable at an Alpha level of 0.786.

**3.8 Data Collection Procedures**

Both researcher-administered interview schedules and self-administered questionnaires were used in data collection. This was because while questionnaires are more advantageous as they are cost effective, give respondents adequate time to assess their views and assure objectivity hence reliability and validity. Interview schedules were also beneficial as they match the questionnaires through allowing for information otherwise unobtainable by use of the questionnaire. Before the main study was conducted, the study sought permission from both the National Council for Science and Technology (NACOSTI) and the university. An introductory letter from the university was also sought to aid in the data collection exercise.
3.9 Data Analysis

With the aid of SPSS Version 23, data analysis entailed both descriptive and content analyses were conducted. Descriptive analysis comprised of means, percentages, frequencies and standard deviation. Qualitative data obtained from the open-ended items was analyzed by content analysis whereby similar answers grouped together according to the responses from themes for analysis. The main themes and patterns in the responses were identified and analyzed to determine the adequacy, usefulness and consistency of the information. Both charts and tables were used to present the results.

3.10 Data Management and Ethical Considerations

3.10.1 Data Management

For security and safety of data, decisions were carefully made about which software to use in this case; the researcher used the SPSS version 23. Both qualitative and quantitative data were organised and entered into the SPSS program and kept in a lasting form both in the external and internal hard disk and with limited access through a password. In this regard, the data was considered safe and backed up from corruption or sudden loss. Inferential statistics were on the other hand done to determine the degree and nature of association between the dependent and predictor variables employing multiple regression analysis. The following multiple regression model was used:

\[ Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon \]

\( Y \) = Performance of Youth Enterprises
\( \alpha \) = Constant term
\( \beta \) = Beta Coefficients
\( X_1 \) = Lending Conditions
\( X_2 \) = Disbursement Timelines
X 3= Programs Accountability
ε = standard Error

3.10.2 Ethical Consideration

The study upheld principal ethical requirements strictly without any infringements. The study first of all sought permission from the university prior to the commencement of the project process. The study then only proceeded after the university had issued clearance certificate regarding on the study topic. Before participation in the study, respondents were duly made aware that the study is only for academic determinations and that it is not obligatory for them to respond. Respondents were then given a chance to respond in the study after giving their informed consent. Further, respondents were allowed to opt out of the study at any point in time. Both confidentiality and anonymity were assured to respondents.
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents a comprehensive presentation and analysis of the field data. The analysis was based on the data collected through questionnaires and interview schedule administered to youth groups and YEDF officials. The study adopted different methods of data presentation including frequency tables, charts and percentages. The research data was analyzed and ordered as per the research objectives.

4.1.1 Response Rate

A 91.6% response rate was realized with 76 out of the 83 targeted respondents reached. According to Mugenda and Mugenda (2003), response rates above 70% can be considered excellent. Table 4.1 tabulates the findings.

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reached</td>
<td>76</td>
<td>91.6</td>
</tr>
<tr>
<td>Unreached</td>
<td>7</td>
<td>8.4</td>
</tr>
<tr>
<td>Distributed</td>
<td>83</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Author researcher 2019*
4.2 Demographic Statistic

In this section, responses are presented by age, gender, loan distribution and loan usage. Both percentages and frequencies were used and presented in figures and tables.

4.2.1 Response by Gender

The study set out to establish the gender of respondent with a view to reveal the parity and distribution across the respondent institutions who participated in the survey. It was therefore indicated that respondents affirm to either male or female on the choices provided. Findings are tabulated below.

Table 4.3 Response by Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>female</td>
<td>51</td>
<td>67.1</td>
</tr>
<tr>
<td>male</td>
<td>25</td>
<td>32.9</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Author researcher 2019

Female respondents, as presented in table 4.3, recorded the majority at 67.1%, as compared to 32.9% for male respondents. It can then be deduced according to the study findings, that female respondents formed the majority gender in the study. Both genders are however adequately represented in the study.
4.2.2 Response by Age

Age was further deemed an imperative demographic factor in this study considering that the study reached youth-run enterprises and therefore expecting a rather youthful age distribution.

The findings are hereby illustrated.

**Figure 4.1 Response by Age**

![Age Distribution Bar Chart]

*Source: Author researcher 2019*

As figure 4.1 illustrates, most of the respondents (35.4%) aged between 26 and 30, then 27.6% between 31 and 35 while 25.8% between 21 - 25 years. Only 6.9% and 4.3% were found to age either above 35 or below 21 years. It can as such be concluded that age was mainly youthful in the study area as expected.

4.2.3 Response on access to Loan

The study sought to find out whether or not respondents received any loan from the Youth Enterprise Development Fund. This would indicate the YEDF loan distribution among respondents, and therefore the larger youth in the study area. The findings are hereby illustrated.
As indicated in figure 4.2 above, a majority of respondents (71.6%) had not received the YEDF loan, while only 28.4% had. It follows then that a majority of youth in the study area have not received the YEDF loan. This can be attributed to a host of factors, as the subsequent findings and discussions reveal.

