

**AN ANALYSIS OF THE CHALLENGES FACING YOUTH ENTERPRISE DEVELOPMENT
FUND: A CASE STUDY OF NYARIBARI CHACHE CONSTITUENCY, KENYA.**

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ABSTRACT

This paper discusses the challenges facing Youth Enterprise Development Fund (YEDF) in Kenya. The purpose of this paper was to give a detailed analysis of the challenges facing Youth Enterprise Development Fund as it strives to achieve its objectives of financing youth activities. Specifically, the paper sought to find out the extent, to which YEDF is a preferred source of finance for youth enterprises, the factors influencing youth entrepreneurs' utilization of YEDF and the challenges facing youth enterprise development fund .The study is expected to contribute to the performance information on the YEDF Scheme and enhance opportunities for learning. This was a case study targeting 63 registered youth groups in Nyaribari Constituency. The study found out that despite the fact that YEDF could be a preferred source of funding among the youths, accessing it remained a great challenge.

Keywords: Constituency, Youth Enterprise Fund and Youth Groups

1 INTRODUCTION AND RESEARCH OBJECTIVE

Despite the various endeavors, the outreach of financial institutions has covered only 30-35 percent of the population. It means that there are still 65-70 percent people relying on merchants, money lenders, traditional cooperatives, etc., for financing on socioeconomic activities with high interest rates (Economic Review, 2005). In the absence of access to formal sources of credit, the poor of the rural areas continue to be subjected to exploitative terms such as high interest hence feeding the perpetual cycle of indebtedness and poverty. YEDF is coined as the financial service rendered to the deprived group of the people and small entrepreneurs to help them in developing self-employment opportunities and various income generating activities. The small size of the loan, regular savings, small-scale entrepreneurs, diversified utilization and simple and flexible terms and conditions are the determining characteristics of its definition. With the benefits that have come with the fund among them increased youth employment, the fund still experiences challenges. This study sought to establish the challenges facing YEDF as it strives to achieve its objectives of financing youth activities in the Kenya

Specifically the study sought to find out the extent to which YEDF is a preferred source of finance for youth enterprises, explore the factors influencing youth entrepreneurs' utilization of YEDF and establish the challenges facing Youth Enterprise Development Fund. The study was carried out in Nyaribari Chache Constituency of Kisii Central District, Nyanza Province. The constituency was selected on the strength that it will be convenient to the researcher. The study sought to evaluate the challenges facing the Youth Enterprise Development Fund as a means of engaging the youths in productive and profitable enterprise activities in the constituency.

2 THEORETICAL BACKGROUND AND INFORMING LITERATURE

2.1 The State of Kenyan Youths

Youth represent 30 percent of Kenya's population and their unemployment is twice the country's average. Almost one third of Kenyans are between 15 and 29 years, and the total reached almost 11 million people in 2006 (compared to 8.5 million in 1999). According to the KPIA this age cohort is now at a historical high (in absolute and relative terms). Youth in Kenya face serious challenges, including high rates of unemployment and underemployment. The overall unemployment rate for youth is double the adult average, at about 21 percent. Statistics on joblessness suggest that the magnitude of the unemployment problem is larger for youth with 38 percent of youth neither in school nor work (aggregating the rates of reported unemployment and inactivity). The violence in early 2008 highlighted the critical importance of addressing the problem of poverty and inequality, and in particular the increasing problem of idle youth. In addition, the Country Social Analysis (World Bank, 2007) found that youth's unemployment, especially among males, is a major contributor to frustration and tension, in particular in urban areas. Clearly, unemployment among the youth has now become a matter of serious policy concern in the country. Evidence from previous analytical work shows that lack of action on the challenges that affect youth will escalate both the social and economic costs of development in Kenya (Edwards, 2007).

