

**EFFECT OF DEVOLVED FUNDS ON GROWTH OF YOUTH
ENTERPRISES IN BUNGOMA COUNTY KENYA**

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A thesis submitted to the School of Graduate in partial fulfillment for the requirement for the award of Degree of Masters in Business Administration (Finance Option) of Masinde Muliro University of Science and Technology.

DECEMBER 2019

DECLARATION

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

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CERTIFICATION

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DEDICATION

I dedicate this research work to my parents Mr and Mrs. Aggrey Murandafu.

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ABSTRACT

Despite the initiative by the government to introduce devolved funds in Kenya, the real effect of these devolved funds is yet to be experienced on growth of the youth enterprises. There has been overemphasis by previous studies on the issues that address challenges and administration of devolved funds with less regard on the real influence on development. The purpose of this study was to examine the effect of devolved funds on growth of Youth enterprises and develop a framework to improve the access of funds by youth enterprise in Bungoma County. The study was guided by the following objectives: To determine the effect of Uwezo fund on growth of youth's enterprise, examine the extent to which the implementation of the youth enterprise fund program meets intended objectives, to establish various enterprise factors including: awareness, competency and Governmental policies on how they affect development fund and growth of youth enterprise in Bungoma County. The study adapted an explanatory survey research design to achieve the research objectives. The study targeted a population of 67117 youths who have enterprises in Bungoma County, where Agency theory and Allocative efficiency theory were adopted. The study employed Survey Monkey (2017) to come up with a sample size of 380 and then used a stratified random sampling technique in the sample selection. Data was collected using questionnaire as the primary tool. The researcher employed face and content validity while pilot study was carried out to check on reliability. The study collected both quantitative and qualitative data where both inferential and Descriptive statistical analysis were employed during the analysis process. The study reveals that more youths have benefited from Uwezo fund as compared to Youth fund. These funds has created employment and empowerment of youths who have managed to access them, however there are also challenges like poor management of funds, lack of awareness, Low competencies among the members, lengthy procedures in securing the funds which the Government need to address to ensure transparency in realization and use of devolved funds. It is also noted in the findings that; devolved funds play important role in economic stimuli hence improving the lives of youths. It wa noted that youths nearer county administrator offices have benefited more as compared to those far from offices. Kanduyi constituency carries more beneficiaries of devolved funds. Therefore the study recommends that more study be carried out to reveal a deep insight into the perception, competence and attitude towards devolved funds more so on the repayments plans, It also recommended that issues about ICT and computer illiteracy should critically looked at since they present a direct hindrance to maximum utilization devolved funds.

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LIST OF ABBREVIATIONS AND ACRONYMS

UACA	:	Urban Area and Cities Act
TDGA	:	Transition to Devolve Government Act
CGA	:	County Government Act
PFMA	:	Public Finance Management Act
UF	:	Uwezo Fund
PYE	:	Performance of Youth Enterprise
YED	:	Youth Enterprise Development
MMUST	:	Masinde Muliro University of Science and Technology

:

OPERATIONAL OF TERMS

Uwezo Fund	These are funds created by the Government to provide employment opportunities among the youths and women, its constraints are Employment, Disbursement of loans, Youth awareness
Devolution	This is a system that combines self-governance at local and shared National governance where none after levels is a mere agent of the other bit is protected by the constituency
Youth	This study adopts Kenya's constitution definition of youth. That is individuals in the republic who have attained the age of 18 years but have not attained the age of 35.
Performance	In an age of reinventing government, management wants to keep programs on course, while effectively responding to evolving markets and client needs These are funds which have been decentralized from National government to
Devolved Funds	constituency level to support youth empowerment to have an impact in economic growth in Kenya These are funds created by the Government to Kenyan
Youth Fund	Youths to enable them participate in economic development.
Youth Enterprises	These are youths within age of 18-35 years who have an ideal of business idea to explore.
Loans	These are amount of money which are to be disbursed to youth constituency which have a return payment of an interest.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Since the country became independent, Kenyans have endured from marginalization. The government made a dramatic duty in 2010 by forming a new constitution outlining the functions of a devolution governance system. Previous governments have failed to fulfill the desires of Kenyans enduring severe poverty-related pain. Kenyans have many aspirations of the new system mainly with regard to improving their social, economic and political status (Strategic Plan, 2013/2017).

The young people are most affected by insufficient jobs and wellbeing (Nebe & Mang'eni, 2016). Young people often have a negative perception about agriculture (Echessa, 2016). The development of sustainable companies is a source of young people's alternative employment. However, young people have limited access to business finance (Njeru & Gichimu, 2014). The UF and YEDF give you an alternative financing option for your companies.

The philosophy behind the financing is people's involvement in priority and needs-based development (Kimenyi, 2005). The Government aims to increase the amount of money transferred by the overall growth in annual turnover in an attempt to improve the youth development by transferred funds. This aim is accomplished by increasing the volume, efficiency and effectiveness of the funds transferred and increasing public participation and the voice of local community members in order to turn development problems that are of interest to such members into public policy (IMF 2010).

The fundamental concept underlie devolution, Brown (2011), through decreasing federal taxes and budgets and shifting many federal responsibilities towards the countries, reduces the size or impact of the national government. While one aspect of devolution includes drastic cuts in federal assistance, States are obliged to take on major new obligations with significantly lower revenues. In some cases, federal programs are pooled, and allow the states to contribute government money to take advantage of services such as the Children's Health care scheme.

Effective engagement of Kenyan people in decentralized funds remains problematic for a number of factors, which include: insufficient information on the funds transferred; absence of citizens from fund decision-making; weak teamwork which results in the replication of initiatives, the tradition of political sponsorship; a need for citizens to be responsible to the governing elected officials Given the deficiencies the distributed funding system has set benchmarks. The number of students enrolled at schools increased considerably, social facilities were developed including schools, health centers and facilities for recreational activities, water and sanitation facilities became easier to access. Three essential guides to decentralized funding are explored here. First, this provides basic information on distributed funds, based on the belief that information is power. Secondly it aims to funnel young people through public funding and eventually explores the ability to track and assess the distributed funds.

According to Kimenyi, (2005) Kenya has in the last ten years continued to shift its approach to development from National to County to a more people-centered, bottom-up approach. This is perhaps will be the best in the increase in both the devolved funding initiatives and increased funds allocation to particular devolved funds.

From inception the YEDF program has faced tests. The founding of the fund brought detrimental communal view and outlook predisposed by the timing. It was on the eve of the general election year that the Fund was established and hence, seen as a political outfit exposed to steer voting ways especially amongst the formative years. Therefore it was seen as political handout the loans dished out in certain areas of the country, ensuing in pitiable loan settlement (Ministry of Youth Affairs and Sports, 2010).

When it comes to policies formulated by parliament act as a pillar to augmentation of youth uprising business and resource sustainability they are inadequate. For a case in point, there is no regulation supporting the process of youth labor migration. What's more, principal investment in giving non-credit services to the youth entrepreneurs is enormous vis-à-vis the authentic loans given. The services are not limited to business operational overheads, public sensitization development services, education and market support. The quality of loans disbursed is not of essence as compared to amount of loans given.

Disbursement and loan repayment which are inadequate in some areas of the country threaten loan recovery. Not having financial mediators and loan settlement ways in majority of 32 areas put youth at a disadvantage in those sides. Convenience of lending organizations to youthful entrepreneurs is silent questioned. High demand and prospect of the youth renders the fund insufficient. The administration distribution was deliberated to be sufficient for the young people and is an instantaneous universal remedy for youth joblessness.

When youth officers have limited movement capability because of large portfolio of youth financed enterprises hence creating monitoring problems. The prevailing condition affects service prerequisite and administration of the disbursed funds.

However as has been noted by Amagoh and Amin (2012), most of the studies are consistent with predictions that devolved funds will lead to a positive impact on economic growth and youth development.

Devolution takes the liability of local governments for creating and executing effective county-level policies. As a crucial indicator of decentralization of government, the new system became more relevant (Kilonzo, 2011). It is the legal surrender to states, at the sub-national level such as provincial or municipal, of authority by the central administration of a sovereign state. The return may primarily be financial or administrative (Thulow, Kiringai & Gautum, 2006). Devolution is one among many forms of decentralization, which is a characteristic of all governments globally. One observation distinguishes vertical decentralization, which offers a vote, from horizontal decentralization, which also offers voice (Kauzya, 2007). It is not thus how the regimes decentralize themselves, but how and how they choose between the various decentralization strategies. In fact, a decentralization study in 30 African countries found that most states did not prefer centralization to suggest or consider decentralization to be undesirable and difficult to implement or sustain (Ndegwa, 2002).

Devolution is almost not a new phenomenon. In the United Kingdom, the Act of Union 1707 called for a distinct system of law, religion and schooling in Scotland that it should support. The organizations that have been relocated are no exception. Many of the roles shifted to the EU, particularly in agriculture and fishing, but also the climate and economic development in Scotland, Wales and Northern Ireland. A comparable difficulty with respect to modulation arises (Finnie, Jones & Small 2002). Based on the principles and ideals of devolution laid down in Articles 174 and 175 of the 2010

Constitution, the Constitution of Kenya lays down a committed governance system The Change to Devoted Government Act (2012); the County Government Act, 2012 (CGA, 2012); Public Financial Management Act,2012 (PFM,2012); other legislation which provides force to the postponed government, including the ElectionsAct,2011. Devolution regulations, in particular: The Urban Areas and Cities Act, 2011 (UACA 2011).

The accelerated evaluation of funds exchanged in Kenya was carried out to report best practices for the use of the funds transferred. Such funds have been shifted, namely the Circular Development Fund 2003, the Circular Bursary Fund 1999, Circuit Authority Transfer Funds 1999, the Free Primary Education Fund, the Rural Development Trust Fund for the Area, the Focusing District 1983, the Women Enterprise Fund, Uwezo Fund 2010 implementation and community fund development funds in 2006.

In Sub-Saharan Africa, access to funds by the youth is not guaranteed and therefore there have been reports of most youth-based small businesses failing in their first year due to lack of finance to sustain their development (Biekpe, 2004). The evidence supporting the view of youth access to business funds in youth enterprises as the engine of growth is in fact not conclusive. Consequently, the administration has proceeded to centre on increasing way in to funds amid the youths so as to foster uprising business division to encourage fiscal expansion (Malonza, 2007).

The growth of businesses is described as investment in time and money to support the creation, extension or advancement of companies. Enterprise creation allows people to live in poverty and contributes to sustainable growth, for themselves, their families and their neighborhoods (Yasmine, 2013). This will allow people to live in deprivation. The chief dare for Kenyan youths is unemployment. The ruling regime has over and over

again placed work establishment at the pinnacle of strategy schema. Youths who are not employed account for 61%. It is for the above reasons the government started financial institutions as a method of addressing being without a job with the aim of solving youth's problems. The impression is stoned on the assertion that funds devolved form enlargement starting that are probable to contain the greatest effect on work conception (YED, 2011). YED existed since the year 2006 with the solitary rationale of dropping lack of work among the youths. The enterprise targeted young people inside age of 18 years to 35 years who total 13 million. It was on gazette 8th Dec. 2006 and then altered into a government conglomerate on 11th May 2007. The fund's calculated focal point is on endeavor expansion as a key plan that will amplify monetary opportunities for, and partaking by Kenyan youths in homeland economy (YED, 2011).

