

**YOUTH ENTERPRISE DEVELOPMENT FUND LOANS AND GROWTH OF
YOUTH OWNED ENTERPRISES IN MUMIAS WEST SUB COUNTY,
KAKAMEGA COUNTY, KENYA**

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DECLARATION

Declaration by candidate:

I hereby declare that this research project is my original work. It has not been presented for a degree in any other University.

Signature



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Declaration by supervisor

I confirm that the work in this project was done by the candidate under my supervision.

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DEDICATION

This research project report is dedicated to God, my parents Hebron and Catherine Adoli, my brothers Seth and Joel, who have always been a source of inspiration and strength.

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TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS.....	iv
TABLE OF CONTENTS	v
LIST OF TABLES.....	ix
LIST OF FIGURES.....	x
OPERATIONAL DEFINITION OF TERMS	xi
ABBREVIATIONS AND ACRONYMS.....	xiv
ABSTRACT.....	xv
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the study	1
1.1.1 Youth Enterprise Development Fund loans.....	2
1.1.2 Growth of youth owned enterprises	4
1.2 Statement of the problem	6
1.3 Objectives of the study.....	7
1.3.1 General objectives.....	7
1.3.2 Specific objectives	8
1.4 Research Hypotheses	8
1.5 Significance of the study.....	9
1.6 Scope of the study.....	9
1.7 Limitation of the study.....	10
1.8 Organization of the study	10

CHAPTER TWO: LITERATURE REVIEW	11
2.1 Introduction	11
2.2 Theoretical review	11
2.2.1 Modigliani and Miller Capital structure irrelevance theory	11
2.2.2 Imperfect Information theory.....	11
2.2.3 Pecking order theory	12
2.3 Empirical review.....	13
2.3.1 Bid bond financing and growth of youth enterprises	13
2.3.2 Local Purchase Order/Local Supply Order financing and growth of youth enterprises.....	14
2.3.3 Business expansion loans and growth of youth enterprises	16
2.3.4 Agribusiness loans and growth of youth enterprises.....	19
2.4 Summary of Literature and Research Gaps.....	23
2.5 Conceptual Framework	31
CHAPTER THREE: RESEARCH METHODOLOGY	32
3.1 Introduction	32
3.2 Research design	32
3.3 Target population.....	32
3.4 Sampling design.....	33
3.5 Data collection.....	33
3.6 Data collection instruments	34
3.7 Validity and Reliability of the Research instrument.....	34
3.7.1 Validity of the research instrument	34
3.7.2 Reliability of the research instrument	35
3.8 Diagnostic tests.....	35

3.8.2 Autocorrelation	35
3.8.3 Test for Normality.....	36
3.8.4 Multicollinearity.....	36
3.8.5 Heteroscedasticity	36
3.9 Data analysis and presentation	36
3.10 Empirical Model	37
3.11 Operationalization and measurement of Variables	38
3.12 Ethical Considerations	40
CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION	41
4.1 Introduction	41
4.2 Response Rate.....	41
4.3 Validity and Reliability Tests	42
4.4 Demographic Information	43
4.4.1 Age of the Respondent	43
4.4.2 Highest Level of Education	44
4.4.3 Years the Business has been in Operation.....	45
4.5 Barriers to Accessing Financing	46
4.5.1 Need for Bid Bond Financing	48
4.6 LPO/LSO Financing	49
4.6.1 Barriers to Accessing LPO/LSO financing by Youth Enterprises	50
4.6.2 Need for LPO/LSO Financing by Youth Enterprises	52
4.7 Business Expansion Loans	53
4.7.1 Barriers to Accessing Business Expansion Loans by Youth Enterprises.....	54
4.7.2 Need for Business Expansion Loans by Youth Enterprises	56
4.8 Agri-Business Loans.....	58

4.8.1 Barriers to Accessing Agribusiness Loans by Youth Enterprises	59
4.8.2 Need for Agribusiness Loans by Youth Enterprises	61
4.9 Pearson’s Correlation Analysis	62
4.8 Regression Analysis	63
4.8.1 ANOVA.....	64
4.8.2 Model Summary.....	65
4.8.3 Regression Coefficients.....	65
CHAPTER FIVE: SUMMARY, DISCUSSIONS, CONCLUSIONS AND	
RECOMMENDATIONS.....	67
5.1 Introduction	67
5.2 Summary of Findings.....	67
5.2.1 Effect of Bid bond financing on growth of youth owned enterprises	68
5.2.2 Effect of LPO/ LSO financing on growth of youth owned enterprises.....	68
5.2.3 Effect of Business expansion loans on growth of youth owned enterprises	69
5.2.4 Effect of Agribusiness loans on growth of youth owned enterprises	70
5.3 Conclusions	71
5.4 Recommendations.....	72
REFERENCES	73
APPENDIX I : QUESTIONNAIRE.....	78
APPENDIX II: RESEARCH APPROVAL	87
APPENDIX III: RESEARCH AUTHORIZATION	88
APPENDIX IV: NACOSTI PERMIT.....	89

LIST OF TABLES

Table 2.2: Summary of literature and Research gaps	24
Table 4.4: Barriers to Accessing Finance	46
Table 4.5 Need for Bid Bond Financing.....	48
Table 4.6: Accessing LPO/LSO financing by Youth Enterprises	51
Table 4.7 Need for LPO/LSO Financing by Youth Enterprises	52
Table 4.8: Accessing Business Expansion Loans by Youth Enterprises.....	55
Table 4.9 Need for Business Expansion Loans by Youth Enterprises	57
Table 4.10: Accessing Agribusiness Loans by Youth Enterprises.....	59
Table 4.11 Need for Agribusiness Loans.....	61
Table 4.12 Bivariate Linear Correlation Analysis.....	62
Table 4.13: Model Validity.....	64
Table 4.14: Model Summary	65
Table 4.15: Multiple Regression Variable Coefficients	66

LIST OF FIGURES

Figure 1.1: Conceptual Framework.....	31
Figure 4.3: Age of the Respondent.....	43
Figure 4.4: Highest Level of Education.....	44
Figure 4.5: Duration the Business has been in Operation.....	45
Figure 4.6: LPO/LSO Financing	50
Figure 4.7 Business Expansion Financing	54
Figure 4.8: Agribusiness Loans.....	58

OPERATIONAL DEFINITION OF TERMS

Access to credit	Access to loans measured by the amounts of commercial loans, digital loans, informal loans and government loans received
Agribusiness loans	The loan is available to youth who wish to start or expand agricultural related businesses including purchase of equipment and working capital. This is an independent variable in this study, measured using the percentage change in amount of Agribusiness loans accessed by youth enterprises.
Bid bond financing	<p>This is a debt incurred by a company for a construction work or other bid-based evaluation process in order to provide assurance to the employer that the bidder will accept the job if chosen.</p> <p>This is an independent variable in this study, measured using the percentage change in amount of bid bond financing accessed by youth enterprises.</p>
Business expansion loans	These are loans advanced by YEDF to youths who already have running businesses and therefore have the ability to provide collateral. The purpose of the loan is to enable expansion of existing enterprises provide large scale financing for business expansion. This is an independent variable in this study, measured using the percentage change in amount of business expansion loans financing accessed by youth enterprises.
Entrepreneurial training	Imparting knowledge in the youth to take part in business including making follow up on the progress of their enterprises.

Government loans	Loans that the government issues to of businesses, individuals, and communities through different departments. These loans provide capital to those who may not qualify for a loan from private lenders
Growth	Enlargement in business size as indicated by percentage change in revenue. This is the dependent variable of this study
Linkages to well established businesses	Establishment of partnerships between youth entrepreneurs and successful large businesses e.g. suppliers
Local Purchase Order (LPO) /Local Supply Order (LSO) financing	This is a short-term form of financing that can be used when a company has a customer's request but lacks the necessary funding to buy the goods from their supplier. This loan is accessible to young people who have won government bids. YEDF funds 70% of the LPO amount. This is an independent variable in this study, measured using the percentage change in amount of LPO/LSO financing accessed by youth enterprises.
Marketing of products and services	The promotion of sales for youth enterprise products by conducting promotional activities and facilitating branding and standardization of youth enterprise products.
Non-current assets/ Fixed assets	Physical property of a long-term and tangible nature owned by an individual or company not for consumption or resale in the coming year but for generation of income. These assets are used to assist an individual or company in production of its products or in performing its services
One Village One Product (OVOP)	An program by the government to boost growth of enterprises at the village/ community level

Provision of finance	Making affordable loans available to youth enterprises.
Revenue	The sum value of sales made by a business in a given period under review
Table banking	A group finance technique in which participants save and then draw from their holdings on the table, whether it be in long or short term loans.
Training	It is the process of instilling knowledge and skills into an individual willingly so that they can be able to perform a specific task successfully
Youth	A person who is aged from 18 to 35 years according to the Constitution of Kenya Article 260
Youth Enterprise Development Fund	This is a Fund that was created to create entrepreneurial opportunities for young people. This independent variable was measured by Business expansion loans, bid bond financing, LPO/LSO financing, agribusiness loans.
Youth Enterprise Development Fund Loans	These are loans advanced by the YEDF to youth enterprises such as Business expansion loans, bid bond financing, LPO/LSO financing, agribusiness loans.

ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
FSD:	Financial Sector Deepening
FY:	Financial Year
GOK:	Government of Kenya
ILO:	International Labour Organization
KNBS:	Kenya National Bureau of Statistics
LPO:	Local Purchase Order
LSO:	Local Service Order
NACOSTI:	National Council for Science, Technology and Innovation
OECD:	Organization for Economic Co-operation and Development
OVOP:	One Village One Product
SME:	Small and Medium sized Enterprise
SMEs:	Small and Medium sized enterprises
SPSS:	Statistical Package for Social Sciences
VIF	Variance Inflation Factor
YEDF:	Youth Enterprise Development Fund

ABSTRACT

Mumias West Sub County has been recording the lowest revenue growth among youth enterprises in the sub counties of Kakamega County since 2017. Slow growth of youth enterprises led to the formation of The Youth Enterprise Development Fund (YEDF), to enable growth of enterprises owned by youth. This study, sought to determine the extent to which YEDF loans have affected youth enterprises in Mumias West Sub county. The general objective of this study was to establish the effect of the YEDF loans and growth of youth owned enterprises in Mumias West sub county, Kenya. Specifically, the study focused on the effect of provision of bid bond financing, Local Service Order/Local Purchase Order (LSO/LPO) financing, Business expansion loans and agribusiness loans provided by the YEDF; and the growth of youth owned enterprises in Mumias West Sub County. The target population were the 612 youth enterprises in Mumias West Sub County. The sample size were 242 youth enterprises obtained using simple random sampling through the Yamane formula. The study relied on the imperfect information theory and the pecking order theory. Primary data was collected using questionnaires. Secondary data was obtained by analysing government records, public records and business journals. Qualitative and quantitative data analysis was accomplished by inferential and descriptive statistics. SPSS was used to analyze the data. Ethical considerations were factored in the study. The researcher conducted an Analysis of Variance (ANOVA). Data analyzed was presented using tables and figures. From the analysis of findings, the coefficient of determination as measured by the adjusted R-square showed that the predictor variables explain sixty nine point six percent of the total variation in the growth of youth owned enterprises in Mumias West Sub County. The study concluded that bid bond financing, LPO/LSO financing, business expansion loans and agribusiness loans have a significant effect on the growth of youth owned enterprises in Mumias West Sub County. Access to credit is a major obstacle to young entrepreneurs who lack collateral. YEDF lending has an influence on the performance of Youth-run Businesses. The study recommended that the Youth Enterprise Fund management should come up with structures to ensure training that incorporates technical, as well as entrepreneurial skills. To augment this study, it is recommended that other studies be conducted to establish more factors that affect the growth of small and medium enterprises in other counties.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In order for the Kenyan economy to grow according to the Vision 2030, the youth must be incorporated into the development agenda, not just passively but in an active capacity (Sambo, 2016). The youth constitutes 29 percent of the population of Kenya (KNBS, 2020). For a long time, Kenyan youth have played peripheral part in the economy resulting in them feeling left out. This has led to increase in unemployment, drug abuse and crime (Rori, Bunei, & Mwenzwa, 2011).

Self-employment and entrepreneurship can bring about new employment opportunities, increase standards of living and provide financial independence for many youths in Kenya (Sambo, 2016). Youth enterprises should be provided with financing so that they can improve their working capital, refurbish their businesses, purchase inventory, pay off other debts among other business needs so as to smoothly run and grow their enterprises (KNBS, 2016). In recent years, entrepreneurship promotion in the country has been primarily aimed at youth in technical training institutions and universities. The youth are introduced to SME startup programs so that they can consider self-employment after they leave school. They also get a chance to examine the current employment problem in Kenya so that they also consider self-employment among their career choices (Kaburi, Mobegi, Kombo, Omari, & Sewe, 2012).

The Kenyan government created the YEDF in June 2006 as one of its measures to combat youth unemployment. The fund was established on the 1st of February 2007 and became a

state corporation on the 11th of May 2007. The fund's goal was to provide loans to youth businesses for re-lending, encourage investment in SMEs; provide youth-oriented commercial infrastructure; and assist youth-oriented micro, small, and medium businesses in developing links with major businesses. It also makes it easier for young businesses to sell products and services in the international and domestic markets and facilitates Kenyan youth to be employed in the international labour market. The YEDF provides loans such as bid bond financing, LSO/LPO financing, Business expansion loans and agribusiness loans(YEDF, 2012).

1.1.1 Youth Enterprise Development Fund loans

The Prince's Trust Enterprise Programme in the United Kingdom is for people between the ages of 18 and 30, who are not employed and would like to pursue a promising concept. The programme gives youth employment advice, entrepreneurship training, funding and mentorship of start-ups(Fleisig, Safavian, & Pena, 2006).In Africa youth empowerment has been promoted through International Youth Foundation (IYFNET) alongside other local organization. The program ran between 2007 and 2010 in Nigeria, Kenya, Senegal and Tanzania. The services and skills offered by the program included entrepreneurship skills, life skills training, employability, and provision of hands-on experiences through internship (Ober, 2012).

In Kenya, the Ministry of Public Service, Youth, and Gender manages the YEDF, which is a state-owned organization. Its mandate includes enabling youth to access credit, connecting youth owned enterprises with well-established companies, training youth on business skills, providing linking youth businesses to markets, and facilitating youth access to employment opportunities abroad.; and developing business structures for youth

enterprises (YEDF, 2012). Several researchers have studied the YEDF and different indicators have been used. Irungu & Kamau (2015) carried out research to find out the effects of YEDF on growth of new enterprises in Mathioya District, Kenya. To indicate YEDF, The study used financial support, training in entrepreneurship and networking. (Ndigah, Thlaine, & Lyria, 2015) focused on the loans from the YEDF to measure how YEDF affects the growth of youth enterprises in Maara Sub-County. The same measure was used by (Opiyo, Kivuva, & Onyancha, 2015). (Musera, 2015) conducted a similar study in Langata Sub County and used financing, entrepreneurship training, and government policy as indicators of measuring effect of YEDF. (Maritim, 2019) used indicators such as: influence of management of loans, training on venture management and offering services to the members as measures for the YEDF. (Kimando, Njogu, & Kihoro, 2012) used entrepreneurship training as indicator of YEDF. Sub indicators were fund management skills, training intervals and training effectiveness. (Kilele, Nduruhi, & Kimani, 2015) used access to information, repayment period and loan amount, policies and procedures for lending, and financial literacy and training as indicators to represent the YEDF. Mohamud & Ndede (2019) assessed the effect of YEDF entrepreneurial training, market linkages and disbursement of loans on youth empowerment in Wajir County, Kenya. Under entrepreneurial training, the study used workshops, seminars, financial records and group dynamics as sub indicators. Under the indicator of provision of loans, the study used established enterprises, income and employment as sub indicators. Under provision of market the study used value addition, new markets and sales volume as sub indicators. The researchers mentioned above focused on the functions of the YEDF as indicators as they assessed the effect of YEDF in different parts of the country. No such study has been done

in Mumias West Sub County. This study will use the following explanatory variables to investigate the YEDF and the youth owned businesses in Mumias West Sub County: Bid bond financing, LPO/LSO financing, Business expansion loans and Agribusiness loans.

