THE PERFORMANCE OF YOUTH DEVELOPMENT FUND (YDF) IN YOUTH DEVELOPMENT IN TANZANIA: THE CASE OF KAHAMA DISTRICT

By

Elisha Mussa

A Dissertation Submitted to the Institute of Development Studies in Partial Fulfillment of the Requirements for Award of the Master of Science Degree in Development Policy (MSc. DP) of Mzumbe University

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by Mzumbe University, a dissertation entitled; '**The performance of Youth Development Fund (YDF) in Youth Development in Tanzania: The case study of Kahama District,'** in partial fulfillment of the requirements for the award of the degree of Master of Science in Development Policy of Mzumbe University.

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Major Supervisor

....

Internal Examiner

Accepted for the Board of IDS

DIRECTOR, INSTITUTE OF DEVELOPMENT STUDIES

DECLARATION

I, **Elisha Mussa** declare that this dissertation is my own original work and that it has not been presented to any other University for a similar or any other degree award.

Signature ____________________________

Date_________________________________

COPYRIGT

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DEDICATION

I would like to dedicate this work to God's holiness, my beloved parents, wife and my son.

ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
AYDF	African Youth Development Fund
BOT	Bank of Tanzania
CDAs	Community Development Assistants
CDOs	Community Development Officers
CREW	Credit for Rural Women
CSOs	Civil Society Organizations
DCDO	District Community Development Officer
DED	District Executive Director
DT	District Treasurer
EES	Employment and Earning Survey
FINCA	Foundation for International Community Assistance
GNP	Gender Networking Programme
HDI	Human Development Index
HIV	Human Immune deficiency Virus
ICT	Information and Communication Technology
IGAs	Income Generating Activities
ILFS	Integrated Labour Force Survey
ILO	International Labour Organization
LGAs	Local Government Authorities
MAI	Miles and Associates International
MCDGC	Ministry of Community Development Gender and Children
MDGs	Millennium Development Goals
MIYCS	Ministry of Information, Youth, Culture and Sports
NEDF	National Entrepreneurship Development Fund
NEEC	National Economic Empowerment Council
NEP	National Employment Policy
NGO – MFI	Non Government Organization – Microfinance Institution
NGOs	Non – Government Organizations
NIC	National Investment Center

NMB	National Microfinance Bank
NSGRP	National Strategy for Growth and Reduction of Poverty
ODA	Official Development Assistance
PRIDE	Promotion of Rural Initiatives and Development Enterprises
PTF	Presidential Trust Fund (Mabilioni ya J.K)
REPOA	Research on Poverty Alleviation (Tanzania)
RFSP	Rural Financial Services Project
RoB	Republic of Botswana
SACCOS	Savings and Credit Cooperative Societies
SAPs	Structural Adjustment Policies
SEDA	Small Enterprises Development Agency
SELF	Small Enterprises Loan Fund
SIDO	Small Industries Development Organizations
SMEs	Small and Medium Enterprises
SOEs	State Owned Enterprises
SPSS	Statistical Package for Social Sciences
TAMEYODA	Tanzania Media and Youth Development Association
TCDO	Township Community Development Officer
TDTC	Technology Development Transfer Center (UDSM)
THMIS	Tanzania Health and Malaria Indicators Survey
TNBC	Tanzania National Business Council
UDEC	University of Dar es Salaam Entrepreneurship Center
UNDP	United Nations Development Programme
UNIDO	United Nations International Development Organization
URT	United Republic of Tanzania
VEOs	Village Executive Officers
VETA	Vocational Education Training Authority
VICOBA	Village Community Banks
WDF	Women Development Fund
WEOs	Ward Executive Officers
YDF	Youth Development Fund

ABSTRACT

This study aimed at examining the performance of Youth Development Fund (YDF) in promoting youth development in Tanzania using Kahama District as a case study. Specifically, the study focused at, youth access to YDF and their involvement in development activities; the performance of various YDF beneficiaries' projects; factors influencing performance of YDF related projects; and stakeholders' views on improvement of YDF programme and beneficiaries' development activities.

The study adopted a case study design, targeting the youths between 18 and 35 years as beneficiaries of YDF and or entrepreneurs in Kahama District. A sample size of 70 respondents was drawn using purposive and random sampling techniques. Questionnaires, interviews, focus group discussion and observation methods were used to collect primary data while documentary review method was used to collect secondary data. Data collected were analyzed using the Statistical Package for Social Sciences (SPSS) and Excel software and presented in tables, figures and texts.

The study revealed that although awareness was high (77%), youths access to YDF was low amounting to 718 (0.3%) youths out of 268,103. About 24 (80%) beneficiaries requested the loan to develop existing business rather than create new IGAs, hence YDF slightly promoted youth involvement. None of the beneficiaries shifted into advanced business compared to 7 (23%) non-beneficiaries. YDF beneficiaries employed fewer (44) youths compared to 66 by non-beneficiaries. Only 2 beneficiaries out of 30 have moved from lower annual income level (100,000 – 1,000,000/=) after receiving the loan compared to 12 non-beneficiaries. Besides, 14 (47%) beneficiaries failed to repay the loan. 22 (73%) YDF beneficiaries received less than 50% of the requested loan amount while 22 (67%) non-beneficiaries received 100%. Insufficient funds, deficient entrepreneurship training, and delayed loans were among the factors limiting business performance. Study recommendations include: increasing the budget for YDF programme, timely loan disbursement, intensive entrepreneurship training, involving the private sector, creation of enabling environment and proper targeting of beneficiaries.

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CHAPTER ONE
INTRODUCTION

1.1 Overview
This chapter provides an overview of the study in seven parts which are: an overview, background to the problem, statement of the problem, objectives of the study, research questions, significance of the study, scope of study and the limitations of the study.

1.2 Background to the Problem
Youth in any country constitute the dependable labour force which is still under utilized in Tanzania as most youth are jobless (URT, 2011). Building a competitive economy as stipulated in the National Development Vision (2025) and in the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA II) would be difficult to realize without meaningful involvement of youth as the driving labour force of the nation (URT, 2011).

The total population of Tanzania is about 44,928,923 according to the 2012 population census (URT, 2013). More than 35 % of the total population is Youth, and constitutes about 68 percent of the active labour force. A youth in Tanzania is defined as a person between the age of 15 - 35 years (URT, 2007; Polepole, 2010; Policy Forum, 2012). In the context of this study the youth stands for people aged between 18 and 35 years given that people below 18 years are considered as children who cannot make decisions on their own thus not eligible for YDF loans. Youth population in Tanzania is estimated to 15,725,123 and about 2,368,672 of labour force in Tanzania is unemployed, 68% of which constitute youths (URT, 2013). Polepole (2010) adds that, majority of youths in Tanzania are unemployed and do not possess the necessary skills to penetrate the competitive labour market. The youth are claimed to be marginalized from mainstream society through inequalities in social services, power, unemployment/underemployment, and HIV/AIDS pandemic, thus living in situations of poverty and hunger, inappropriate education, restricted access to health services and to information, exposed to violence including gender violence, easily engaging in armed conflicts and various forms of discrimination (Policy Forum, 2012). The high prevalence of youth unemployment in Tanzania is a major national development challenge (Mapunda, 2010), where as socio-economic development is only meaningful if it encompasses the majority of the population, both as participants in bringing it about as well as beneficiaries (Mtatifikolo and Mabele, 1997).

Colonial rule prepared the youths for white color jobs thus undermining self-employment activities. The nature of education provided by colonial government mainly meant to serve the colonial objectives by preparing experts to work in plantations, processing industries and performs administrative functions on behalf of the colonial regime. Soon after independence in 1961 the government of Tanzania came up with a policy blue print relying on the socialist path of production regarded as the policy of socialism and self reliance (Mwanjali, Teye and Shelukindo, 2005). The government introduced education for self-reliance strategy which started training youth in primary and secondary schools to be self-reliant but did not work well due to lack of some technical and financial resources. It was during the same era that the government nationalized all private investments thereby discouraging the private sector, hence entrepreneurship likewise the spirit of self-employment which hinges on private ownership of properties. Discouraging the private sector in Tanzania to some extent might have undermined private investment (entrepreneurship in this case).

The public sector (state) became the only source of investment and employment creation in the formal sector (Mwanjali, Teye and Shelukindo, 2005). The ruling party’s perception that viewed Tanzania as a country of peasants and civil servants led to total misconception and lagging behind of entrepreneurship and youths in particular most of whom lacked the qualifications needed for formal employment. Those who secured employment were either employed by the government administrative structure or in the poorly performing state owned enterprises.