The recent financial and economic crisis has prompted the GoK to renew its commitment to addressing youth issues and youth unemployment has emerged as a top priority. The GoK developed a “Marshal Plan” for youth unemployment in 2007, emphasizing the importance of a coordinated and multi-sectoral approach to addressing the problem of youth unemployment and youth idleness. In April 2009 the Kazi Kwa Vijana (KKV) program was launched, aiming to employ youth in rural and urban areas in labor intensive public works projects implemented by different line ministries. The KKV program is implemented under the overall supervision and guidance of a National Steering Committee chaired by the Prime Minister and comprising Ministers and Permanent Secretaries of Ministries with KKV sub-projects. The Office of the Prime Minister (OPM) is in charge of the overall coordination and monitoring. Priority is given to sub-projects that can be implemented rapidly using labor-intensive techniques such as road maintenance sub-projects, small-scale water supply and sanitation sub-projects, water harvesting sub-projects, afforestation sub-projects and waste collection. In addition to the KKV, the GoK continues to support the Youth Enterprise Development Fund (YEDF), established in 2006, providing young with access to finance for self employment activities and entrepreneurial skills development.

Increased attention is being given to the poor and most vulnerable groups in the society, through the development of a Social Protection (SP) policy framework. This work has mainly been supported by the U.K. Department for International Development (DfID) with some support from the Bank. There are several ongoing programs in Kenya trying to support different vulnerable groups, but the interventions are fragmented and poorly coordinated. The GoK is in the process of developing a policy framework for SP, with the Ministry of Gender, Children and Social Development leading this effort. The process is well under way and consultations have been held at national, provincial and district levels. Additional efforts are, however, needed to complete the process successfully. In addition to the policy framework, the GoK, with support from the Bank, has initiated a review of targeting methodologies in existing programs in an effort to increase the efficiency of these programs.

The GoK's priority public policy focus on addressing youth unemployment and building their human capital is consistent with findings from the 2007 World Development Report (WDR) that focuses on development and the next generation, and the priorities set in the World Bank's Kenya Country Assistance Strategy (CAS) for 2004-2008, giving important attention to equity and investing in people. The Bank is now in the process of developing a new CAS and it is expected that social protection concerns, including unemployed youth, will be of increased priority. The inclusion of young people in mainstream society is further defined as a priority in the Social Development Strategy of the Bank's Africa Region, and the Bank-wide Social Development Strategy highlights youth development as an important part of its thematic portfolio (World Bank, 2003a). Kenya's own Vision 2030 strives to: reduce the number of people living in poverty and guarantee equality of opportunities; increase the opportunities for youth, women and disadvantaged groups; and improve delivery of social services (including water, education etc) among

others. The National Youth Policy, launched in 2006, further seeks to guide and mainstream youth related interventions in the country (www.yedf.go.ke2010/06/17)

2.2 Finance for young people

Nearly half of the world's population is under 25 years (ILO, 2004). The International Labor Organization estimates that 351 million children under the age of 18 are economically active. The UNFPA research estimates that there are 1.2 billion young people. As effective as MF has become as a development tool for poor women, unmarried working young people have been left out of the adult focused formal and informal lending sectors. Unmarried young people of legal age have been relegated to the sidelines accessing MF services due to perceived risk, age and status in society. Many young people work long hours and accept low wages in the informal sector (Carothers, 2003). Some young people who work combine education (school, vocational training or apprenticeship) with paid work and while this allows children and youth to continue their education, their ability to perform well can be compromised. The ability of children or youth to control the scheduling of their work can allow them to improve their educational performance and controlling work schedules can be done when children or youth operate their own businesses. Unfortunately, one of the biggest constraints to young people in business is access to financial services (credit and saving services).

The expected young people growth rates will increase by 30 percent by 2010. The growing population and high unemployment rates affecting youth disproportionately making a strong case for MF services to support young people owned enterprises. By working with the next generation, MF could expand its market base. MFIs may be pioneering strong customer loyalty and relationship building for a young market that will be with them for years to come. MEDA has found that EACID has slightly modified their standards loan products but has made major efforts to market their product to businesses employing young people and family-run businesses where the young people tend to manage the daily operations.