1.1.2 Growth of youth owned enterprises

Growth can be explained as an increase in several factors: financial growth, workforce growth and technology adoption. To measure growth in workforce, skills development, organizational structure, teamwork, and number of employees are used as indicators. To measure financial growth, sales, profits and positive cash flows are used (Kimathi, 2017). Profitability, revenue, growth rate and liquidity can be used to measure financial performance in SMEs (Mumin, 2018). Growth in fixed assets is indicated by Return on Assets (ROA) (Kimathi, 2017). The most common parameters used to measure growth are growth of sales and relative growth in employment during a particular time period (Akwalu, 2014; Abor & Quartey, 2010).

To measure technology adoption, parameters used include: availability of machinery, computerized processes and customer relations management systems (Kimathi, 2017). Enterprises can grow technologically by automating processes so as to ensure higher quantity and quality of production with lower costs of production. Computerized processes eliminate errors and ensure consistently high-quality levels. A continuous innovation process is required because consumer needs and market trends are changing continuously, and competition is increasing in the market (Mirmahdi & Wan, 2012). Parameters such as market share, assets, output and profits are also generally used. Market share and output vary from industry to industry, which makes it difficult to make comparisons. Total value

of assets depends on the intensity of capital in the industry. Profits may only be relevant when measuring the size of enterprises over a long period of time (Mumin, 2018).

Number of employees is a measure that is easy to access, since governments use these figures frequently. Concerning sales, it is difficult to compare sales from one industry to another, and sales figures are affected by exchange rates and inflation. It is important to use several parameters to carry out research on growth of businesses (Karime, 2013). The Kakamega County Finance Act recognizes different sizes of businesses according to their number of employees e.g. hotels, retail shops, communications companies among others(Kakamega County, 2019).Among all these aspects measuring the growth of enterprises, this study will use the percentage growth in revenue to measure growth in evaluating the YEDF and the growth of youth owned enterprises Mumias West Sub County.

This section looks at the background Mumias West Sub county and sheds light on the current situation of youth enterprises in the sub county. Mumias West Sub county is located in Kakamega County. Twenty six percent of the enterprises in Mumias West sub county are youth owned(KNBS (b), 2019).Majority of the house holds practice farming, and most businesses in Mumias West sub county are agricultural based (KNBS (a), 2019). Mumias West Sub County has been of particular concern because it has had the lowest collection in revenue for Kakamega County since 2017. During the financial year ended June 2018, Mumias West accounted for 0.7% of Kakamega County revenue collections, getting Ksh 3,083,382 out of total Ksh 441 million. Out of the Ksh 781.3 million collected by the county in the financial year ended 30th June 2019, Mumias West sub county had Ksh 2,925,336, which represented 0.37%. During 2019-2020 financial year, Mumias West sub county

revenue was Ksh 2,774,882 out of the total collected Ksh 1.18Billion. This represented 0.23% of total revenue collection in the whole County(Kakamega County, 2020). Youth enterprises can spur development in an area (Sambo, 2016). This study seeks to find out the effect of the YEDF loans on growth of youth owned enterprises in Mumias West sub county, Kenya.

1.2 Statement of the problem

Growth in youth enterprises is a serious concern for the entire globe. In the United Kingdom, the Prince's Trust Enterprise Programme was established to give youth employment advice, entrepreneurship training, funding and mentorship of start-ups to people between the ages of 18 and 30, who are not employed and would like to pursue a promising concept. (Fleisig, Safavian, & Pena, 2006). High youth unemployment in Africa spurred the International Youth Foundation (IYFNET) alongside other local African organizations to promote growth in youth enterprises.

In Kenya, slow growth of youth enterprises drove the government to set up the Youth Enterprise Development Fund, which is working to enable youth access to credit, connecting youth owned enterprises with well-established companies, training youth on business skills, providing linking youth businesses to markets, and facilitating youth access to employment opportunities abroad.; and developing business structures for youth enterprises (YEDF, 2012).

Mumias West Sub County has been of particular concern because it has had the lowest collection in revenue for Kakamega County since 2017. During the financial year July 2017 to June 2018, Mumias West accounted for 0.7% of Kakamega County revenue collections, getting Ksh 3,083,382 out of total Ksh 441 million. Out of the Ksh 781.3 million collected

by the county in the financial year ended 30th June 2019, Mumias West sub county had Ksh 2,925,336, which represented 0.37%. During 2019-2020 financial year, Mumias West sub county revenue was Ksh 2,774,882 out of the total collected Ksh 1.18Billion. This represented 0.23% of total revenue collection (Kakamega County, 2020).

Apart from having the lowest collections in the county, it is evident that the revenue collections have been decreasing from Ksh 3,083,382 in FY 2017/2018 to Ksh 2,925,336 in FY 2018/2019 to Ksh 2,774,882 in FY 2019/2020. This is an indication of lack of growth in enterprises. Twenty six percent of the enterprises in Mumias West sub county are owned by youth, which is a significant proportion. Youth enterprises can spur development in the area. To run and grow their businesses, youth need access to financing. Financing is important for working capital, refurbishing of business, purchase of inventory, paying off other debts among other business needs so as to smoothly run and grow their enterprises (KNBS, 2016). It was important to investigate how youth enterprises in Mumias West Sub County are being helped to grow through interventions like the YEDF. Studies had not been done in this particular sub county to determine the level to which YEDF has affected youth enterprises in Mumias West Sub county. Therefore, this study sought to establish the effect of the YEDF loans on growth of youth owned enterprises in Mumias West Sub County, Kenya.

1.3 Objectives of the study

1.3.1 General objectives

To find out the effect of YEDF loans on growth of youth owned enterprises in Mumias West Sub County, Kenya

1.3.2 Specific objectives

- i. To evaluate the effect of bid bond financing on growth of youth owned enterprises in Mumias West Sub County, Kenya.
- ii. To examine the effect of LPO/LSO financing on growth of youth owned enterprises in Mumias West Sub County, Kenya.
- iii. To evaluate the effect of business expansion loans on growth of youth owned enterprises in Mumias West Sub County, Kenya.
- iv. To establish the effect of agribusiness on growth of youth owned enterprises in Mumias West Sub County, Kenya.

1.4 Research Hypotheses

The following are null hypotheses for the study:

- i. H_{01} : Bid bond financing does not have a significant effect on growth of youth owned enterprises in Mumias West Sub County, Kenya.
- ii. H_{02} : LPO/LSO financing does not have a significant effect on growth of youth owned enterprises in Mumias West Sub County, Kenya.
- iii. H_{03} : Business expansion loans do not have a significant effect on growth of youth owned enterprises in Mumias West Sub County, Kenya.
- iv. H_{04} : Agribusiness loans do not have a significant effect on growth of youth owned enterprises in Mumias West Sub County, Kenya.

1.5 Significance of the study

This study will be important to the government of Kenya in formulation of government policy that is aimed at developing youth entrepreneurship. This study will be important to lenders (e.g. commercial banks, microfinance institutions, SACCOs) as they will better understand how to package loans so as to boost youth enterprises. The lenders will adapt to needs of youth enterprises. The study will benefit youth entrepreneurs because they will understand how the YEDF loans affect the growth of their businesses. This research will also benefit the County Government of Kakamega when formulating youth policy at the county level. The County government will also get insight on how to finance the youth enterprises in ways that enhance their growth. The study will be significant as a reference point to other researchers who plan to carry out studies in the same line.

1.6 Scope of the study

The location of this research shall be Mumias West Sub County. The study will focus on youth enterprises. Data on financing accessed and growth of youth enterprises will be collected for the years 2017 to 2021. The study will focus on the topic of the effect of YEDF loans and growth of youth owned enterprises in Mumias West Sub County, Kenya. The study will focus on the dependent variable as the growth of youth owned enterprises in Mumias West Sub County and the independent variables as bid bond financing, LPO/LSO loans, Business expansion loans, and Agribusiness loans.

1.7 Limitation of the study

The researcher faced several challenges. The study was done under constraints of time and finance. The researcher borrowed finances where there was shortfall. Some respondents were biased as they gave information. Other respondents found the researcher as suspicious and were anxious of cooperating in a study whose purpose they were not aware. To mitigate this challenge, the researcher made sure to explain the purpose and nature of the study. Respondents were informed that the research was for academic purposes and confidentiality would be upheld by the researcher. In some instances, YEDF management denied and limited access to information that it considered sensitive. The researcher had obtained a letter of introduction from the university, which was handy when seeking information from management.

1.8 Organization of the study

This proposal has been arranged in three chapters: Chapter one contains the background for the research, problem statement, objectives of the research, research significance, the scope of the research project, and the expected limitations likely to be encountered as the research goes on. Chapter two has the review of literature on the effect of YEDF loans on growth of youth enterprises in Mumias West Sub County, and the conceptual framework. Chapter three describes the methodology to be employed in the study. Chapter 4 contains the Data analysis, results and discussions. Chapter 5 covers the summary, discussion, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This introductory chapter covers the review of theory and empirical review of literature on the effect of the YEDF loans on growth of youth owned enterprises in Mumias West Sub County. In the end the chapter summarizes of gaps noted in the reviewed and presents the conceptual framework defining both the independent and dependent variables.

2.2 Theoretical review

2.2.1 Modigliani and Miller Capital structure irrelevance theory

The Modigliani – Miller irrelevance proposition was developed by Modigliani & Miller (1958).

The Modigliani & Miller (1958) analysis is based on the assumption that a probability distribution of the firm's cash flows does not depend on the capital structure decision it makes and that all investors share the same expectations regarding the cash flows. This theory assumes that the growth in enterprises is not affected by capital structure. Based on this theory, Bid bond financing, LPO/ LSO financing, Business expansion loans or agribusiness loans would not have an impact on growth of youth enterprises

2.2.2 Imperfect Information theory

This theory was advanced by Arkelof in 1970. Imperfect information happens when two parties to a transaction do not have the same amount of information concerning the transaction. When a buyer has imperfect information, sellers of low-quality products may crowd out genuine sellers (Arkelof, 1970). Similarly, when a lender has imperfect

information, borrowers with weak credit rating may crowd out authentic borrowers. This lack of balance in information can cause the party with less information to be tricked into making costly decisions. Information asymmetry happens frequently in market exchanges because the seller is more knowledgeable than the purchaser about the condition of the product while a borrower is more knowledgeable his credit-worthiness than the potential lender (Hussein, 2017).

This theory assumes that lenders cannot completely make a distinction between low risk and high-risk applicants for loans. Conventional financial institutions find it difficult to successfully compete with informal lenders because informal lenders usually have a relationship with the borrower and therefore have better information about loan applicants. Following this theory, commercial banks would find it difficult to penetrate micro credit markets and provide loans to small enterprises (Hussein, 2017). Borrowers could trick the lenders that they intend to use the funds for an investment project yet they plan to use the money for consumption. Therefore, loans accessed by youth may not lead to growth of the youth enterprises because the youth borrowers would divert the funds to non-profit pursuits and end up defaulting on the loans granted.

2.2.3 Pecking order theory

This theory was explained by Myers and Majluf in 1984. The theory proposition is that most firms prefer internal financing as opposed to external financing. The most preferred source of finance is internally sourced. The second preferred source of finance is debt followed by internal equity then equity from external parties (Myers & Majluf, 1984). In the Pecking Order Theory, emphasis is laid on use of internally generated funds which are readily applicable to SMEs as opposed to external funds. The Pecking Order Theory

provides that profitability of small and medium enterprises is closely related to the amount of external funds utilized, i.e. those that utilize more external funds experience less profits. Growing businesses tend to have very profitable opportunities for reinvesting its own retained earnings and would therefore choose to reinvest most or all of its profits back into its expanding enterprise instead of paying dividends to shareholders (Pandula, 2011). Based on this theory access to youth enterprise fund loans would have a negative relationship with growth of youth enterprises.

2.3 Empirical review

2.3.1 Bid bond financing and growth of youth enterprises

Oke, Adeyemo, & Toriola(2016) studied the effect of risks related to guarantees and bonds on construction based projects in Nigeria. The research sort to determine project risks and project problems inherent in unbonded and bonded projects so as to establish how they affects the overall success of construction projects. The study collected primary data by administering questionnaires to construction bond stakeholders who had been identified, such as public project clients, architectural and quantity surveying firms; insurance firms and banks that guarantee construction bonds to contracting companies. To rank the identified factors, mean item score was used. Mann-Whitney and Kruskal-Wallis tests were used to investigate the differences and relationship in averages of samples of various target groups. The study found that the credit risk of the entity issuing the bond mainly affects bonded projects. Liquidity risk was found to have a major effect on projects without bond. However, no significance effect of bond risks on project with and without bond. The study concluded that because the risks identified mainly apply to bonded projects, it is important to use bonds for all forms of public and private projects to minimize risks. The study

examined the importance of bid bonds on projects performance, but did not check the impact of bid bond financing on the growth of youth owned enterprises in Mumias West Sub County.

Oke, Ogunsemi, Aje, & Ogundimu (2013) studied the how bid bonds affect performance of Nigerian construction projects. The researcher wanted to determine how bid bond performs in the Nigerian construction industry and how it affects project cost and time. Data was collected using questionnaires issued to professionals in the construction industry. Data analysis was done using mean group difference, mean score and percentages. The research studied the benefits and purposes of bid bonds and risks associated with construction projects which have bid bonds and those without bid bonds. The study found that the cost of bond had a significant relationship with the final cost and initial cost of the projects. The researchers concluded there should be proper and careful utilization of bid bonds in the construction industry. Empirical research is yet to be done on effect of bid bond financing on growth of youth enterprises in Mumias West Sub County. This research will fill this research gap by studying the effect of bid bond financing on growth of youth enterprises in Mumias West Sub County.

2.3.2 Local Purchase Order/Local Supply Order financing and growth of youth enterprises

Kimathi (2017) conducted a study on how asset-based financing solutions affect growth of manufacturing Nairobi County SMEs. The variables studied were existing asset-based finance solutions, such as purchase order financing, cheque discounting, and leasing financing. The researcher used a causal research design for a target demographic of 2,000 manufacturing SMEs located in Nairobi and its surrounding areas, including Thika, Athi

River, and Limuru. From the three strata of agro-based, chemical and mining, and engineering and construction firms, a systematic random sampling for a sample size of 100 was obtained correspondingly. Questionnaires of a semi-structured nature were used in acquiring primary data. Secondary data was gathered from relevant print and online public materials. The data was examined using the SPSS. The analysis includes creating and presenting descriptive statistics in tables and graphs. The study discovered that LPO funding has a substantial impact on SME growth by assisting them in improving their technology, meeting short-term responsibilities, obtaining labour, and ensuring better product and service delivery. Similarly, check discounting has a number of advantages for SMEs, including ensuring that they have enough liquidity to negotiate for cheaper pricing and discounts during purchase of supplies. The study was focused on Nairobi. The current research will study the effect of LSO/ LPO financing on youth enterprises in Mumias West Sub County, Kenya.

Quianoo(2011) studied the impact of loans on SMEs in Ghana. The researcher's main objective was to examine the effect of loans on SMEs in Ghana. Specifically, the study looked to determine what SMEs classify as advantages and disadvantages of access to loans, to examine whether loans granted to SMEs eventually led to increase or decrease in financial performance, and to determine how SMEs utilized loans issued by financial institutions. One hundred SMEs were selected using simple random sampling. Data was acquired by use of questionnaires. Data presentations and analysis was done using descriptive statistics. The study discovered that many SMEs benefited from the loans. Most SMEs recognize that loans have helped them increase their returns and sales, putting them in a competitive position. These findings were made in Ghana. It is important to also study

how business expansion loans affect youth enterprises in Mumias West Sub County, Kenya.