**4.2.4 Response on loan Amount received**

Following the foregoing finding, the study sought to establish the range of amount received. This would give an indication into the sizes and extent of ventures and use to which the loan is put respectively. The findings are hereby illustrated.
As figure 4.3 illustrates, most of the respondents affirmed to having received between Kshs10,001 and Kshs20,000, followed by 24.3% having received between Kshs20,000 and Kshs30,000 while only 9.1% indicated that they had received above Kshs40,000. It can be deduced from the foregoing finding that the youth in the study area that have been awarded a YEDF loan have received varying amounts based on their needs and applications.

**4.2.5 Response on Loan fund Use**

The study further sought to determine the use to which the various amounts of loans received were put. This would indicate the nature of activities most funded by YEDF loans. The findings are hereby illustrated.
As figure 4.4 indicates, a majority of respondents (52.5%) affirmed to starting a new business, when asked about the use to which they put the loan amount received, followed by 35.9% who affirmed to expanding an existing business while only 11.6% affirmed to a non-business use.

4.3 Lending Conditions on the performance of youth enterprises

The study sought to determine the effects of lending conditions on the performance of youth enterprises in Marsabit County. Respondents were to this end asked to show their individual agreement levels with various facts relating to access to the YEDF loan. This was on a 5-point Likert scale, where: 1 = Strongly Disagree; 2 = Disagree; 3 = Moderate; 4 = Agree and 5 = Strongly Agree. Findings are as presented in table 4.4.
### Table 4.4 Lending Conditions on the Effectiveness of the YEDF

<table>
<thead>
<tr>
<th>Condition</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan processing and application procedures is cumbersome</td>
<td>4.001</td>
<td>1.222</td>
</tr>
<tr>
<td>Conditions attached to subsequent loans are a challenge</td>
<td>3.973</td>
<td>1.218</td>
</tr>
<tr>
<td>Maximum loan limit is adequate for the type of business I want to invest in</td>
<td>3.353</td>
<td>1.301</td>
</tr>
<tr>
<td>The interest rates charged on the loan are favorable to youth enterprises</td>
<td>2.212</td>
<td>.5780</td>
</tr>
<tr>
<td>The character appraisal attached to the loan is prohibitive</td>
<td>3.873</td>
<td>.5693</td>
</tr>
<tr>
<td>The capacity to pay appraisal attached to the loan is prohibitive</td>
<td>3.620</td>
<td>.4409</td>
</tr>
</tbody>
</table>

*Source: Author researcher 2019*

As presented in table 4.4, a majority of respondents highly agree that Loan processing and application procedures is cumbersome (4.001); and that Conditions attached to subsequent loans are a challenge (3.973). A majority of respondents were found to further highly agree that the character and capacity to pay appraisal efforts made to establish whether client is trustworthy are prohibitive as indicated by means of 3.873 and 3.620 respectively. A majority however only moderately agreed that the Maximum loan limit is adequate for the type of business I want to invest in (3.353).

Loans usually attract interests. The Youth Enterprise Development Fund is at a modest rate that would help the fund self-sustaining while also meeting the running costs. The respondents in the study were required to give their response as to whether interest rates charged on the fund would have any effect on the performance of the youth enterprises. From the table, only a few felt the interest charged was adequate to boost the performance of the enterprises with the majority of the respondents feeling that the interest rate are not favorable for the enterprises to thrive based on a Likert mean of 2.212.
High interest rates present a big challenge for entrepreneurs to access credit due to uncertainties experienced while running businesses and enterprises. The responses from the youth group officials who participated in the study indicated that there was a general feeling that the interest rates charged on the loans were not affordable therefore it would affect performance of the enterprises.

It can be deduced from the foregoing finding that lending conditions are a significant challenge towards youth’s uptake of the YEDF loans. Among these prohibitive conditions include cumbersome loan processing and application procedures as well as conditions attached to subsequent loans. The youth-run enterprises have faced various challenges when seeking the YEDF funds for investments. These youth-run enterprises cannot easily access funds from commercial banks due to their underdeveloped businesses that have very short bank history making banks unwilling to lend them funds. Owners of these businesses may not have banking history with commercial banks that can form the basis of their lending.

The findings are in agreement with Opiyo et al (2015) in a study in Kangundo Constituency, Machakos County who revealed that the sustainability of the YEDF activities in the Constituency could not be guaranteed. This according to the researchers was mainly due to unfavorable lending conditions. The finding is also in tandem with Nabwala and Ombui (2016)’s study in Trans Nzoia Sub County, Kenya which found that that the tedious procedures and rigid regulations were negatively influencing the uptake of the loan. The researchers established that most youths in the sub counties could not stand the regulations and the procedure that came with accessing the loan. Consequently, this was making it difficult for YEDF to achieve its aim of reducing youth unemployment.
The finding also agrees with a study by Makau (2010) who established that the youth were not comfortable with the loan limit of Kenya shillings fifty thousand (kshs. 50,000). A considerable number of the youth from Moyale sub county responded that they did not take up YEDF loans owing to the fact that according to them the amount could not match up to the amount they needed to finance their ideas.

This finding further reaffirms the significance of character appraisal. The finding agrees with Gaitho (2013) who argued that character appraisal seeks to unearth the client borrowing history and the client reputation. Previous history of default either of a credit facility or a utility bill payment being always a red flag to financial institutions. Moti et al. (2012) further assert that clients with good character will have an easier access to credit compared to those who have tainted past as demonstrated by their character.