Poor working young people are creative, persistent and resourceful and they have learned to think like adults on how to sell, ration, budget and manage risk either completely on their own or with families and/or community networks. Despite the fact that these younger entrepreneurs are self-learned, they are sales savvy, quick with complex math transactions and hardworking, they cannot access financial services. It should be said that not all children and youth will be entrepreneurial nor may microfinance be appropriate for their needs. (CGAP, Focus notes). However, there are competent and viable young entrepreneurs and businesses that employ young people who are in need of credit to run their enterprises more efficiently – and safely – and are viewed as too risky and unbankable.

2.3 Youth Enterprise Development Fund (YEDF)

The Youth Enterprise Development Fund was conceived in June 2006 by the government as a strategic move towards arresting unemployment which is virtually a youth problem. The loan targets all forms of youth owned enterprises whether owned individually, as a company, in groups, in cooperatives or any other legal forms of business ownership; Seventy five percent (75%) of those unemployed are the youth. The government set aside Kenya shillings One billion (Ksh. 1 billion) in the 2006/07 budget to fast-track this noble and timely initiative (www.yedf.go.ke).

The Fund was gazetted on 8th December 2006 to provide the necessary legal framework to govern its use and operations. The Fund facilitates youth employment through enterprise development and structured labour export. The 11-member Advisory Board of the Fund was gazetted on 31st January 2007 and is 60% private sector dominated. The Youth Enterprise Development Fund was officially launched on 1st February 2007 by His Excellency President Mwai Kibaki. This launch marked the beginning of the Fund disbursement process to the youth enterprises through the Financial Intermediaries and the Constituency Youth Enterprise Scheme (www.yedf.go.ke2010/06/17).

2.3.1 The Objectives of the Fund

The objectives of the YEDF are; provide loans to existing micro-finance institutions (MFIs), registered non-governmental organizations (NGOs) involved in micro financing, and savings and credit co-operative organizations (SACCOs) for on-lending to youth enterprises; attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; and facilitate employment of youth in the international labour market(YEDF guide,2009).

The Kenya shillings one billion was allocated as follows: Ksh. 210 million was allocated to parliamentary constituencies to finance youth groups. Each Constituency receives Ksh. 1 million; Ksh. 690 million was channeled through Financial Intermediaries to finance all legally recognized forms of youth-owned enterprises; Ksh. 100 million was set aside to cater for the other objectives of the Fund that entail commercial infrastructure development, linkage schemes, marketing of products/services of youth enterprises, labour export scheme, and also finance some administrative expenses. To ensure equity in the distribution the Fund, the following criteria has been used: the first half of the Fund (Ksh. 345 million) has been divided equally to all districts and the second half of the Fund (Ksh. 345 million) has been divided as a factor of the population of young people in each district(YEDF guide,2009).

Minimum conditions for accessing the Fund include; one must fall in the age bracket of 18 to 35 years and Kenyan, one must have the intention of investing the Fund in a business venture, the Fund is a loan and must therefore be repaid and any form of legally registered organization or firm operating in Kenya.

This portion of the Fund is to ensure that all young people especially those living in remote areas not well served by Financial Intermediaries are not disadvantaged in accessing the Fund. The features and access procures include: The loan is accessible only to youth groups operating within the parliamentary constituency, maximum loan amount per group is Ksh. 50,000 ,not accessible to individually owned youth enterprises ,the loan attracts no interest but has an administration fee of 5% deductible upfront from the approved loan ,Proposal Screening, recommendation and approval done by Youth Enterprise Development Fund (YEDF) committees at divisional and district levels ,3-month grace period; full repayment within 12 months after grace period ,mixed age groups must have at least 70% youth membership and 100% of their leadership in the youth bracket and standard proposal format available to all potential applicants (YEDF guide,2009).