2.3.3 Business expansion loans and growth of youth enterprises

Vo, Tran, & Trinh(2011) studied Access to Finance by Vietnamese SMEs. The purpose of this research was to look into Vietnamese SMEs' access to finance, as well as the financial gaps and causes preventing them from accessing financing, in the Textiles and Garment, Automotive Components Manufacturing, and Electrical and Electronics Industries. Questionnaire surveys were administered among SMEs in different cities and provinces in Vietnam, and among financial institutions. Simple sample method was used to select a list of 200 enterprises, representing three main Vietnam geographical areas (the north, the centre and the south) where there are large enterprises operating in garments and textiles, automotive and motorbike parts, and electronics and electrical. The study found that loans from financial institutions and Government support programs have positively benefited SMEs in their business activities. The study concluded that commercial loans were beneficial to SMEs in Vietnam. The study did not cover Mumias West Sub County in Kenya.

Joseph, Kofin, Fanyel, & Gaeten(2013) studied Determinants and Challenges In to Bank Credit Access for Wa Municipality SMEs in Ghana. Specifically, the study examined the effects of entrepreneurial characteristics, entrepreneur gender, entrepreneur age, firm characteristics and industry sector on access to bank credit by Small and Medium Enterprises in Ghana. The study utilized quantitative methods of research to select 80 business people in Municipality of W a. The study found that the positive relationship between particular characteristics of a business and access to credit is significant. The

research also found that credit access is important role in SME development in Ghana. The study concluded by acknowledging the factors that affect the extent that SMEs can the access financing. It is therefore imperative to carry out a study on how business expansion loans affect the growth of youth enterprises in Mumias West, Kenya.

Egbuna & Agali(2013) studied how Planning affects South-Western Nigeria SMEs Performance. The study's goal was to examine the procedures involved in business planning, as well as the obstacles that Nigerian SMEs confront and how appropriate planning may help them grow their enterprises. The study used primary data obtained by issuing questionnaires to SMEs located in Ile-Ife. The study found that among major challenges that SMEs go through are access to financing and economic instability. The research also found that profitability and productivity of SMEs can be increased by proper planning. The study was limited to Nigeria. It is imperative that we find out how business expansion loans affect the growth of youth enterprises in Mumias West Sub County.

Kinyua (2014) studied factors that have an effect on Performance of Jua Kali SMEs located in Nakuru, Kenya. The study objective was to investigate the factors that have an effect on Jua Kali SME performance in Nakuru town. The study used a stratified random simple sampling method and a survey research methodology. Using standardized questionnaires, primary data was acquired from 262 research participants. The findings show that SMEs' access to funding can improve their performance. Management skills had a significant positive impact on SMEs' performance; macro environmental factors had a major impact on performance; and infrastructure had no significant impact on SMEs' performance. The researcher also revealed that performance increased with the years of experience. The study

was done in Nakuru. It is important that a study is done to evaluate the impact of business expansion loans in Mumias West Sub County, Kenya.

Akinyi (2014) studied how bank financing affects the financial performance of Nairobi SMEs, so as to determine the effect of bank financing, business size and business tangibility on performance of Nairobi County SMEs using descriptive research design and quantitative secondary data. Descriptive analysis was used to study quantitative (numbered) data, whereas content analysis analyzed qualitative data. It was demonstrated that SMEs tangibility negatively affects financial performance, whereas SMEs financial performance had an inverse relationship with their tangibility. The study shows that bank financing has a substantial positive association with the financial performance of Nairobi County SMEs. It is important to identify effect of business expansion loans on the growth of youth enterprises in Mumias West Sub County.

Ochanda (2014) studied how financial deepening affects growth of Nairobi county SMEs. The objective of the study was to examine the effect that financial deepening has on growth of Nairobi County SMEs. The specific independent variables checked were financial innovation, credit access, regulation of the financial sector, interest rates level and inflation. An exploratory approach was employed and stratified sampling used to find the 100 SMEs located in Nairobi County. The impact of financial deepening on SMEs' growth was studied using regression models. Access to financing influenced the growth of 92 percent of SMEs. The majority of SMEs were hampered by high financing costs and a lack of collateral for new businesses. Financial innovation was seen to increase SMEs' growth. High financial sector regulation, interest rates and inflation hindered growth of SMEs. This study was

carried out in Nairobi County. It is important to carry out a study on how business expansion loans affect the growth of youth enterprises in Mumias West Sub County.

Osoro & Muturi(2016) studied The Role of Micro Financial Institutions on the Growth of SMEs in Kenya while narrowing down to small and micro Financial Institutions located in Kisii Town. The main objective of the researcher was to identify how micro financial institutions (MFIs) assist SMEs in Kisii Town. The particular aims were to assess how credit provision, MFI training in assisting SMEs in growing, and the role of MFI savings accounts in assisting SMEs in growing in Kisii Town. A 100 respondents were randomly selected, followed by a survey done utilizing structured interview schedules. Using the SPSS, data was analysed. Conclusions were drawn using frequency distributions. MFIs provided credit to the majority of the enterprises, according to the report. According to the findings, micro financials' savings accounts help entrepreneurs build a culture of saving. In addition, training accessibility is favourably associated to SMEs' growth. The researcher also found that providing finance and training, as well as a low-cost savings account, aids the establishment of SMEs in Kisii town. This study evaluates how of business expansion loans on the youth enterprises growth in Mumias West Sub County. It is crucial that research is carried out to establish how business expansion loan financing affects the growth of youth enterprises in Mumias West Sub County.

2.3.4 Agribusiness loans and growth of youth enterprises

Okoth, et al., (2013)studied howthe YEDF affects Youth Enterprises located in Kenya. The researcher wanted to determine the effect of the YEDF on youth enterprises in Siaya County, Kenya. The 28 YEDF financiers and the 202,897 youths in the County were chosen using stratified random sampling. There were 128responders in all, with first layer

having 28 and the second layer having 100. Data gathering was done through survey questionnaires and evaluated using multiple linear regression to determine that the YEDF had no meaningful impact on youth enterprises. Inadequate repayment provisions on agriculture loans, as well as a lack of repayment options, were serious roadblocks. As a result, only 40,063 young people out of a total population of 202,897 have received support from the fund in the last five years. It is therefore imperative to evaluate how agribusiness loans affect the growth of youth enterprises in Mumias West Sub County

Irungu & Kamau(2015) considered how the YEDF affects Growth in started Kenyan Enterprises by surveying of sampled Youth Enterprises located in Mathioya District, with an aim to find out how the YEDF affects growth of new enterprises in Kenya by narrowing down to Mathioya District. The study's goal was to see how financial support, networking and entrepreneurial training influenced the growth of new businesses. Structured interviews together with questionnaires and were utilized for data collection. The information gathered was examined quantitatively and qualitatively. The researcher conducted deductive analysis on qualitative data. Quantitative data was evaluated and presented using frequency tables, histograms, and pie charts using SPSS. According to the survey, 46% of youth groups were advanced below 50,000 shillings from the YEDF each year. The study determined that the YEDF has had a good impact on the establishment of new businesses in Kenya; nevertheless, the YEDF's goals are limited by the quantity of monies given and youngsters' failure to attend YEDF-sponsored trade shows and exhibitions. To facilitate additional agriculture loans to young companies, the government should increase the budgetary allocation to the YEDF. To facilitate additional agriculture loans to young companies, the government should increase the budgetary allocation to the

YEDF. Furthermore, the YEDF should support individual entrepreneurs based on their business ideas, and the YEDF should offer loans at the district level to reduce the time it takes for agriculture loan money to be disbursed. Therefore, it is important to know how agribusiness loans affect the growth of youth enterprises in Mumias West Sub County.

Ndigah, Thlaine, & Lyria(2015) conducted research In the Maara Constituency of Kenya on the impact of startup loans from the YEDF on the growth of enterprises owned by youthto check if the YEDF's start-up loans affected the growth of youth based businesses in the Constituency. The study focused on youth groups registered in Maara Constituency. To test the hypothesis, the researchers utilized multiple regression analysis. According to the findings, there is a clear link between start-up funding and growth of youth businesses. As a result of the youth entrepreneurship fund, 47% of respondents said their agriculture firms have grown. Furthermore, 45% of adolescents who borrow money from the YEDF can repay their loans with ease using the results of their agribusinesses, demonstrating that a significant proportion of youths can repay their loans with ease using the earnings from their enterprises. The study was limited to Maara Constituency. Therefore, it is important to check whether agribusiness loans improve the growth of youth owned enterprises in Mumias West Sub County.

Ngugi & Bwisa (2013)studied One Village One Product Enterprises case to determine factors that influence growth of Group Owned SMEs, with a goal to look into the impact of technology, access to finance, product quality, and market linkages on the success of group-owned OVOP businesses. The study focused on businesses that used the OVOP program to add value to their products. The study used an exploratory qualitative and quantitative research design. Within the Yatta district, the study sample consisted of 10%

of 256 OVOP groups. Data was gathered through a combination of desk research, interviews, and observation. The findings show that various elements related to OVOP SMEs were linked to their impact on growth, and that businesses looking to expand required to embrace technology advancements, be assisted in upgrading their product standards, and use current marketing strategies. According to the findings, these organizations require funding in order to meet these technological and marketing demands. Moku (2019) studied how informal based financial Services affect Financial Performance of Nairobi County SMEs. Individually, the study goals were to confirm how access to table banking, table banking financial literacy, and savings mobilization level on MSEs' financial performance in Nairobi County. In Nairobi County, the target population was 177 MSEs, The researcher used structured questionnaires to obtain primary data. SPSS was used to examine the data. The study discovered that the cost of a loan via table banking was less than the cost of a loan from a formal financial institution. Respondents agreed that table banking had enabled them to aggregate funds and reinvest them in their agriculture-based companies when it came to saving mobilization. Furthermore, many respondents agreed that the annual revenues of agriculture-based enterprises had increased. The study concluded that there were more favourable terms in table banking which attracted many SMEs.

Asetto(2014)studiedhow Table Banking affects Investment Decisions of Nairobi county SMEs so as to determine how table banking affects SMEs investment decisions in Nairobi County. The initial objective was to examine small and medium-sized businesses' usage of table banking. The second goal was check how table banking affects investment decisions made by SMEs. The influence of table banking on business investment decisions was

investigated using a survey design. Table banking enhances SMEs investment decisions by lowering expenses, according to the conclusions of the study. Table banking is used by most of Nairobi County's small and medium companies, including agribusinesses. Research should be done so that youth may realize the effect of agribusiness loans on youth enterprises growth in Mumias West Sub County.

2.4 Summary of Literature and Research Gaps

The table below indicates the summary of literature review and research gaps

Table 2.2: Summary of literature and Research gaps

Author/year	Title of study	Study Focus	Study Findings	Research gaps	The focus of the current study
Akinyi (2014)	The Effect of Bank Financing On The Financial Performance Of Small And Medium-Sized Enterprises In Nairobi County	The purpose of this study was to see how bank funding, firm size, and tangibility affected Nairobi County SMEs performance	The study discovered that financing benefited SME financial performance.	The study was conducted in Nairobi	The current study will focus on youth enterprises in Mumias west sub county.
Asetto (2014)	Effect of table banking on investment decisions of small and medium enterprises	To study the how table banking affects SMEs investment	The study revealed that table banking reduces huge savings on cost such as human resource expenses. It also helps to increase SMEs revenue	The study was conducted in Nairobi	The current study will focus on youth enterprises in Mumias west sub county.
Egbuna & Agali (2013)	Effect of planning on the performance of small and medium enterprises in South- Western Nigeria	To study how planning affects South- Western Nigerian SME performance	According to the findings, most entrepreneurs are more concerned with determining market demand than with creating goals and	Study was limited to South- Western Nigeria	The current study will focus on youth enterprises in Mumias west sub county.

			objectives. Economic insecurity and a lack of access to capital are other important difficulties for SMEs, according to the findings.		
Irungu & Kamau (2015)	Effect of Youth Enterprise Development Fund on Growth of New Enterprises in Kenya: A Survey of Selected Youth Enterprises in Mathioya District.	To find out how YEDF affects growth of Mathioya District new businesses	According to the survey, financial support and training were shown to be statistically significant at a 95% confidence level, however entrepreneurial training was shown to be not significant.	Study was limited to Mathioya District, Kenya	The current study will focus on youth enterprises in Mumias west sub county.
Joseph, Kofin, Fanyel, & Gaeten(2013)	Financing small and micro enterprises in Ghana. Challenges and determinant in accessing bank credit	The study looked at the difficulties and determinants of bank credit access to Wa Municipality SMEs	There are strong, positive relationships between key firm characteristics and loan access.	Study was limited to Wa Municipality in Ghana	The current study will focus on youth enterprises in Mumias west sub county.
Kimathi(2017)	Asset-based financing solutions	To investigate the existing financing	The findings showed that the	Study was limited to	The current study will focus on youth

	and the growth of manufacturing (sme) in nairobi county, kenya	solutions that are based on assets and how they impact SME progression in manufacturing sector located in Nairobi County	growth of SMEs had different effects on the economy. The least preferred source of SME financing was commercial banks. Also, On the specific asset-based financing solutions, the survey found that LPO financing had significant influence on SME growth	Nairobi County, Kenya	enterprises in Mumias west sub county.
Kinyua (2014)	Factors Affecting the Performance of Small and Medium Enterprises in the Jua Kali Sector In Nakuru Town, Kenya	To evaluate the factors that have an effect on the performance of Nakuru Jua Kali SMEs	Financial access has a potentially positively impacts on SMEs performance	Study was limited to NakuruTown, Kenya	The current study will focus on youth enterprises in Mumias west sub county.
Mokua (2019)	Effect of informal financial services on financial performance of micro and small enterprises in	To investigate how financial services of informal nature affect the financial	On savings mobilization, respondents consented that table banking had led to pooling of funds and	Study was limited to Nairobi County	The current study will focus on youth enterprises in Mumias west sub county.

	Nairobi County, Kenya	performance SMEs in Nairobi	reinvestment in businesses.		
Ndigah, Thlaine, & Lyria, (2015)	Influence of startup loans from youth enterprise development fund on growth of youth enterprises in Maara constituency, Kenya	To determine how YEDF affects growth of Maara constituency youth enterprises	Increase in loans given to the youths and regular training programmes would positively affect growth of the enterprises	Study was limited to Maara Constituency, Kenya	The current study will focus on youth enterprises in Mumias west sub county.
Ngugi & Bwisa, (2013)	Factors influencing growth of group owned small and medium enterprises: a case of one village one product enterprises	To explore the influencers of growth in SMEs owned by groups while focusing on One Village One Product (OVOP) enterprises	The findings show that companies looking to expand required to adapt to technological advances.	Study was limited to group owned enterprises	The current study will focus on youth enterprises in Mumias west sub county.
Ochanda, (2014)	Effect of financial deepening on growth of small and medium-sized enterprises in Kenya: A case of Nairobi County	To check if financial deepening leads growth of Nairobi County SMEs	Access to financing influenced the growth in majority of SMEs, according to the report. In addition, many SMEs were hampered by lack of collateral and	The study was limited to Nairobi	The current study will focus on youth enterprises in Mumias west sub county.

			high financing costs		
Oke, Ogunsemi, Aje, & Ogundimu(2013)	The effect of bid bond on construction project performance in Nigeria.	The research aimed to assess bid bond performance of in the Nigerian construction industry and how it affects project cost and time.	The study demonstrated the benefits and goals of bid bonds, as well as the risks in building projects with vs without bid bonds. The cost of a bond was found to have a substantial association with the original cost, cost overrun, final cost, number of days to obtain the bond, initial time, time overrun and final time.	The study was conducted in Nigeria	The current study will focus on youth enterprises in Mumias west sub county.
Oke, Adeyemo, & Toriola(2016)	Effect Of Risks Associated With Bonds And Guarantees On Construction Projects	To study how guarantees and bonds risks affect construction projects located in Nigeria	Financial stability of the issuer has a significant impact on investments with bonds, but liquidity risk needed the most concern for	The study was done in Nigeria	The current study will focus on youth enterprises in Mumias west sub county.

			projects without bonds.		
Okoth, et al. (2013)	Effect of the Youth Enterprise Development Fund on Youth Enterprises in Kenya	To determine how the YEDF affects youth owned enterprises	Youth Enterprise Development Fund does not significantly impact youth owned enterprises.	Study was limited to Siaya county	The current study will focus on youth enterprises in Mumias west sub county.
Osoro & Muturi (2016)	The role of micro financial institutions on the growth of SMEs in Kenya: A case study of micro financial institutions in Kisi Town	To assess how sharing of credit information affects commercial banks performance	The overall volume of lending in the banks has increased due to information sharing.	Study was limited to Kisii town, Kenya	The current study will focus on youth enterprises in Mumias west sub county.
Quianoo (2011)	Examining the impact of loans on SMEs in Ghana	To determine the effect that loans have on SMEs in Ghana	A considerable proportion of SMEs were able to gain from the loans despite the fact that very few of them were able to get the whole amount that they needed.	Study was limited to Ghana	The current study will focus on youth enterprises in Mumias west sub county.
Vo, Tran, & Trinh(2011)	Small and medium enterprises access to finance in	This research explores Vietnamese	In Vietnam, a severe lack of capital is a major	Study was limited to Vietnam	The current study will focus on youth enterprises in

	<p>Vietnam. small and medium enterprises (SMEs) access to finance in selected East Asian Economies</p>	<p>SMEs' access to finance, as well as the financial gaps and causes preventing them from doing so, in the Garment and Textiles, Electrical and Electronics, and Automotive Component Manufacturing Industries.</p>	<p>impediment to the development of small and medium-sized businesses. Not all of the businesses in the sample have access to capital. Lack of collateral, micro size, being a younger firm, lack of engagement in production networks, and significant proprietors having insufficient expertise running or managing enterprises, are all barriers to SMEs obtaining financing.</p>		<p>Mumias west sub county.</p>
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Source: Researcher (2022)

2.5 Conceptual Framework

The following illustration explains the conceptual framework for the study. The dependent variable is growth of youth enterprises. The independent variables are the YEDF loans: Bid bond financing, Business expansion loans, LOS/LPO financing and agribusiness loans.