In 2005, the company developed a three-year Strategic Plan to address a variety of young people's needs and aspirations and challenges from the past. Currently, a 5 year Strategic Plan for 2030 is being developed under the Medium-Term Plan (MTP). The aims are to provide youth borrowing, to encourage and stimulate investment to the country in the interest of young businesses, to support youth-oriented micro, small and medium-sized enterprises in forming ties to large companies, and to make it possible in domestic and international markets for the selling of the products and services of young enterprises.

The Fund also offers youth enterprises with business development services (YED 2011). The Fund offers free education on entrepreneurship, no interest charges at start-up and no collateral is needed. The fund maintains secure evaluation and payout terms. Over Kshs.5.2 billion were sponsored by the Funds for more than 144,000 young businesses. By market support and client coaching, it has also helped millions of young people

build up their companies. More than 200,000 young entrepreneurs have been educated by the Fund (YED, 2011). It is important to be aware that this fund has been assessed in relation to its management at national level in our country, mainly with regard to the Bungoma Country, as regards the management and use of transferred funding for young enterprises performance.

1.2 Statement of the research Problem

Youth are group of people that are continuously struggling for financial muscles and in most cases are vulnerable to unemployment. For a long time, highly centralized government agencies have hampered the efficient delivery of public services in Africa and other evolving regions (Mwabu et al. 2001). Many efforts have been made in Kenya in order to reduce unnecessary government levels so as to increase the availability of resources for citizens, culminating in some central government offices and funds being diverted into the local population. A number of funds have been devolved targeting the youth empowerment. Some of these funds include Youth enterprises funds and uwezo fund.

Although the Kenyan administration seeks to transfer funds to the grassroots, the mobilization of the youth sector is still persistent. In 2013, the Uwezo Fund was founded but the fund remains silent after six years. Ogolo (2009) says most people in Kenya have little or no interest in new government-led development projects through adopting an active governance strategy. Bottlenecks have been reported from the YEDF project. Unconstructive community discernment has been there since, sparked by the timing of the Fund's institution. It was on the eve of the general election that the Fund came into light hence, professed as a political club out to manipulate the way individuals under 35 years will vote. The loans dished out were therefore seen as

political influencers in certain areas of the motherland, ensuing in poor loan settlement (Ministry of Youth Affairs and Sports, 2010).

Earlier studies also demonstrated the difficulties and governance of the funds exchanged but less questions over the real influence on the development of young people (Mboga, 2008; Davies, 2012). Whatever the investments, it has been shown that business institutions have a very low growth level with significant challenges which contribute to a 60 percent loss in young people's results. This output has impeded the potential of young companies to contribute to development. In acknowledging the crucial function of youth companies in the country's economy, the Government has over time implemented various intervention to boost the performance of enterprises and sustain them (Ngugi & Bwire 2013). Nonetheless, given their numbers, three out of five young people in Bungoma with small businesses struggle during the first three (Odhiambo 2013) years of their venture.

The statistics from Bungoma County department of trade enterprises (2013) shows that youth enterprises has not been fully accessed financial assistance from lenders, not well involved in empowerment projects, and sidelined in a matters of economic development through devolved funds. It is against this background that this study was carried out to examine the effect of devolved funds on the growth of youth enterprise in Bungoma County.

1.3 General Objective

The main purpose of this study was to examine the effect of devolved funds on growth of Youth enterprises in Bungoma County and develop a framework to improve the access of funds by youth enterprise in Bungoma County.

1.4 Specific Objective

The study was guided by the following objectives;

- i. To determine the effect of Uwezo fund on growth of youths enterprise in Bungoma County
- ii. To examine the effect of youth enterprise development fund on growth of youth enterprise in Bungoma County.
- iii. To establish enterprise factors on the relationship between development fund and growth of youth enterprise Bungoma County

1.5 Research Hypothesis

- i). HO₁ There is no significance relationship between Uwezo fund on growth of youths enterprise in Bungoma County
- ii). HO₂ There is no significant relationship between youth enterprise development fund on growth of youth enterprise in Bungoma County.
- iii). HO₃ There is no significant relationship between enterprise factors on the development fund and growth of youth enterprise Bungoma County.

1.6 Justification of the Study

Studies about problems of accessing devolved funds have not featured in most county government (Lawrence et al., 2012), which is shown on status reports on performance of youth enterprise development. But initial evidence indicates that obligations required before utilizing funds are not met by majority target beneficiaries. This has created an overhaul that has necessitated this study; funds end up not being fully utilized and some are returned to the central government treasury or being miss-management by a few individual who are in charge of funds. This study provide a blueprint for intervention for the utilization of devolved and also offers a platform for criticism and references.

The conclusions and guidelines of this analysis can be extended to other countries in the world because they have a similar structure of the money transferred. This can help you find and execute the desired strategies.

1.7 Significance of the Study

This study examined various types of devolved funds in Kenya. It provides a platform from which policy framework developed so as to help the leaders in both Nation and county governments to provide policies that aim at improving the youth enterprises and business situation in the counties. These should help in creating more investment which are sufficient enough to create enough jobs and reduce the poverty levels among the youths. It is also hoped that it changed the economic growth in the long run, besides, helping the managers of the funds and leaders in both Nation and county governments in formulating policies may improve the youth enterprises and business situation in the counties.

1.8 Scope of the study

The study focused on the effect of devolved funds on growth of youth enterprise development in Bungoma Kenya. The content scope include: youth funds, Uwezo fund, enterprise factors on youth enterprises. The geographical scope mainly targeted Bungoma County and specifically youth's enterprises, Bungoma County on Western part of Kenya, which comprises 9 Constituency regions with a population of 1,375,063, and its capital town is Bungoma Town. It has an area of 2,069 km² (Wikipedia, 2013). The study used questionnaire, interview, and focus group which were primary data and content analysis. The research was done from March 2016 to August 2018.

1.9 Limitations of the study

This study was limited to the objective of devolved funds on how it affects the growth of youth enterprises. It was required to acquire different forms of data from various participants whom may be difficult to get due to confidentiality

1.10 Conceptual Framework

The conceptual framework was presented in a systematic interpretation explaining the relationship of the objective in terms independent and dependent variables.

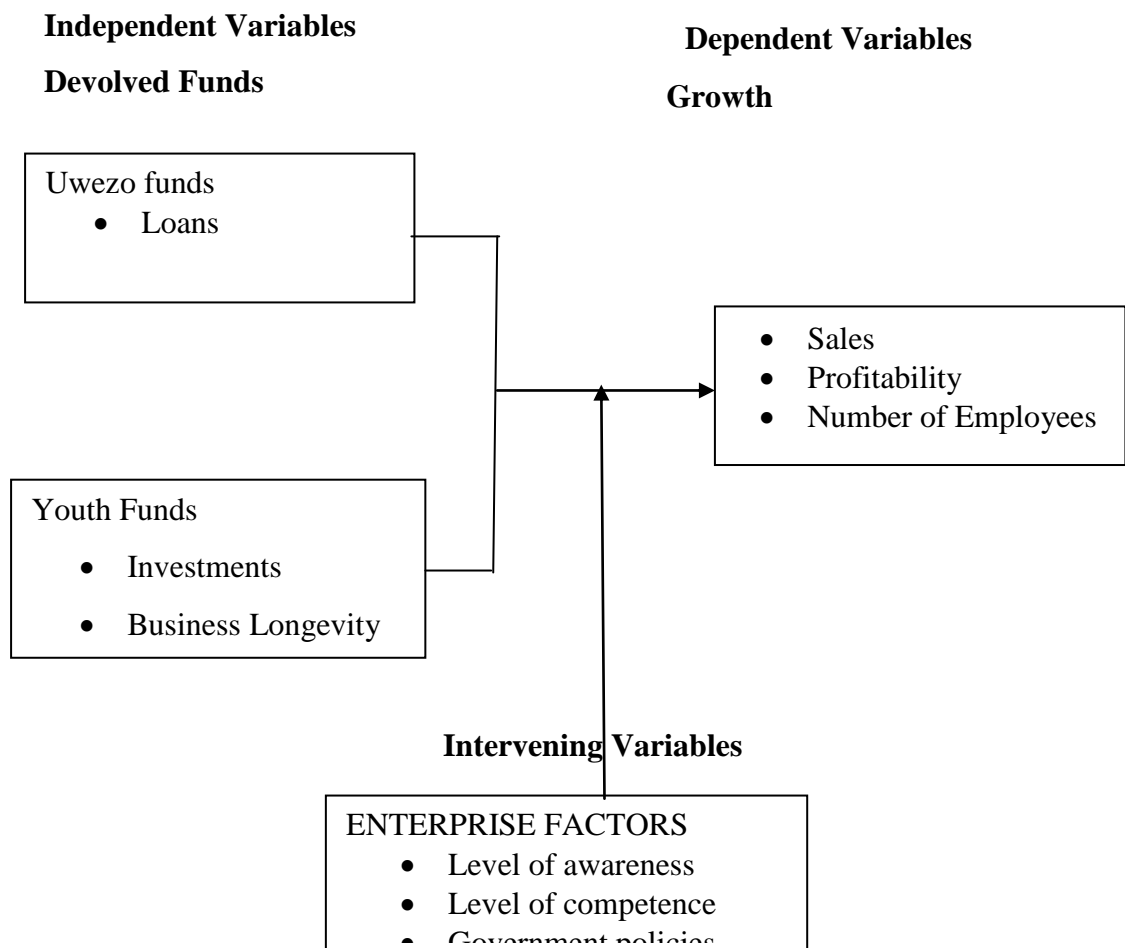


Figure 1.1: Conceptual Framework

Source: Own Conceptualization, (2018)

In the 2013, a special fund (Uwezo Fund) was created by Government of Kenya under the Ministry of Devolution and Planning. The President allocated 6 billion to the youth between (18-35 Yrs) by giving them loans to engage in business enterprises meant to create wealth and reduce unemployment. The money was to be distributed in all constituencies. This fund was planned in a way that the youth will not pay interests but a little service fee of 3% and not as high as usually required by the commercial banks hindering them from going for loans. The wider intent of this fund is to engage the youth in enterprises where they can grow their abilities, talents, visions whereas making money and divert their attention from crimes, in so doing improving money-making in apprehension of the Millennium Development Goals which take description of promoting gender parity and sanction youth and women and eradicate tremendous poverty and hunger.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the concept of devolved funds in successfulness of youth setups. Therefore discussion was based on the following sub headings: Devolved funds, youth's empowerment, and youth in global context, youth development, theoretical framework, Uwezo fund, Youth Fund and Entrepreneur factors the levels of youths in the country.

2. 2 Youths Empowerment and Participation

Without good empowerment and participation, development programs for youth are likely to fail. The terms empowerment and participation have often been used in a narrow way. Understanding is the latter that can be seen as a means to the former. Empowerment is a process by which individuals gain influence on events and outcomes of importance to them (Ministry of Youth Affairs and Sports, 2008). Youth participation involves challenging action that meets genuine needs, with opportunity for planning or decision making on issues affecting others, in an activity whose impact or effect which will be extended to others.

2. 2. 1 Youth and Development in Global Context

Developed countries seem to have market driven approaches as universally acceptable way of engaging youth. But in terms of organizational arrangements and the executive agent (Waddell) (Kapitsa) the implementation of the youth enterprise programs has varied from country to country. Youth programs have come to fruition in several nations including the United States and Canada through different mechanisms: incubators, community boards, and knowledge centers for young people, unique youth

organizations and trusts, Charities, government institutions such as the Department of Education, Human Resources, Business, Trade, etc.