While gains were made on social front, particularly literacy, health services, and poverty reduction, the economic situation deteriorated as shortages of foreign exchange resulted in lack of necessary inputs, because the economy would not grow faster as anticipated (Mwanjali, Teye and Shelukindo, 2005). Most state owned enterprises (SOEs) collapsed due to bureaucratic, technological divide, lack of cooperate management skills, capital demands and management problems (Nkya, 2007). Discouraging the private sector in Tanzania has contributed to the downfall of entrepreneurship mind even today where indigenous are inclining to formal employment rather than self-employment keeping the private sector dominated by foreign investors. NEEC (2008) estimated that 99% of people in the country are Tanzanians and the remaining 1% consists of foreigners who include Asians and Europeans holding more than 90% of the economy with better life.

Youth unemployment rate in the country increased sharply by mid 1970s when the country experienced economic crisis reflected by fall in annual GDP growth rate from 5% to an average of 2.6% in early 1980s and about 1% in the beginning of 1990s. The crisis was also reflected in the decline of industry capacity utilization and a decline in agricultural output, which had an adverse effect on the balance of payment (URT: Economic Survey, 2002 cited by Mapunda 2010). The ability of the economy to create new employment opportunities was further undermined by the crisis.

Midways through the 1980s, with the economy in shambles, Tanzania reformed her policies to new paradigms of free market economy. The country practically moved away from centrally planned public sector led economy, towards a market – oriented economy by implementing the structural adjustment policies (SAPs) as conditions of the World Bank and IMF for Official Development Assistance (ODA). The government started emphasizing youth employment through entrepreneurship development. Free market economy emphasized development of the private sector as the engine of growth and development while the state remained a regulator and creator of enabling environment (Nkya, 2007). Besides, development theories today (market fundamentalism) place greater emphasis on trade and commerce as the hinge of economic growth to trigger socio-economic, cultural and political development in any region. These current reforms recognize entrepreneurship as an important driving force for growth of the private sector (the engine of growth) especially after privatization of most SOEs where indigenous are expected to participate well in the ownership and operation of business.

In 1996, the government practically started dealing with the problem of youth unemployment by publishing a national policy on youth development which was reviewed in 2007. 1n 1997 the national employment policy was also put in place. Both policies aimed at fighting the problem of youth unemployment through increased employment opportunities (Mapunda, 2010). However, since it took long time after independence for a youth development policy to be in place, the government did not pay special attention to youth development issues particularly on employment promotion. Currently, some more strategies for youth development in Tanzania are in place and they include: establishment of a full fledged youth department in the ministry of information, youth and sports which works concurrently with youth sections in all community development departments; youth mapping countrywide which is carried out in collaboration with LGAs to identify youth locations and their activities for empowerment and counseling; establishment of Vocational education training authority (VETA) with above 40 VET centers countrywide providing vocational skills for self-employment promotion among the youths in Tanzania; Likewise a youth development fund (YDF) to support youth income generating activities in which LGAs contribute 5% of their revenues collections to this fund.

Youth Development Fund (YDF) which was launched in 1994 with the aim of furnishing youths with soft loans to boost entrepreneurship activities provides soft loans for economic empowerment of youth in the ‘informal sector’ helping them to create self-employment and reduce youth unemployment (Chachage, 2006). Other related efforts include the Women Development Fund (WDF), National Entrepreneurship Development Fund (NEDF), and the Presidential Trust Fund (PTF) or commonly known as JK's billions which target the youths although not as direct as the YDF (Chachage, 2006; URT, 2007; Kigoda, 2009).

Other countries such as Botswana, Nigeria and Kenya also implement YDF programme with the same purpose although there are slight technical differences in the approach. For example while YDF loans in Tanzania are provided to registered youth groups willing to conduct business or running existing business, YDF loans in Botswana are provided to individual youths or group of youth upon submission of approved business plan and registered business name (RoB, 1991; and URT, 2013). While in Tanzania YDF takes only the form of soft loans repaid at 10% interest, YDF in Botswana is both a grant (50%) and the remaining 50% is an interest free loan.

In Tanzania, YDF programme is implemented through Local Government Authorities (LGAs) and coordinated by the Department of Community Development in all LGAs. All LGAs according to the Youth Development Policy (2008) are supposed to contribute 5% of their annual own sources budget to YDF programmes (URT, 1996).

Generally, the YDF programme in Tanzania is in line with the Millennium Development Goals (MDGs) of 2000, Ruling Party's Election Manifesto of 2010, Youth Development Policy of 2007, Community Development Policy of 1996 and National Economic Empowerment Policy of 2004. However, the central government through the Ministry of Information Youth Culture and Sports (MIYCS) contributes to the fund, for instance in the fiscal year 2013/2014 the central government has set aside additional 3 billion shillings which will be distributed to all 151 LGAs (URT, 2013). All these instruments address poverty and hence development of low income earners who are the majority of citizens in Tanzania including youths. The YDF is just one of the vehicles of realizing the objectives of 'National Strategy for Growth and Reduction of Poverty (NSGRP) phase II, Vision 2025 and the MDGs. Such initiatives are leading Tanzania towards the intended Vision 2025 whose goals are high and shared growth, high quality livelihood, peace, stability and unity, good governance, high quality education, and international competitiveness.

This study aimed at determining the performance of YDF programme in promoting youth development with a case study of Kahama district as one of the fast growing towns in Tanzania where entrepreneurship and youth participation is thought to be high. However negative results in the implementation of YDF goals such as growing youth unemployment problem in Tanzania, poor repayment of YDF loans and growing competition with the private sector in micro-credit facilities motivated the study on performance of YDF in Kahama District thereby provide an initial picture of the situation country wise.

1.3 Problem Statement

Together with the existence of YDF programme, the problem of youth unemployment and poverty is still growing in the country and Kahama in particular. According to NBS (2012), unemployment has increased from 2,194,392 people in 2006 to 2,368,678 people in 2012 where by about 68% of these constitute the youths. It has been established that although youth constitute a large segment of the population and a dependable workforce in Tanzania, programmes addressing youth empowerment and employment are not performing well. The government keeps allocating funds for YDF each year without evaluating whether or not the programme is effective in addressing the existing youth development challenges. YDF has been in place for more than 18 years now since 1994 (Chachage, 2006), thus a need to examine the performance of YDF in promoting youth development. Until today, especially when you consider the last decade, there is no study specifically conducted to examine the performance of YDF in promoting youth development in Tanzania and Kahama District in particular, hence a gap for study. Most studies have concentrated on evaluation of other economic empowerment initiatives such as the Women Development Fund (WDF) and the JK’S Presidential Empowerment Funds which do not target the youth as directly as the YDF programme. Basing on that, this study aimed at determining the performance of

Youth Development Fund (YDF) in promoting youth development with the case study of Kahama District.

1.4 Significance of the Study

Besides being a partial fulfillment for the researcher's award of Master of Science Degree in Development Policy, the findings of this study are beneficial to the Ministry of Information Youth Culture and Sports (MIYCS), since they provide useful information for developing appropriate strategies for youth empowerment and employment including improvement of the YDF programme. Furthermore, the study will assist the government as a whole, its specific departments and other development stakeholders in addressing the challenge of youth unemployment through provision of soft loans in Tanzania. However, findings are specific to Kahama District council and Kahama Town council in self assessment on how better to implement YDF programme.

1.5 Study Objectives

1.5.1 General Objective

The overall objective of the study was to examine the performance of Youth Development Fund (YDF) in promoting youth development in Tanzania.

1.5.2 Specific Objectives

Specifically the study was conducted:-

a) To determine youth access to YDF and involvement of youth in various development activities
b) To determine the performance of various YDF beneficiaries' development activities
c) To identify factors influencing/limiting the performance of YDF beneficiaries' development activities
d) To solicit stakeholders' views on improvement of YDF and YDF beneficiaries' development activities

1.6 Research Questions

In order to achieve the above objectives, the following research questions guided the study:

a) i. To what extent is YDF accessible by the youth?

   ii. To what extent has YDF influenced youth involvement in different development activities?

b) What is the performance of various YDF beneficiaries' development activities?

c) What are the factors influencing/limiting performance of YDF beneficiaries' development activities?

d) What are the stakeholders' views on improvement of YDF and YDF beneficiaries' development activities?

1.7 Scope of the Study

The study focused on YDF performance in respect of accessibility, youth involvement in development activities, limiting/influencing factors and stakeholders' views/opinions. The target population was 18 – 35 years youth in who have been conducting various economic activities since 2008 in Kahama District.

1.8 Limitations of the Study

This study though was successful, there were some limitations. Some beneficiaries of YDF who have not repaid the loan were not open to tell about their achievements probably due to fear of legal confrontation. This necessitated the researcher to use extra efforts in sensitizing and mobilizing their consent. Missing the supervisor for almost six months (being abroad) during the study period was another limitation which necessitated the researcher to request for time extension in submission of the dissertation report in order to allow face to face consultation.

CHAPTER TWO
LITERATURE REVIEW

2.1 Overview

This chapter presents the reviewed related literature that backs up the findings of the study. Both theoretical and empirical literatures regarding the subject matter were reviewed.