Independent Variables

Bid bond financing:
% change in bid bond loans accessed

LSO/LPO financing
% change in LPO/LSO Financing accessed

Business expansion loans
% change in Business expansion loans accessed

Agribusiness loans:
% change in Agribusiness loans accessed

Dependent Variable

Growth of youth owned enterprises:
% Change in Revenue

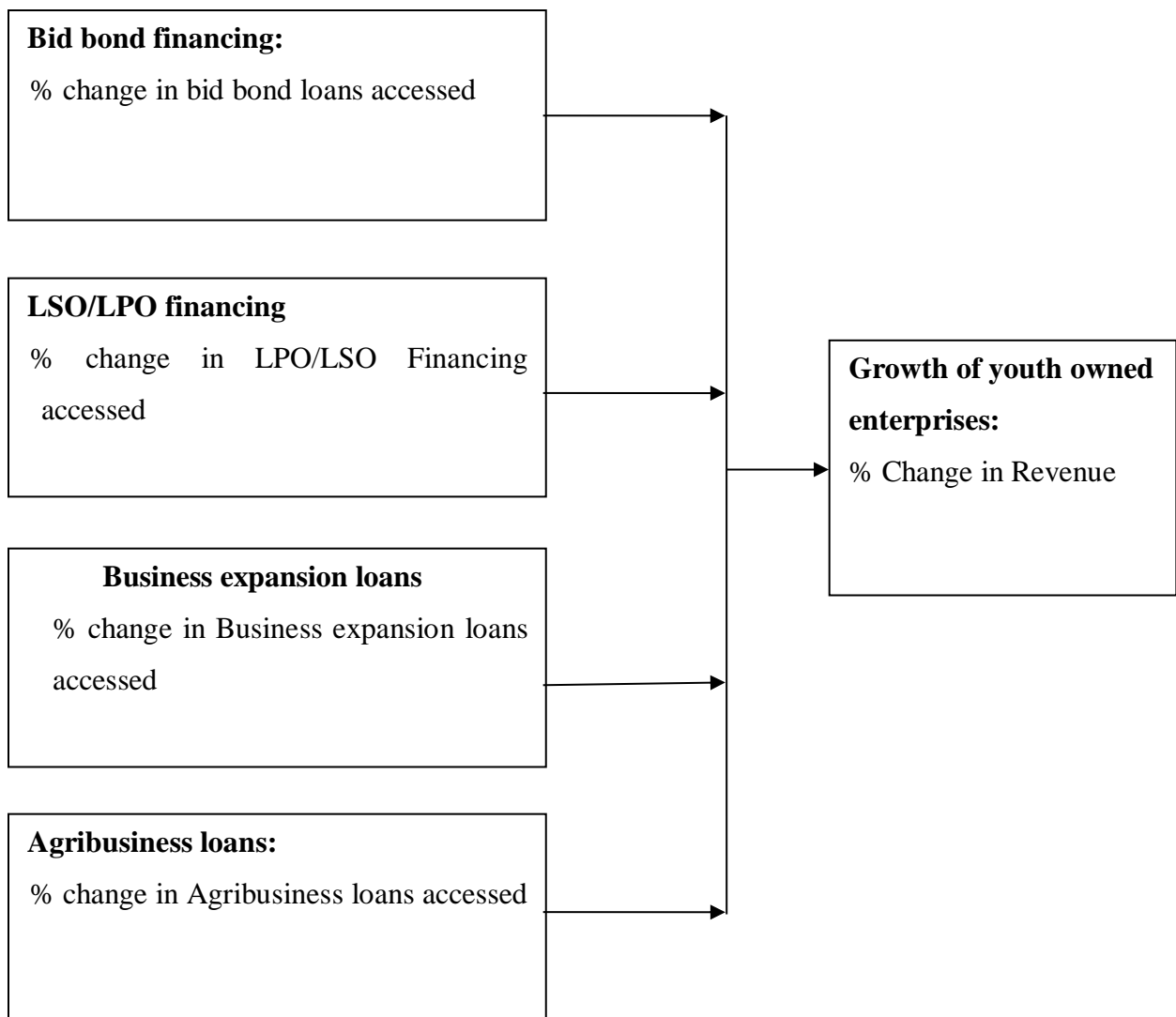


Figure 1.1: Conceptual Framework

Source: Researcher (2023)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlined the methodology of the research using the following sub sections; introduction, research design intended for use, empirical model to be utilized, section on variable operationalization and measurement, information on target population, methods of sampling, research instruments, procedures for collecting data, analysis and presentation of data, research ethical consideration.

3.2 Research design

This is a method of doing research that takes into account aspects that may affect the findings' validity (Kimathi, 2017). This study used a causal research design. The causal-survey design facilitates data collection from the sample population and allows for a better knowledge of the population from the sample population (Saunders, Lewis, & Thornhill, 2012). Causal survey design establishes causal explanation between independent and dependent variables hence enabling to predict the occurrences (Kombo & Tromp, 2011; Mugenda & Mugenda, 2003). This design was best suited for analyzing whether YEDF loans improve the growth of youth enterprises.

3.3 Target population

This is the totality of all units of analysis that a researcher might want to think about for the research (Babbie, 2015). Before beginning a research project, it is necessary to determine the study's target demographic. The 612 youth businesses in Mumias West Sub County were the primary audience.(Kakamega County, 2020).

3.4 Sampling design

The study objectives and state of the population being studied and the anticipated response rate, determines the sample size (Cohen & Morrison, 2007). A percentage of at least 10% of population is acceptable to be used as a sample (Cooper & Schindler, 2011; Mugenda & Mugenda, 2003). The unit of analysis will be the youth enterprises. The unit of observation were the owners of the youth enterprises who were going to answer the questionnaires. Questionnaire was issued to one respondent for every enterprise sampled. The study adopted simple random sampling to sample the respondents in line with the study objectives and according to Yamane formulae (Yamane, 1967; Adam, 2020). Applying Yamane Formula to get the sample size for this study, $n = N / (1 + N(e)^2)$ where n = sample size, N = population size and e = margin error or desired level of precision at 95% confidence level. Since it is difficult to determine variability proportions, the study assumed maximum variability and adopted an allowable margin error of 0.05 at 95% confidence level. With $N=612$ and with $e = 0.05$, $n = 612 / (1 + 612(0.05)^2) = 242$. From the above calculated sample size, and the unit of observations were the 242 owners of the sampled youth enterprises who were administered with the questionnaires and the unit of analysis were the 242 sampled enterprises. A pilot study was done with 24 different youth enterprises not in the main study.

3.5 Data collection

Data collection involved gathering of specified information to test various claims in the study (Kombo & Tromp, 2011). This research utilized primary and secondary data. Primary data was obtained from responses filled on the questionnaires. Secondary data was collected from relevant published materials both in print and online by these enterprises.

The researcher was administer the questionnaire using a drop-and -pick strategy. The participants consent was sought first prior to conducting both the face-to-face interview and the needed secondary data. In addition to the researcher cover letter, an introductory letter from Kenyatta University and a research permit from NACOSTI to facilitate the process of data collection.

3.6 Data collection instruments

This study intended to use questionnaires in collection of primary data. A questionnaire for youth enterprises was structured with closed-ended and open-ended questions. The questionnaires had six sections. Section A collected respondents' descriptive data such as owner's gender and education level, age of the business enterprise and total sum count of people employed in the enterprise and Section B to F of the questionnaire had questions in groups of the various independent variables of the study. This instrument was selected because of its ability to ask penetrating questions within the focus of the study (Kimathi, 2017). Secondary data was also be used in the study e.g. revenue statistics collected by national and local county government. Secondary data was downloaded using computers, disk drives and other computer storage media.

3.7 Validity and Reliability of the Research instrument

3.7.1 Validity of the research instrument

Validity refers to the level upon which instruments actually measure variables intended to be measured. Validity measures how close results obtained from data analysis are to the phenomenon being studied (Saunders, Lewis, & Thornhill, 2012; Sekaran & Bougie, 2016). The questionnaire was subjected to the expert rating by the university supervisors

and colleagues to ascertain its validity. Any corrections identified was incorporated in the questionnaire so as to increase its validity.

3.7.2 Reliability of the research instrument

Reliability measures how consistent the results of an instrument are after several trials (Mugenda & Mugenda, 2003). A reliable instrument is one gives same results under similar conditions in time. This study used split method to check for instruments reliability in a pilot study, which should be at least 1% of the size of the sample (Cooper & Schindler, 2011). During the pre-test, the questionnaire was administered on a random sample of 6 (10% of the sample for the study) youth enterprises from Mumias West Sub County to ensure credibility of the questionnaire. The pilot study participants was not included in the actual sampling for the study. Use of Cronbach's alpha was used to measure reliability coefficient (Bryman & Bell, 2015).

3.8 Diagnostic tests

The data was tested for autocorrelation, normality, multicollinearity and heteroscedasticity.

3.8.2 Autocorrelation

According to (Kimiru, 2018), the Durbin Watson test for autocorrelation is a measure that shows how likely it is that the regression error values include a first-order auto regression component. The error deviations are assumed to be uncorrelated in the regression model. The Durbin Watson statistic has a range of zero to four. Positive autocorrelation is most likely to be present if the value is near to 0; if the result is near number 2, autocorrelation is likely missing and if the statistic is near to number 4, negative autocorrelation is most likely present.

3.8.3 Test for Normality

(Kung'u, 2018) used skewness and kurtosis statistics to check for normality. Skewness compares the size of the two tails. A skewness of 0 is expected for a normally distributed data. Kurtosis measures the cumulative sizes of the two tails in a data set. If the kurtosis is higher than 3, the data is not normally distributed. This study utilized skewness and kurtosis statistics to test the normality.

3.8.4 Multicollinearity

In a multivariate regression model, multicollinearity occurs when there are high inter correlations between two or more independent variables. The standard errors and consequently the variances of the computed coefficients are exaggerated by multicollinearity. Tolerance and Variance Inflation Factor (VIF) can test multicollinearity among study variables. The Variance Inflation Factor should be less than 10.(Kimiru, 2018). This study tested for multicollinearity using the Variance Inflation Factor

3.8.5 Heteroscedasticity

In a study, heteroscedasticity occurs when the variance of the residuals vary from observation to observation. The presence of heteroscedasticity is indicated by a significant chi-square rating higher than 9.22.(Kimiru, 2018). This study used the chi-square method to test for heteroscedasticity.

3.9 Data analysis and presentation

The process of examining, organizing, manipulating, and finding patterns in order to obtain usable information, draw conclusions, and make decisions is known as data analysis. (Mugenda & Mugenda, 2003). Data from questionnaires was checked for completeness

and consistency. Qualitative and quantitative data analysis was accomplished by inferential and descriptive statistics. SPSS was used to analyze the data. The researcher conducted an Analysis of Variance (ANOVA) at 95% confidence level and 5% significant levels. Data analyzed was presented using tables and figures.

3.10 Empirical Model

The researcher conducted a regression analysis. The model below was applied by (Galton, 1911) who studied asset-based financing solutions and whether they improve the growth of youth owned enterprises in Mumias West Sub County. The practical analysis was data collected on bid bond financing, LPO/LSO financing, business expansion loans, agribusiness loans and growth of youth enterprises in Mumias West Sub County.

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \epsilon$$

Where Y = Growth of youth enterprises (% change in revenue)

X₁ = Bid bond financing accessed by the youth enterprises (% change in bid bond loans accessed by youth enterprises)

X₂ = LPO/ LSO financing accessed by the youth enterprises (% change in LSO/ LPO financing accessed by youth enterprises)

X₃ = Business expansion loans accessed by the youth enterprises (% change in business expansion loans accessed by youth enterprises)

X₄ = Agribusiness loans accessed by the youth enterprises (% change in agribusiness loans accessed by youth enterprises)

ϵ = Error term

3.11 Operationalization and measurement of Variables

The dependent variable is growth of youth enterprises, measured using percentage change in revenue. Access to credit is the independent variable made up of bid bond financing, LPO/ LSO financing, business expansion loans and agribusiness loans. Access to bid bond financing is measured by percentage change in bid bond financing accessed by youth enterprises. Access to LPO/ LSO financing is measured by percentage change in LPO/ LSO financing accessed by youth enterprises. Access to business expansion loans is measured by percentage change in business expansion loans accessed by youth enterprises. Access to agribusiness loans is measured by percentage change in agribusiness loans accessed by youth enterprises.

Table 3.1: Operationalization and measurement of variables

Variable	Type of variable	Operationalization	Measurement	Measurement scale	Hypothesized direction
Growth of youth enterprises	Dependent	Percentage change in revenue	Percentage values between 0 to 100%	Ratio	N/A
Bid bond financing	Independent	Percentage change in bid bond financing accessed by youth enterprises	Percentage values between 0 to 100%	Ratio	No effect
LPO/ LSO financing	Independent	Percentage change in LPO/ LSO financing accessed by youth enterprises	Percentage values between 0 to 100%	Ratio	No effect
Business expansion loans	Independent	Percentage change in business expansion loans accessed by youth enterprises	Percentage values between 0 to 100%	Ratio	No effect
Agribusiness loans	Independent	Percentage change in agribusiness loans accessed by youth enterprises	Percentage values between 0 to 100%	Ratio	No effect

Source: Researcher (2023)

3.12 Ethical Considerations

In addition to obtaining a research permit from the NACOSTI, the researcher or research assistant introduced themselves to the respondents and brief them about the intended study and confidentiality of gathered information. To further ensure confidentiality, the personal details of respondents such as names were not used in the study and the respondents were not coerced to fill the questionnaire. The enterprises was serialized for easy of identification. All the sources used to obtain secondary information was acknowledged.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter explores a detailed analysis on research results on the relationship between the YEDF loans and the growth of youth owned enterprises in Kakamega County, Kenya. Demographic, descriptive statistics and inferential statistics have been used to discuss the findings of the study.