A plethora of loan schemes, including soft and government-backed loans, have been implemented internationally with varying degrees of success, to improve entrepreneurs’ access to finance. Most measures, however, do not directly address the causes of limited access to finance for the youth. An innovative psychometric testing method launched by the Standard Bank Group aims to overcome the limited collateral and financial credit history typically encountered by (young) entrepreneurs (UN, 2013).

As informed by precipitating event theory, the nature of business carried out by youths is due to change in individual’s career path. Therefore, any delay due to loan processing and procedures or any challenge due to condition attached to subsequent loans or loan limit leads to change in event. Therefore YEDF should be less complex, lower cost and more immediately accessible sectors to improve performance of the youth enterprises.
4.4 Disbursements timeline on the performance of youth enterprises

The study finally sought to establish the effects of disbursement timeline on the performance of youth enterprises in Marsabit County. Respondents were to this end asked to show their individual agreement levels with various facts relating to access to the YEDF loan. The findings are hereby tabulated.

Table 4.6 Disbursements timeline of YEDF Loans

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEDF has long procedures in accessing loans</td>
<td>4.170</td>
<td>.7554</td>
</tr>
<tr>
<td>Lack of well-defined structure of operation</td>
<td>3.915</td>
<td>.9660</td>
</tr>
<tr>
<td>The loans are frequently disbursed</td>
<td>3.144</td>
<td>.9703</td>
</tr>
<tr>
<td>The duration between the formal application and receipt of funds is inconveniencing</td>
<td>4.092</td>
<td>.7225</td>
</tr>
<tr>
<td>Time to process the application is adequate</td>
<td>3.451</td>
<td>.5094</td>
</tr>
<tr>
<td>Speed of processing is adequate</td>
<td>2.087</td>
<td>.4620</td>
</tr>
<tr>
<td>The amount granted by the institution relative to the amount requested is adequate</td>
<td>2.238</td>
<td>.5732</td>
</tr>
<tr>
<td>Time given by the fund before repayment begins</td>
<td>1.955</td>
<td>.2694</td>
</tr>
</tbody>
</table>

Source: Author researcher 2019

As presented in table 4.6, a majority of respondents highly agrees that YEDF has long procedures in accessing loans (4.170); the duration between the formal application and receipt of funds is inconveniencing (4.092); and that there is lack of well-defined structure of operation (3.915). A majority however moderately agreed that loans are frequently disbursed (3.144).

The respondents were asked to give their views concerning the time it takes to process their loan application forms. The study revealed that only a few respondents agreed that a lot of time is taken to process the loan, while some agreed that the time taken is minimal while a majority affirmed that the time taken is moderate. Based on the Likert scale with the mean of
3.451, most respondents felt that the time taken to process the application forms was moderate.

The respondents were asked to give suggestions regarding the speed of processing loan application forms. A majority of the respondents expressed their feeling that the speed of processing applications was not adequate as per the Likert scale mean of 2.087. Only a few respondents reported that the speed of processing applications was adequate. Some indicated that the speed was moderate but a majority had issues with the rate at which the processing is done.

When the speed of processing applications is not satisfactory then all planned activities are jeopardized. The success of the youth-run business is based on planning and sometimes on the investment opportunities identified. In the event that funds or loans are not disbursed on time due to delays in processing, majority of the youth-run business and ventures fail to take off hence poor performance.

Some enterprises require different amounts of capital or credit to start. The YEDF does not provide 100% credit for the envisaged youth-run business. When making applications for the loans, the officials had a very low approval of the amount granted or given in relation to amount of capital required by the ventures. Table 4.6 summarizes the responses of the respondents on the aspect of whether the amount granted was adequate. A few respondents agreed that the amount was adequate, while some affirmed to moderate in their response while a majority felt that the amount were not adequate, which corresponds with the Likert mean of 2.238 implying that the amount granted was too little for a group. The amount offered by YEDF is limited and youth groups are required to restrict their budgets to be within the
upper limits. This means that the youth-run business cannot make great plans and ventures. New initiatives cannot take place due to limited funds.

The respondents were asked to indicate whether the time given to the beneficiaries of the YEDF before starting to repay the loans is adequate. Based on the Likert scale, the mean was 1.955 and this indicated that time period given before repayment was minimal. The majority of the youth respondents indicated the period was not adequate. The time or period provided to loans before commencing loan repayment is important especially to the newly established enterprises. This period is referred to as the ‘grace period’. It allows the borrowers to have some time to establish their intended enterprises, gain ground and obtain a firm foundation before beginning to make the repayments. When the repayments come too soon it becomes difficult especially for the youth-run enterprises which are considered to have a weak base and most of the youths do not have financial muscles to survive the turbulence in the business and enterprises sector.

The results from this study agree with the findings of a similar study by Mburu, F.N (2010) who observed that the loan given was minimal below Kshs 20,000 and that some lending institutions required collaterals which indicates that a small fraction of the youth are likely to have access to the funding. Also Amenya (2013) in his study determined that YEDF could be a preferred source of funding among the youth, accessing it remained a great challenge.

The foregoing findings are of the implication that timeliness of disbursements of YEDF loans are also a considerable hindrance towards the uptake of YEDF by the youth. More specifically, the youths complained that YEDF has long procedures in accessing loans and that the duration between the formal application and receipt of funds is inconveniencing. As informed by the
system theory, internal forces such as long procedures in accessing loans, frequency of loan disbursement, timeline to process loan and repayment timeline affects the desired outcome on youth enterprise development fund and the performances of youth enterprises.