On theoretical part, basic terminologies such as development and youth were conceptualized, related theories mainly youth employment, youth entrepreneurship, economic empowerment and free market economy were briefly described. The part also went far to find out literature on indicators of youth development, challenges of youth development in Tanzania, the relationship between entrepreneurship and youth employability as well as relationship between YDF and youth development in Tanzania.

Empirical part, reviews literature on the accessibility of youths to YDF loans in Tanzania, youth involve

ement in various development activities role of YDF on youth development, performance of YDF in Tanzania, factors influencing youth development activities and YDF loan repayment status. Finally, the chapter presents and describes the conceptual framework involved in the study.

2.2 Theoretical Literature Review

2.2.1 Conceptualization of Terms

For the purpose of enhancing understanding the researcher found it necessary to conceptualize the two basic terms which are; development and youth that are widely used throughout the report.

2.2.1.1 Development

Todaro et al (2006), defined development as a sustained elevation of an entire society and social system towards a "better" or "more humane" life consisting of values like sustenance, self-esteem, and freedom.

Torres J. F (1993), defines economic development as a self sustaining increase in real per capita income, accompanied by a more equitable distribution of income within society.

The Tanzanian view on development was emphasized by Mwalimu Julius Nyerere that "development is development of the people not of things" (URT, 1996). For this case, real development is a function of both economic growth and redistribution to all individuals in a justice manner**.**

2.2.1.2 Youths

Countries vary considerably in defining the term youth. The UN for example considers individuals under the age group of 15 – 24 as youths. In Nigeria youth is from 18 to 35 years, while in Uganda it is between 12 and 30 years (Awogbenle and Iwuamadi, 2010). In Botswana youth refers to all individuals ageing 18 to 29 years. The National Youth Development Policy of Tanzania (2007) which guides the provision of YDF loans defines youth as all young men and women from the age group of 15 to 35 years.

The definition given by youth development policy in Tanzania contradicts practical implementation of YDF programme because it includes people below 18 years who according to the national constitution are still regarded as children. Since provision of soft loans from YDF involves signing of legal contracts, people below 18 years (children in this case) do not fit in, besides in reality these are still schooling.

In this study therefore, the researcher decided to operationalize the Nigerian definition of youth (18 – 35 years) which has no legal obstacle in the implementation of YDF programme in Tanzania.

2.2.2 Theories Guiding the Study

Three theories related to this study were reviewed on this section. These include; youth entrepreneurship theory, economic empowerment theory and the free market economy theory. However, youth entrepreneurship is the theory guiding the study.

2.2.2.1 Youth Entrepreneurship Theory

Chigunta (2002) defines 'youth entrepreneurship' as the "practical application of enterprising qualities, such as initiative, innovation, creativity, and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for success in that environment and culture".

The theory was chosen on the grounds that, youth entrepreneurship is necessary in the current free market economic system where the private sector leads the struggle towards economic growth and development as youths can be considered the most appropriate segment of the labour force to effectively compete in undertaking business ventures as they possess the required physical and mental power. The essence of youth economic empowerment programmes like the soft loans from YDF is essentially to empower the youth economically so that they can employ themselves and create employment for others by engaging themselves in entrepreneurship. ILO (2010) observed that, youth unemployment in most countries is due to lack of self – employment opportunities and the capacity to compete well in both formal and informal sectors. Like Chambers et. al (2001) proposed, promoting entrepreneurship among the young is a principal means to address the youth employment challenge by assisting young people in realizing their full potential as active participants in business society.

According to Chigunta (2002) and Awogbenle and Iwuamadi (2010), advantages of promoting youth entrepreneurship include but not limited to: creating employment opportunities for both the self-employed youth and other young people; bringing back the alienated and marginalized youth into the economic mainstream; helping address some of the socio-psychological problems and delinquency that arise from joblessness; promoting innovation and resilience in youth; promoting the revitalization of the local community; young entrepreneurs may be particularly responsive to new economic opportunities and trends; enterprise helps young women and men develop new skills and experiences that can be applied to many other challenges in life.

In recent years, the promotion of entrepreneurship as a possible source of job creation, empowerment and economic dynamism in a rapidly globalizing world has attracted increasing policy and scholarly attention. However, despite this attention, there has been no systematic attempt to look at it from a youth angle. The tendency has been either to subsume the youth into the general adult population or to ignore their efforts to forge a livelihood through enterprise activities. This has resulted in the lack of an adequate understanding of the potential benefits of youth entrepreneurship as a means of improving youth livelihoods (Chigunta, 2002).

Youth entrepreneurship programmes operating at national, regional and local levels in a wide variety of settings and with various different approaches and delivery mechanisms are important in creating jobs for youths. Such programmes include education and training, capital support, ideas and operational matters, counseling and mentoring, networking and intergenerational transfers of businesses. Young people can indeed find new businesses and succeed, but effective policies will be needed if they are to be fully encouraged (OECD, 2001). Tanzania already has it revised youth development policy 2007, which of course needs a thorough implementation. YDF programme is one of the practical implementation of the policy statement of empowering youth economically.

The market led economy policies followed by Tanzania today is conducive for entrepreneurship growth and hence youth employment. This is because of its ability to develop the private sector which is the major employer today through increased number of private profit-making institutions. According to the government report on employment and earning survey, private profit- making institutions had the highest shares of the total employment in Tanzania amounting to 52% in 2011. The proportion of employment in the central and local government amounted to 33.4%, while the private non – profit making organizations contributed only 10.3% of total employment (URT: Employment and Earning Survey, 2011). Therefore, enhancing youth entrepreneurship by empowering them economically through soft loans and training will automatically capacitate youths to full utilize the market opportunities.

2.2.2.2 Economic Empowerment Theory

Empowerment is about people taking control over their own lives: gaining the ability to do things, to set their own agendas, to change events in a way previously lacking (Young, 1993). Empowerment emanates from power, the "capacity of some persons and organizations to produce intended, foreseen and unforeseen effects on others" (Moscovitch and Drover, 1981). Power hinges on elements like personality, property/wealth, and influential organizations have been identified as critical sources of power. Others have pointed out that the class-dominated nature of our society means that a small number of people have vast economic or political power, while the majority has little or none (Moscovitch & Drover, 1981).

According to Huntington (2000) in Makombe (2004), empowerment is a process of self-determination and self-actualization leading to the capacity of to act on one’s behalf. It’s about people – both men and women- taking control over their lives: setting their own agenda, gaining skills, increasing self confidence, solving problems and developing self reliance (Makombe, 2004). Empowerment is a process that increases the capacity of the disempowered to analyse and understand their problems, to recognize their ability to act on their own behalf and increase their power control over the resources necessary for sustainable and dignified life (TGNP, 1993; Misana, 1995; Muro, 1994 cited by Makombe, 2004).

Different countries define economic empowerment differently depending on the existing economics, social, cultural, and historical conditions (Kigoda, 2009). Hence, standard definition is lacking. For instance, South African economic empowerment is known as black empowerment, and is addressing the majority black South Africans while Tanzanian’s definition is falling short of mentioning races although the economy is being controlled by the Tanzanians who are not blacks, and yet they are minority (NEEC, 2004 in Kigoda 2009). This has been done in order to appease the international community, and Tanzania’s position of respecting human rights. Tanzania defines economic empowerment as deliberate and affirmative action’s and measures undertaken by the Government for the purpose of promoting and enhancing knowledge, skill, economic process and financial prudence of Tanzanians to enable them to meaningfully participate in economic activities, and includes all plans, strategies, policies and measures taken to achieve that goal, be it by public or private sector (URT, 2004). Economic empowerment denotes efforts of the government and other stakeholders aiming to empower people in terms of economic aspects (TNBC, 2008).

The theory was selected because of the interdependence between entrepreneurship and economic empowerment perspectives. Youth entrepreneurship is only effective and efficient when the youths are economically empowered as they will be able to compete well in production and marketing. YDF as one of the economic empowerment initiatives by the government is intended to promote entrepreneurship among youths in Tanzania. Youth often feel powerless to address the socio-economic issues confronting their communities, yet they have enormous potential to contribute to community socio-economic wellbeing (Morsilo, 2003). Empowerment of youths economically can improve their own personal socio-economic well-being while promoting the socio-economic well-being of the community.

However, the youth in Tanzania need to be empowered both socially and economically in order to become active participants in development. Social empowerment can be achieved through promoting education and training programmes that would help to build self-confidence and self-determination to secure formal employment or to venture in self-employment (Morsilo, 2003). Economic empowerment on the other hand should focus on supporting youth investments through the provision of adequate amount of soft loans to cater for capital demands as well as creating enabling environment in which the youth could establish and conduct business in the most effective way. Empowerment therefore creates jobs for the youth thereby mobilizing their labour force for national growth and development.

2.2.2.3 Free Market Economy Theory

Free market economy refers to an economic system in which prices and wages are determined by unrestricted competition between business, without government regulation or fear of monopolies. It is an economic system that allows supply and demand to regulate prices, wages etc rather than government policy (Collins Dictionary, 2009).