The youth enterprise fund guide 2009 indicates that the loan access procedures include, having a registered group/company/cooperative which has been in existence for at least 3 months as of the date of application ,the registered entity must have a bank account ,the entity must have at least 70% youth membership and 100% of its leadership in the youth bracket ,prepare business proposal using the standard form provided ,submit the proposal form to Divisional Youth Enterprise Development Fund Committee through Youth Officers, Social Development Assistants, or the Constituency Office ,divisional Youth Enterprise Development Fund Committee evaluates the proposal using evaluation guide provided by the Ministry of State for Youth Affairs ,recommended proposals submitted to the District Youth Enterprise Development Fund Committee for validation and approval ,the District YEDF Committee submits the approved proposals to the Youth Enterprise Development Fund (YEDF) Secretariat ,the YEDF Secretariat disburses the funds directly to the bank accounts of the approved groups and the Entity repays the loan in installments within 12 months after the grace period into the bank account of the YEDF (YEDF guide,2009).

The committee is composed of the District Officer (Chairman), the Divisional Youth Officer (Secretary), the Social Development Assistants, two youth representatives (male and female) from non-applicant groups, two representatives from the dominant faith-based organizations in the division, and local area Member of Parliament as an ex-officio.

The committee is comprised of the District Commissioner (Chairman), the District Youth Development Officer (Secretary), the District Youth Training Officer, the District Social Development Officer, Chairday

of Maendeleo ya Wanawake, two youth representatives (male and female) not serving the divisional committees, two representatives of main religious faiths in the district, and representative of a major civil society organization operating in the area.

The youth enterprise guide 2009 further indicates that loan Access Procedures/requirements include; applicant must have identification details such as business registration certificates or personal identification papers such as National Identity Card or passport, a bank account preferable to the preferred Financial Intermediary, the applicant collects loan application form from his or her preferred Financial Intermediary; Submit the loan application form or self-prepared business proposal to the preferred Financial Intermediary; the preferred Financial Intermediary carries out the assessment of the proposed business to establish financial viability and other relevant technical matters; attendance of training programme, if required; verification by the District Youth Officer when sought for by Financial Intermediary; the applicant repays the loan with interest rate of 8% to the Financial Intermediary; and the repayment period and amount is as agreed with the Financial Intermediary (YEDF guide, 2009).

2.4 POLICIES FOR YOUTH ENTERPRISE SUPPORT

Business support to young people has a history going back to the early 1980s and the urban riots and high levels of youth unemployment in certain inner city areas which 'forced' politicians and the business community to consider radical actions needed to deal with the perceived problems of alienation, lack of opportunities and decaying infrastructure (Robson, 1988). Accordingly a number of initiatives were set up with substantial funding from corporate businesses to support enterprise development in general (for example, Business in the Community) and youth enterprise in particular (for example, Prince's Youth Business Trust, and Shell's Livewire scheme). These, together with the government's Enterprise Allowance scheme, formed a programme of support which was aimed at combating high levels of youth unemployment, by facilitating the transition from unemployment to self-employment, thus contributing to the creation of an 'enterprise culture', particularly within the most deprived regions of the UK. A number of writers have drawn attention to some of the more problematic implications of such a policy, including, for example, exacerbating social fragmentation and further impoverishing those who are unable to fit into a culture of 'enterprise' (Payne, 1991). This links to a wider sociological discussion about the transition to a 'post Fordist' society within which a number of social groupings have become increasingly marginalized in terms of their position in the labour market and society (Amin, 1994).

Young Entrepreneurs Enquiry (Scottish Enterprise, 1996) reported findings from a survey of over 300 young people in business in Scotland, including the following. Whatever the reasons for going into business, none of the respondents could envisage going back to employment; ie the experience of self employment was generally positive. The majority (68 per cent) had left their employment voluntarily to go into business. The main benefits of being in business were reported to be 'independence', 'making one's

own decisions' and 'pride in one's work'. Around 50 per cent of the respondents reported achieving a sense of recognition through running their own business. More generally, feelings about running a business were about pride, confidence and satisfaction rather than isolation, fear of failure and so on. The main problem reported (by over half of the respondents) was being 'strapped for cash'.