The finding is also in tandem with YEDF (2009) which argues that the duration between the formal application and receipt of funds is normally between three and four weeks which differ slightly from Marsabit as it takes between five to seven weeks. It therefore means that opportunities that require urgent execution may pass by, and therefore deny the youth a chance to make profit. In a well-planned project that is complete with a schedule, a delay in funding has a domino effect in that everything is pushed back and delayed.

### 4.5 Programs Accountability on the performance of youth enterprises

The study further set out to establish the effect of accountability issues on the performance of youth enterprises in Marsabit County. Respondents were to this end asked to show their individual agreement levels with various facts relating to access to the YEDF loan. The findings are hereby tabulated.

**Table 4.5 Accountability Issues on the Effectiveness of the YEDF**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most of the youth are unaware the YEDF procedures</td>
<td>3.786</td>
<td>.6580</td>
</tr>
<tr>
<td>YEDF officers ask for bribes before support</td>
<td>3.999</td>
<td>.6108</td>
</tr>
<tr>
<td>YEDF Officers inform us of loan repayment process</td>
<td>3.657</td>
<td>.8762</td>
</tr>
<tr>
<td>The loan application and procedure is clear</td>
<td>3.192</td>
<td>.6436</td>
</tr>
<tr>
<td>Rates of interest charged on the loans are unclear</td>
<td>3.519</td>
<td>.9607</td>
</tr>
<tr>
<td>Program officers make routine visits to assess the progress</td>
<td>2.971</td>
<td>.5829</td>
</tr>
<tr>
<td>Consultations by loan officers on various aspects of entrepreneurship would help improve performance of youth enterprises in the county</td>
<td>4.234</td>
<td>.4602</td>
</tr>
<tr>
<td>We get advice and feedbacks from the officers and other stakeholders</td>
<td>3.381</td>
<td>.6487</td>
</tr>
</tbody>
</table>
Sharing of success stories and best practices would help improve performance of youth enterprises in the county  
There are exchange visits facilitated to share information and replication  

<table>
<thead>
<tr>
<th>Source: Author researcher 2019</th>
</tr>
</thead>
</table>

As presented in table 4.5, a majority of respondents are in agreement that YEDF officers ask for bribes before support (3.999); most of the youth are unaware the YEDF procedures (3.786); YEDF Officers inform them of loan repayment process (3.657); and that Rates of interest charged on the loans are unclear (3.519). A majority however only moderately agrees that the loan application and procedure is clear (3.192).

The study sought to find out from the youth group officials whether they felt routine visits by Fund Officers to assess their progress often had an effect on youth enterprises’ performance. The table shows that a majority of respondents indicated that routine visits by fund officers has an effect on the performance of the youth enterprises as it ensures funds are used for the purpose it was borrowed for and that constant visit by officers kept the youth on track as they often review books of accounts. A smaller number indicated somehow while others did not associate the visits with the performance of the youth enterprises. The mean is 2.9 which show that Fund Officers rarely visit funded groups to assess their progress. From the findings, majority of the respondents felt regular progress assessments by the Fund Officers were key towards ensuring that proper guidance and technical support would be given on time when necessary. Improper decisions and actions would be corrected before they adversely affect the proper running of the youth enterprises.

The respondents were required to establish whether regular consultations on aspects of entrepreneurship would affect the performance of their youth enterprises. The table revealed
that with a mean of 4.23, a majority of respondents suggested that consultations affect the performance of youth enterprises, a few felt it somehow affect while a smaller number of respondents did not think these would affect. The study findings indicate that consultations do help contribute to the performance of the youth enterprises. New information and ways of doing things can be gained through consultations on various issues such as production, customer taste, marketing and so on.

The study also sought to find out whether the advice and feedback from the Fund Officers and other stakeholders on how they are performing helps to enhance the performance of their youth enterprises. It was evident that with a mean of 3.381, feedbacks were very minimal. The findings suggest that regular and prompt feedback from the YEDF officers would inform the decisions and next course of action for the youth enterprises. Areas of strength and weaknesses would be identified and informed choices made based on the prevailing environment and conditions to either enhance what works well or to avoid what did not work.

The respondents were required to indicate whether they felt sharing of best practices and success stories would have an effect on the performance of the youth-run enterprises. A majority of the respondent youth officials agreed that it does, while only a few somehow linked sharing of success stories and best practices with youth-run enterprises’ performance. The findings of the study underscore the need for the youth enterprises to exchange information on various issues in their operations. Some enterprises succeed and others fail. It is important that ideas are exchanged to showcase the successes for replication and adoption.

The study sought to find out whether exchange visits would affect the performance of the youth-run enterprises. The respondents were asked whether visits were facilitated by the
YEDF would affect the performance. As shown in table 4.5, a majority agreed that it often does, a few felt it somehow does while others did not think so on the aspect of monitoring and evaluation. The analysis as per the Likert scale reveals a mean of 2.466; implying that exchange visits could have been done on a very small percentage, hence negative implication on business performance. Amenya, C.O (2011) in his study conducted in Nyaribare Chache constituency, observed that the YEDF officers had not provided adequate guidance on YEDF activities to the youth and there was lack of follow-up on loan beneficiaries (Amenya et al, 2011).