Free market economy, globalization, or market fundamentalism theory of development conceptualizes development as a process of competition in the global market determined by the level of investment capabilities in terms of financial capital and technological innovations. According to Desai (2009), neo-liberalism (Free-markert or globalization) theory was advocated since 1970's to the present by Bauer, Alassa, Kreuger, Lal who are basically Neo-classical economists being against State intervention while believing on Free markets as the solution for development. It is therefore applicable to link youth entrepreneurship with economic competitiveness efforts in the globalized economy like Tanzania because in the business arena youth can perform to the maximum as they are mobile, eager, quick learners and adapters of the changing circumstances in the competitive market.

This theory applies to this study because since 1980s when Tanzania entered the free market economy, she started taking initiatives to empower youths and women economically through soft loans to promote their participation in development. The objective was to increase the indigenous share in the private sector as the new engine of growth and development. However the tempo of indigenous involved in the private sector (investment) is still low because of challenges including lack of capital, investment skills and technology. The researcher would like to study YDF programme in relation to the currently competitive free market economy where entrepreneurs need to be well equipped in terms of capital and training. It is due to the fact that free market is both an opportunity and a challenge to all people involved in carrying out business investments. Survival of the fittest is the guiding principle in the globalized competitive market like Tanzania where import and export business is hardly controlled by the state but by demand and supply (market in this respect).

In this era foreigners are increasingly dominating business, while indigenous involvement especially the youth lags behind. Indigenous participation is important because without which the national development vision of building a domestically owned competitive economy will not be realized. A research conducted by Kabote and Niboye (2013) in Kahama District, observed that small – scale gold mining dominated by domestic investors is sustainable compared to large – scale gold mining, which is largely dominated by foreign investors because small – scale gold mining profits can be invested into local communities compared to large – scale gold mining, which can repatriate most of the profits.

Youth represents a tremendous potential development of human capital which society cannot afford to neglect. The impact of globalization has been felt and demands a concrete response. The new economy mentality requires innovation, training, reinventing education, and entrepreneurship that significantly favors youth. It is in empowering and integrating youths, as well as harnessing their creative potentials and resources, lays the hope for forging new frontiers of human civilization (Tiong, 2002).

After scrutinizing various theories, the researcher decided to operationalize youth entrepreneurship theory to guide the study. The rationale being that promoting youth entrepreneurship through provision of soft loans is the main objective of YDF programme studied. When the jobless youths are turned into entrepreneurs, they will be effective in utilizing the opportunities of globalization to create successful investments, secure self-employment and employ other youths thereby reducing unemployment problem in Tanzania consequently boost the national economy.

2.2.3 Indicators of Youth Development

According to the World Bank (2011), general human development is currently measured using improved and globally acceptable indices imbedded in the Human Development Index (HDI) developed and used by the United Nations Development Programme (UNDP). This considers the economic performance variable of increased per capita income and social aspect variables of Life expectancy (decrease in child

and maternal mortality rates and morbidity rates implying improved health services) as well as Literacy level and education for all individuals in a given country.
However, as far as YDF is concerned, indicators of youth development are expected to include but not limited to, smooth repayment of loans, increased average monthly or annual income, affordability of basic needs and cost sharing in social services, self-sufficient in basic needs, growing youth literacy, vocational and business skills, possession of economic assets, reduced youth unemployment and increased environmental conservation for sustainable development.

2.2.4 Youth Development Challenges in Tanzania

Some challenges influencing youth development have been identified by various researchers in Tanzania. The main challenge is unemployment, which is estimated to be 2.3 million (11.7%) for people aged 15 years and above (NEP, 2008). Female youths are more vulnerable to unemployed compared to male youths as of the 13.4% of the total unemployment of youths (15 – 35 years) females stand at 14.3% while males stand at 12.3% (ILFS, 2006). Unemployment is higher is urban (22.3%) areas than rural (7.1%) areas (Mcha, 2012).

The rest challenges for youth in Tanzania include vulnerability of young people to sexual harassment and HIV/AIDS infection as above 70% of the 5.7% national HIV/AIDS prevalence falls on young men and women (THMIS, 2008). Low involvement of young people in decision making as according to RESTLESS (2011), youth involvement at family level in Tanzania is below 50%. Parents and guardians tend to pre-empty the young people as people who are cognitively immature hence cannot make sound decisions. Misuse of young people’s income on luxuries such as alcohol and drugs has been found to be among the obstacles for youth development in Tanzania (RESTLESS, 2011). Besides lack of collateral to access capital markets and lack of investment skills, experience and education needed to secure employment are among the crucial development challenges for youth. In this era of globalization in which technological literacy is the leading factor to competition in the international market, youths in Tanzania are still blind on modern technology and innovations including information and communication technology (ICT). According to MoEVT (2010) enrollment in pure science subjects at secondary and tertiary education level is still below 30% of total enrollment.

2.2.5 Entrepreneurship and Youth Employment

Within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people (Awogbenle and Iwuamadi, 2010). The lack of entrepreneurship development exacerbates the problems of unemployment as experienced by the educated youths and even the uneducated but skilled youths. The challenge has become more pathetic in many developing economies including Tanzania, despite the neo-liberal strategies in addressing the issue of enhancing human capital through education and vocational training. It is equally important to merge the education and vocational training provided with the mindsets of self-employment unlike the current situation where we educate and train people to become job seekers rather than job creators. Entrepreneurship facilitation would empower the unemployed youth to become innovative enough to create their own employment and for their counter parts.

2.2.6 YDF and Youth Development in Tanzania

The government of Tanzania complying to the new microfinance policy, is no longer being a direct provider of microfinance services to support entrepreneurs as it gradually divested from several projects including Presidential Trust Fund (PTF popularly known as Mabilioni ya JK), Small Enterprises Loan Fund (SELF), Women Development Fund (WDF), Youth Development Fund (YDF), and Rural Financial Services Project (RFSP). Tracking and analysis of the largest microfinance providers by BOT has also shown an improvement in the performance of microfinance institutions (World Bank, 2005). Basing on this it can be noted that there is a close relationship between YDF as a microfinance programme and youth development through its expected impact on the growth of entrepreneurship capacity among the youth which provides capital for youth to engage in various income generating activities in the form of Small and Medium Enterprises. However this relationship is still theoretical since it is based on generalization of all microfinance programmes in the country. It calls for specific study of YDF impact on youth development as this study intended to find out.

2.3 Empirical Literature Review

2.3.1 Accessibility of Youth to YDF loans

The issue of youth accessibility to youth development funds has hardly been documented. Available literature is concentrated on describing the establishment and purposes of such funds without touching the extent to which the fund has covered and supported the beneficiaries. For instance, MAI (2010) talks about the launching of the African Youth Development Fund (AYDF) which was established in 2004 to bolster the youth research & development work in order to foster innovative ways to impact the lives of youth on the continent of Africa, but does not provide any information on the performance of AYDF. Beneficiary countries including South Africa, Zambia, Uganda, Tanzania, Kenya, Nigeria, Swaziland, Lesotho, Zimbabwe, Mozambique and Angola have just been mentioned without digging out the number of youth who have benefited from AYDF or the challenges associated with the fund in the targeted countries. Besides, no documentation is available to show numerical access of youth to YDF loans in Tanzania although the programme has been in place for decades.

2.3.2 Youth Involvement in Development Activities

According to a research conducted by RESTLESS, the status of youths' livelihood and employment is very poor. Employment with salary in the rural areas is very limited and young people have few opportunities to learn business skills. The report shows that, only 4% of youth in rural Tanzania have access to micro credit (RESTLESS, 2011). Basing on this data, it can be argued that 96% of rural youth in Tanzania are inaccessible to micro-credit services, the reasons of which are still unknown especially with respect to Youth Development Fund.

Youth want to be self reliant and develop skills to be self employed, to have resource for further education and become professionals and also to create opportunities for other young people and the community. But they are faced by many challenges. He mentioned some of the challenges as, it have been very hard for them to get jobs, they are affected by social problems, they are working under poor condition and they also can't access a startup capital. They call upon others to train them on how to start and grow businesses, educating them on income management and life skills, support from local government and leaders to access land, support from families and elders to support their plans and for the government to implement training and credit schemes.

2.3.3 Role of YDF on Youth Development

Chachage (2008) and Polepole (2010) revealed, that the main essence of Youth Development Fund was to empower youth economically by furnishing them with financial capital to promote their involvement in business and other productive activities. It is therefore expected to find out that youth have been able to initiate new businesses or develop and expand the existing ones leading to increased annual income to the extent of being able to meet basic needs and increased access to social services like medical care, education and vocational training for the sake of improving youth's wellbeing. Besides it is expected to find out reduced environmental degradation cases since when youth are economically empowered, they can hardly embark on environment unfriendly activities like charcoal burning as an alternative means of survival.