The strategies adopted in most developed countries have been after years of social experimentation and research (Kapitsa). In the 1960s and 1970s the USA federal governments used employment training programs to combat youth unemployment. The impact was very limited especially among minority youth (Hispanics and Black communities) because of competition from other welfare programs. Those targeted were youths whom the educational system had often failed to serve and with whom the employment and training programs of the nation dealt with. The high youth unemployment in the mid-1970s, particularly in relation to black youth unemployment, prompted Congress to enact the Youth Employment Projects Act and spend billions of dollars on what will finest work for marginalized young people (Briggs, 1987). The high youth unemployment in the mid-1970's. Most experts believe that Imprenditorialita Giovanile (IG) S.p. A in Italy and Prins Trust-Business (PTB) in UK (Prince (Charles's Trust, OECD (2001), ILO (2000), White and Kenya (2000)) were two of the most successful youth entrepreneurship development ventures. The assessment of both the IG and PTB's success factors indicates that their youth enterprise promotion programs are effective.

2.2.2 Youth and Development in Kenya

Like South Africa, Kenya has made major steps in dealing with youth unemployment. Special focus on youth enterprise development is however fairly new in Kenya. Understandably, not much evaluation has been done on youth programs. A comprehensive youth program came into effect with the launch of the youth enterprise develop meant fund (YEDF) (Three Years of the Youth Fund). The launch of the

program was initially met with skepticism that it was only a political tool to marshal youth vote and not address challenges faced by youth (Chigunta).

According to the (2009) youth fact book, seventy five percent (75%) of those unemployed in Kenya are youth. Youth unemployment is one of the Agenda 4 focus items in the 2008 Peace accord (Kenya National Dialogue and Reconciliation Status report, 2008). Youth unemployment was identified as one of the key factors behind the post-election violence. As such, prioritizing addressing youth unemployment is critical to consolidating national stability and generational posterity.

Kenya's comprehensive youth policy consists of a tactical plan and a follow up outline. Plans for young people development in Kenya focuses on intensifying job chances in the vicinity, education and training on one arm, and in search of other overseas and heartening entrepreneurship on the additional the mainly remarkable youth program which this study focused on is the Youth Enterprise Development Fund (YEDF).

2.3 Theoretical review

There are a number of theories that have been advance to explain devolved funds

2.3.1 Agency theory

According to Rees (1985), the agency conjecture concentrates on the affiliation amid most important and supporters who eliminate power on behalf of organizations. The presumption is that principals should explain two primary responsibility in selecting and scheming their agents: First, they have to select the best agents and create inducements for them to behave as desired. Second they have to monitor the behavior of their agents to ensure that they are performing as agreed (Ayee, 2005). A problem arises when the parties' goals conflict or when it is difficult for the principal to verify what the agent is

actually doing. In this case Information asymmetry introduces an issue of adverse selection and amoral hazard problem.

In decentralization of funds the primary outfit affiliation arises, the country's administration being key and the cash execution committees and employees being the agents. In case the connection linking the two groups is not treated well, then issues related to agency theory, information asymmetries included are clear to resurface consequently restraining the effect of the fund.

2.3.2 Allocative efficiency theory

Allocative efficiency Theory claims that decentralization's key philosophical claim is that the quality of the allocation of resources is increased. If delivering goods and services, the consumption of which is limited to the repayment. Then Devolved regime have their motive to tailoring final products of goods and services with specific liking and state of affairs of their constituencies, split provision enhances monetary safety on top of that which outcome from the more unvarying levels of such services that are unlikely under national stipulation. The fundamental point here is clearly that the successful level of performance of the local public good for which the marginal gains of the community equate to marginal costs that vary among various jurisdictions due to differences in choice and the price differences(Oates, 1999).

As the sub-national governments are similar to the populace than the centralized government, the desires of the local people are better informed than the central government (Hayek 1945, Musgrave, 1998). Therefore, these authorities claimed that the volatility in demand for goods and services are better informed. In the second place, sub-national governments are also perceived as being most sensitive to changes throughout public goods demands and costs. The possibility that the governments

would respond to the request by fostering rivalry from the sub-national governments in decentralization is assumed to increase (Tiebout, 1956).

2.4 Empirical Literature Review

CDF project has not yet achieved their intended purposes in some constituency Kimenyi (2005), there are many studies which have been carried out on CDF, some do well in terms of fund management which significantly changes people life, and other places have not performed well ending up freezing their bank account by the national management committee. Gudda&Ngoze (2008) tried to establish the YED impact and evaluate the current status of YED's results three years after its inception in a study called the ' Sustainable Youth Employment Program in Kenya: The Case of YED' The study concluded that in the application of his mandate the YED Committee has made a lot of progress.

Theresearchindicatedthatvariousinterventionshavebeenestablishedassuchdisbursementof funds through Youth Enterprise Scheme, through intermediaries, entrepreneurship training or Business Development Services, youth employment scheme abroad, markets and market linkages support and commercial infrastructure. For example a study of federal state of India suggests that decentralization promotes government responsibility in service delay Besley and Bargess (2014). The study however recommends that here is need for better mechanisms for monitoring these interventions by implementers and other parties in order to have enterprise creation and sustainable employment for the youth throughout the country since the devolved funds has not yet achieved its main core function.

2.5 Devolved Funds

2.5.1 Youth Enterprise Development Fund (YEDF)

The youth enterprise Fund was gazetted on 8th Dec. 2006 then it was altered into a state agency on 11th May 2007. The fund's premeditated aim is on small business development as a plan that enhances financial chances for, and partaking by Kenyan youth in constructing the nation (YEDF, 2011). The Fund came up with a three year deliberate plan in 2005 to attend to mixed desires and aspirations of the youth, and to speak to problems it has encountered in previously. Presently being worked on by the fund is a 5 year premeditated plan with the Medium Term Plan (MTP) of vision 2030. The aim of the fund is to give on-lending to the uprisings, draw and motivate investment in micro, small and medium oriented commercial infrastructure that will be of benefit to support youth oriented micro, youth enterprises, small and medium enterprises to come up with huge businesses and make easy selling of goods and services of youth enterprises both in familial and intercontinental markets.

Young people not having work is one of the most off-putting monetary challenges Kenya is experiencing. Work creation is at high of policy making agenda with the government. Early life individuals consist of 61% of the unwaged. The government has initiated financing through institutions because of the above facts. The notion is based on the argument that small business expansion agendas are expected to have more effect in coming up with work (YEDF, 2011). It is in 2006 that YEDF was conceptualized with the singular point of dropping redundancy with the youth.

The expectation of this YEDF is based on the fact that the improvement beginning minutes, small and medium-sized businesses would probably have the greatest impact

on job creation (MOYAs, 2010). The Fund has sought to diversify its customer portfolio through more sensitive approaches that meet the needs of young entrepreneurs and are centered on addressing specific issues for young entrepreneurs (MOYAs, 2010).

Woldie (2008) studied on Factors influencing small and medium enterprises determined that SME enhancement is utmost driven by organizations uniqueness such as legal status, age and numeral of workers. Individual personality is seen to drive enhancement including previous experience, education, age, and triple inspiration measures, in name employment making and satisfaction in finance. Proprietor individuality such as sexual category and two encouragement measures such as hope to be autonomous and job contentment aren't seen to put forth pressure on SME in our chosen organizations in Kenya.

Kamau (2010) did swot up on; "the responsibility of Youth Enterprise expansion Fund on enlargement of Micro and Small Enterprises in Kenya: a case of Kiharu Constituency, Murang'a County". The study in specific sought after to: To institute the extent to which YEDF gives on-lending to youth MSEs, prop up youth MSES grow connection with huge companies, improve on sales of produce and services of youth MSEs nearby and worldwide to launch the coverage to which YEDF business development services to youth MSEs. The swot up bring into being that only 51 % of the youth entrepreneurs had been trained how to run their enterprises. In addition 50 % of the respondents indicated that YEDF had assisted them in writing business plans for their enterprises. This can be attributed to the fact that the youth are required to have a realistic and work able business plan as a requirement in order to access the funds. 40.43% of the respondents agreed that YEDF had enabled them to keep records for their enterprises. Again a majority of the respondents agreed to have been

positively mentored in the field of entrepreneurial development. The study therefore concluded that some ground had been covered by YEDF in offering business development services, but the level of responses suggested that there was still room for more to be done. These views show that YEDF has actually been on the ground and has assisted some youth in developing their entrepreneurial skills, there is need to find how these skills have assisted the youth in developing their enterprises.

Both groups and individuals have access to the fund. The Fund's roles involve youth borrowing, industry relations, assisting small firms in building ties with big companies, promoting the promotion of youth companies ' goods and services, encouraging the global labour market opportunities for teenagers, and offering business development tools for young business. Specific products for groups and individuals are available. For example, *Rausha* Programme and *Inua* Programme is designed for group's business expansion purpose. The *Vuka* loan and Smart loan is for individual business expansion. The funds are awarded through a competitive process. For funding" (Otieno, 2015).

2.5.2 Uwezo Fund

In the 2013, a special fund was created by Government of Kenya under the Ministry of Devolution and Planning. The President allocated 6 billion to the youth between (18-35yrs) by giving them loans to engage in business enterprises meant to create wealth and reduce unemployment. The money were to be distributed in all constituencies under CDF (Constituency Development Fund). This fund is planned in a way that the youth will not pay interests but a little service fee of 3% and not as high as usually required by the commercial banks hindering them from going for loans. The wider intent of this

fund is to engage the youth in enterprises where they can grow their abilities, talents, visions whereas making money and divert their attention from crimes.

The Uwezo Fund is a flagship program for vision 2030 aimed at enabling women, youth and persons with disability access finances to promote businesses and enterprises at the constituency level, thereby enhancing economic growth towards the realization of the same and the Millennium Development Goals which include eradicating extreme poverty and hunger, promote gender equality and empower women. The Fund seeks to expand access to finances and promote women, youth and person living with disability led enterprises at the constituency level. The Fund was launched by His Excellency the President of the Republic of Kenya on 8th September 2013 and enacted through a Legal Notice No. 21 of the Public Finance Management Act, 2014, and published on 21st February, 2014.

Uwezo Fund, therefore, is an avenue for incubating enterprises, catalyzing innovation, promoting industry, creating employment, and growing the economy. It also offers mentorship incentives to participants to use their Capacity Building plan to profit from the 30 percent government procurement advantage. The main objectives of the fund are, to expand access to finances in promotion of youth and women business and enterprises at the constituency level for economic growth towards realization of the goals of vision 2030, to generate gainful self-employment for the youth and women and to model an alternative framework in funding community driven development Mwangi & Shem (2012), accessibility to credit is a constraint in Kenya especially for poor and rural households. Among the key objectives of uwezo fund is to expand access to finances in promotion of youth and women businesses and enterprises at the constituency level for economic growth.

Kenya's development was marked by significant uncertainty, in part due to a small growth base and poor capital investment trends, according to the International Labour Office (2013). This has had a negative impact on formal employment and hindered living standards developments, in particular among young people from Kenya, despite the government's substantial efforts to promote the labour market. Korugia, Kosusura, Nyikal, Odumbe (2006), Poverty reduction remains one of the greatest challenges facing the Kenyan government today. Masingu (2013), Despite all the economic recovery strategies (ERS) put in place by the government to improve living standards, Poverty incidence is still high with low standards of living since studies carried out in Kenya indicate that 47% of the total population are poor.