Interviews conducted by Chigunta (2001) in his study with ministry officials and a review of documents for a similar fund in Zambia, reveal that the Fund fared quite well in its first year of operation and some successes in loan recoverability were made. However, the capacity to monitor the loanees was quite low. He notes that Ministry officials were quick to point out that this has been and will continue to be a problem due to inadequate resources, especially skills and money to carry out monitoring. Further, he notes that, whilst assistance in monitoring was being rendered by the agriculture extension officers in some areas, there were leakages of funds and materials in many places. It is alleged that in more than one case it had been difficult to trace the beneficiaries for the recovery of the loan. There is a high possibility that ‘cartels’ could have formed to siphon the monies out of the Fund in such a manner.

The public interest theory of regulations informs the study in that allocation of resource for private sector by technique is ideal. It’s the device for overpowering the shortcomings of unbalanced market operation, defective competition or unwanted market results. Hence the accountability of YEDF guarantee accomplishment by way of prohibiting corruption,
punishing misuse, limiting agreements and monitoring the formation of economic power positions.

The finding is consistent with the Institute of Social Accountability (TISA) (2017) conducted an evaluation on the accountability of government programs geared at reducing youth unemployment and the results demonstrated a lack of accountability resulting into poor performance. The study established that YEDF was not sufficient to address the high level of youth unemployment exhibited across the country attributed this state to low accountability in the program.

4.6 Qualitative Findings
In addition to the structured questions administered, the study conducted key informant interviews with pertinent YEDF loan officials which generated qualitative findings. This sections involves a thematic analysis of the results obtained.

4.6.1 Use of YEDF Loans
Asked in an interview to describe the success of YEDF on the performance of youth enterprises in Marsabit County, key informants further provided that YEDF have been instrumental in growing businesses among youth which have in turn led to employment creation. An informant for instance offered that:

“……YEDF has helped the youth in this area a lot. The youth apply for loans which helps expand their business and others to start their own, which leads to growth of youth enterprisesS…..”

Interview with key informant 1
The finding is thus of the implication that a majority of YEDF beneficiaries inject the loans into business use, which in turn leads to increase in performance of youth owned enterprises.

4.6.2 Lending Conditions

Further asked whether there were any complaints from the youth about lending conditions, key informants affirmed that some youth complain that the lending conditions are difficult to meet. An informant conceded that:

“....some youth complain of a tedious process of application while others argue that the loan limit of fifty thousand Kenya shillings isn’t enough. This is understandable, but these are risk mitigation measures because others, most would default on the loans.....”

Interview with key informant 2.

Respondents were further asked in an interview whether or not there were any documentations required for the loan to be advanced to them, as well as whether they were able to produce the said documents. A respondent offered that:

“......yes there are so many documents required before they can give you a loan. This is a challenge to a considerable number of youth especially because some youth-run enterprises are not formally registered and even in cases where there are registered, some do not properly store the documents hence losing them......”

Interview with key informant 4 (youth officer in charge of marsabit sub county)

As presented findings from the qualitative data from the interviews reveal that there are various documents required for lending to the youth enterprises, which may range from
balance sheets, income statements and management accounts, cash flow projections for their businesses, memorandum and Article of Association, Certificates of Registration/incorporation, PIN numbers, tax compliance Certificates and bank statements as well as their annual returns. The qualitative findings further reveal from the key informants that some youth complain that the lending conditions are difficult to meet. This clearly indicates that most of the youth-run enterprises do not comply with YEDF lending requirements. These pose great challenge to the youth-run enterprises in financing the youth (YEDF 2009).

4.6.3 Disbursement Timelines

Also asked in an interview on whether there were any complaints from the youth about loan disbursement timelines, key informants affirmed. An informant for instance intimated that:

“…..yes we have heard complaints about disbursements taking long. But it should be understood that the applications have to take a lengthy bureaucratic process of approval as it concerns money…..”

Interview with key informant 4 (Mr. Wolde, youth officer marsabit)

Interview respondents were further asked to comment on some of the difficulties they experience in the implementation of the YEDF program in the county. It emerged that among the significant difficulties experienced include lack of awareness among most youth on the YEDF application process, application apathy among most youth due to negative perceptions and attitude towards YEDF, as well as illiteracy, all which hamper the YEDF uptake. A key informant commented that:

“…….There is an applicant apathy among potential YEDF beneficiaries which can be attributed to a number of factors, most commonly poor attitudes and
perceptions due to peer influence as well as a general lack of knowledge of the application process among a good number of the youth.....”

Interview with key informant 2 (Mr Lerut youth officer Laisamis)

Key informants were finally asked in an interview on what they thought should be done to enhance the effectiveness of the YEDF Program on the performance of youth enterprises, to which it was offered that the foregoing challenges need to be addressed in order to increase youth YEDF uptake, which will in turn increase the performance of enterprises.

It can be deduced that the youths are dissatisfied with the long procedures by YEDF in accessing loans and that the duration between the formal application and receipt of funds is inconveniencing. The findings agree with Ndirangu (2014) conducted a study on Influence of YEDF on Youth Empowerment in Ruiru Constituency, Kiambu County. According to the findings, timeliness of disbursement had an influence on youth empowerment in the Constituency.