2.3.4 The Performance of YDF in Tanzania

Most of literature has concentrated on evaluation of other economic empowerment initiatives such as the Women Development Fund (WDF) and the JK's Presidential Empowerment Funds which do not target the youth as directly as the YDF programme. For example it has been established that the JK's Presidential Fund was successful in promoting economic empowerment of small income earners in Mpanda District (Kigoda, 2009).

In March 2013, the government of Tanzania through the Ministry of information, youth, sports and culture development released a new guideline for implementation of YDF programme in the country (URT, 2013). The guideline was distributed to all LGAs to be effected in the provision YDF of loans to youths. The main amendments made by the new guideline include: Using a selected Youth SACCOs in every LGAs area of jurisdiction to extend loans to youths' approved investment projects instead of direct provision of loans to youth groups by the department of community development. The role of YDF coordinator remains to monitor and recommend the youth projects upon receiving the applications and proposing to the regional committee for approval after which the steering committee would advice the country YDF Director to disburse the funds through the selected youth SACCOs.

For this case the power of YDF coordinator at LGA level as a provider of loans, monitor and supervisor of loan repayment has diminished. Doubts exists whether the new mechanism will work out to improve not only loan repayment abut performance of YDF in promoting youth development activities as the same mechanism of providing loans through SACCOs existed before in the past decade but failed to realize the intended objective. Keeping trying new implementation methods of YDF without making a thorough evaluation research on the ongoing methods would not timely improve the programme as this would be like a try and era game for the roots of the problem are still unknown.

2.3.5 Factors Influencing Youth Development Activities

In his preface to the National Development Policy of 2007, the then Minister responsible for Youth Development, Captain John Chiligati, outlines social-economic problems which need "a unique solution to a new generation". These are "problems such as unemployment, poverty, HIV/AIDS and other diseases, environmental degradation and drug abuse" (URT, 2007a: v) in Chachage (2008).

In his paper Chachage questions whether these issues are addressed by the new version of the youth policy 2007. According to his scrutiny the new policy does not respond to key issues confronting youth development since youth as key beneficiaries were not involved in the policy review and formulation process.

Mapunda (2010) in his study on youth unemployment and social policies based in Dar es Salaam argues that, the delay in establishment and implementation of youth development policy in Tanzania is responsible for underdevelopment of youths. According to him, it took long time after independence for the policy to be in place (1996), hence the government did not pay attention to youth development particularly on employment promotion. For this case, lack of genuine youth policy to deal with youth challenges undermined youth development activities.

Mwanjali et. al (2005) condemns the unfavourable development and political ideology embraced by Tanzania prior to 1980s reforms to be responsible for youths under-development in Tanzania. The policy blue print on socialism and self reliance which killed the private sector (nationalization) had a negative impact in the growth of entrepreneurship mind among the youths since the country was turned into peasants and civil servants. However, reforms in labour policies, laws and establishment of youth policy, launching of VETA and the YDF has started to resolve the situation responding to the current market-oriented economy.

2.3.6 YDF Loan Repayment

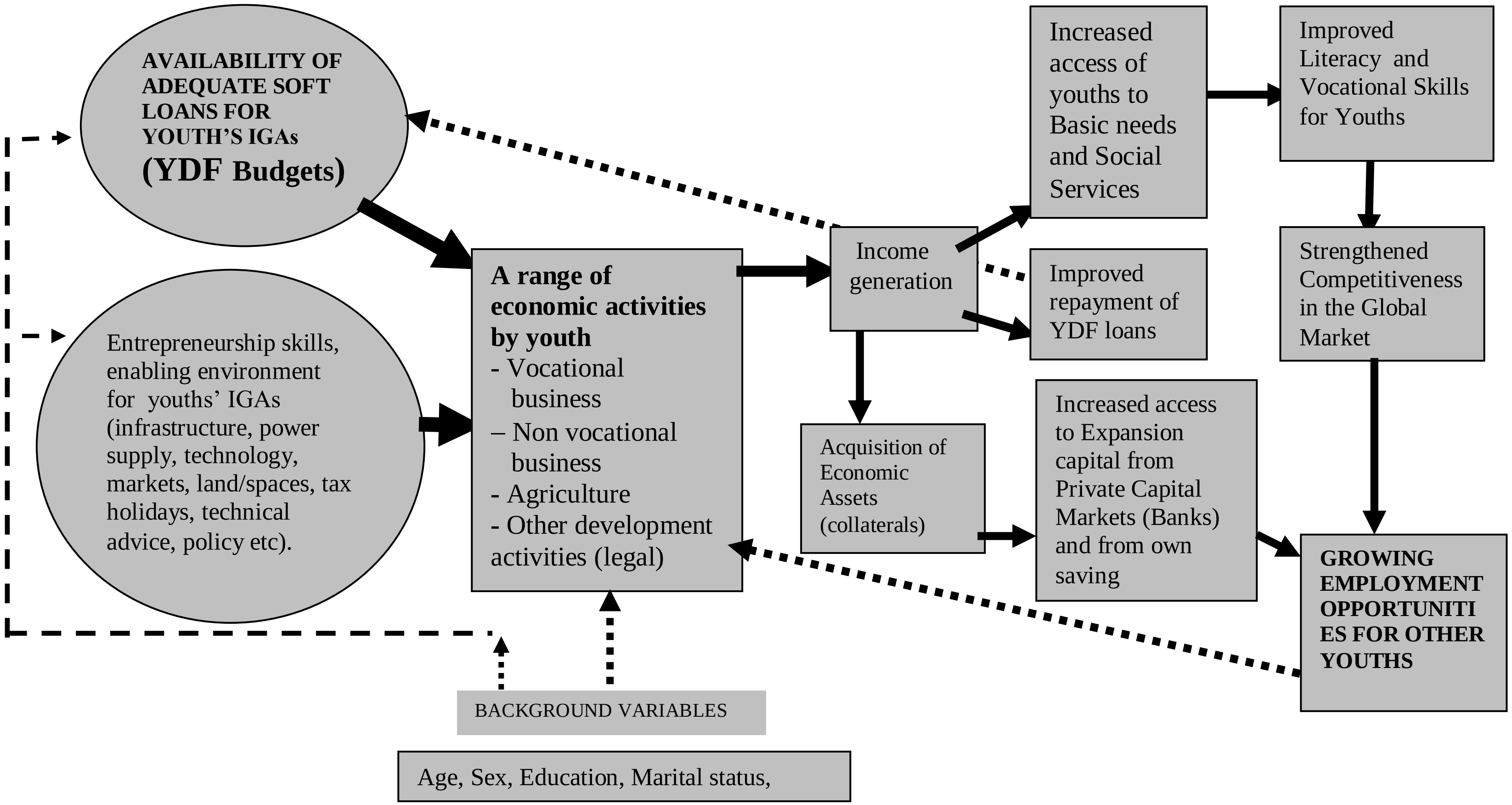
Loan repayment is an achievement of a beneficiary to return the property or payback the money to the lender according to the terms of the loan agreement which include an interest charged. Usually, there is a predetermined time frame for repaying a loan, and generally the lender has to bear the risk that the borrower may not repay the loan. Typically, the money is paid back in regular installments, or partial repayments (Kigoda, 2009).

Repayment rates are very low and in some cases, less than 30% (UDEC, 2002). Besides, a study on JK’s Presidential soft loans repayment conducted by Kigoda (2009) revealed loans provided by the government are still treated as gifts not to be paid back since (6%) of the beneficiaries who had not repaid the loan responded by insisting that the loan was a gift from their President; so there was no need to repay. This probably reveals the same picture for low repayment of YDF loans in Kahama District to be investigated.

2.4 Conceptual Framework

Having gone through different literature, this study presents the conceptual framework as illustrated in figure 2.1.

Figure 2.1 Conceptual frame-work for the performance of Youth Development Fund in youth development in Tanzania



Source: Author's own construct, 2013

Figure 2.1 conceives that, the YDF provides soft loans to youth entrepreneurs through the Community Development Department in the Local Government Authorities (LGAs) basically District, Municipal, City and Town Councils. The youths are to access loans from the council and invest in a range of economic activities (existing or new). These economic activities are grouped into Vocational (like carpentry, welding, tailoring, catering), non – vocational (like retail shops), Agricultural (like gardens, growing cash crops, poultry keeping), and any other legal business resulting in positive impacts on incomes generation. The income generated would lead to increased ability to meet various basic needs and access to social services like education and medical care, thus improved standard of living. Also, with income generation youth can acquire economic assets (like land, house, sofa sets, television etc) that could further used like collaterals to access business expansion capital from commercial banks and other forma credit schemes. The ultimate results could be growing employment opportunities for youth that contributes to reduction of both income and non-income poverty thereby realizing sustainable development.