The majority (81 per cent) had previous experience in the sector in which they were establishing their business. In the majority of cases (70 per cent), this also included having some relevant qualification. The importance of support by external agencies was stressed by the majority of surveyed owner-managers; it was ranked as the second most decisive factor (after a market gap or opportunity) for why people went into business. The importance of support agencies was also emphasized with regard to initial financing, particularly in the absence of positive support from the banks. Indeed, over 50 per cent of surveyed owner-managers contributed their own savings towards business start-up. The importance of support from family and close friends, particularly from parents, was emphasized. This support was mostly in the form of advice, practical guidance and housing rather than direct financial help.

As alluded to above, another important contextual factor impinging on the success of a business established by a young person will be the characteristics of the surrounding locality (Keeble and Walker, 1994). For example, the existence of a culture supportive of individual enterprise and enterprising behaviours is likely to be a critical factor (Gibb, 1987a), as will be the overall state and health of the economy, giving rise to opportunities for new, indigenous businesses. In Scotland, for instance, it has been explicitly recognized that rates of new firm formation were somewhat lower when compared to other regions in the UK and, therefore, positive action was needed to improve new firm formation rates. This has led to increasing encouragement and support for young people in Scotland to go into business building on the successes of established schemes such as the Prince's Scottish

3 METHODOLOGY

3.1 Research Design

The study was a case study of Nyaribari Chache constituency. A case study was selected on strength that it involves a careful and complete analysis an entire community and emphasizes depth rather than the breadth of a study (Kothari, 1993).The study targeted youths in Nyaribari Chache Constituency. For easy administration of research tools, the researcher targeted youths who are members of community based organizations and other registered youth groups in the constituency. Two members of each of sixty three registered groups were randomly sampled. The focus on constituency was considered relevant due to the distribution channel of YEDF. In order to understand administrative challenges facing the fund, Divisional Youth officer in Keumbu Division and the District youth officer were also targeted as respondents. The Kiogoro Division had no Youth officer at the time of the study.

3.2 SAMPLING APPROACH

The sample size was determined by the number of registered youth groups in the Constituency. From the Ministry of Social and Cultural Services Kisii Central District records, there were 63 registered youth groups in the two divisions of the constituency. The sample was 128 respondents; 126 youths and two administrators. The sample size was established by selecting two youths per registered youth group in the constituency as by the last day of the year 2009. Simple random sampling was used to select two youths from each of the registered youth groups in the constituency. For the administrators, i.e the District youth officer and the divisional youth officer, complete enumeration was used.

3.3 VALIDITY AND RELIABILITY OF INSTRUMENTS

Validity of instruments was established through consultations and pilot testing of questionnaires. The items in questionnaire were discussed with the supervisor then subjected to pilot study and considered reliable.

3.4 DATA ANALYSIS

The process of data analysis involved several stages. Completed questionnaires were edited for completeness and consistency. Data collected was then be analyzed both qualitatively and quantitatively. The responses from part one to part three was analyzed to answer the research objective. The responses from the open-ended questions was coded; the mean was used for likert-scale responses. For closed questions, an analysis using distribution tables, percentages and graphical analysis was done to improve the presentation of the analyzed results for ease of interpretation.

4.0 PREFERENCE OF YEDF AS SOURCE OF FUNDS

4.2.1 Preference of YEDF as source of funds

The study sought to establish whether the YEDF was a preferred source of funds for youth entrepreneurs. The findings are given in table 4.2.1 below;

Table 4.2.1: Preference of YEDF as source of funds

Factor	(5) Highly Preferable	(4) Preferable	(3) Undecided	(2) Less Preferable	(1) not Preferable	$\sum f$	$\sum wf$	$\frac{\sum wf}{\sum f}$
Preference of YEDF as source of funds	70	31	04	15	08	128	524	4.09

Source: Field data, 2010

Highest number, 57% of respondents indicated that YEDF is a highly preferable source of funds. 26.6 % said, it is a preferable source of funds. Only 3.1% are indifferent as to whether YEDF is still a preferred source of funds while 13.3% indicated it is less preferable. In general a weight of 4.09 means the YEDF is a preferred source of financing by most youths.