2.6 Enterprises Factors

2.6.1 Level of awareness

Amenya et al (2011) identified various factors that affect the youth in accessing the funds. One of them being level of awareness by the youths to the funds, most of the youths have not been properly informed on how to access the funds and the government needed to put up more effort in Devolved funds . Lagat et.al (2012) carried out an analysis in the Kenyan constituency tier of Youth Enterprise Development Fund (YEDF). He acknowledged that distributed financing in Kenya, such as the YEDF, the Federal Enterprise Development Fund for Women or the Uwezo Fund, was built in order to financially motivate youth and women at local level; nevertheless, their projects are impossible because of the following factors. The study concluded that increasing awareness of the Funds, its objectives and loan features among the youths will have an effect on the growth of small enterprises. This would yield results as more youths will apply for loans and also utilize the loans

prudently in order to repay. There was a need to provide the youth with adequate information on funds objectives and loan.

2.6.2 Level of competence on Growth of Youth Enterprises

Finance is an important resource for a company that cannot operate without, which means that this resource should be taken into consideration if youth companies need to operate and survive. When initiatives need to be successful, funding practices in youth organizations must be prepared, registered, tracked and controlled. Meredith (2003) states that all areas of management involving not only financial resources and uses of finance in companies, but also the financial consequences of investing, manufacturing, marketing or personnel decisions and the overall operation of the company are financial.

Because of a great many requests for the funds available to an organization, it is vital for a youth business owner to proactively handle the expenses in such a way that even the smallest expenditures have a positive impact on the profits of the corporation. A successful young person must be able to achieve greater output with less feedback. Karanja (2014) has found out that the need for cautious prudent financial management in companies and organizations in particular is a significant practice. Proactive financial management is the method of handling the financial resources tactically and creatively including accounting and financial reporting, budgeting, account collection, risk management, and company insurance.

2.6.3 Government Policies

In their presentations, Peres & Stumpo, 2010 notes in the last three decades of the 20th century that Brazil has undertaken a number of actions to encourage the formalization of small and medium-sized companies and the development of institutional employment in this part of the company. According to Lukacs (2011), the nation has adopted a series of government policies that promote development and formalization of small businesses, and are responsible for most employment in Brazil. Lukacs (2011) also shows that the Micro enterprises Statute was promulgated in 1984 as an important landmark in creating a supportive environment for SMBs. For the first time. Despite the Government's efforts to promote development of small and micro-businesses and officialisation by reducing taxes and simplifying bureaucratic and accounting processes, the initial results were not positive in terms of formalization.

In Latin America, Cardoza et al (2014) suggested which MSEs that benefit from stable government policy structures and favourable environmental conditions are more likely to grow globally, along with well-designed assistance programs. In general, barriers relating to the access to funding, quality of law and regulations and efficiency of support networks, besides competition fair and tax, were identified by Zhu (2011) as several institution-based barriers to innovation and business growth in China.

The official policy framework of SMEs in Kenya is contained in the Sessional Paper No 2 of 2005: Development of Small and medium enterprises for Wealth and Employment Creation for Poverty Reduction (“Sessional Paper No. 2 of 2005”). The policy paper was intended to form the basis for enacting the SME Act to

institutionalize SME Policy in Kenya. The new SME Act would give direction to among others, key issues such as: the legal and regulatory environment, markets and marketing, business linkages, skills and technology and financial services. Indeed the Small and medium enterprises Bill 2011 enacted into law in the year 2012 was developed up on this Policy framework (GOK, 2013).

A study by Mazzaro and Choo (2003) observes that governments that are concerned with the promotion of small enterprises should examine the important policies and programmes on the small businesses.

2.7 Critique of Reviewed Literature

This chapter has dealt with devolution of devolved funds on how they affect the performance of youth enterprises in Bungoma County. The major purpose of this study will be to focus on how youths are empowered as a result of introduction of devolved funds. Developed countries tend to utilize well their funds for the benefits of the youths within the country, example in South Africa which have enterprises and are doing well unlike Kenya. Little effort has been carried out by other researchers on devolved funds, they have basically researched on Women, economic growth leaving out youths which should be the major concern of our country on youth enterprise hence this is what the researcher carried on to address basing on performance of youth enterprise.

2.8 Research Gap

Most decentralized activities have remained stand still in the County level, some are not meaningful to the society especially in helping the youth enterprise, and the Institutional arrangements have become a problem in a way that these decentralized programs are not used well to benefit people within the county. Little effort has been done by officials who are in charge of them leading to failure of youth enterprise, This has

adversely affected formal job creation and hampered improvements in living standards, particularly among Kenyan youth, despite considerable efforts by the government to support the labour market. Korugia, Kosusura, Nyikal, Odumbe (2006), Poverty reduction remains one of the greatest challenges facing the Kenyan government today. Masingu (2013), Despite all the economic recovery strategies (ERS) put in place by the government to improve living standards, Poverty incidence is still high with low standards of living since studies carried out in Kenya indicate that 47% of the total population are poor hence the researchers gap was on effect of devolved funds on performance of youth enterprises in Bungoma County.

2.9 Chapter Summary

Chapter two presents relevant literature on the effect of devolved funds on performance of youth enterprise and further reviews empirical studies. The chapter starts with the introduction, the concept of devolved funds, youth empowerment and participation, youth development in global context, theoretical review thus agency theory and allocative efficiency theory, effect of constituency development funds on performance of youth enterprise, effect of uwezo fund and youth fund on youth enterprise.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design that has been used by the researcher in establishing the effect of devolved Fund on growth of Youth Enterprises in Bungoma County. The sub topics discussed in this chapter are: the study area, the research design, the target population, sampling techniques, sample size, methods of data collection, validity and reliability, and finally ethical consideration.

3.2 Area of Study

The study was carried out in Bungoma County which is situated in Western part of Kenya. Its capital is Bungoma Town. It has 9 Constituency with a population of 1,375,063 and an area of 2,069 km² (Wikipedia 2013). It lies on latitude 0⁰25.3' and 0⁰53.2' north and longitude 34⁰24.4' and 35⁰ 04' east of Kenya. The research was carried in Bungoma because Bungoma is on western part of Kenya and most of time when funds are being allocated little amount is either allocated to Bungoma or sometimes funds allocated but youths don't go to pick them because of challenges that affects the youths.

3.3 Research Design

Research design is the conceptual structure for research, says Gupta & Gupta (2011). It is the strategy of data collection, assessment and evaluation. The layout of analysis ties the data collected to the initial questions of the experiment to conclusions. This provides a conceptual framework and an action plan for the resolution of issues (Yin 2003). Therefore this study adopted explanatory research design which sought to find out and

identify cause and effect relationship which may be formed in groups of individuals; it also examines the trends over time, Kothari (2004).

3.4 Target Population

Target population is defined as total of individual, elements or group to be studied (Orodho, 2009). Population can also be defined as “the total number of units from which data can be collected”, such as individuals, artifacts, events or organizations. It can also be described as population of all the elements that meet the criteria for inclusion in a Study (Patrick & Steve, 2005). This study therefore targets 67117 youth’s enterprises in Bungoma County (Census Report 2009)

3.5 Sampling Procedure and Sampling Size

Sampling techniques is a process of selecting a number of individuals from a population such that the selected group contains elements representative of the characteristics found in the entire target population (Kombo & Orodho, 2003). Sample is a small group obtained from the accessible population as a representative of the whole population.

The study used stratified random sampling to select samples to participate in the study. Kothari (2004) defines stratified sampling as grouping of the study elements into homogenous strata and then picking a sample from each stratum for the final sample size. Bungoma has 9 constituencies which forms strata’s. Therefore the researcher used four constituencies, where he adapted the following formulae and arrived at a sample size of 380 youths in Bungoma County that was used in the study, (Survey Monkey 2017).

$$n = \frac{Z^2 \times P (1 - P)}{}$$

$$\frac{e^2}{1 + \{Z^2 \times P(1 - P)\}}$$

$$e^2 N$$

N = Total population

P = Expected proportion of accessible population at 50% according to survey monkeys (2017).

Z = Level of confidence of 95%

E = Tolerable error

$$n = \frac{(1.96)^2 \times 0.5 \times (1 - 0.5)}{0.05^2}$$

$$1 + \frac{(1.96)^2 \times 0.5(1 - 0.5)}{0.05^2 \times 67117}$$

$$= 380$$

$$\text{Proportion for sample size} = \frac{x*y}{\text{Total Population}}$$

Table 3.1: Sampling Procedure

Constituency	Target Population (x)	Sample size (y)
Kanduyi	38405	217
Kabuchai	18257	103
Webuye East	822	5
Kimilili	9631	55
Total	67117	380

Source: Census Report (2009)

3.6 Data Collection Techniques

Questionnaire were the methods used to collect data. Quest: Mugenda and A. As research tools that provide detailed answers to complex matters, Mugenda (2013) refers to questionnaire results. Questionnaire is a data gathering method that includes questions designed to generate data appropriate for the achievement of the research proposal objectives (Wilson, 2010). Questionnaire Questionnaires allow researchers to acquire accurate information and provide efficient and cost-effective methods of gathering feedback.

3.7 Validity and Reliability of Research Instruments

This part presents the validity and reliability of the Research instruments that was observed as discussed in the sub sections below.

3.7.1 Validity of Research Instruments

Validity of a test is a measure of how well a test measures what it is expected to measure (Kombo, 2006).A scholarly research has to demonstrate evidence for accurateness, generalizability and replication (Toili, 2007) . This study ascertained face and content validity of the research tools. Face and content validity were secured via a panel of experts who judged the survey's appearance, relevance and representativeness of its elements (Burton and Mazerolle, 2011).

Face validity is an estimation of the extent to which the structure to be measured is clearly and unequivocally identified by a test. Experts were examined before administration of the questionnaires and interview schedules. These tools were examined by three experts and rated at one to ten levels (1-10). The pilot tests were listed in Table 3.2: Instrument Validity Review. The goal of this research was to create a simple to use, consistency and readability method, as introduced by Burton and Mazerolle in 2011.

Content validity was also examined to ensure the measure of the degree to which data collected using a particular instrument represents a specific domain of indicators or content of a particular concept. The supervisor went through the questionnaire to ensure that the content validity is valid. The Content validity was also done using a group of experts in entitled to devolved funds to assess what concept the instrument was trying to measure and whether set of items accurately represents the concept under study. Three experts were asked to assess content validity of the tools and rate them on the scale of one to ten (1 – 10). The results of this analysis is tabulated in Table 3.2: Instrument validity analysis

Table 3.2: Instrument Validity Analysis

Expert	Face Validity (x/10)	Content Validity (x/10)	Average (x/10)	Verdict
1ST	7/10	8/10	7.5/10 (0.75)	Acceptable
2ND	7/10	6/10	6.5/10 (0.65)	Acceptable
3RD	8/10	7/10	7.5/10 (0.75)	Acceptable
Average	7.33/10	7/10	7.17/10 (0.717)	Acceptable

Source: author (2018)

The purpose of this assessment was to establish instrument's credibility, accuracy, relevance, and breadth of knowledge regarding the domain of study (Burton & Mazerolle, 2011).