In this view, independent variables could be the entrepreneurship skills and all sorts of enabling environment (like infrastructure and electricity) provided by the government. The availability of adequate soft loans from YDF is both independent and dependent variable because it also depends on the turn-over of YDF loan repayments while at the same time loans are needed as capital to stimulate youth investments in a range of economic activities. The framework comprises a wide range of dependent variables emanating from availability of adequate YDF loans, entrepreneurship skills and enabling environments for youth economic activities. These include in a sequential form: A range of economic activities (vocational, non-vocational etc), which leads to income generation. The income generated leads to increased access of youths to basic needs and social services, improved repayment of YDF loans and acquisition of economic assets. The acquisition of economic assets (collateral) would further lead to youth's access to expansion capital from private capital markets (banks etc) while expanded business leads to creation of more employment opportunities.

Furthermore, increased access to basic needs and social services like education would improve youths' literacy and vocational skills resulting into strong ability to compete in the global market from which they can secure more employment and create new opportunities for other youths. However, all legal procedure of the government to coordinate YDF programme including policy implementation and prosecution of YDF loan defaulters could act like intermediate variables, while age, sex, education level and marital status are regarded as background variables that might influence respondents' ability to venture in the entrepreneurship arena through YDF programme.

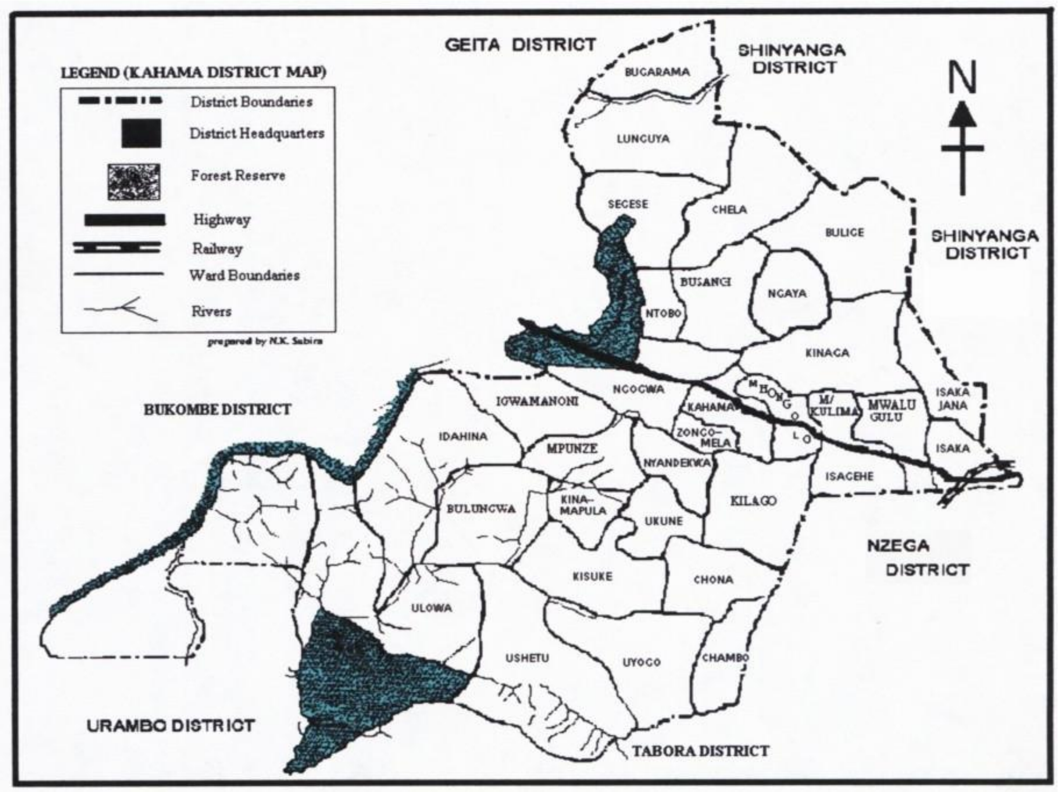
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Overview
This chapter describes the methodology used in gathering and analyzing the data for the study. From theoretical point of view, research methodology shows how the research was conducted. It describes the study area, research design, study population, sample size, sampling techniques, as well as data collection and analysis techniques. Generally it covers the methodology used in evaluating YDF performance in promoting youth development in the study area.

3.2 Study Area
3.2.1 Location, Demography and Administrative Set Up
Kahama District being one of the five (5) Districts in Shinyanga Region is in the Northwest of Tanzania (South of Lake Victoria), between latitudes $3^{\circ}15$ and $4^{\circ}30$ south of Equator and longitudes $31^{\circ}00$ and $33^{\circ}00$ East of Greenwich. The total land area is about 8,477 Km^2 (or 847,695 ha). The District is administratively divided into 5 divisions, which in turn are subdivided into 55 wards and 232 villages. Politically the District has two electorates/constituencies namely Kahama and Msalala, each represented by one elected Member of Parliament (Kahama District Council, 2011).

The population of Kahama mainly consists of Wasukuma, Wasumbwa and Wanyamwezi. The population and housing census report 2012 indicates that, the district population is currently 766,010 of which 373,961 are males and 392,049 female. Youth as defined in this paper constitute 35% of the total population in the area of study (URT, 2003). Basing on that, youth population in Kahama district is estimated to 268,103. Nevertheless, rainfall variability on a year-to-year basis is not exceptionally high, averaging between 750 and 1030 mm per year (Kahama District Council, 2011).

Figure 3.1 Map of Kahama District



Source: Adopted from Kahama District Profile (2011)

3.2.2 Main Economic Activities

The majority of Kahama residents (85%) depend on subsistence agriculture and livestock rearing as main source of income (Kahama District Council, 2011). Main food crops are maize, cassava, sweet potatoes, sorghum, groundnut, millet and beans. Cotton, tobacco and rice constitute the main cash crops. There are also two official mines in operation, Kahama Gold Mines (Underground mining), and Buzwagi mines (Open ground mining), with small scale gold mines at Mwabomba, Mwazimba, Mwakata and Mwime villages. The district still has vast forest reserves, which are sources of high quality timber. Kahama is among the highly populated districts in the country with numerous small and medium scale enterprises owned mainly by youth. To great extent youth are involved in almost all informal economic activities in the District ranging from agriculture, mining, small and medium enterprises (shops, food premises, hotels, guest houses etc). Only few are formally employed in the public and private sectors like the District council, NGOs, Banks and the large scale mining firms like Barrick Buzwagi and Bulyanhulu Gold Mines. Other emerging sectors like motorcycle (boda-boda) driving and cart pushing tend to employ numerous youth under informal basis in the township.

Kahama district was chosen in this study because it is among the fast growing towns in business but with numerous jobless youth, hence improving YDF and other related economic empowerment initiatives in the area would stimulate entrepreneurship for youth employment.

3.3 Research Design

The study employed a case study design to achieve its objectives with both qualitative and quantitative approaches being applied. According to Robson (2002) in Saunders (2004) cited by Adam and Kamuzora (2008) case study is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life contexts using multiple sources of evidences (triangulation).

3.4 Study Population

Study population can be defined as a group of study units which the researcher is interested in gathering the information from, as well as drawing conclusions on (Crowl, 1993). The target population for this research was all YDF beneficiaries and non-beneficiaries being entrepreneurs aged 18 to 35 years.

3.5 Sample Size

Adam and Kamuzora (2008), defines a sample size as the exact number of items selected from a study population to constitute a sample. The sample size for the study was 70 respondents constituting 30 beneficiaries of YDF and 30 non-beneficiaries, the later used as a control group. The sample also included 10 key informants who were people involved in the coordination of YDF programme such as (CDOs/WEOs) and leaders of private sector microfinance institutions (MFI-NGOs). The sample size of 70 respondents out of 268,103 youths in Kahama

District was drawn because of the nature of the study as a qualitative case study design which is not intended for generalization of findings but for in- depth investigation of the phenomenon using varieties of data collection techniques. Raj (2005) points out that, so far case study research design is concerned there is no question of sample size because sample is picked up only when it is not possible to study the whole universe of study thoroughly. However, sampling was flexible in terms of age of YDF beneficiaries because the researcher wanted to capture data on whether the loan was given to the targeted people (youths aged 18 – 35 years) or to the wrong people (extremely aged). Extreme age of YDF beneficiaries could explain some aspects of youth accessibility to YDF.

Table 3.1 and 3.2 shows the distribution of respondents by groups and by geographical location respectively from the study area.