4.6.4 Program Accountability

Asked in a key informant interview on whether there were any complaints from the youth about program accountability issues, a respondent affirmed arguing that:

“......yes indeed we have had cases where some officers have been implicated in taking bribes in order to award loans, but such cases are isolated and perpetrators are punished accordingly......”

Interview with key informant 3 (youth officer from Moyale sub county)

The respondents were asked whether there was any training provided by the YEDF office on capacity building or activities carried out. Youth officials from Laisamis Sub County
responded that no training provided. The youth officials always complained there was no enough guidance provided on youth enterprise development fund activities. Youth officials from Northhor Sub County complained that at times the youth office is closed. Availability of the officers was challenge which directly affects the youths.

From the foregoing findings, it can be deduced from the finding that there have been accountability issues with regard to YEDF at the study area which have presented a notable challenge towards uptake of YEDF among youth in the study area. Most notably, most youth shy away from taking up YEDF due to YEDF officers asking for bribes before support, lack of training from youth office, unawareness among the youth of the YEDF procedures as well as unclear rates of interest charged on the loans. The finding agrees with Mbaya (2013) who studied the effects of the youth enterprise development fund on the promotion of international trade in Kenya: a case of youth groups in Nairobi County, Kenya. The study found that, the youth groups had raised fund accountability concerns. They demonstrated lack of awareness and complained about the unclear rates of interest charged on the YEDF loans.

4.7 Multiple Regression Analysis

To establish the degree of influence of the various Youth Enterprises Development Funds and Performance, regression analyses were conducted among the variables. Table 4.7 below presents the findings.

Table 4.8 Regression Analysis

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<th>Model Summary</th>
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<td>Model R</td>
<td>R Square</td>
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The finding revealed a coefficient of determination value (R) of .865\(^a\) that shows a strong linear dependence between all the Youth Enterprises Development Funds aspects and Performance. With an adjusted R-squared of .720, the model shows that Lending conditions, Disbursement timelines and Program accountability strategies jointly account for 72.0% of the variations in the Performance while 28.0% account for other aspects not encompassed in the model. It is further implied by the P-value of 0.000 that the Performance has a joint and significant association with Lending conditions, Disbursement timelines and Program accountability which is at 90% confidence level significant. The finding is of the implication that the model may be relied upon predict how the predictor variables will relate with the
dependent variables. Positive relations associations between the dependent variable and all the predictor variables was further established.

The established optimal model is thus:

\[ Y = 8.001 + (0.421)X_1 + (0.353)X_2 + (0.099)X_3 + 0.084 \]

Where:

\( Y \) = Performance;

\( X_1 \) = Lending conditions

\( X_2 \) = Disbursement timelines

\( X_3 \) = Program accountability strategies

A unit change in Lending conditions would thus lead to a .421 increase in Performance ceteris paribus while a unit change in Disbursement timelines would lead to a .353 increase in Performance. A unit change in Program accountability strategies would lead to a .099 change in Performance ceteris paribus. Overall, it can be deduced that YEDF, as indicated by Lending conditions, Disbursement timelines and Program accountability strategies positively and significantly impact performance of youth enterprises in Marsabit County.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
The present chapter delves into a summary of key findings, the resulting conclusions, and the subsequent recommendations as well as the researcher’s suggestions for further research.

5.2 Summary of Key Findings
The study sought to determine the effects of lending conditions on the performance of youth enterprises in Marsabit County. The study established that most respondents are highly in agreement that Loan processing and application procedures are cumbersome and that conditions attached to subsequent loans are a challenge. A majority however only moderately agreed that the Maximum loan limit is adequate for the type of business i want to invest in. Regression analysis further reveal a positive and significant effect of lending conditions on the performance of youth enterprises in Marsabit County.

The study also sought to establish the effects of disbursement timeline on the performance of youth enterprises in Marsabit County. To this end, the study established that a majority of respondents highly agrees that YEDF has long procedures in accessing loans, the duration between the formal application and receipt of funds is inconveniencing and that there is lack of well-defined structure of operation. A majority however moderately agreed that loans are frequently disbursed. The study further established that there exists a positive and significant relationship between disbursement timeline and the performance of youth enterprises in Marsabit County.

The study finally sought to find out the effect of program accountability issues on the performance of youth enterprises in Marsabit County. The study established in this regard that a majority of respondents is in agreement that YEDF officers ask for bribes before support,
most of the youth are unaware the YEDF procedures, YEDF Officers inform them of loan repayment process and that Rates of interest charged on the loans are unclear. A majority however only moderately agrees that the loan application and procedure is clear. It was further established that program accountability issues have a positive and significant effect on the performance of youth enterprises in Marsabit County

5.3 Conclusion

This study has revealed that lending conditions to a large extent do hinder youth access to youth enterprise development fund (YEDF) among the youths in Marsabit County. Lending conditions were also found to positively and significantly affect the performance of youth-run enterprises in Marsabit County. The study has revealed prohibitive conditions such as cumbersome loan processing and application procedures have negative effect on youth enterprises. Business registration processes, age requirements were all found to significantly hinder access to YEDF due to processes, regulations and procedures required.