The explanatory research was used for this research which was constructed using exhaustive and mutually exclusive close-ended questions. The first section was to measure the access and effect of uwezo fund, the second measure youth enterprise Funds, and include trends in use, the third looked at the moderating effects, and the final section obtained demographic information, as well as recommendation for the solutions to problems affecting the devolved funds.

The average scores from specialists were measured and the instruments were judged to be of 73.33% standard and 70% Burton and Mazerolle accuracy, (2011) suggested that an overall rating of 60% above the facial reliability and validity instruments. He adds that the aim of this evaluation was to establish the ease of use, clarity and readability of the instrument.

3.7.2 Reliability of Research Instruments

Reliability is the measure of how accurately and precise an instrument or measurement procedure is. This is the measure of the extent to which results are consistent over time and an accurate representation of the total population under study. This means that an instrument is stable and will collect the same data if used in other similar studies. It is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda and Mugenda, 2013).

A pilot study was conducted in Malaba constituency Busia County to ascertain reliability of the questionnaires that was used in this study. A pilot study involved more than ten participants and was a representative of the actual youth enterprise group. Table 3.3 gives the summary on Cronbach's alpha Coefficient according to independent variable.

Table 3.3: Reliability Statistics

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Item	N of Items
Uwezo fund	0.78	0.78	4
Youth fund	0.82	0.82	3
Awareness	0.72	0.72	3

Source: author (2018)

The objective of the pilot study was to ensure that there was no ambiguity in the questions and to check the reliability of the questionnaires. The questionnaires were checked by supervisors and the Cronbach's Coefficient Alpha was used to ascertain the reliability of these tools. The test was run and the Cronbach's Alpha of Uwezo fund 0.78, Youth fund 0.82, Awareness 0.72 attained. According to Nunnally and Bernstein (1994), the tool is deemed reliable if the Cronbach's Coefficient value is above .70. This method used a correlation of scores obtained in one item and the scores obtained in other items in the same instrument (Mugenda and Mugenda, 2009). According to Mugenda and Mugenda (2009), a higher coefficient implies that items correlate highly among themselves; there was consistency among the items in measuring the concept of interest. Stable reliability is concerned with securing consistent results with repeated measurements of the same respondent and with the same instrument while equivalence aspect considers how much error may get introduced by different investigators or different samples of the items being studied (Kothari, 2010).

3.8 Data Analysis and Presentation

Data collected was analyzed through descriptive and inferential approach where descriptive entails statistics such as percentages and frequency distribution to describe the characters of variables of the interest under the study (Mugenda 2010) while inferential statistics was conducted through regression analysis and Pearson correlation analysis , Data analyzed was presented using graphs, tables, charts and figures where relationship was drawn to determine how devolved funds contribute to growth of enterprises in Bungoma County.

3.9 Ethical considerations

The research proposal and thesis were submitted for approval to the School of Graduate Studies (SGS) and senate of Masinde Muliro University of Science and Technology. The researcher also acquired the research permit from Kenya National Commissioner for Science Technology Innovation (NACOSTI) before proceeding to data collection. Confidentiality of the respondents was assured and affirmed that the study was carried out for purposes of academic credits and no other purposes. There was no material incentives in participation, more concern was on youths or firms using devolved funds.

3.10 Chapter Summary

The basic component of a research work is how to do it. This chapter has thus discussed various aspects of the research methodology that the researcher followed during the research process. The chapter has presented the research design that was used, location of study and the study population, the sampling procedure and techniques that were adopted. Data collecting Instruments as a media through which the researcher used to collect data, the media presented here included: questionnaires, content analysis, and focus group. The use of every instrument depended on its validity and reliability; the research discussed how the validity and the reliability as a measure of the research instruments were

obtained. The discussion on data analysis and presentation to communicate how the researcher analyzed and presented the findings. The chapter concludes by clearly highlighting on the ethical issues that were put into consideration in the process of carrying out the research.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

This subdivision is a scrutiny of the information that was unruffled using the questionnaire, these chapter is organized as follows: Instrument response rate; data on the general information of the respondent; the results are presented in tables and figures and the summary of the findings of the study.

4.2 Instrument Response Rate

The instrument response rate was defined as the proportion of the sample that participated in the study as intended in all research procedures. Among the 380 questionnaires distributed, 234 were duly filled and returned for analysis as indicated in Table 4.1: Response rate.

Table 4.1: Level of Response Rate

Response	Frequency	Response Rate (%)
Responded	234	61.57%
Not responded	146	38.43%
Total	380	100%

Source: Field Data (2018)

This represented a response rate was 61.57%. According to Mugenda (2010), a response rate of 50% or more is adequate. Babbie (2004) reiterates that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good. Based on these assertions from renowned research academicians, the responses rate for this study of 61.57% was considered to be adequate in forming conclusions and generalization of the study population as indicated in Table 4.1.

4.3 Demographic Information

This part presents data on the location of the respondents, gender of the respondents and the different age brackets of the respondents.

4.3.1 Location of Respondents

The respondents for the study consisted of youths who have enterprises in Bungoma County. Table 4.2 Responses per region give a summary.

Table 4.2: Responses per Constituency

	Constituency	Frequency	Percent
	Kabuchai	79	33.8
	Kanduyi	100	42.7
Valid	Webuye East	21	9.0
	Kimilili	34	14.5
	Total	234	100.0

Source: Field Data (2018)

Kanduyi had the majority of respondents with 42.7%, Kabuchai had 33.8%, Kimilili had 14.5% and Webuye east had the least response of 9.0% of the respondents as shown in the table 4.2 above. This implies that majority of youths who have benefited from the devolved funds were the residents of Kanduyi Constituency

4.3.2. Gender of Respondents

This section presents the gender of the participants in the study. The finding in Figure 4.1: Respondents' gender indicates that 53% of the respondents were female and the remaining 47% were male.

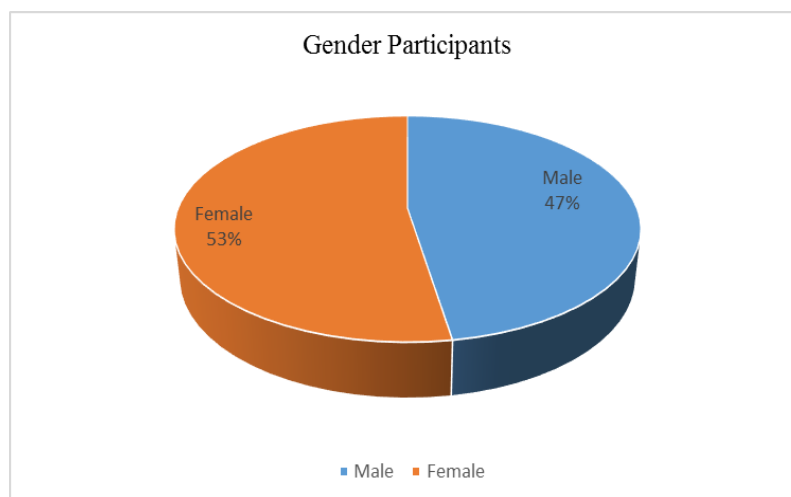


Figure 4.1: Respondents’ Gender

Source: Field Data (2018)

This provides a clear indication that female participants were the majority of respondents who participated in the research as represented by 53%. The gender participation truly reflects the percentage of gender inclusion (role) in most of organization fundable projects in Bungoma, since most women are organized in groups in the name of Merry-go-round, table banking among other groups which make them form and access the funds as compared to men counterparts. Figure 4.1, gives the summary of the findings.

4.3.3 Age Bracket of Participants

The researcher also collected information pertaining age brackets of participants with regard to access to devolved funds. The finding in table 4.3: Age bracket.

Table 4.3: Age Bracket

		Frequency	Percent
Valid	20-23 Years	35	15.0
	24-27 Years	40	17.1
	28-31 Years	20	8.5

	32-35 Years	61	26.1
	36-41 Years	57	24.4
	42 and above Years	21	9.0
	Total	234	100.0

Source: Field Data (2018)

Participants in the age bracket 32-35 Years recorded the highest percentage of 26.1%, 36-41 Years had 24.4%, 24-27 Years had 17.1% and those above 42Years registered the least response of 9.0%. Table 4.2; age bracket of participants, implies that participants' of age bracket 32-35 Years recorded the highest percentage as the active beneficiaries of the devolved funds. This study results were in connection with the study finding of Martey et al (2013 who conducted their research which showed that age of an entrepreneur was the most influential determinant of performance of youth enterprises .

4.3.4 Length Participants in study area

The researcher to collect data so as to understand the length of time the respondent has been a resident of the study area. Table 4.4: Length of Residence give the summary of the findings.

Table 4.4: Length of Residence

		Frequency	Percent
	1-5 Years	48	20.5
	5-10 Years	5	2.1
Valid	10-15 Years	71	30.3
	15 and above Year	110	47.0
	Total	234	100.0

Source: Field Data (2018)

Table 4.4 indicates that, most of the respondents were people who have stayed in the study area (Bungoma) for 15 and above Years recording 47.0%, 10-15 Years had 30.3%, 1-5 Years had 20.5 and 5-10 Years recorded the least percentage of 2.1%. This implies that majority of the respondents who are also the beneficiaries have been in Bungoma for more than 15 years. Similarly, Woldie et al (2008) concluded that SME growth was largely influenced by firm characteristics such as age of the business sector legal status and number of employees.

4.4 Devolved Funds on Growth of Youth Enterprise

This section sought to collect and analyze data to determine the effect of Uwezo fund on growth of youth's enterprise. It also examines the effect of youth enterprise development fund on growth of youth enterprise as discussed in the sub sections below.

4.4.1 Uwezo Fund on Growth of Youths Enterprise

The research collected data to determine the effect of Uwezo fund on growth of youth's enterprise. The respondents were asked to rate Uwezo funds on the growth of youth enterprises in Bungoma County. The rating was based on a 1-5 scale: 1 =Nothing, 2=Worst, 3=Average, 4=Good and 5= Very good. Table 4.5: Constituency * Uwezo Fund Cross tabulation give the summary of the findings.

Table 4.5 :Constituency * Uwezo Fund Crosstabulation

		Uwezo Fund				Total
		Very Good	Good	Average	Worst	
Constituency	Kabuchai	2	36	39	2	79
	Kanduyi	6	53	41	0	100

Webuye East	1	9	9	2	21
Kimilili	0	17	17	0	34
Total	9	115	106	4	234

Source: Field Data (2018)

As depicted in the table, majority of respondents across the target constituencies rated the Uwezo fund as a good initiative in development of youth enterprises having 115 respondents out of 234, Kanduyi took the lead to this response by 53 out of 115 while majority of Kabuchai, 39 out of 79 rated it as an average initiative. Webuye East and Kimilili had a tied response on the ratings based on their response rate that is 9, 9 and 17, 17 on the rating good and average respectively. The finding and figures are as in the table 4.5. This implies that the Uwezo funds initiate in Bungoma County is above average as per the respondents rating therefore has facilitated performance of youth enterprises.

To understand deeper on matters related to Uwezo funds on performance of youth enterprise, the researcher sought to collect data on their agreement on how Uwezo funds has provided means for self-employment of youth enterprises. Table 4.6: Self Employment (UF), gives the summary of the findings.