Table 3.1 Respondents by groups

Group of Respondent	Number
Youth who are YDF beneficiaries (18 - 35 yrs age)	30
Youth who are non-beneficiaries of YDF (18 - 35 yrs age)	30
YDF Coodinators (DCDOs/TCDOs/CDOs/WEOs)	06
Leaders of private sector Microfinance Institutions (MFIs)	04
TOTAL	**70**

Source: Field data, 2013

Table 3.2 Respondents by location

S/n	Ward	Village/Street	Group and # of Respondents		
			YDF beneficiaries	Non-Beneficiaries	Key Informant s
1.	Bugarama	Bushing'we	03	03	-
2.	Segese	Segese	03	03	01
3.	Bulungwa	Mseki	03	03	01
4.	Idahina	Isanga	03	03	-
5.	Bulige	Bulige	03	03	-
6.	Nyihogo	Nyihogo	03	03	02
7.	Mwendakulima	Mwendakulima	03	03	-
8.	Kagongwa	Kagongwa	03	03	-
9.	Kahama Mjini	Igalilimi	03	03	06
10.	Majengo	Sokola	03	03	-
Total number of respondents			**30**	**30**	**10**

Source: Field data, 2013

3.6 Sampling Techniques

Two types of sampling techniques were involved in this study and these are purposive sampling and random sampling.

3.6.1 Purposive Sampling

According to Kothari (2004), purposive sampling technique enables the researcher to choose respondents basing on the fact that they have desirable characteristics and variables related to the issue being studied. Subjects are selected under established criteria from which one can learn the most (Wilson, 2002). The researcher used this technique in selection of 10 key informants. These included community development officers, ward development officers and loan officers from private MFI-NGOs. The rationale for selecting them purposively was based on the expertise and experience they possess on loan services coordination.

3.6.2 Simple Random Sampling

This type of sampling technique provides equal opportunity of selection for elements of the study population (Kothari, 2004; Othooli, 2008). The researcher used this technique to avoid biasness of responses in order to ensure data collected represents the reality of the situation of YDF beneficiaries on one side and non-beneficiaries on the other. The researcher selected randomly 3 out of 5 divisions, then 10 out of 43 wards from the sampled 3 divisions as well as 1 village from each of the 10 sampled wards. Simple random sampling technique was used where by the names of all divisions, wards and villages in each sampled division, ward and villages were written on small papers which were roughly folded then mixed up from which any number of papers regarding the sample requirements were picked thus included in the sample step by step. From the sampled 10 villages 3 YDF beneficiaries were randomly selected from each village using systematic random sampling whereby from a list of YDF beneficiaries the first was randomly marked and from it the rest were systematically selected after every $(^{n}/_{N})^{th}$ member of the list. Hence, 30 beneficiaries of YDF, 3 from each village were selected with this procedure using a list (sampling frame) of YDF beneficiaries obtained from Community Development Office.

For control purposes, a similar number of 30 non-beneficiaries of YDF were selected using simple random sampling where any 3 youth entrepreneurs who were met at their working places were asked to respond to the questionnaires. This was due to the fact that their list could not be obtained prior to field visit, hence systematic random sampling could be difficult to use. However, both beneficiaries and non-beneficiaries of the YDF were those engaged in income generating activities (IGAs) not later than 2008 where by such information were obtained from Community Development Department in consultation with village and ward executive officers.

3.7 Data Collection Techniques

Data was collected through questionnaire administration, interview, focus group discussions and observations while secondary data through documentary review.

3.7.1 Questionnaire

A questionnaire is an instrument of data collection consisting of a set of predetermined and structured questions given to the subject to respond to in writing or to be filled by the researcher through self administered questionnaire or researcher administered questionnaire respectively (Adam and Kamuzora, 2008). The respondents have to answer the questions either on their own or by responding to an enumerator (Kothari, 2004). In this study, pre-tested questionnaires with both close-ended and open ended questions were administered to YDF beneficiaries and non- beneficiaries by the researcher. Researcher administered questionnaires were preferred because they allowed the researcher to interact directly with respondents for clarification and hence ensured completeness and validity of information collected.

Figure 3.2 Entrepreneur responding to questions in a researcher administered questionnaire at Nyihogo Ward market in Kahama District

Source: Field data, 2013

3.7.2 Interview

Interview method of collecting data involves presentation of oral –verbal stimuli and reply in terms of oral-verbal responses (Kothari (2004). It is a process of communication or interaction in which the subject or interviewee gives the needed information verbally in a face to face situation (Koul, 1996). The method was preferred because the researcher wanted to collect supplementary information about the prevailing situation for triangulation with information given by respondents through questionnaires and other methods.

Interview guide was applied in the study to collect information from key informants in order to supplement information provided by key respondents where by a total of ten (10) key informants were interviewed. They included government officials who are involved in the coordination of YDF loans in the District and leaders of youth oriented MFI - NGOs to dig out their understanding of the YDF programme as well as solicit their opinions on ways to improve YDF programme and youth development activities in the study area.

3.7.3 Focus Group Discussion

A focus group discussion is a discussion of approximately 6-12 people guided by a facilitator, during which group members talk freely and spontaneously about a certain subject matter. The method is useful for exploring attitudes, ideas, concepts, and perceptions or feelings towards certain existing phenomenon and to draw out precise issues that may be unknown to the researcher (Gibbs, 1997). The purpose of employing this technique in the study was to draw upon respondent's attitude, feelings, experience and reactions in a way which would not be feasible using other techniques.

The size of focus groups ranged from 6-8 people and the method was used in soliciting various stakeholders' views on the role of YDF loans and its future prospects on youth development activities. Members included YDF coordinating officials, MFI – NGOs leaders, beneficiaries and non- beneficiaries of YDF. Each of these groups could provide useful information related to challenges associated with access, coordination challenges of YDF or related programmes, performance of YDF related projects, limiting factors and propose possible solutions to promote youth development.

Figure 3.3 Stakeholders of YDF in a focus group discussion in Kahama

Source: Field data, 2013

3.7.4 Observation

Observation is a method of data collection where data is obtained by the help of sense organs i.e. seeing, hearing, smelling, tasting and touching (Adam and Kamuzora, 2008). The researcher used non – participant (structured) observation as he could not become an integral part of the system but had a pre - determined set of issues to be observed (***observation schedule***) in the field such as types and quality of commodities, location where different IGAs started, new IGAs initiated, number of youth employed, customer turnover, frequency and magnitude of sales and socio-economic asset acquired as a result of YDF loans investment such as housing, television set, motorcycle, food supply and size of land purchased. Where necessary photographing took place for justification.

Table 3.3 Observation schedule

Item to be observed
Nature of economic activity (agriculture, vocational business, non – vocational business, combined/mixed)
Number or frequency of customers per day (sales)
Economic assets acquired as a result of business (TV, radio, bicycle, motorcycle etc)
Size of piece of land acquired as a result of business
Number of other youths employed
New business/activity initiated
Technology used eg. processing, farming, carpentry
Availability of power (electricity, solar, gas etc)
Availability of reliable transport and communication services (Roads, telephone network, newspapers etc)
Availability of sales and expenditure journal (records)
Type of MFI available (bank, SACCOS/VICOBA, NGO , other
Number of schooling children and type of school attended by respondents' children
Family size

3.7.5 Documentary Review

The secondary data was obtained through reviewing relevant documents including YDF progress reports from the Ministry of Information, Sports and Youth and culture, YDF implementation reports from councils (number of YDF beneficiaries and number of intended youth for YDF from 2008 to 2012), and publications about the YDF from relevant ministries under consultation. Some other documents like Youth Development Policy 1996 and its review of 2007, National Empowerment Policy and Act 2004, National Employment Policy 2008, the new YDF loans coordination guidelines 2013, as well as various youth related Research reports were reviewed.

3.8 Data Analysis

Qualitative data collected was quantified through coding to enable quantitative analysis. Coding was preceded by content analysis that helped to reduce a variety of responses (information collected) by grouping them as categories with limited set of attributes composing a variable, say nature of economic activities into 4 categories (agricultural, vocational, non-vocational, mixed). The quantitative data obtained were analyzed with the help of Statistical Package for Social Sciences (SPSS) and Spreadsheets software which involved both univariate and bivariate variables. Univariate variables were analyzed using frequency, percent and mean methods. They included age, income, sex, marital status, number of youths employed, education level, new activities initiated, awareness, factors limiting performance, number of successful loan applications, loan amounts, interest rates charged and stakeholders opinions were. Mean was used to analyze continuous univariate variables while frequency and percent were applied to categorical univariate variables. On the other hand, bi-variate variables involved computation of simple correlation coefficient (Spearman's Rank correlation method) to test the strength/significance of association (Babbie, 2007) where as cross-tabulation was also employed. These included variables like relationship between marital status and business performance, education level and business performance as well as sex of respondents relative to business performance.

3.9 Data Presentation

The researcher presented data in tables, figures and text to simplify interpretation and discussion of the findings.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Overview

The main purpose of the study was to examine the performance of Youth Development Fund (YDF) in youth development in Tanzania in order to suggest improvement measures. This chapter reports the study findings after analyzing the data obtained through questionnaires, in- depth interview, focus group discussion, documentary review and observation from different categories of respondents. Data presentation begins with demographic profile of the respondents particularly sex, age, marital status, and level of education. The other sections include: youth accessibility to YDF loans, performance of YDF beneficiaries' development activities, factors influencing/limiting performance of YDF beneficiaries development activities and winds up by presenting stakeholders' views/opinion on improvement of YDF programme and beneficiaries' development activities.