4.2 Response Rate

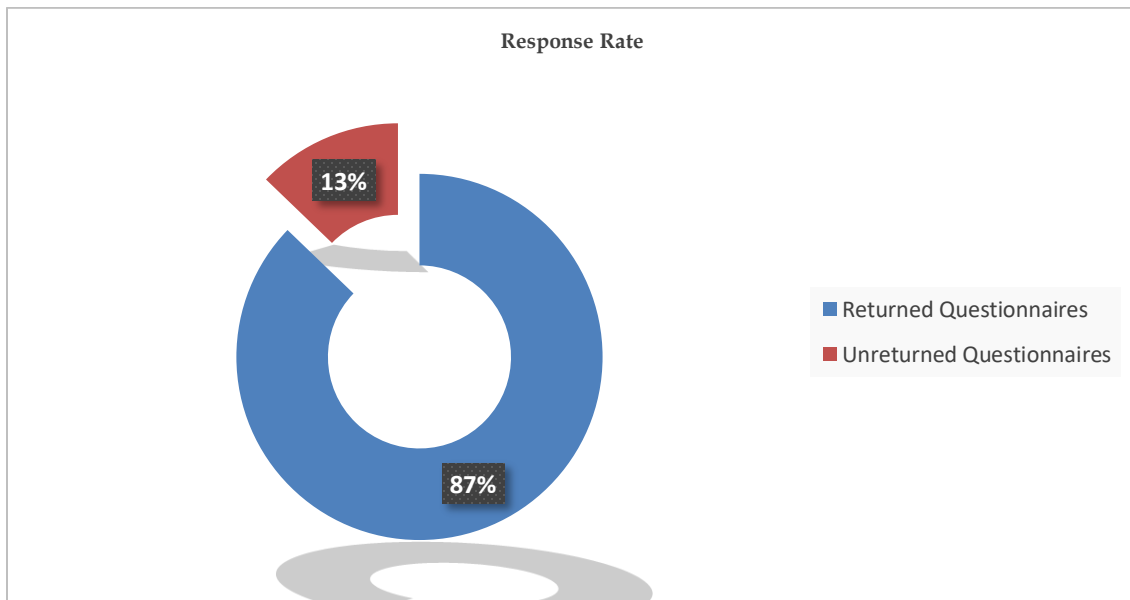


Figure 4.2: Response Rate

Source: Author (2023)

The study targeted a sample size of 242 owners of the youth enterprises that are located in different sectors, including food supplies, hospitality, catering, professional and technical, and entertainment in Kakamega County. Among the questionnaires that were issued, 211 respondents managed to fill in and return the filled questionnaires and therefore the response rate was 87%. Weisberg & Bowen (2006) recommends a response rate of 70%.

The researcher used the responses received to come up with study conclusions. Mugenda and Mugenda (2008) provided that a response rate of 50% is rated as enough for analyzing responses and reporting of results; a response rate of 60% is rated as good and a response rate of 70% percent and over is rated as excellent. Considering this, the response rate of 87% was regarded as excellent.

4.3 Validity and Reliability Tests

Reliability of the study questionnaire was measured using Cronbach’s Alpha. This is a test which measures and guides the researcher on the internal consistency of the questionnaire. SPSS version 26 was used to calculate Cronbach's alpha. The alpha coefficient values range from 0-1. The higher the coefficient, the higher the reliability. As Cooper & Schindler (2008) indicated, 0.7 is an acceptable coefficient. Table 4.2 shows that the variable with the highest reliability was LSO/LPO financing ($\alpha=.852$), followed by agribusiness loans ($\alpha=.802$), business expansion ($\alpha=.791$) and lastly bid bond financing ($\alpha=.852$). The scales were found to be reliable because their values of the coefficient exceeded the prescribed measure of 0.7 (Mugenda & Mugenda, 2008).

Table 4.3: Reliability Coefficients

Scale	Cronbach's Alpha	Number of items
Bid bond Financing	0.702	13
LSO/LPO Financing	0.852	16
Business Expansion	0.791	14
Agribusiness Loans	0.802	17

Source: Author (2023)

4.4 Demographic Information

The demographic information of the respondents was established in to guide the researcher when investigating the relationship between the youth enterprise development fund loans and the growth of youth owned enterprises in Kakamega County, Kenya. The demographic information included age of the respondents, years of operation and highest level of education.

4.4.1 Age of the Respondent

The questionnaire had a section for the respondent to indicate their age. Figure 4.3 below shows the distribution of ages.

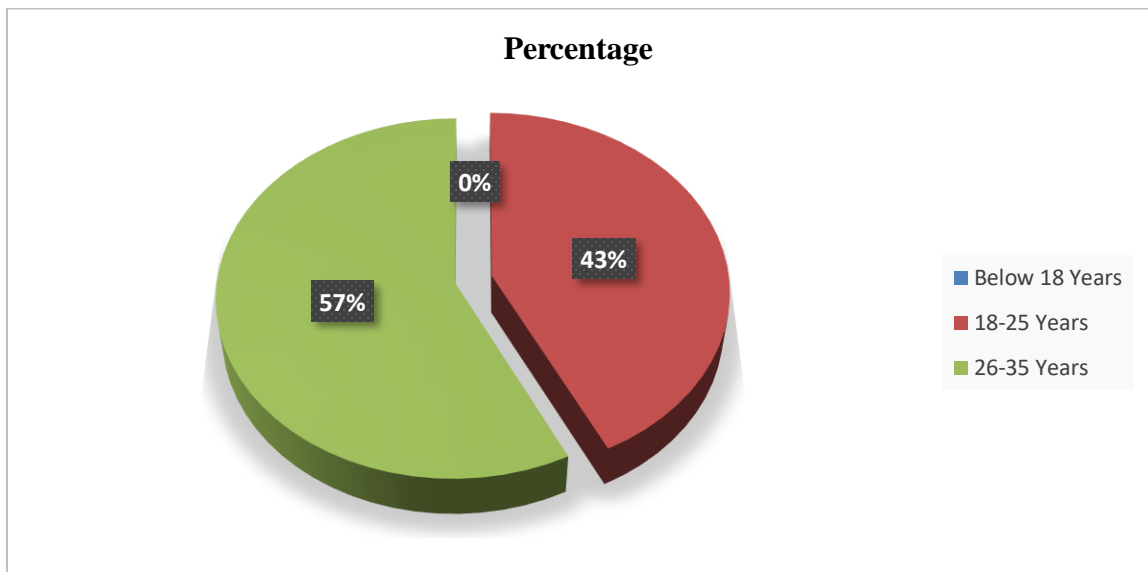


Figure 4.3: Age of the Respondent

Source: Author (2023)

Majority of the respondents (121, 57%) were between 26 and 35 years of age. 90, 43% of the respondents were aged between 18 and 25 years old. None of the respondents indicated that they were aged below 18 years of age. Therefore, majority respondents were mature

enough to have the necessary knowledge in assessing the effect of YEDF loans on the growth of youth owned enterprises in Mumias West Sub County, Kenya.

4.4.2 Highest Level of Education

The questionnaire had a section for the respondent to indicate their education highest level. Figure 4.4 below shows the frequency and percentage of highest level of education. The results from the analysis of findings are illustrated in the figure 4.4 below as shown

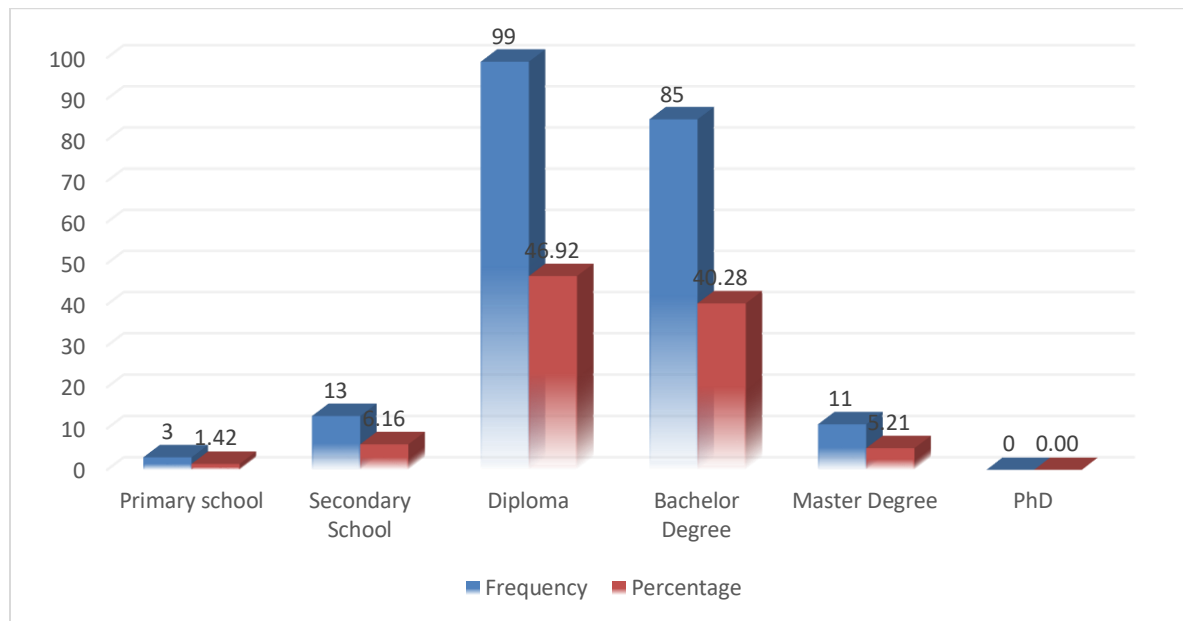


Figure 4.4: Highest Level of Education

Source: Author (2023)

Most of the respondents (99, 46.92%) had a Diploma level of Education as the highest level of education. Those who indicated that that they had a bachelor’s degree level of education were 85 (40.28%). The study also established that the highest level of education was secondary education for 13 respondents (6.16%). Moreover, 11 respondents (5.21%) of the total respondents conceded to having a master’s degree as their highest level of education. These results assured the researcher that the respondents were adequately educated, and

count provide relevant information on establishing the effect of YEDF loans on growth of youth owned enterprises in Mumias West Sub County, Kenya.

4.4.3 Years the Business has been in Operation

The questionnaire had a section for the respondent to indicate the number of years that they have been in operation. Figure 4.6 below shows the frequency and percentage of the numbers of years in operation.

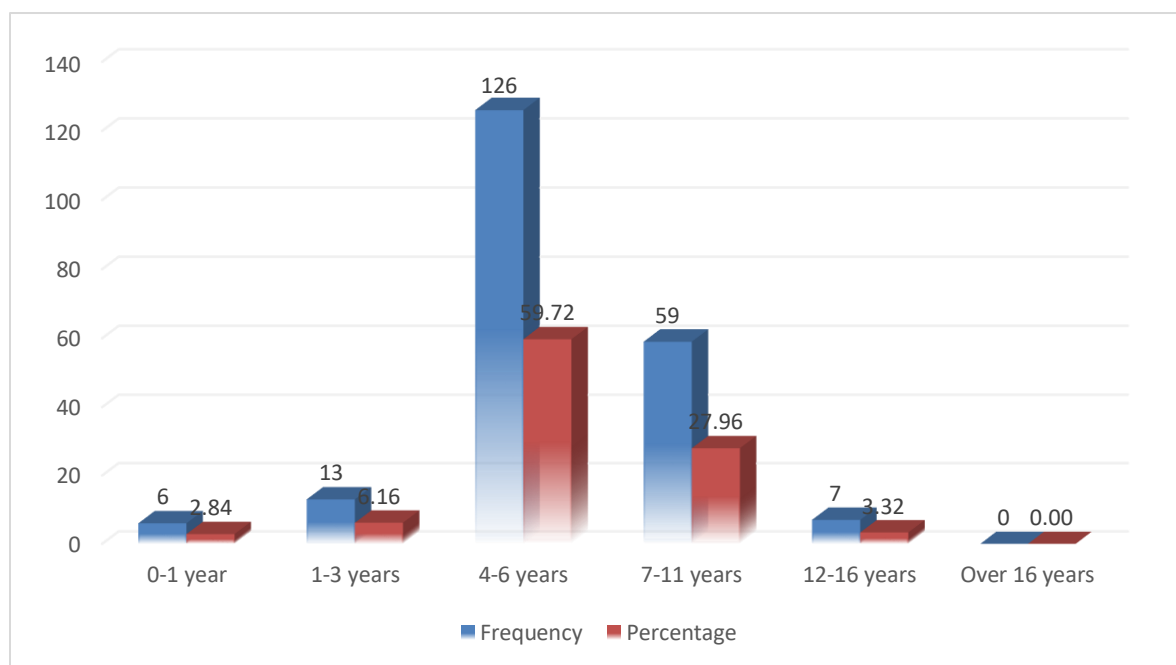


Figure 4.5: Duration the Business has been in Operation

Source: Author (2023)

From the study findings, 126 respondents (59.72%) had been in operation for a 4-6 years. 59 respondents (27.96%) indicated that their business had been in operation for a period of 7-11 years. 6.16% of the total respondents indicated that they had worked for a period of 1-3 years. Respondents who indicated to having worked for a period of 12 to 16 years were 7 (3.32%) while those who had operated for a period of 0 to 1 year were 6 (2.84%). None

of the respondents had operated over 16 years. Hence majority of the respondents had worked enough to answer the questionnaire. The researcher was confident that most respondents had been operating Small and Medium Enterprises long enough to be able to assess the effect of YEDF loans on growth of youth owned enterprises in Mumias West Sub County, Kenya.

4.5 Barriers to Accessing Financing

The questionnaire had a section for the respondent to indicate the barriers to accessing financing. Table 4.4 below shows the result from the analysis of findings.

Table 4.4: Barriers to Accessing Finance

	Mean	Standard Deviation
High cost of financing due to high interest rates	2.578	0.423
Requirements for collateral before financing	2.512	0.561
Poor record-keeping	2.138	0.663
Low awareness on the available financing options for youth enterprises	2.133	0.389
Inadequate financing solutions designed for youth enterprises	2.147	0.412
Lack of a good business plan and business projections	2.799	0.665
Belief that they would be denied by lenders	2.862	0.511
Dislike for debt	2.212	0.112
Lack of trademarks, patents and copyright	2.667	0.668

As the responses indicated, it was clear that the identified factors held quite a hindrance to accessing finance. Most respondents noted (M=2.578, S. D= 0.423) that high cost of financing due to high interest rates had significantly affected loan access. It was also established that most respondents noted (M=2.512, S. D= 0.561). Requirements for

collateral before financing was an extreme barrier in accessing loans. that Poor record-keeping was found by most respondents (M=2.138, S. D= 0.663) as a moderate barrier in accessing loans. Also noted was that most respondents noted (M=2.512, S. D= 0.561) that low awareness on the available financing options for youth enterprises was a moderate barrier in accessing loans. Inadequate financing solutions designed for youth enterprises was also seen to be a moderate barrier (M=2.147, S. D= 0.412) in accessing finance.

The analysis of findings also showed that most respondents noted (M=2.799, S. D= 0.665) that lack of a good business plan and business projections was an extreme barrier in accessing loans. Respondents also indicated that belief that the youth would be denied by lenders was a moderate barrier in accessing loans (M=2.862, S. D= 0.511). Also noted was that most respondents noted (M=2.212, S. D= 0.112) that dislike for debt was a moderate barrier in accessing loans. Lack of trademarks, patents and copyright was also seen to be an extreme barrier (M=2.667, S. D= 0.668) in accessing finance.

The study findings were consistent with Kimathi (2017) who discovered that LPO funding has a substantial impact on SME growth by assisting them in improving their technology, meeting short-term responsibilities, obtaining labour, and ensuring better product and service delivery. Similarly, check discounting has a number of advantages for SMEs, including ensuring that they have enough liquidity to negotiate for cheaper pricing and discounts during purchase of supplies. Quinoo (2011) in support found out that most SMEs recognize that loans have helped them increase their returns and sales, putting them in a competitive position.