4.2.2 Other sources of funds

The researcher sought to establish whether respondents had other alternatives in terms of sources of funds. The findings are presented in the table 4.2.2 below;

Table 4.2.2: Other sources of funds

Source of funds	Frequency	Percentage
Loans from banks	13	10.2
CBO Savings	41	32.0
Inheritance	50	39.1
Own Savings	24	18.7
Total	128	100.0

Source: Field Data, 2010

Most respondents 39.1% depend on inherited property while 18.7% rely on own savings. Only 10.2% can access bank loans while 32% rely on savings in their CBOs.

5.0 FACTORS INFLUENCING THE USE OF YEDF

The study sought to establish the factors influencing the use or failure to use the YEDF. Each factor was analyzed based on the extent the respondents felt it influenced their decisions to seek funding through YEDF.

Respondents were asked to rate the influence of the following factors (as employed by YEDF now) in attracting more applicants for YEDF financing using the scale below;

5= Very High, 4= High, 3= Undecided, 2= low, 1= Very Low

Table 4.3: Factors influencing the use of YEDF.

Factor	5	4	3	2	1	$\sum f$	$\sum wf$	$\frac{\sum wf}{\sum f}$
	Very High	High,	Neutral	low	Very Low			
Speed of processing	8	19	32	24	45	128	305	2.38
Collateral requirements	12	57	27	25	7	128	426	3.33
Interest rate	71	28	8	9	12	128	521	4.07
The documents required	12	25	27	57	7	128	362	2.83

The amount granted by the institution relative to the amount requested	45	35	31	10	7	128	485	3.79
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Source: Field data, 2010

From field data analyzed above, interest rate is the most appealing factor to applicants of YEDF. This factor has a mean of 4.07 as indicated in table 4.3 above. The amount granted relative to the amount requested is another factor attracting applicants with a mean of 3.79. Most respondents were indifferent as to whether collateral requirements attracted youths to seek YEDF. This factor scored a mean observation of 3.33. The YEDF has not fared well in speed of processing and documents required as their means are 2.38 and 2.83 respectively.

5.1 CHALLENGES FACING YEDF

The study sought to find out challenges facing YEDF. Different aspects were proposed and posed to respondents. Respondents were asked to rate the extent to which they considered each aspect posed a challenge to YEDF in the constituency. The findings were recorded in table 4.4 below; 5 = Very Often, 4 = Often, 3 = undecided, 2 = Rarely 1 = Never

Table 4.4 (a) Challenges facing YEDF

Challenge	5	4	3	2	1	Σf	Σwf	$\Sigma wf / \Sigma f$
	Very Often	Often	Undecided	Rarely	Never			
lack of frequent monitoring and evaluation of projects	52	30	35	10	1	128	506	3.95
Insufficient funding	60	52	3	7	6	128	537	4.19
Lack of support from stakeholders	12	35	70	3	8	128	424	3.31
Lack of capacity building in terms of financial management skills	50	61	8	5	4	128	532	4.16
Administration in terms of loan processing	53	61	3	6	5	128	535	4.18
Improper project selection processes	40	35	12	11	30	128	428	3.34
Inadequate staff for the administration and disbursement of fund	26	48	37	7	10	128	457	3.57

Source: field data, 2010

Table 4.4 (b) Challenges facing YEDF.

Challenge	5	4	3	2	1	Σf	Σwf	$\Sigma wf / \Sigma f$
Accessibility of funds in terms of gender	52	46	12	14	4	128	512	4.0

Individuals and groups have problems developing business proposals	28	69	16	4	11	128	483	3.77
Most groups experience leadership problems	49	50	17	5	7	128	513	4.01
Most borrowers experience problems repaying their loans	42	72	2	8	4	128	524	4.09
Beneficiaries are not evenly distributed across the constituency	81	26	8	4	9	128	550	4.29
Most projects funded are unlikely to poster greater impact in society	46	52	19	4	7	128	510	3.98
Politician interfere with funds distribution	82	38	3	3	2	128	579	4.52
Youths never visit youth office for guidance and advise	48	54	16	4	6	128	518	4.05
It's not easy to organize workshops and training for youths	55	56	8	7	2	128	539	4.21

Source: field data, 2010

All aspects whose mean occurrences are greater than 4.0, were considered as posing greatest challenge to YEDF. They include; insufficient funding, capacity building, unfair distribution of beneficiaries, loan repayment problems, political interference, gender issues and administrative problems.