Table 4.6: Self Employment (UF)

		Frequency	Percent
Valid	Strongly Agree	4	1.7
	Agree	104	44.4
	Neutral	122	52.1
	Disagree	4	1.7

Total	234	100.0
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Source: Field Data (2018)

Majority of the respondents across the targeted constituencies were neutral in their rating at 52.1% while a handsome number at 44.4% agreed that it has to some level facilitated employment to youths. The minority of 1.7% strongly agree and the same percentage raised their disagreement that Uwezo funds has facilitated youth self-employment. This implies that as much as Uwezo funds may not be accessible to all youth, it has to some extent created employment opportunities to many youth across the county.

Researcher also collected data from the respondents whether more loan on Uwezo funds has been given out to the youth to improve their growth. The data were collected and tabulated in table 4.7: More loans (UF)

Table 4.7: More loans (UF)

		Frequency	Percent
Valid	Agree	29	12.4
	Neutral	84	35.9
	Disagree	74	31.6
	Strongly Disagree	47	20.1
	Total	234	100.0

Source: Field Data (2018)

Table 4.7 depicts that majority of respondents were neutral on the matter by 35.9%, 31% disagreed , 20.1% strongly disagreed and 12% agreed that more loans have been

allocated or given out for youth to improve their enterprises. This implies that more loans need to be issues to improve youth enterprises.

4.4.2 Youth Enterprise Development Fund on Growth of Youth Enterprise

The study sought to collect data on the effect of youth enterprise development fund on growth of youth enterprise. Questions of interest revolved around community involvement programmes, and employment opportunities attached to youth funds. A cross tabulation on Table 4.8: Constituency * Youth Fund Crosstabulation, gives a summary of the findings.

Table 4.8: Constituency * Youth Fund Crosstabulation

		Youth Fund				Total
		Good	Average	Worst	Nothing	
Constituency	Kabuchai	9	29	31	10	79
	Kanduyi	11	48	34	7	100
	Webuye East	4	7	7	3	21
	Kimilili	3	14	11	6	34
	Total	27	98	83	26	234

Source: Field Data (2018)

Table 4.8 indicate that most of respondents were average across the target constituencies on the growth of youth funds at 98 of 234 of the general respondents, 83 of 234 rated it as the worst performing devolved in Bungoma, good and Nothing recorded the lowest response on this ratings. This implies that youth funds has an average effect on youth empowerment in Bungoma. The study also collected data to find out if the funds lend to youth lead to employment. Table 4.9: employment gives the summary of the findings

Table 4.9: Level of employment

		Frequency	Percent
	Agree	17	7.3
	Neutral	161	68.8
Valid	Disagree	17	7.3
	Strongly Disagree	39	16.7
	Total	234	100.0

Source: Field Data (2018)

Table 4.9 indicates that majority of respondents were neutral whether youth funds has facilitated employment opportunities at 68.8%, 16.7% strongly disagreed on the fact that it has led to any employment, 7.3% agreed and the same portion disagreed that youth funds has led to unemployment. This implies that most youths are neutral on the fact that youth fund has led to employment.

4.4.3 Effects of Enterprise factors on Growth of Youth Enterprise

The researcher sought to establish a moderating effect of level of awareness on the relationship between development fund and growth of youth enterprise Bungoma County. Table 4.10 Effect of Devolved funds, gives the summary of the findings.

Table 4.10: Effect of Devolved funds

	Frequency	Percent
Improved standards and employment	15	6.8
Meet and share youth related challenges	60	25.7

Misappropriation of funds by youths	110	47.0
Reduced family youth-parents conflicts	48	20.5
Total	234	100.0

Source: Field Data (2018)

The table indicates that majority of respondents complaint that the Devolved funds is misappropriated by youths this was represented by 47.0%, 25.7% reported that the funds has helped the youths to meet and share youth related challenges, 20.5% said that the funds has reduced family youth-parents conflicts and 6.8% reported that the funds has improved the living standards and created employment for youths in Bungoma. This implies that as much as we have challenges related to use of devolved funds, the fund has a positive impact on youth, as it has enabled the reduction of family youth-parents conflicts and through funds youth forms a goal oriented groups where they meet and share youth related challenges.

The study findings also indicated that majority of the respondents felt that the government regulations and requirements for accessing Devolved funds were difficult, felt that the requirements were difficult. The implications of these findings are that the government regulations and requirements for accessing funds are difficult and these might have an influence on the access of funds by the intended beneficiaries.

The researcher also sought to collect data on profitability of the youth investments funded by devolved funds. Table 4.11: Sale profit increase, gives the summary of the findings.

Table 4.11: Sale profit increase

	Frequency	Percent
	39	16.8
	8	3.4
Valid	88	37.6
	99	42.2
Total	234	100.0

Source: Field Data (2018)

Table 4.11, 42.2% of the respondents indicated that youth who have access to devolved fund need to venture into various projects, 37.6% complained of repayment problems, 16.8% said that the devolved funds has enabled them to have an increased profits, and 3.4% reported that the funds invested to none profitable investments. This implies that as much as devolved funds, aim at improving youth living standard by increasing their sales and profits, youth still suffer to a great extent on the kind of investments to venture in. this also has contributed among other factors, on repayment problems mostly when the venture in none profitable investments.

The researcher also sought to collect data in order to understand the general Weakness associated with the devolved funds as a programme. Table 4.12: Weakness of the Programme, summarizes the findings.

Table 4.12: Weakness of the Programme

		Frequency	Percent
	Corruption and discrimination	147	62.8
	Follow-up activity	14	6.0
Valid	Lack of co-operation among members	15	6.4
	Little training	58	24.8
	Total	234	100.0

Source: Field Data (2018)

Table 4.12 indicates that, 62.8% of devolved funds beneficiaries are associated with corruption and discrimination, 24.8% reported that there is little training to the public pertaining the funds, 6.4% noted that there is lack of co-operation among members while 6.0% reported that there is little follow-up activities done by the funding agencies.

This implies that problems affecting the access to and use of devolved fund are majorly corruption and discrimination, little training to members and the public pertaining the use of funds, poor follow-up activities which has further encouraged poor co-operation among benefiting members. These findings were clearly seconded by (Ministry of Youth Affairs and Sports, 2010). Who did the same and found out the same challenges affecting youths in Kenya. The above challenges are supported by a research which was carried out by Wawire and Nafukho (2010) which indicates that there is poor management which leads to Failure of youth enterprises.

Finally, the research intervened to understand the possible solution to problems faced by devolved funds in Bungoma.

Table 4.13: Solution to the Programmes

	Frequency	Percent
Valid		
equal distribution of funds	147	62.8
intensive follow-up plans	33	14.1
training on profitable projects	8	3.4
working together in unity	15	6.4
youth awareness programme	31	13.3
Total	234	100.0

Source: Field Data (2018)

Table 4.13 indicates that 62.8% of the respondents suggested that the distribution of funds should be done equally to all beneficiaries regardless of the region or the constituencies they belong, 14.1% suggested that the agents of the funds should make an intensive follow up plans to ensure the commissioning of the funds ,13.3% suggested that youth awareness program should be implemented to sensitize youths on the funds, 6.4% suggested that youth should come up with a policy and a culture of working together in unity and 3.4% recommended that youths should trained on profitable project before venturing into such investments.

4.5 Correlation between Devolved Funds and Growth

The Pearson Correlation Analysis was used to investigate relationship between the devolved funds (Uwezo and Youth Funds) and Performance of Enterprise in Bungoma County, Kenya. The objective was achieved as Devolved funds has affected Growth of Enterprise as shown in the Table 4.14 Correlation Analysis of Devolved Funds.

Table 4.14: Correlation Analysis of Devolved Funds

		Uwezo Fund	Youth Fund	Enterprise Growth factors	
Uwezo Fund	Pearson Correlation	1	.		
	Sig. (2-tailed)				
	N	234			
Youth Fund	Pearson Correlation	.320**	1		
	Sig. (2-tailed)	.000			
	N	234	234		
Enterprises factors	Pearson Correlation	.130*	.045	1	
	Sig. (2-tailed)	.047	.498		
	N	234	234	234	
Growth	Pearson Correlation	.208**	.366*	-.196**	1
	Sig. (2-tailed)	.001	.011	.003	
	N	234	234	234	234

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

*correlation is significant at the 0.05 level (1-tailed)

Source: Field Data (2018)

The results in table 4.14 indicates that the relationship between devolved funds (Uwezo Fund) and growth of Youth Enterprises in Bungoma County is positive and statistically significant (0.208, $p < .01$ and $N=234$) with 99.0% confidence level. This implies that Uwezo fund has a positive significant effect on growth of youth Enterprise in Bungoma County Kenya. There is significance effect between level of youth enterprise performance and access to Uwezo fund in Bungoma County. The findings

supports the findings from those of Amagoh and Amin (2012), who noted that use of Uwezo fund as a de

veloped fund leads to a positive impact on economic growth and youth enterprise development. This findings rejects the hypothesis that: H_{O1} There is no significance effect between level of youth enterprise performance and access to Uwezo in Bungoma County and adapts the alternative Hypothesis that: H_{O1} A uwezo fund has a significant relationship on the level of youth enterprise in Bungoma County.

The results in table 4.14 also indicate that the relationship between devolved funds (Youth Funds) and growth of Youth Enterprises in Bungoma County is positive and statistically significant (0.366, $p < 0.05$ and $N=234$) with 99.0% confidence level. This implies that youth fund has a positive significant effect on performance of youth Enterprise in Bungoma County Kenya. This findings support findings by Kamau (2010) who researched on the; the role of Youth Enterprise Development Fund on growth of Micro and Small Enterprises in Kenya and emphasized that the funds has developed business services among the youths, Further the findings also supports Otieno (2015) who suggested that the fund has facilitated employment of the youth in the international labour market, and provide business development services to youth enterprises.

This findings rejects the second null hypothesis that: H_{O2} There is no significance effect between level of youth enterprise performance and access to youth funds in Bungoma County and adapts the alternative Hypothesis that: H_{O2A} There is significance effect between level of youth enterprise performance and access to Youth funds in Bungoma County.

As in table 4.14 the results indicates that the relationship between awareness of devolved funds and performance of Youth Enterprises in Bungoma County has a

positive correlation and statistically significant (-0.196, $p < .01$ (0.003) and $N=234$) with 99.0% confidence level. This implies that as the awareness of devolved funds is significant however increases the devolved funds becomes scarce to the youths. When more and more youth get aware of the devolved fund, the ration of access to funds increase, hence reducing the amount, allocations and the performance of the enterprises as many need access and benefit from the funds. Which also lead to other unprofessional practices such a corruption.. This implies that level of awareness fund has a positive significant effect on performance of youth Enterprise in Bungoma County Kenya. This result supports the finding from Bragt (2007) who posited that awareness ensures that youths are aware of the fund, the researcher further suggested that awareness has created, influence and empowered the youths and reduced unemployment.

This findings rejects the third hypothesis that: H_{O3} . There is no significant relationship between effect of level of awareness on the relationship between development fund and performance of youth enterprise in Bungoma County and adopts the alternative Hypothesis that: H_{O3A} There is significant relationship between effect of level of awareness on the relationship between development fund and performance of youth enterprise in Bungoma County

4.6 Results of the Model

Regression equation $Y = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \epsilon$ was used to estimate a trend in performance with regard to devolved funds and strategy that are in place; thus Uwezo Fund, Youth Fund and Level of awareness. Where: Y-Performance of Youth Enterprises, α_0 - a constant , X_1 -Uwezo Fund, X_2 - Youth Fund, X_3 -Level of Awareness and ϵ is an error term

The three models were used to predict the performance of youth enterprise in Bungoma County thus a model for Uwezo Fund, Youth Fund and awareness that determine the performance of youth enterprise.