4.5.1 Need for Bid Bond Financing

Respondents also indicated the reason for needing bid bond financing. The results were analyzed on a five-point likert scale as shown.

Table 4.5 Need for Bid Bond Financing

Financing Needs	Mean	Standard deviation
Inadequate working capital	4.498	0.762
Need to purchase fixed assets	4.335	0.672
Need to increase inventory	4.289	0.962
Finances for ensure timely delivery of products/services to clients	4.279	0.801
Finances for marketing activities	4.264	0.567
Non- Business Purpose	4.199	0.497
To start another business	4.156	0.454

Majority of the respondents conceded that they needed bid bond financing as they had inadequate working capital as a high priority (M=4.498, SD=0.792). In addition, the need to purchase fixed asset was indicate as a priority reason for bid bond financing by respondents (M=4.335, SD=0.672). Another important priority of bid bond financing was the need to increase inventory (M=4.289, SD=0.962). The findings also showed that majority of the respondents indicated finances to ensure timely delivery of products/services to clients was a high priority for bid bond financing (M=4.279, SD=0.801) of bid bond financing. Financing for marketing activities was also seen to have a significant impact on the need for bid bond financing (M=4.264, SD=0.567).

Respondents who indicated non- business purpose as a high priority of bid bond financing (M=4.199, SD=0.497). The findings also showed that several the respondents indicated

that starting another business was a high priority for bid bond financing (M=4.156, SD=0.454) of bid bond financing.

The study findings were in line with Oke, Adeyemo, & Toriola(2016) who studied the **effect of risks related to guarantees and bonds on construction based projects in Nigeria**. To rank the identified factors, mean item score was used. Mann-Whitney and Kruskal-Wallis tests were used to investigate the differences and relationship in averages of samples of various target groups. The study found that the credit risk of the entity issuing the bond mainly affects bonded projects. Liquidity risk was found to have a major effect on projects without bond. However, no significance effect of bond risks on project with and without bond. The study concluded that because the risks identified mainly apply to bonded projects, it is important to use bonds for all forms of public and private projects to minimize risks. Also in collaboration was Vo, Tran and Trinh (2011) who found out that the cost of bond had a significant relationship with the final cost and initial cost of the projects.

4.6 LPO/LSO Financing

The questionnaire gave respondents the opportunity to indicate whether LPO/LSO financing was easily accessible. The figure below shows the outcome of the analysis.

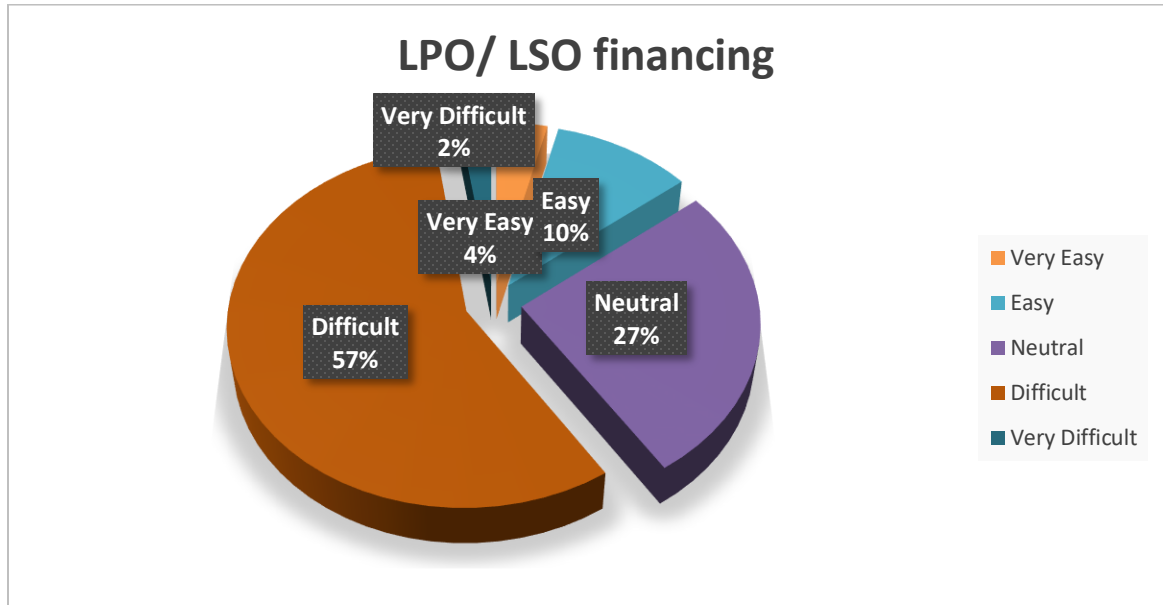


Figure 4.6: LPO/LSO Financing

57% of the respondents indicated that access to LPO/LSO financing was quite difficult. 27% of the respondents were neutral on the accessibility of LPO/LSO financing while 10% of the total respondents indicated that access to LPO/LSO financing was easy. 4% of the respondents indicated access to LPO/LSO financing was very easy while 2% of the total respondents indicated LPO/LSO financing to be very difficult. It was thus clear from the findings that majority saw access to LPO/LSO financing to be difficult.

4.6.1 Barriers to Accessing LPO/LSO financing by Youth Enterprises

The questionnaire had a section for respondents to indicate the barriers to accessing LPO/LSO financing by youth enterprises. The table below indicates the outcome of the analysis.

Table 4.6: Accessing LPO/LSO financing by Youth Enterprises

	Mean	Standard Deviation
High cost of financing due to high interest rates	2.126	0.412
Requirements for collateral before financing	2.451	0.512
Poor record-keeping	1.938	0.754
Low awareness on the available financing options for youth enterprises	2.438	0.221
Inadequate financing solutions designed for youth enterprises	2.556	0.994
Lack of a good business plan and business projections	2.799	0.663
Belief that they would be denied by lenders	2.862	0.911
Dislike for debt	2.212	0.112
Lack of trademarks, patents and copyright	2.881	0.968

It was seen that the identified factors held quite a hindrance to accessing LPO/LSO financing by youth enterprises. Most respondents noted that high cost of financing due to high interest rates had a significant effect in accessing LPO/LSO financing (M=2.126, S. D= 0.412). It was also established that most respondents noted (M=2.451, S. D= 0.512) that Requirements for collateral before financing was a moderate barrier in accessing LPO/LSO financing by youth enterprises. Also noted from the descriptive statistics was that most respondents noted (M=1.938, S. D= 0.754) that poor record-keeping was a moderate barrier in accessing LPO/LSO financing by youth enterprises. Also noted was that most respondents noted (M=2.438, S. D= 0.221) that low awareness on the available financing options for youth enterprises was a moderate barrier in accessing LPO/LSO financing for youth enterprises. Inadequate financing solutions designed for youth enterprises was also seen to be an extreme barrier (M=2.556, S. D= 0.994) in accessing LPO/LSO financing by youth enterprises.

The analysis of findings also showed that most respondents noted (M=2.799, S. D= 0.663) that lack of a good business plan and business projections was an extreme barrier in accessing LPO/LSO financing. Also noted from the findings was that most respondents noted (M=2.862, S. D= 0.911) that belief that the youth would be denied by lenders was a moderate barrier in the access of LPO/LSO financing by youth enterprises. Also noted was that most respondents noted (M=2.212, S. D= 0.112) that dislike for debt was a moderate barrier in accessing LPO/LSO financing. Lack of trademarks, patents and copyright was also seen to be an extreme barrier (M=2.881, S. D= 0.968) in accessing LPO/LSO financing by youth enterprises.

4.6.2 Need for LPO/LSO Financing by Youth Enterprises

The study also established from the respondents their need for LPO/LSO financing by youth enterprises. The results were analyzed on a five point likert scale as shown.

Table 4.7 Need for LPO/LSO Financing by Youth Enterprises

	Mean	Standard deviation
Inadequate working capital	4.321	0.266
Need to purchase fixed assets	4.159	0.185
Need to increase inventory	3.944	0.885
Finances for ensure timely delivery of products/services to clients	4.349	0.822
Finances for marketing activities	4.537	0.361
Non- Business Purpose	4.282	0.432
To start another business	4.221	0.588

Most respondents conceded that they needed LPO/LSO financing due to inadequate working capital as a high priority (M=4.321, SD=0.266). Other respondents indicated the need to purchase fixed asset as a high priority reason for LSO/LPO financing (M=4.159, SD=0.185). Also noted from the findings was that majority of the respondents indicated need to increase inventory was a high priority (M=3.944, SD=0.885) of LPO/LSO financing. The findings also showed that majority of the respondents indicated finances to ensure timely delivery of products/services to clients was a high priority for LPO/LSO financing (M=4.349, SD=0.822). Financing for marketing activities was also seen to have a significant impact on the need for LPO/LSO financing (M=4.537, SD=0.361). Some respondents prioritized non business purposes (M=4.282, SD=0.432), and starting another business (M=4.221, SD=0.588) for LPO/LSO financing of youth owned enterprises.

The study findings were in line with Kimathi (2017) who found out that LPO funding has a substantial impact on SME growth by assisting them in improving their technology, meeting short-term responsibilities, obtaining labour, and ensuring better product and service delivery. Quinoo (2011) asserted that many SMEs benefited from the loans. Most SMEs recognize that loans have helped them increase their returns and sales, putting them in a competitive position.

4.7 Business Expansion Loans

Respondents were asked whether they thought the business expansion loans were easily accessible. The figure below is a pictorial representation of the responses.

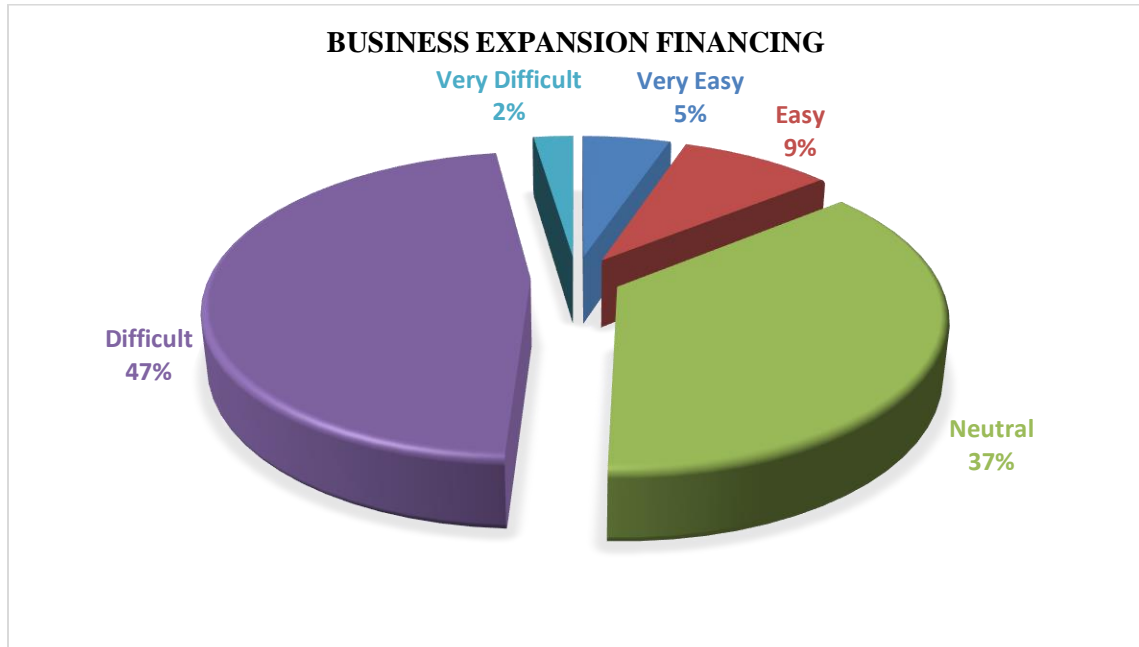


Figure 4.7 Business Expansion Financing

47% of the respondents indicated that access to business expansion loans was quite difficult. 37% of the respondents were neutral on the accessibility of business expansion loans while 9% indicated that access to business expansion loans. 5% of the respondents found easy access to business expansion loans while 2% of the total respondents had difficult access to business expansion loans. It was thus clear from the findings that majority saw access to business expansion loans to be difficult.

4.7.1 Barriers to Accessing Business Expansion Loans by Youth Enterprises

Respondents indicated the barriers to accessing business expansion loans by youth enterprises. The table below summarizes the outcome of the analysis.

Table 4.8: Accessing Business Expansion Loans by Youth Enterprises

	Mean	Standard Deviation
High cost of financing due to high interest rates	2.555	0.967
Requirements for collateral before financing	2.138	0.848
Poor record-keeping	2.673	0.585
Low awareness on the available financing options for youth enterprises	2.733	0.772
Inadequate financing solutions designed for youth enterprises	2.439	0.223
Lack of a good business plan and business projections	2.833	0.832
Belief that they would be denied by lenders	2.183	0.722
Dislike for debt	2.384	0.452
Lack of trademarks, patents and copyright	2.457	0.452

It was revealed that the business expansion financing especially to the youth enterprises faced a number of challenges. Most respondents noted that high cost of financing due to high interest rates had a significant effect in accessing business expansion loans (M=2.555, S. D= 0.967). It was also established that most respondents noted (M=2.138, S. D= 0.848) that requirements for collateral before financing was a moderate barrier in accessing business expansion loans by youth enterprises. Also noted from the descriptive statistics was that most respondents noted (M=1.938, S. D= 0.754) that poor record-keeping was an extreme barrier in accessing business expansion financing by youth enterprises. Also noted was that most respondents noted (M=2.733, S. D= 0.773) that low awareness on the available financing options for youth enterprises was a moderate barrier in accessing business expansion for youth enterprises. Inadequate financing solutions designed for youth enterprises was also seen to be a moderate barrier (M=2.439, S. D= 0.223) in accessing business expansion loans by youth enterprises.

The analysis of findings also showed that most respondents noted (M=2.833, S. D= 0.832) that lack of a good business plan and business projections was an extreme barrier in accessing business expansion Loans. Also noted from the findings was that most respondents noted (M=2.183, S. D= 0.722) that belief that the youth would be denied by lenders was a moderate barrier in the access of business expansion loans by youth enterprises. Also noted was that most respondents noted (M=2.384, S. D= 0.452) that dislike for debt was a moderate barrier in accessing business expansion loans. Lack of trademarks, patents and copyright was also seen to be an extreme barrier (M=2.457, S. D= 0.452) in accessing business expansion loans by youth enterprises.

The study findings corroborated with Vo, Tran, & Trinh (2011) who studied access to finance by Vietnamese SMEs. The study found that loans from financial institutions and Government support programs have positively benefited SMEs in their business activities. Also in line with the study findings was Joseph, Kofin, Fanyel, & Gaeten (2013) who found that credit access is important role in SME development in Ghana. The study concluded by acknowledging the factors that affect the extent that SMEs can the access financing.

4.7.2 Need for Business Expansion Loans by Youth Enterprises

The respondents provided reasons why they needed business expansion loans. The results were analyzed on a five point likert scale as shown.

Table 4.9 Need for Business Expansion Loans by Youth Enterprises

	Mean	Standard deviation
Inadequate working capital	4.772	0.224
Need to purchase fixed assets	4.821	0.581
Need to increase inventory	3.933	0.993
Finances for ensure timely delivery of products/services to clients	4.482	0.094
Finances for marketing activities	4.134	0.773
Non- Business Purpose	4.533	0.859
To start another business	4.437	0.993

Most respondents conceded that they needed business expansion loans as they had inadequate working capital as a high priority (M=4.772, SD=0.224). Other respondents agreed as a high priority the need to purchase fixed asset as a reason for business expansion financing (M=4.821, SD=0.581). Findings also indicate that majority of the respondents indicated need to increase inventory was a high priority of business expansion financing (M=3.933, SD=0.993). The findings also showed that majority of the respondents indicated finances to ensure timely delivery of products/services to clients was a high priority for business expansion financing (M=4.482, SD=0.094) financing for marketing activities was also seen to have a significant impact on the need for business expansion loans (M=4.134, SD=0.773). In addition, non- business purpose was a high priority of other respondents for business expansion loans (M=4.533, SD=0.859). The findings also showed that a number of the respondents indicated that starting another business was a high priority for the business expansion loans (M=4.437, SD=0.993) of the youth owned enterprises. In line with the findings, Kinyua (2014) showed that SMEs' access to funding can improve their

performance. Management skills had a significant positive impact on SMEs' performance; macro environmental factors had a major impact on performance; and infrastructure had no significant impact on SMEs' performance. The researcher also revealed that performance increased with the years of experience.