6 SUMMARY AND CONCLUSIONS

The study found out that;

1. Most groups have been in existence for period less than two years. For a group to benefit from YEDF, it must have been in operation for at least three months.
2. YEDF is a highly preferable source of funds. The only problem is its accessibility.
3. It is difficult to predict the time it will take to process the YEDF application.
4. Flexible collateral requirement and low interest rate remains a great attraction to most applicants.
5. Lack of frequent monitoring and evaluation is a challenge to the YEDF and to a very high extent affects its implementation.
6. YEDF has not received sufficient funding as they indicated that this factor remains a great challenge to a high extent
7. Lack of support from stakeholders affects YEDF to a high extent.
8. that capacity building remain a great challenge to YEDF it affects YEDF to a very high extent
9. Project selection by beneficiaries of YEDF is a challenge to a high extent not aware of the kind of projects funded by YEDF.
10. Majority of groups find it difficult to repay their loans. There is equally no legal mechanism to

compel defaulters to repay.

11. The beneficiaries of the fund were not evenly distributed across the constituency.
12. YEDF was yet to make an impact in society compared to other devolved funds.
13. Youths rarely seek guidance from relevant officers regarding YEDF.

In conclusion, the study found out that despite the fact that YEDF could be a preferred source of funding among the youths, accessing it remained a great challenge. Most youth have not been properly informed on how this fund can be accessed. Projects funded by the funds have not been properly managed and hence low repayment rates. The fund has staffing problem and hence lacks proper monitoring and capacity building. The fund has not been able to address gender imbalances and has not made significant impact in society. This study focused on challenges facing Youth Enterprise Development Fund in Nyaribari Chache constituency. The study recommends for studies in sister Women Enterprise Development Fund. The two funds seek to solve capitalization problems of the disadvantaged in society.

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RESEARCH QUESTIONNAIRE

SECTION A: PREFERENCE OF YEDF AS SOURCE OF FUNDS

How can you rate YEDF in terms of preference as a source of funds for youth enterprises?

Rate	Tick (one)
Highly preferable	
Preferable	
Neutral	
Less preferable	
Not preferable	

What other sources are available for youth enterprises

SECTION B: FACTORS INFLUENCING USE OF YEDF

What is the influence of the following factors (as employed by YEDF now) in attracting more applicants for YEDF financing;

5= very high, 4=High t, 3= undecided, 2= low, 1= very low

	Factor	5	4	3	2	1
1	Speed of processing					
2	Collateral requirements					
3	Time to process the application					
4	Interest rate					
5	Service fees					
6	Guarantees required by the fund					
7	The documents required					
8	The amount granted by the institution relative to the amount requested					
9	The time to obtain a response					
10	The cost of obtaining the financing					

SECTION C: CHALLENGES FACING YEDF

How often are the following aspects posing a challenge to the implementation of YEDF in the constituency? **5 =very often, 4=often, 3=undecided, 2= rarely,1=never**

Aspect	Tick appropriately				
	5	4	3	2	1

lack of frequent monitoring and evaluation of projects					
Insufficient funding					
Lack of support from stakeholders					
Lack of capacity building in terms of financial management skills					
Administration in terms of loan processing					
Improper project selection processes					
Inadequate staff for the administration and disbursement of fund					
Accessibility of funds in terms of gender					
Sustainability in terms of the youth groups being able to repay					
There are many funds requests from individuals and groups					
The funds are never adequate for groups and individuals seeking the funds					
Individuals and groups have problems developing business plan proposals					
Most groups experience leadership problems					
Most borrowers are servicing their loans with difficulties					
Beneficiaries are not evenly distributed across the constituency					
Most projects funded are unlikely to poster greater impact in society					
Genders issues are not adequately addressed in the group levels					
There is bias in allocation of funds					
Politician interfere with funds distribution					