4.6.1 Regression analysis: Uwezo Fund and Growth

Since correlation analysis indicated that uwezo fund had a positive significant relationship on performance of youth enterprise in Bungoma County, Linear regression was used to find coefficient of determination of R square which is the variation in performance that has been accounted for uwezo fund. The result are shown in the table 4.15 giving the summary of the model

Table 4.15 Summary of the model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.208	0.61	.68	.783

Predictors: (Constant), Uwezo Fund

Source: Field Data (2018)

In establishing the effect of uwezo fund on growth of youth enterprise in Bungoma County, The study established a Pearson product moment coefficient of correlation (R) as 0.208 which reveals that the aspect of youth fund is significantly explained up to 21% of the growth of youth enterprises in Bungoma county Kenya. The study also looked at a coefficient determination (R Square) which is the proportion of variance in dependent variable which is growth of youth enterprises from the independent variable uwezo fund. This value indicates that 61% of the variance in uwezo fund can be predicted from growth of youth enterprise. The adjusted R square of 0.68 yields an estimate of the R square of 0.61 which reveals that there is less difference because we are dealing with only one variable.

Researcher also came up with regression analysis on ANOVA table of Uwezo fund and growth as indicated in tables 4.16

Table 4.16 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1.192	1	1.192	1.699	.194 ^b
Residual	162.808	232	.702		
Total	164.000	233			

a. Dependent Variable: growth

b. Predictors: (Constant), Uwezo Fund

Source: Field Data (2018)

The ANOVA result revealed that the percentage variation that has been accounted by uwezo fund is statistically with $F(1) = 1.699$, $p < 0.05$. This implied that there is a positive significant relationship between the predictor variable uwezo fund and growth of youth enterprise in Bungoma County.

Coefficient table of Uwezo fund and growth as indicated in tables 4.17

Table 4.17 Coefficients table of Uwezo fund

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.041	.231		13.191	.000

Uwezo					
Fund	.119	.091	0.208	1.303	.000

a. Dependent Variable: Performance

a. Dependent Variable: growth

Source: Field Data (2018)

The unstandardized regression coefficient value of uwezo fund is 0.119 with a t test of 13.191 and significant level of $p < 0.05$. This indicated that a unit change in uwezo fund would result to change in growth of youth enterprise in Bungoma County by 0.119. Hence Reject the null hypothesis since $p < 0.05$ this implies that the relationship between uwezo funds and growth is significant. The result supports the findings from those of Amagoh and Amin (2012), who noted that consistent use of Uwezo fund as a devolved fund will lead to a positive impact on economic growth and youth enterprise development. Hence the regression equation to estimate the performance is estimated as

$$\text{Performance} = 3.041 + 0.119 \text{ Uwezo Fund}$$

4.6.2 Regression analysis of Youth enterprise development fund and growth

Since correlation analysis indicated that Youth fund had a positive significant relationship on growth of youth enterprise in Bungoma County, Linear regression was used to find coefficient of determination of R square which is the variation in growth that has been accounted for youth fund. The result are shown in the table 4.18 giving the summary of the model

Tables 4.18: Model Summary of Youth Enterprise Fund and Growth

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.366 a	.134	.130	.783

Predictors: (Constant), Youth Fund

Source: Field Data (2018)

In establishing the effect of youth fund on growth of youth enterprise in Bungoma County, The study established a Pearson product moment coefficient of correlation (R) as 0.366 which reveals that the aspect of youth fund is significantly explained up to 36.6% of the growth of youth enterprises in Bungoma county Kenya. The study also looked at a coefficient determination (R Square) which is the proportion of variance in dependent variable which is growth of youth enterprises from the independent variable youth fund. This value indicates that 13.4% of the variance in youth fund can be predicated from performance of youth enterprise. The adjusted R square of 0.130 yields an estimate of the R square of 0.134 which reveals that there is less difference because we are dealing with only one variable.

Table 4.19 ANOVA Table on Youth fund

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	21.931	1	21.931	35.813	.000 ^b
1	Residual	142.069	232	.612		
	Total	164.000	233			

a. Dependent Variable: Growth

b. Predictors: (Constant), Youth Fund

Source: Field Data (2018)

The ANOVA result revealed that the percentage variation that has been accounted by Youth fund is statistically significant with $F(1) = 35.813, p < 0.05$. This implied that

there is a statistical significant relationship between the predictor variable Youth fund and growth of youth enterprise in Bungoma County.

Table 4.20 Coefficients table of youth fund and growth

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	4.599	.218		21.141	.000
1	Youth Fund	.366	.061	.366	-5.984	.000

a. Dependent Variable: Growth

Source: Field Data (2018)

The unstandardized regression coefficient value of youth fund is 0.366 with a t test of 21.141 and significant level of $p < .05$. This indicated that a unit change in youth fund would result to change in growth of youth enterprise in Bungoma County by .366.

Hence reject the null hypothesis since $p < 0.05$, which implies that there is a significant relationship between youth funds and growth of youth enterprises in Bungoma County Kenya. The results supports the findings of MOYA (2010) who suggested that youth enterprise Development Fund encourages micro, small, and medium enterprise development initiatives which has the biggest impact on job creation and performance of youths, this outcome also support findings by Kamau (2010) who researched on the role of Youth Enterprise Development Fund on growth of Micro and Small Enterprises in Kenya and emphasized that the funds has developed business services among the youths, It also shows that YEDF has actually been on the ground and has assisted some youth in developing their entrepreneurial skills which have assisted the youth in

developing their enterprises. Further the findings also supports Otieno (2015) who suggested that the fund has facilitated employment of the youth in the international labour market, and provide business development services to youth enterprises. Hence the regression equation to estimate the performance is estimated as:

$$\text{Performance} = 4.599 + 3.66\text{Youth fund}$$

4.6.3 Regression analysis of Youth Enterprise factors on devolved funds and Growth

The researcher also came up with regression analysis of enterprises factors on devolved funds and growth as indicated in the model summary tables 4.21

Table 4.21 Model Summary on enterprises factors

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.196	0.1	.03	.840

Predictors: (Constant), Awareness of YEDF

Source: Field Data (2018)

In establishing the effect of enterprises factors on devolved funds and growth of youth enterprise in Bungoma County, The study established a Pearson product moment coefficient of correlation (R) as 0.196 which reveals that the aspect of enterprises factors is significantly explained up to 19.6% of the growth of youth enterprises in Bungoma county Kenya. The study also looked at a coefficient determination (R Square) 0.1 which is the proportion of variance in dependent variable which is growth of youth enterprises from the independent variable enterprises factors of fund this reveals that enterprise factors is significantly explained to 10% of growth on youth enterprises in Bungoma County. It can also be indicated that 10% of the variance in these factors can be predicated from growth of youth enterprise. The adjusted R square

of .03 yields an estimate of the R square of 0.1 which reveals that there is less difference because we are dealing with only one variable.

Table 4.22 ANOVA Enterprises Factors

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.145	1	.145	.205	.651 ^b
	Residual	163.855	232	.706		
	Total	164.000	233			

a. Dependent Variable: growth

b. Predictors: (Constant), Enterprises factors

Source: Field Data (2018)

The ANOVA result revealed that the percentage variation that has been accounted by these factors is statistically with $F(1) = 0.205$, $p > .05$. This implied that there is a significant relationship between the predictor variable factors and growth of youth enterprise in Bungoma County.

The researcher also came up with regression analysis on coefficient table of Enterprises factors and growth as indicated in tables 4.23

Table 4.23 Coefficients table of enterprises factors and Growth

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.448	.259		13.310	.000
	Enterprises factors	-.109	.240	0.196	-.453	.000

a. Dependent Variable: growth

Source: Field Data (2018)

The unstandardized regression coefficient value of youth fund is- .109 with a t test of 13.310 and significant level of $p < .05$. This indicated that a unit change in enterprises factors would result to change in growth of youth enterprise in Bungoma County by 0.109 county further reject the null hypothesis as enterprises factors have a significant relationship with the growth of youth enterprises in Bungoma County. This result supports the finding from Bragt (2007) who posited that enterprises factors refers to a universe of measures created in order to fulfil a specific objective performed on a large scale and a good message by ensuring that youths are aware of the fund, the researcher further suggested that awareness has created, influence and empowered the youths and reduced unemployment. Government have wide procedures and some youths does not have required skills to run the business or how to use the loans given to them Hence the regression equation to estimate the growth is estimated as: $Growth = 3.448 + -109$ Enterprises factors of devolved funds.

4.6.4 Summary of the Model

A regression analysis summary model was ran to determine the results of the three objective as in table 4.24: Model Variables Coefficients, with Dependent Variable: Growth of Youth Enterprises and the Predictors: (Constant), Enterprises factors of DF, Youth Fund and Uwezo Fund.

Table 4.24 Model Summary of devolved funds

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.425 ^a	.181	.170	.764

a. Predictors: (Constant), Youth Fund, Enterprises factors, Uwezo Fund

Source: Field Data (2018)

In establishing the effect of youth fund, enterprises factors and uwezo fund on growth of youth enterprise in Bungoma County, The study established a Pearson product moment coefficient of correlation (R) as 0.425 which reveals that the aspect of devolved funds is significantly explained up to 40% of the growth of youth enterprises in Bungoma county Kenya. The cram also looked at a coefficient determination (R Square) 0.181 which is the proportion of variance in dependent variable which is growth of youth enterprises from the independent variable youth fund, enterprise factors and uwezo fund. This reveals that devolved funds has a significant relationship explained to 40% of performance on youth enterprises in Bungoma County. It can also be indicated that 40% of the variance of devolved funds can be predicated from performance of youth enterprise. The adjusted R square of .170 yields an estimate of the R square of .181 which reveals that there is less difference because we are dealing with only three variable.

Table 4.25 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.663	3	9.888	16.929	.000 ^b

Residual	134.337	230	.584
Total	164.000	233	

a. Dependent Variable: Growth

b. Predictors: (Constant), Youth Fund, Enterprises factors DF, Uwezo Fund

Source: Field Data (2018)

The ANOVA result revealed that the percentage variation that has been accounted by devolved funds is statistically with $F(3) = 16.929$, $p < 0.01$. This implied that there is a statistical significant relationship between the predictor variable youth fund, factors, uwezo fund and growth of youth enterprise in Bungoma County.

The researcher also came up with regression analysis summary on coefficient table of factors, uwezo fund, youth fund and growth as indicated in tables 4.26

Table 4.26 Coefficients of devolved funds

Model	Unstandardized		Standardize	t	Sig.
	Coefficients		d		
	B	Std. Error	Beta		
(Constant)	4.213	.329		12.794	.000
1 Enterprises factors	109	.220	-.040	-.667	.000
Uwezo Fund	366	.089	.230	3.631	.000
Youth Fund	119	.063	-.438	-6.948	.000

a. Dependent Variable: Growth

Source: Field Data (2018)

To establish the effect between the dependent: and predictor variables: Awareness, Uwezo fund, Youth funds as depicted in Table 4.24, has a coefficient of : α_0 - a constant, 4.213 ,Enterprises factors X_1 ,-.109, Uwezo fund x_2 ,366, and Youth Fund x_3 - .119. The regression model equation thus is given as:

$$Y=4.213+ 0.109x_1 + 0.366X_2+-0.119X_3$$

$$\text{Youth Enterprise Growth} = 4.213+ 0.109x_1 + 0.366X_2+-0.119X_3$$

This implies that youth enterprise growth positive relies on Uwezo fund and youth fund which was noted across all the constituency in Bungoma That is; Kanduyi, Kabuchai, Kimilili and Webuye East with a positive significant of $p < 0.05$ which implies that there is a positive significant on performance of youth enterprise. This findings supports Molonza (2007) and Biekpe (2004). they observed that access to funds drives and promote business sector development especially among the youths further indicating that most youth enterprises may fail in the first year due to lack of funds to sustain their performance. It also supports findings of Otieno (2015) who suggested that the fund has facilitated employment of the youth in the international labour market, and provide business development services to youth enterprises.