4.8 Agri-Business Loans

Respondents provided responses on whether they thought the agribusiness loans were easily accessible. The results from the analysis of findings are illustrated in figure 4.8 as shown below

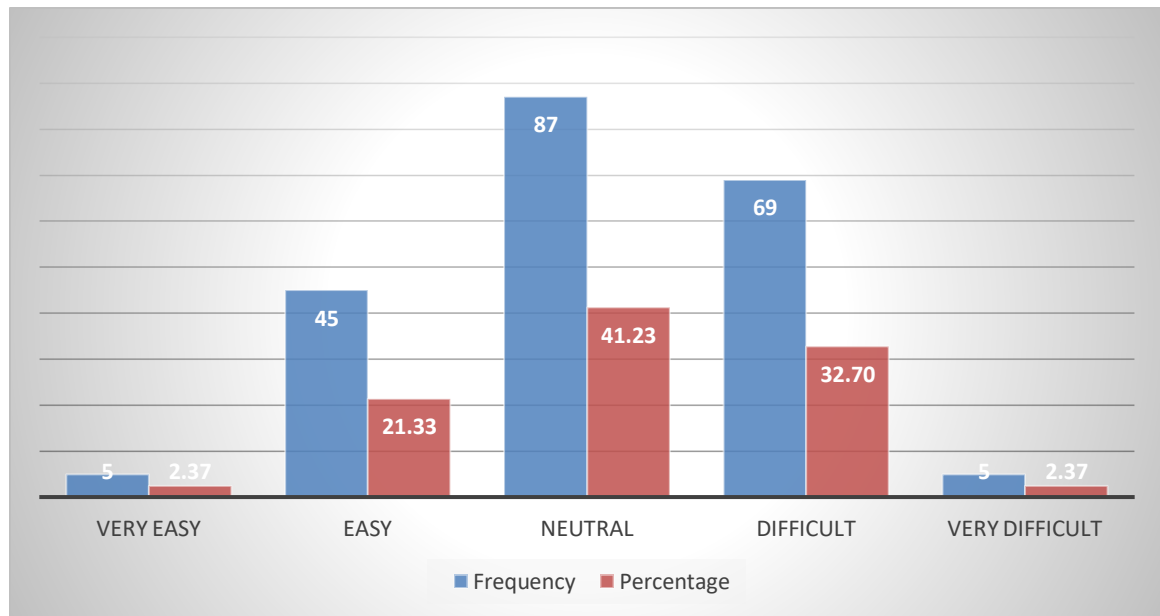


Figure 4.8: Agribusiness Loans

87 respondents (41.23%) indicated that they were uncertain on the accessibility of agribusiness loans. 32.7% of the respondents indicated that accessibility of agribusiness loans was quite difficult while 21.33% of the total respondents indicated that accessibility of agribusiness loans was easy. 2.37% of the respondents indicated access to business expansion loans was very easy while another 2.37% of found that access to the agribusiness

loans was very difficult. It was thus clear from the findings that majority were uncertain on the accessibility of the agribusiness loans.

The research findings were consistent with Okoth, et al., (2013) who studied how the YEDF affects Youth Enterprises located in Kenya. The researcher wanted to determine the effect of the YEDF on youth enterprises in Siaya County, Kenya. The 28 YEDF financiers and the 202,897 youths in the County were chosen using stratified random sampling. There were 128 responders in all, with first layer having 28 and the second layer having 100. Data gathering was done through survey questionnaires and evaluated using multiple linear regression to determine that the YEDF had no meaningful impact on youth enterprises. Inadequate repayment provisions on agriculture loans, as well as a lack of repayment options, were serious roadblocks

4.8.1 Barriers to Accessing Agribusiness Loans by Youth Enterprises

Respondents provided their experience on the barriers to accessing agribusiness loans by youth enterprises. The table below shows the result of the analysis.

Table 4.10: Accessing Agribusiness Loans by Youth Enterprises

	Mean	Standard Deviation
High cost of financing due to high interest rates	2.746	0.849
Requirements for collateral before financing	2.528	0.839
Poor record-keeping	2.547	0.447
Low awareness on the available financing options for youth enterprises	2.882	0.423
Inadequate financing solutions designed for youth enterprises	2.661	0.672
Lack of a good business plan and business projections	2.472	0.432
Belief that they would be denied by lenders	2.021	0.993
Dislike for debt	2.684	0.433
Lack of trademarks, patents and copyright	2.001	0.922

It was established from the analysis that most respondents noted (M=2.746, S. D= 0.849) that high cost of financing due to high interest rates had a significant effect in accessing agribusiness loans. Generally, respondents noted that requirements for collateral before financing was a moderate barrier in accessing agribusiness loans by youth enterprises (M=2.528, S. D= 0.839). Respondents noted that poor record-keeping was an extreme barrier in accessing agribusiness loans by youth enterprises (M=2.547, S. D= 0.447). Also noted was that most respondents noted (M=2.882, S. D= 0.423) that low awareness on the available financing options for youth enterprises was an extreme barrier in accessing agribusiness loans especially for youth enterprises. Inadequate financing solutions designed for youth enterprises was also seen to be a moderate barrier (M=2.661, S. D= 0.672) in accessing agribusiness loans by youth enterprises.

The analysis of findings also showed that most respondents noted (M=2.472, S. D= 0.432) that lack of a good business plan and business projections was a moderate barrier in accessing agribusiness loans. Also noted was the belief that the youth would be denied by lenders was a moderate barrier in the access of business expansion loans by youth enterprises. (M=2.021, S. D= 0.993). Also noted was that most respondents noted (M=2.684, S. D= 0.433) that dislike for debt was a moderate barrier in accessing business expansion loans. Lack of trademarks, patents and copyright was also seen to be a moderate barrier (M=2.457, S. D= 0.452) in accessing agribusiness loans by youth enterprises.

The study findings were in line with Irungu & Kamau (2015) considered how the YEDF affects Growth in started Kenyan Enterprises by surveying of sampled Youth Enterprises located in Mathioya District, with an aim to find out how the YEDF affects growth of new enterprises in Kenya by narrowing down to Mathioya District. According to the survey,

46% of youth groups were advanced below 50,000 shillings from the YEDF each year. The study determined that the YEDF has had a good impact on the establishment of new businesses in Kenya; nevertheless, the YEDF's goals are limited by the quantity of monies given and youngsters' failure to attend YEDF-sponsored trade shows and exhibitions.

4.8.2 Need for Agribusiness Loans by Youth Enterprises

The respondents were also required to indicate against a list of reasons respondents for need of agribusiness loans. The results were analyzed on a five point likert scale as shown.

Table 4.11 Need for Agribusiness Loans

	Mean	Standard deviation
Inadequate working capital	4.223	0.876
Need to purchase fixed assets	4.528	0.721
Need to increase inventory	4.739	0.889
Finances for ensure timely delivery of products/services to clients	4.562	0.694
Finances for marketing activities	4.738	0.483
Non- Business Purpose	4.773	0.332
To start another business	4.472	0.783

Majority of the respondents conceded (M=4.224, SD=0.876) that they needed agribusiness loans as they had inadequate working capital as a high priority. The need to purchase fixed asset as a high priority reason for agribusiness loans for some respondents (M=4.528, SD=0.721). Also noted from the findings was that majority of the respondents indicated need to increase inventory was a high priority (M=3.933, SD=0.993) for the agribusiness financing. Other respondents indicated they needed agribusiness loans to ensure timely delivery of products/services to clients (M=4.562, SD=0.694). Financing for marketing

activities was also seen to have a significant impact on the need for agribusiness financing (M=4.134, SD=0.773). Non- business purpose was a very high priority of agribusiness loans for some respondents (M=4.773, SD=0.332). The findings also showed that a number of the respondents indicated that starting another business was a high priority for agribusiness loans (M=4.472, SD=0.783) of the youth owned enterprises.

4.9 Pearson’s Correlation Analysis

The study tabulated the effect of bid bond financing, LSO/LPO financing, business expansion loans, agribusiness loans and the growth of youth owned enterprises in Mumias West Sub County. Linear correlation analysis was used to illustrate the association between the variables as shown using. The results are presented in Table 4.10.

Table 4.12 Bivariate Linear Correlation Analysis

		Bid Bond Financing	LSO/LPO Financing	Business Expansion Loans	Agribusiness Loans	Growth of Youth Enterprises
Bid Bond Financing	Pearson Correlation	1	.712**	.616**	.747**	.714**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	211	211	211	211	211
LSO/LPO Financing	Pearson Correlation	.712**	1	.650**	.662**	.762**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	211	211	211	211	211
Business Expansion Financing	Pearson Correlation	.616**	.650**	1	.638**	.686**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	211	211	211	211	211
Agribusiness Financing	Pearson Correlation	.747**	.662**	.638**	1	.748**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	211	211	211	211	211
Growth of Youth Enterprises	Pearson Correlation	.714**	.762**	.686**	.748**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	211	211	211	211	211

** . Correlation is significant at the 0.01 level (2-tailed).

The bivariate correlation analysis Table 4.10 reveals a positive association between the predictor variables at 0.01 significant level. Therefore, they have been included in the analysis. The bi-variate linear correlation analysis values are as follows:

Bid Bond Financing X1 = 0.714**

LSO/LPO Financing X2 = 0.762**

Business Expansion Loans X3 = 0.686**

Agribusiness Loans X4 =0.748**

There is a strong positive and significant relationship between LSO/LPO financing and the growth of youth enterprises (correlation coefficient 0.762**); the findings also reveal a strong positive relationship between bid bond financing and the growth of youth enterprises (correlation coefficient 0.714**). The study also established a strong positive relationship between business expansion loans and the growth of youth enterprises (correlation coefficient 0.686**). Also established from the respondents a strong positive relationship between business expansion loans and the growth of youth enterprises (correlation coefficient 0.748**). This implies that LPO/LSO Financing has the highest effect on the growth of youth enterprises while business expansion has the least strong effect on the growth of youth enterprises.

4.8 Regression Analysis

The study sought to determine the relationship between youth enterprise development fund and the growth of youth owned enterprises in Mumias Sub County, Kenya. The determinants under investigation were: bid bond financing, LSO/LPO financing, business expansion loans and agri business loans. The regression model was:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where;

α = Constant

Y = Growth of youth owned enterprises

X₁ = bid bond financing

X₂ = LSO/LPO financing

X₃ = Business Expansion Loans

X₄ = Agribusiness Loans

ε = Stochastic disturbance error term

4.8.1 ANOVA

The study sought to determine the ANOVA used to present regression model significance.

The findings are presented in Table 4.11.

Table 4.13: Model Validity

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.234	4	2.308	73.052	.000 ^b
	Residual	6.592	206	.032		
	Total	15.826	210			

a. Dependent Variable: Growth of youth owned enterprises

b. Predictors: (Constant), bid bond financing, LSO/LPO financing, business expansion loans, agribusiness loans

The study sought to investigate whether the multiple regression model was valid or not.

The F statistics was used to determine the model validity. The study found out that the model was valid $F_{(4, 126)} = 73.052$, $P=0.000$. Therefore, the implication is that all the

predictor variables are good in explaining variation in trade facilitation at the Jomo Kenyatta International Airport.

4.8.2 Model Summary

The study sought to determine the model's goodness of fit statistics. The findings are presented in Table 4.14

Table 4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.840 ^a	.705	.696	.17777

a. Predictors: (Constant), bid bond financing, LSO/LPO financing, business expansion loans, agribusiness loans

The coefficient of determination as measured by the adjusted R-square (R^2) (0.696) shows that all the four predictor variables explain 69.6% of the total variation in the growth of youth owned enterprises. This implies that the stochastic disturbance error term (ϵ) covers 30.4%.

4.8.3 Regression Coefficients

The study sought to determine the multiple regression variable coefficients. The findings are presented in Table 4.13.

Table 4.15: Multiple Regression Variable Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.237	.106		21.050	.000
	Bid bond financing	.170	.047	.302	3.648	.000
	LSO/LPO Financing	.107	.044	.188	2.443	.016
	Business expansion loans	.126	.042	.210	3.002	.003
	Agribusiness Loans	.157	.047	.264	3.314	.001

a. Dependent Variable: Growth of Youth Owned Enterprises

Growth of Youth Owned Enterprises = 2.237 + 0.170 * Bid Bond Financing + 0.107*

LSO/LPO Financing + 0.126* Business Expansion Loans + 0.157* Agribusiness Loans

The study established that when bid bond financing, LSO/LPO financing, business expansion loans, agribusiness loans are zero, growth of youth owned enterprises would be 2.237. Also established was that ceteris paribus, 0.170 increase in growth of youth owned enterprises would be caused by a unit a unit increase in bid bond financing a unit increase in LSO/LPO Financing would yield a 0.107 unit increase in growth of youth owned enterprises while a unit increase in business expansion loans would result in a 0.126 unit increase in growth of youth owned enterprises and a unit increase in agribusiness loans would yield a 0.157 unit increase in the growth of youth owned enterprises. From the coefficients, it was established that each of the variables; bid bond financing, LSO/LPO financing, business expansion loans, agribusiness loans have a significant influence on the growth of youth enterprises in Mumias West Sub County, Kenya.

CHAPTER FIVE

SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the outcomes and gives deductions and commendations of the study based on the objectives of the study.

5.2 Summary of Findings

The study targeted a sample size of 242 owners of the youth enterprises that are located in different sectors, including food supplies, hospitality, catering, professional and technical, and entertainment in Mumias Sub county, Kakamega County. 211 questionnaires were filled in and returned, hence the rate of response was 87%. This response rate was satisfactory to make conclusions for the study. Reliability was proved by the Cronbach Alpha coefficients, as the reliability values were more than the threshold of 0.7 prescribed by (Mugenda & Mugenda, 2008). 121 respondents (57%) were aged between 26 and 35 years. From the demographic analysis, 99 respondents (46.92%) had their highest level of education at Diploma level. The study also showed that a majority (126, 59.72%) of the study participants had been in operation for a period of 4-6 years. The demographic statistics showed that the respondents were able to provide relevant and reliable information on the relationship between youth enterprise development fund loans and the growth of youth owned enterprises in Mumias West Sub County, Kenya.

5.2.1 Effect of Bid bond financing on growth of youth owned enterprises

The first objective of the study was to evaluate effect of bid bond financing on growth of youth owned enterprises in Mumias West Sub County, Kenya. Majority the respondents showed concern (M=4.498, SD=0.792) that they needed bid bond financing as they had inadequate working capital as a high priority. Majority of the respondents regarded the need to purchase fixed asset as a reason for bid bond financing (M=4.335, SD=0.672). 57% of the respondents found that access to LPO/LSO financing was quite difficult. 27% of the respondents were neutral on the accessibility of LPO/LSO financing while 10% of the total respondents indicated that access to LPO/LSO financing was easy. The bivariate correlation analysis revealed a relationship of positive nature between bid bond financing and the growth of youth owned enterprises. (Correlation coefficient 0.714*). The regression coefficients show that ceteris paribus, growth of youth owned enterprises would increase by 0.170 (p=.000) for a unit increase in bond financing.