The findings of this study have revealed that disbursement timeline significantly influence access to youth enterprise development fund (YEDF) by youth enterprises. Equally, the study has also indicated long procedures in accessing loans and the duration between the formal application and receipt of funds is inconveniencing.

This study has indicated that program accountability present notable challenge towards the performance of youth enterprise development fund (YEDF) among the youths. The study has also revealed that unclear interest rates charged on loan, lack of training, unavailability of officers and YEDF officers asking for bribe has a great impact on the performance of youth enterprises in Marsabit County.
5.4 Recommendations
Informed by the present study findings, the study hereby makes the following recommendations. The study established that lending conditions are a significant challenge towards the performance of youth enterprises. To address this, there is need for the government to lift stringent requirements in the application of the loan so that a wider pool of youth can apply. In addition, in order to empower the youth, it is important to offer entrepreneurial trainings, which would go a long way in ensuring there is discipline in the usage of the funds and therefore less chances of misuse and more chances of servicing the same.

To improve on the viability of the youth enterprises, there was need for the Government to aggressively market the youth products, engage the youth entrepreneurship training before and after obtaining the loans and to provide necessary market information to the youth so as to gain competitive advantage in their areas of operation.

The study further found that timeliness of disbursements of YEDF loans are also a considerable hindrance towards the performance of youth enterprises. In this regard, it is hereby recommended that the timing of YEDF’s disbursement in view of the sensitivity of the target group ought to be addressed. This is because there can be change of idea among the youths and delays may result in misuse of the funds for purposes other than the one intended for. Addressing this will also attract more youths to apply for the same.

The study further recommends that the government should increase disbursement of YEDF so that both coverage and volume of the Fund are enhanced. Engagement efforts ought to further be scaled up for the YEDF to all stakeholders with a view to enhance and improve on current
networks, partnership and collaboration in provision of infrastructure and training with the local authority and private sector. The study further argues that entrepreneurship training is provided so that an entrepreneurial culture is instilled and sensitized among the youth.

The study is further of the view that youth entrepreneurs are provided with relevant and continuous business development knowledge for the success of enterprise development initiatives as well as for the creation of long term employment. YEDF has further mainly spoken to the problem of beneficiaries’ direct self-employment as opposed to addressing long-term youth unemployment. The reversed ought to be the case for purposes of sustainability.

The study finally recommends that policies be instituted to govern the disbursement and management of YEDF loans. More specifically, the policies ought to be cognizant of the challenges the youth face particularly with regard to access to loans and ability to meet other lending conditions when accessing government funds. Policies should also be in place to address the bureaucratic processes in the administration of YEDF so that disbursements take shorter time periods and that officers are accountable for the administration of the loans.

5.5 Suggestions or Future Studies

The present study has examined the effect of YEDF on the performance of youth enterprises in Marsabit County, Kenya. The study hereby suggests that future studies explore socio-economic settings with a view to establish any pertinent trends in different parts of the country
REFERENCES


Chigunta, F. (2002). Youth Entrepreneurship: Meeting the Key Policy Challenges.


International Labor Organization (2002). *Decent work and informal economy*


Kenya Economic Report 2009 (KIPPRA)


Orodho, J. A. (2005): Elements of Education and Social Science Research Methods, Nairobi. Masola Publisher


APPENDICES

Appendix I: Research Questionnaire for the Youth

This questionnaire is administered by or on behalf of Abdulahi Gababa Issa, Masters of Public Policy and Administration student, Kenyatta University. The data collected is meant for research purpose only and will be treated with confidentiality.

Part A: Personal Information

1. Gender
   - Male [   ]
   - Female [   ]

2. Age
   - Below 20 years [   ]
   - Between 21 years and 25 years [   ]
   - Between 26 years and 30 years [   ]
   - Between 31 years and 35 years [   ]
   - Above 35 years [   ]

3. Have you received any loan from the Youth Enterprise Development Fund?
   - Yes [   ]
   - No [   ]

4. If yes, how much were you able to get? ........................................

5. What did you use the loan for?
   - Starting a new business [   ]
   - Expanding an existing business [   ]
   - Non business uses [   ]
Part B: Lending Conditions on the Effectiveness of the YEDF

6. The following facts relate to access to the YEDF loan. Please indicate whether you agree or not by ticking appropriately. Use the scale provided below.

| Strongly agree 5 | Disagree 2 |
| Agree 4         | Strongly Disagree 1 |
| Moderate 3      | |

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>Loan processing and application procedures is cumbersome</td>
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<tr>
<td>Collateral requirement makes it difficult to get the loans</td>
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<tr>
<td>Conditions attached to subsequent loans are a challenge</td>
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<tr>
<td>Maximum loan limit is adequate for the type of business I want to invest in</td>
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<tr>
<td>The interest rates charged on the loan are favorable to youth enterprises</td>
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<tr>
<td>The character appraisal attached to the loan is prohibitive</td>
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<tr>
<td>The capacity to pay appraisal attached to the loan is prohibitive</td>
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</tbody>
</table>

Part C: Accountability Issues on the Effectiveness of the YEDF

7. The following facts relate to accountability issues in the YEDF program. Please indicate whether you agree or not by ticking appropriately. Use the scale provided below.

| Strongly agree 5 | Disagree 2 |
| Agree 4         | Strongly Disagree 1 |
| Moderate 3      | |