It is also noted that growth of youth enterprise positively relied on enterprises factors $p < .05$ having significant relationship on youth enterprises in Bungoma County, which was also evidenced by the respondents, however some claimed that the funds available are always needed by more people which end up reducing the percentage of many youths who are normally the beneficiary hence the funds becomes minimal as those who have been benefiting want to continue benefiting leaving out new members,

consequently if the beneficiaries are short lined the performance becomes a problem hence the restated hypothesis.

4.7 Chapter Summary

This chapter has presented the findings of the study in form of frequency tables, analyzed and interpreted. It was organized based on objective of the study. The study presented demographic information which was followed by the objectives of the study: Devolved Funds on Performance of Youth Enterprise in Bungoma County. Thus Uwezo funds and Youth enterprise development fund the data that was collected and awareness of devolved funds. The researcher also came up with Correlation between Devolved Funds and Performance and lastly looked at the Results of the Model.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

The research sought to find out the effect of devolved funds on performance of Youth Enterprise in Bungoma County. The reason behind this study is to ensure that youth gets access to devolved funds and benefits from them for employment purpose. The study was guided by the following objectives: To determine the effect of Uwezo fund on performance, examine the effect of youth enterprise development funds and establish moderating effect of level of awareness on the relationship between devolved fund and performance of youth enterprise Bungoma County. These objectives are discussed below.

5.1.1 Effect of Uwezo Fund on Growth of youths enterprise

The first objective for this study was to determine the effect of Uwezo fund on performance of youth enterprises in Bungoma County. The regression coefficient value of uwezo fund was significant. This indicated that a unit change in uwezo fund would result to change in growth of youth enterprise in Bungoma County. Hence reject the null hypothesis, this implies that the relationship between uwezo funds and growth is significant.

The Uwezo funds initiative in Bungoma County is average as per the respondents rating therefore it has facilitated growth of youth enterprises.

5.1.2 Effect of Youth Enterprise Development Fund on Growth of Youth Enterprise

The second objective of the study was to examine the effect of youth enterprise development fund on growth of youth enterprise in Bungoma County. The regression coefficient value of youth fund is significant. This indicated that a unit change in youth fund would result to change in growth of youth enterprise in Bungoma County. Hence reject the null hypothesis, which implies that there is a significant relationship between youth funds and growth of youth enterprises in Bungoma

The results also indicated that, majority of respondents were above average across the target constituencies on the growth of youth. Hence it is noted that that most youths are neutral on the fact that youth fund has led to employment in Bungoma County. Hypothesis two is therefore rejected in favor of youth enterprise fund which is significantly associated with growth of youth enterprise development.

5.1.3 Level of Enterprises factors on the relationship between development fund and Growth of youth enterprise

The third objective of the study was to establish moderating effect of level of awareness, Government policies and competency of youths on the relationship between development fund and growth of youth enterprise Bungoma County. The regression coefficient value of these factors is significant this indicated that a unit change in these factors would result to change in growth of youth enterprise in Bungoma. Further rejecting the null hypothesis as enterprises factors have significant relationship with the growth of youth enterprises in Bungoma County. Therefore the

researcher rejects the Hypothesis three since these factors are significantly associated with growth of youth enterprise.

5.2 Conclusion from the Study

From the findings of this study the researcher concludes that; of the devolved funds, youth fund is popular in Bungoma. It is also noticed that youths nearer county administrators' office have benefited more as compared to those far from offices. Kanduyi constituency carries more beneficiaries of devolved funds. Devolved funds has suffered from: poor management, little training and awareness programme, poor follow up activities and lack of cooperation among the member upon access to fund. difficult government procedures. People concerned should ensure that they disburse the funds for the purpose and development of youths in the Bungoma county Kenya.

5.3 Recommendations

- i.) Officials in charge of the funds they should ensure that Distribution of funds is done equally to all beneficiaries regardless of the region or the constituencies they belong.
- ii.) Agents of the funds should make an intensive follow up plans to ensure the commissioning of the funds youth awareness program should be implemented to sensitize youths on the funds.
- iii.) Youth should come up with a policy and a culture of working together in unity and youths should trained on profitable project before venturing into such investments.

5.4 Further Research

- i. A study be carried out to reveal a deep insight into the perception, competence and attitude towards devolved funds more so on the repayments plans.
- ii. This research could be complemented by considering some other factors that influence devolved funds.
- iii. It is recommended that issues about ICT and computer illiteracy should critically looked at because they present a direct hindrance to maximum utilization devolved funds.

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APPENDICES

APPENDIX I: I NTRODUCTION LETTER

David S. Waswa,

Box 83,

Bungoma

REF: PERMISION TO CARRY OUT AN ACADEMIC RESEARCH

My name is Waswa s David a Master Student at Masinde Muliro University. As part of the requirement for the course I am carrying out research on effect of devolved funds on performance of youth enterprises in Bungoma County.

I request for your participation in this study by answering the following questions. Any information given will be kept confidence and used only for the purpose of the research.

Thanks for your cooperation.

Yours faithfully,

David Waswa

0708145384

APPENDIX II: QUESTIONNAIRE

INTRODUCTION

The purpose of this questionnaire is to gather information on effect of devolved funds on Performance of Youth Enterprises in Bungoma County Kenya, kindly answerer.

PART A:

1. Kindly give us information on gender (tick appropriately)

Male Female

2. Kindly indicate the Constituency you come from

.....

3. Kindly help us by indicating your age bracket

20-23 Years

32-35 Years

24-27 Years

36-41 Years

28-31 Years

Above 42 years

4. How long have you been a resident of this County, Constituency?

1-5 years

10-15 years

5-10 Years

Over 15 years

PART B: Effects of devolved funds on growth of youth Enterprise

5. Among the following funds which one is being used to improve the performance of youth enterprises in your Constituency in Bungoma County?

Uwezo Fund

Youth fund

Others (Please specify).....

6. Are you aware of the YEDF and Uwezo fund? Yes No

7. If yes, how did you learn about the funds? Through:

Media (specify) Peers Government officer (specify) NGO

8. Have you ever applied for the Funds? Yes No

9. If yes how did you conduct the process of each.....?

.....

10. What is the nature of participation in YEDF programs?

Supply of information []

Initiate Projects []

(Up to) Monitoring & Evaluation []

Other (specify) _____

6. The following statements relates to Devolved Funds and Performance of Youth Enterprises, Kindly indicate your agreement on it by choosing the column that describe your opinion in your Constituency and County as follows Strongly agree, Agree, Neutral, Disagree, Strongly disagree

Effect of Uwezo Fund on growth of Youth Enterprises

Statement	Strongly agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree(1)
Has created more self-employment, hence improving performance of youth enterprises.					
More loans have been given to youth to improve their performance.					
Youth are aware of Uwezo funds					

Effect of youth fund on growth of youth enterprise

Statement	Strongly agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree(1)
The community has helped improve youth participation in development programs					
How will you rate your level of participation in fund programs?					
Has the fund lend to youth employment					

Kindly indicate your rate on the following types of devolved funds on growth of youth enterprise in Bungoma County

Devolved fund	Very good	Good	Average	Worst	Nothing
Uwezo fund					
Youth fund					
Others specify					

Have the sales of your business or profit increased as a result of the fairs organized use of devolved funds?

Explain.....

Briefly explain how the level of awareness affects the youths.....

Are skills required in handling the funds acquired

Are youths trained on how they are going to handle the funds given to them.....

What are Government policies that affects the youths in acquiring the funds in Bungoma County.....

What are the requirement by the government for one to have before applying for these funds.....

Have youths in Bungoma county trained?.....

Is there any effect of training on the growth of youth enterprises in Bungoma County.....

.....

What are some of effect of devolved funds on growth of youth enterprises?

Please explain.....

.....

. Please outline some of the weaknesses of the

program.....

.....

What in your view can be done to improve the
programs?.....
.....
.....
.....

Thank you for your participation and corporation.

APPENDIX III: APPROVAL LETTER FROM SGS



MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

Tel: 056-30870
Fax: 056-30153
E-mail: deansgs@mmust.ac.ke
Website: www.mmust.ac.ke

P.O Box 190
Kakamega – 50100
Kenya

Directorate of Postgraduate Studies

Ref: MMU/COR: 509079

Date: 3rd October, 2017

David Simiyu Waswa
MBA/G/01/15
P.O. Box 190-50100
KAKAMEGA

Dear Mr. Waswa,

RE: APPROVAL OF PROPOSAL

I am pleased to inform you that the Directorate of Postgraduate Studies has considered and approved your Masters proposal entitled: *"Effect of Devolved Funds on Performance of Youth Enterprises in Bungoma County Kenya"* and appointed the following as supervisors:

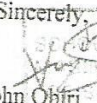
- | | |
|---------------------------|--|
| 1. Dr. Ondieki Alala | - Department of Accounting and Finance - MMUST |
| 2. Dr. Charles Yugi Tibbs | - Department of Accounting and Finance - MMUST |

You are required to submit through your supervisor(s) progress reports every three months to the Director Postgraduate Studies. Such reports should be copied to the following: Chairman, School of Business and Economics Graduate Studies Committee and Chairman, Business Administration and Management Sciences. Kindly adhere to research ethics consideration in conducting research.

It is the policy and regulations of the University that you observe a deadline of two years from the date of registration to complete your Masters thesis. Do not hesitate to consult this office in case of any problem encountered in the course of your work.

We wish you the best in your research and hope the study will make original contribution to knowledge.

Yours Sincerely,


DEAN
SCHOOL OF GRADUATE STUDIES
MASINDE MULIRO UNIVERSITY
OF SCIENCE & TECHNOLOGY

Prof. John Obiri
AG. DIRECTOR DIRECTORATE OF POSTGRADUATE STUDIES


APPENDIX IV: RESEARCH AUTHORIZATION PERMIT

THIS IS TO CERTIFY THAT:
MR. DAVID SIMIYU WASWA
of MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY, 0-502002
Chwele, has been permitted to
conduct research in Bungoma County

on the topic: *EFFECT OF DEVOLVED
FUNDS ON PERFORMANCE OF YOUTH
ENTERPRISES IN BUNGOMA COUNTY
KENYA*

for the period ending:
14th November, 2018

Permit No : NACOSTI/P/17/29150/19570
Date Of Issue : 30th November, 2017
Fee Recieved : Ksh 1000




[Signature]
Applicant's
Signature


[Signature]
Director General
National Commission for Science,
Technology & Innovation

CONDITIONS

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CONDITIONS: see back page

APPENDIX V: MAP OF THE AREA OF STUDY



Source: <https://www.kenyampya.com/index.php?county=Bungoma>