5.2.2 Effect of LPO/ LSO financing on growth of youth owned enterprises

The second objective of this study sought to determine the effect LPO/LSO financing on growth of youth owned enterprises in Mumias West Sub County, Kenya. From the findings, it was clear that LPO/LSO Financing have a significant influence on the growth of youth owned enterprises in Mumias West Sub County. Analyzed findings revealed that 57% of the respondents indicated that access to LPO/LSO financing was quite difficult. 27% of the respondents were neutral on the accessibility of LPO/LSO financing while 10% of the total respondents indicated that access to LPO/LSO financing was easy. It was thus clear from the findings that majority saw access to LPO/LSO financing to be difficult. Majority of the respondents conceded (M=4.321, SD=0.266) that they needed LPO/LSO

financing as they had inadequate working capital as a high priority. The study also noted that majority of the respondents ($M=4.159$, $SD=0.185$) prioritized the need to purchase fixed asset for LSO/LPO financing. Also noted from the findings was that majority of the respondents indicated need to increase inventory was a high priority ($M=3.944$, $SD=0.885$) of LPO/LSO financing. The Pearsons correlation analysis revealed that there was a strong positive relationship between LPO/LSO Financing and the growth of youth owned enterprises (correlation coefficient 0.762^{**}). The regression coefficients show that *ceteris paribus*, growth of youth owned enterprises would increase by 0.107 ($p=.000$) for a unit increase in LPO/LSO financing.

5.2.3 Effect of Business expansion loans on growth of youth owned enterprises

The third objective sought to determine the effect of business expansion loans on growth of youth owned enterprises in Mumias West Sub County, Kenya. Findings revealed that 47% found access to business expansion loans was quite difficult. 37% of the respondents were neutral on the accessibility of business expansion loans while 9% of the total respondents had an easier access to business expansion loans. Responses clarified that the business expansion financing especially to the youth enterprises faced a number of challenges. It was established from the analysis that most respondents noted ($M=2.555$, $S. D= 0.967$) that high financing cost caused by very high interest rates had a significant effect in accessing business expansion loans. It was also established that most respondents noted ($M=2.138$, $S. D= 0.848$) that requirements for collateral before financing was a moderate barrier in accessing business expansion loans by youth enterprises. The correlation analysis reveals a positive relationship between business expansion loans and the growth of youth owned enterprises (correlation coefficient $.686^{**}$). *Ceteris paribus*, a unit increase in

business expansion loans would lead to 0.126 ($p=.003$) unit increase in the growth of youth owned enterprises in Mumias West Sub County.

5.2.4 Effect of Agribusiness loans on growth of youth owned enterprises

The fourth objective sought to establish the effect of agribusiness on growth of youth owned enterprises in Mumias West Sub County, Kenya. From the descriptive statistics, 87 respondents (41.23%) indicated that they were uncertain on the accessibility of agribusiness loans. 32.7% of the respondents indicated that accessibility of agribusiness loans was quite difficult while 21.33% of respondents expressed that accessibility of agribusiness loans was easy. It was thus clear from the findings that majority were uncertain on the accessibility of the agribusiness loans. Also noted from the findings, agribusiness loans especially to the youth enterprises face a number of challenges. Most respondents noted ($M=2.746$, $S. D= 0.849$) that high cost of financing due to high interest rates had a significant effect in accessing agribusiness loans. Majority of the respondents indicated finances to ensure timely delivery of products/services to clients as a high priority for the agribusiness loans ($M=4.562$, $SD=0.694$) financing for marketing activities was also seen to have a significant impact on the need for agribusiness financing ($M=4.134$, $SD=0.773$). The findings revealed that most of the respondents prioritized non- business purpose for agribusiness loans ($M=4.773$, $SD=0.332$). The Pearson's correlation analysis revealed a positive relationship between agribusiness loans and the growth of youth owned enterprises (correlation coefficient $.748^{**}$). *Ceteris paribus*, a unit increase in agribusiness loans would lead to 0.157 ($p=.001$) unit increase in the growth of youth owned enterprises in Mumias West Sub County. The coefficient of determination which was measured by the adjusted R-square (R^2) (0.696). This revealed that the predictor variables provide

explanation of 69.6% of the variations in the growth of youth owned enterprises in Mumias West Sub County.

5.3 Conclusions

The study concluded that bid bond financing, LPO/LSO financing, business expansion loans and agribusiness loans have a significant effect on the growth of youth owned enterprises in Mumias West Sub County. Young entrepreneurs without collateral find it difficult to access credit. YEDF lending has an influence on the performance of Youth-run Businesses. YEDF has streamlined loan application process and reduced loan disbursement time frame. From the findings, it was concluded that the need for financial resources to be matched to cater for the increasing demand for loans among the young people.

The study further asserted that cost of bond had a significant relationship with the final cost and initial cost of the projects. It was concluded that there should be proper and careful utilization of bid bonds in the construction industry. The study concluded that loans from financial institutions and Government support programs have positively benefited youth owned enterprises in their business activities. The study concluded that commercial loans were beneficial to youth owned enterprises in Mumias West Sub County. The study also concluded that profitability and productivity of youth owned enterprises can be increased by proper accounting. Proper accounting increases the chances of getting business expansion loans. The study concluded that micro financials' savings accounts help entrepreneurs build a culture of saving. In addition, training accessibility is favourably associated to the growth of youth owned enterprises.

The study further concludes that YEDF Entrepreneurship, Training, Mentorship and Coaching has a significant effect on the growth of small and medium enterprises in Nairobi

County. Financing needs to be accompanied by Entrepreneurship, Training, Mentorship and Coaching. In addition, Entrepreneurship, Training, Mentorship and Coaching by YEDF enables entrepreneurs to get tools and knowledge required to compete. The study concludes that Quality Entrepreneurship, Training, Mentorship and Coaching are costly and out of reach for many small businesses.

5.4 Recommendations

The study recommended that the government should come up with policies and structures that encourage ensure the availability of more funds to the youth as well as reducing the bureaucracy experienced when applying for the loans. The Youth Enterprise Development Fund management should develop structures to ensure training that incorporates technical, as well as entrepreneurial skills. They should also strive to create awareness on the availability of these funds to the youths through continuous awareness drives.

The Youth Enterprise Development Fund management should prepare mentorship programs through the various social media platforms by linking the successful youth entrepreneurs with the newbies. This may mitigate the youths' challenges in the business operations. The study established that there are other factors within YEDF products that affect the growth of youth owned enterprises in Mumias West Sub County. To augment this study, it is recommended that other studies be conducted to establish more factors that affect the growth of small and medium enterprises in other counties.

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APPENDIX I : QUESTIONNAIRE

Study Questionnaire for Youth enterprises in Mumias West Sub-County, Kakamega

SECTION A: GENERAL INFORMATION

This questionnaire seeks to find answers to the questions on effect of YEDF loans on growth of youth enterprises in Mumias West Sub-County, Kenya. We assure you that the responses will be used for confidential research purposes only. Kindly answer all the questions in the questionnaire by ticking against the best answer and providing remarks where required.

1. What is your age category?
 - Below 18
 - 18-25
 - 26-35

- 2 Please indicate your academic highest level
 - Primary school
 - Secondary School
 - Diploma
 - Bachelor Degree
 - Master Degree
 - PhD

- 3 a) How long has your business operated
 - 0-1 year
 - 1-3 years
 - 4-6 years
 - 7-11 years
 - 12-16 years
 - Over 16 years

SECTION B: GROWTH OF YOUTH ENTERPRISES IN MUMIAS WEST SUB COUNTY

4 a) The following statements are measures of growth of youth enterprises in Mumias West Sub County. Please indicate the total for each category in relation to your business.

Measure of Youth enterprises growth	2017	2018	2019	2020
Revenue (Kshs.)				

SECTION C: BID BOND FINANCING

5 The following statements are about bid bond financing loans. Please indicate the total amount borrowed.

Measure of access to credit	2017	2018	2019	2020
Bid bond financing				

6 Do you feel that these credit facilities are easily accessible? (1=Very easy, 2=Easy, 3=Neutral, 4=Difficult, 5=Very difficult)

Source of Financing	1	2	3	4	5	Reasons
Bid bond financing						

7. What do you think are the general barriers to accessing bid bond financing by youth enterprises? (1=Not a barrier, 2=Moderate barrier, 3=Extreme barrier)

Barriers to accessing financing	1	2	3	Reasons
High cost of financing due to high interest rates				
Requirements for collateral before financing				
Poor record-keeping				

Low awareness on the available financing options for youth enterprises				
Inadequate financing solutions designed for youth enterprises				
Lack of a good business plan and business projections				
Belief that they would be denied by lenders				
Dislike for debt				
Lack of trademarks, patents and copyright				
Other (<i>specify</i>):				

8. Why do you need bid bond financing? (*1=Least priority, 2=Low priority, 3=Neutral, 4=High priority, 5=Highest priority*)

Financing Needs	1	2	3	4	5	Remarks
Inadequate working capital						
Need to purchase fixed assets						
Need to increase inventory						
Finances for ensure timely delivery of products/services to clients						
Finances for marketing activities						
Non- Business Purpose						
To start another business						
Pay other debts						
Any other (<i>Specify</i>):						

SECTION D: LPO/ LSO FINANCING

7 Please indicate the total of LPO/LSO financing obtained.

Measure of access to credit	2017	2018	2019	2020
LPO/ LSO financing				

8 Do you feel that LPO/ LSO financing is easily accessible? (1=Very easy, 2=Easy, 3=Neutral, 4=Difficult, 5=Very difficult)

Source of Financing	1	2	3	4	5	Reasons
LPO/ LSO financing						

7. What do you think are the general barriers to accessing LPO/LSO financing by youth enterprises? (1=Not a barrier, 2=Moderate barrier, 3=Extreme barrier)

Barriers to accessing financing	1	2	3	Reasons
High cost of financing due to high interest rates				
Requirements for collateral before financing				
Poor record-keeping				
Low awareness on the available financing options for youth enterprises				
Inadequate financing solutions designed for youth enterprises				
Lack of a good business plan and business projections				
Belief that they would be denied by lenders				
Dislike for debt				
Lack of trademarks, patents and copyright				
Other (<i>specify</i>):				

8. Why do you need LPO/LSO financing? (1=Least priority, 2=Low priority, 3=Neutral, 4=High priority, 5=Highest priority)

Financing Needs	1	2	3	4	5	Remarks
Inadequate working capital						
Need to purchase fixed assets						
Need to increase inventory						
Finances for ensure timely delivery of products/services to clients						
Finances for marketing activities						
Non- Business Purpose						
To start another business						
Pay other debts						
Any other (<i>Specify</i>):						

SECTION E: BUSINESS EXPANSION LOANS

9 Please indicate the total amount of business expansion loans obtained.

Measure of access to credit	2017	2018	2019	2020
Business expansion loans				

10 Do you feel that business expansion loans are easily accessible? (1=Very easy, 2=Easy, 3=Neutral, 4=Difficult, 5=Very difficult)

Source of Financing	1	2	3	4	5	Reasons
Business expansion loans						

7. What do you think are the general barriers to accessing business expansion loans by youth enterprises? (1=Not a barrier, 2=Moderate barrier, 3=Extreme barrier)

Barriers to accessing financing	1	2	3	Reasons
High cost of financing due to high interest rates				
Requirements for collateral before financing				
Poor record-keeping				
Low awareness on the available financing options for youth enterprises				
Inadequate financing solutions designed for youth enterprises				
Lack of a good business plan and business projections				
Belief that they would be denied by lenders				
Dislike for debt				
Lack of trademarks, patents and copyright				
Other (<i>specify</i>):				

8. Why do you need a business expansion loan? (1=Least priority, 2=Low priority, 3=Neutral, 4=High priority, 5=Highest priority)

Financing Needs	1	2	3	4	5	Remarks
Inadequate working capital						
Need to purchase fixed assets						
Need to increase inventory						
Finances for ensure timely delivery of products/services to clients						
Finances for marketing activities						
Non- Business Purpose						
To start another business						
Pay other debts						
Any other (<i>Specify</i>):						

SECTION F: AGRIBUSINESS LOANS

11 Please indicate the total amount of agribusiness loans received in relation to your business.

Measure of access to credit	2017	2018	2019	2020
Agribusiness loans				

12 Do you feel that agribusiness loans are easily accessible? (1=Very easy, 2=Easy, 3=Neutral, 4=Difficult, 5=Very difficult)

Source of Financing	1	2	3	4	5	Reasons
Agribusiness loans						

7. What do you think are the barriers to accessing agribusiness loans by youth enterprises?

(1=Not a barrier, 2=Moderate barrier, 3=Extreme barrier)

Barriers to accessing financing	1	2	3	Reasons
High cost of financing due to high interest rates				
Requirements for collateral before financing				
Poor record-keeping				
Low awareness on the available financing options for youth enterprises				
Inadequate financing solutions designed for youth enterprises				
Lack of a good business plan and business projections				
Belief that they would be denied by lenders				
Dislike for debt				
Lack of trademarks, patents and copyright				
Other (<i>specify</i>):				

8. Why do you need an agribusiness loan? (1=Least priority, 2=Low priority, 3=Neutral, 4=High priority, 5=Highest priority)

Financing Needs	1	2	3	4	5	Remarks
Inadequate working capital						
Need to purchase fixed assets						
Need to increase inventory						

Finances for ensure timely delivery of products/services to clients						
Finances for marketing activities						
Non- Business Purpose						
To start another business						
Pay other debts						
Any other (<i>Specify</i>):						

9. Any final comments on YEDF loans in Mumias West Sub County?

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.....

10. Any final comments on growth of youth enterprises in Mumias West Sub County?

.....
.....

THANK YOU FOR YOUR COOPERATION

APPENDIX II: RESEARCH APPROVAL


**KENYATTA UNIVERSITY
GRADUATE SCHOOL**

E-mail: dean-graduate@ku.ac.ke P.O. Box 43844, 00100
NAIROBI, KENYA
Website: www.ku.ac.ke Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School DATE: 27th October, 2022

TO: Adols Emmanuel REF: D53/OL/KSU/25841/2018
C/o Accounting and Finance Dept.

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the Graduate School Board of 14th September, 2022 entitled "Youth Enterprise Development Fund Loans And Growth of Youth Owned Enterprises in Kakamega County, Kenya."

You may now proceed with your Data Collection, Subject to Clearance with the 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 and Progress Report Forms per semester. The forms are available at the university's website under Graduate School webpage downloads.

Also, please ensure that you publish article(s) from your thesis before submitting it to Graduate School for examination as per the Commission for University Education and Kenyatta University guidelines.

Thank you.


ANNBELL MWANIKI
FOR: DEAN, GRADUATE SCHOOL

C.E. Chairman, Department of Accounting and Finance

Supervisors:

1. Dr. Jerimiah Koori
C/o Department of Accounting and Finance
Kenyatta University

Website : www.ku.ac.ke - postal : nairobi 00100
phone : 020 2 798 799

44/202

APPENDIX III: RESEARCH AUTHORIZATION



KENYATTA UNIVERSITY
GRADUATE SCHOOL

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

Website: www.ku.ac.ke

P.O. Box 43844, 00100

NAIROBI, KENYA

Tel. 8710901 Ext. 57330

Our Ref: D53/OL/KSU/25841/2018

DATE: 27th October, 2022

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR ADOLI EMMANUEL - REG. NO. D53/OL/KSU/25841/2018

I write to introduce Adoli Emmanuel who is a Postgraduate Student of this University. The student is registered for MBA degree programme in the Department of Accounting and Finance.

Adoli intends to conduct research for a MBA Project Proposal entitled, "Youth Enterprise Development Fund Loans And Growth of Youth Owned Enterprises in Kakamega County, Kenya."


Any assistance given will be highly appreciated.

Yours faithfully,



PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL

AM/80

APPENDIX IV: NACOSTI PERMIT




REPUBLIC OF KENYA
National Commission for Science, Technology and Innovation



**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: 40235 **Date of Issue: 16/November/2022**

RESEARCH LICENSE



This is to Certify that Mr. Emmanuel Adell of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kakamega on the topic: YOUTH ENTERPRISE DEVELOPMENT FUND LOANS AND GROWTH OF YOUTH OWNED ENTERPRISES IN KAKAMEGA COUNTY, KENYA for the period ending: 16/November/2023.

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40235
Applicant Identification Number

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See overleaf for conditions.

Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

Verification QR Code