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>Most of the youth are unaware the YEDF procedures</td>
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<tr>
<td>YEDF officers ask for bribes before support</td>
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<td></td>
</tr>
<tr>
<td>YEDF Officers inform us of loan repayment process</td>
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</tr>
<tr>
<td>The loan application and procedure is clear</td>
<td></td>
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<tr>
<td>Rates of interest charged on the loans are unclear</td>
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<tr>
<td>Program officers make routine visits to assess the progress</td>
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</tbody>
</table>
Consultations by loan officers on various aspects of entrepreneurship would help improve performance of youth enterprises in the county

We get advice and feedbacks from the officers and other stakeholders

Sharing of success stories and best practices would help improve performance of youth enterprises in the county

There are exchange visits facilitated to share information and replication

**Part D: Timeliness of disbursements of YEDF loans**

8. How long does it take for the Application process to the time its approval?

   Two weeks or less [ ]
   Three weeks [ ]
   One month [ ]
   Two months [ ]
   Other (specify) ..............................................

9. The following facts relate to YEDF disbursement timeliness. Please indicate whether you agree or not by ticking appropriately. Use the scale provided below.

   Strongly agree 5
   Agree 4
   Moderate 3
   Disagree 2
   Strongly Disagree 1
<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>YEDF has long procedures in accessing loans</td>
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<tr>
<td>Lack of well-defined structure of operation</td>
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<td>The loans are frequently disbursed</td>
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<tr>
<td>The duration between the formal application and receipt of funds is</td>
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<td>inconveniencing</td>
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<tr>
<td>Time to process the application is adequate</td>
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<td>Speed of processing is adequate</td>
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<tr>
<td>The amount granted by the institution relative to the amount requested is</td>
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<tr>
<td>adequate</td>
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<tr>
<td>Time given by the fund before repayment begins</td>
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Appendix II: Interview Schedule

1. How would you describe the success of YEDF in creation of employment in Marsabit County

2. What are some of the difficulties you experience in the implementation of the YEDF program in the county

3. What are some of the lending requirements?

4. Can the youth raise some of the securities required for the loan to be advanced?

   If yes, which one?

5. Are there any documentation required for the loan to be advanced?

   If yes, name the documents required.

6. Are the youth able to produce the required documents?

7. Are there any complaints from the youth about:
   a. Lending conditions
      If YES, what are some of the complains
   b. Loan disbursement timelines
      If YES, which ones?
   c. Program accountability issues
      If YES, name them.

8. What do you think should be done to enhance the effectiveness of the YEDF Program in the reduction of youth unemployment?
Appendix III: Ethical Consent Form

Title of the study: The effect of youth enterprise development fund on the performance of youth enterprises in Marsabit County, Kenya

Invitation to participate: I am requesting you to participate in the above mentioned research conducted by Abdullahi Gababa Issa. I understand that this research project is part of research requirements of Masters of Public Policy and Administration at Kenyatta University.

Participation: My role in this project will consist of participating in one interview, lasting thirty minutes, during which I will be asked to reflect on my understanding and perceptions of the YEDF in addressing youth enterprises at a location and time convenient to the participant. I understand that the interview will be tape recorded.

Confidentiality and anonymity: I have received assurance from the researcher that the information I will give in this interview will remain strictly confidential.

Acceptance: I,………………………………………………………………………, agree to participate in the above research conducted by Abdullahi Gababa Issa of the Department of Public Policy at Kenyatta University.
Appendix IV: Map of Marsabit County
Appendix V: NACOSTI Permit

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Ref: No. NACOSTI/P/18/19297/25488

Abdullahi Gababa Issa
Kenyatta University
P.O. Box 43844-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Effect of Youth Enterprise Development Fund (YEDF) on youth enterprises in Marsabit County, Kenya” I am pleased to inform you that you have been authorized to undertake research in Marsabit County for the period ending 20th September, 2019.

You are advised to report to the County Commissioner and the County Director of Education, Marsabit County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Marsabit County.

The County Director of Education
Marsabit County.
THIS IS TO CERTIFY THAT:
MR. ABDULLAHI GABABA ISSA
of KENYATTA UNIVERSITY, 17380-100
Nairobi, has been permitted to conduct research in Marsabit County on the topic: EFFECT OF YOUTH ENTERPRISE DEVELOPMENT FUND (YEDF) ON YOUTH ENTERPRISES IN MARSABIT COUNTY, KENYA
for the period ending: 20th September, 2019

Applicant’s Signature

Permit No : NACOSTI/P/18/19297/25488
Date Of Issue : 21st September, 2018
Fee Received : Ksh 1000

Director General
National Commission for Science, Technology & Innovation
Appendix VI: LETTER FROM GRADUATE

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 3rd September, 2018

TO: Abdulahi Gababa Issa
C/o Public Policy and Administration Dept.

REF: C155/OL/CTY/32143/2016

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the Graduate School Board of 22nd August, 2018 entitled Effect of Youth Enterprise Development Fund YEDF on Youth Enterprises in Marsabit County, Kenya”.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

ELIJAH MUTUA
FOR: DEAN, GRADUATE SCHOOL

C.c. Chairman, Department of Public Policy and Administration

Supervisors:

1. Dr. Felix Kiruthu
C/o Department of Public Policy and Administration
Kenyatta University

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