4.2 Demographic Characteristics of Respondents

The demographic characteristics of respondents considered in this section included sex, age, marital status and level of education.

4.2.1 Sex

First the researcher was interested to know if gender aspect has any influence on the performance of (YDF) in the light of access, business performance and improvement in livelihood. For the non – beneficiaries gender was considered to find out if it has any influence on business performance of both male and female entrepreneurs. Data on sex of respondents was as shown in table 4.1.

Table 4.1 Distribution of respondents by sex

Demographic characteristics		**Beneficiaries (n=300**		**Non-beneficiaries (n=30)**		**Total (n=60)**	
		Frequency	**Percent**	**Frequency**	**Percent**	**Frequency**	**Percent**
Sex	Male	15	50	15	50	30	50
	Female	15	50	15	50	30	50
Total		**30**	**100**	**30**	**100**	**60**	**100**

Source: Field data, 2013

Table 4.1 indicates that 30 (50%) out of 60 key respondents were females and 30 (50%) were males. Based on categorization, 15 (50%) YDF beneficiaries were males, and 15 (50%) were females. Likewise 15 (50%) non – beneficiaries were males and 15 (50%) were females. The researcher decided to balance the number of sampled respondents in terms of sex so that it would be easier to identify gender disparity in business performance and the gender issues influencing entrepreneurship endeavors.

The researcher used correlation analysis to test whether there was any significant relationship between sex of respondents and performance of their development activities. Data was analyzed and presented in table 4.2.

Table 4.2 Sex of respondents and progress of development activities

		Progress state of business for YDF beneficiary			Total
		Well progressing	Progressing but not well	Declining business	
Sex of respondent	Female	6	9	0	15
	Male	2	12	1	15
Total		8	21	1	30

Source: Field data, 2013

Table 4.2 show that there is no significant relationship between sex of YDF beneficiaries and progress state of their development activities tested at 0.36 Spearman's Rank correlation level of significance. Such situation can be due to the fact that, in most communities now days, men and women are almost equally involved in income generating activities as a result of several gender empowerment initiatives by the government and other development stakeholders.

4.2.2 Age

The inclusion of age groups of respondents in this study was done purposely to capture whether YDF loan is provided to the targeted beneficiaries who according to the National youth development policy are those between 15 – 35 years. Proper targeting of beneficiaries in terms of age could enhance the accessibility of youths to YDF loans and therefore contribute to efficiency in attaining the intended objectives. Age was also anticipated to have influence on the performance of youths’ economic activities due to difference in experience and age related community responsibilities. Data on age of respondents was presented as appears on table 4.3.

Table 4.3 Distribution of respondents by age

Demographic characteristics		Beneficiaries (n=30)		Non-Beneficiaries (n=30)		Total (n=60)	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
Age (years)	15 – 20	0	0	0	0	0	0
	21 – 25	1	4	2	7	3	5
	26 – 30	10	33	11	36	21	35
	31 - 35	7	23	8	27	15	25
	36 - 40	5	17	9	30	14	23
	40+	7	23	0	0	7	12
Total		**30**	**100**	**30**	**100**	**60**	**100**

Source: Field data, 2013

Table 4.3 shows that, 21 (35%) respondents were in the age group of 26 – 30 years. These include 10 beneficiaries and 11 non – beneficiaries. Respondents aged 31 to 35 years were 15 (25%) who constituted 7 beneficiaries and 8 non – beneficiaries. Besides, 13 (22%) respondents were in the age group of 36 – 40 years including 5 beneficiaries and 8 non-beneficiaries. Lastly 7 (23%) beneficiaries aged above 40 years. The findings imply that most respondents 21 (35%) were aged between 26 – 30 years, followed by those aged 31 – 35 years who constituted 15 (25%) of the total number of key respondents. The difference in composition between beneficiaries and non – beneficiaries in these age groups is negligible.

Results also imply that, 7 (23%) beneficiaries of YDF were no longer youths during the time they accessed the loan since they aged 40+ years in 2012 implying that they aged above 35 years (no longer youths) in 2008. This is an indication of wrong targeting of beneficiaries which in turn reduces the opportunity for the youth to access YDF loans. It shows a gap between policy prescriptions and its real implementation in LGAs. The youth according to the underlying youth development policy 2007, should not exceed 35 years.

According to the interview with the district YDF coordinator, and loan officers from FINCA, PRIDE, NMB etc, youths under 18 years are not considered for the loan service because they are still regarded as children according to the Tanzanian constitution since the loan proceedings involve signing of legal contracts both in government and private sector loans. For this case the missing data in the age group of 15 – 20 years reflects the prevailing situation.

4.2.3 Marital Status

Data on marital status were considered to determine if marital status has any influence on the performance of development activities of both YDF beneficiaries and non - beneficiaries. Data on marital status is summarized in Table 4.4 while results of gender influence on business performance are presented in table 4.5.

Table 4.4 Distribution of respondents by marital status

Demographic characteristics		**Beneficiaries (n=30)**		**Non-Beneficiaries (n=30)**		**Total (n=60)**	
		Freq.	**Percent**	**Freq.**	**Percent**	**Freq.**	**Percent**
Marital status	Single	5	17	10	33	15	25
	Married	21	70	17	57	38	63
	Separated/divorced	1	3	2	7	3	5
	Widowed	3	10	1	3	4	7
Total		**30**	**100**	**30**	**100**	**60**	**100**

Source: Field data, 2013

Table 4.4 shows that, 38 (63%) of total key respondents were married. This constituted 21 beneficiaries and 17 non –beneficiaries of the youth development fund. Results also show that, 15 (25%) of total key respondents were single comprising of 5 beneficiaries and 10 non – beneficiaries. A total of 3 (5%) key respondents were divorced and 4 (7%) were widowed.

Such findings indicate that most respondents (63%) were married where by 21 (35%) were beneficiaries of YDF. However, 15 (25%) respondents were single, 10

(17%) being non – beneficiaries of YDF. The high marital status can be attributed to the age profile since most respondents ranged between 26 and 35 years, hence were middle aged which is the prime age to marry. For the married beneficiaries, divorced and the widows, this suggests that probably they applied for the loan partly to take care of family basic needs while for the single respondents probably they needed the loan for purely investment purposes.

The researcher tested the relationship between marital status and performance of various respondents' development activities using simple correlation analysis and data were presented in table 4.5.

Table 4.5 Marital status and Progress state of development activities

		Progress of business or IGA for YDF beneficiary			Total
		Well progressing	Progressing but not well	Declining business	
Marital status of respondent	Single	1	4	0	5
	Married	5	15	1	21
	Widowed	1	2	0	3
	Divorced or separated	1	0	0	1
Total		8	21	1	30

Source: Field data, 2013

Table 4.5 indicates that, there is no significant correlation between marital status and progress state (performance) of development activities tested at 0.166 Spearman's Rank correlation level of significance. This could be because although women's business could be affected by various domestic responsibilities in terms of time, men could also be affected by domestic responsibilities in terms of expenditure in the process of providing for their families.

4.2.4 Education Level

The researcher was interested to know the educational characteristics of most of the entrepreneurs in the study area to reflect the situation in the country as a whole. He wanted to associate the level of education and the challenges encountered by YDF beneficiaries in the process of accessing YDF loan and performance of their development activities. On the side of non – beneficiaries, education was taken to see its implications on the performance of their economic activities. Information on education level of respondents was presented in table 4.6.

Table 4.6 Distribution of respondents education level

Demographic characteristics		**Beneficiaries (n=30)**		**Non-Beneficiaries (n=30)**		**Total (n=60)**	
		Freq.	**Percent**	**Freq.**	**Percent**	**Freq.**	**Percent**
Level of Education	Primary	25	83	22	73	47	78
	Secondary	5	17	8	27	13	22
Total		**30**	**100**	**30**	**100**	**60**	**100**

Source: Field data, 2013

Table 4.6 shows that, 47 (78%) of total key respondents had primary education. Among these, 25 were beneficiaries and 22 were non – beneficiaries of YDF. However, 13 (22%) out of 60 key respondents had attained secondary education including 5 beneficiaries and 8 non - beneficiaries.

The findings imply that most respondents (78%) had primary education with no great disparity between beneficiaries and non beneficiaries. Only few respondents (22%) had secondary education. This implies most small scale entrepreneurs in the study area lack technical education as they mostly possess either primary or secondary education. This is probably due to the fact that the majority of youths possessing certificates, diplomas etc are either formally employed or are having advanced business.

The researcher went ahead to find out if education level could have any influence on performance of business among YDF beneficiaries. Correlation analysis was conducted and data were presented in Table 4.7.

Table 4.7 Education level and Progress state of development activities

		Progress of business or IGA for YDF beneficiary			Total
		Well progressing	Progressing but not well	Declining business	
Education level of respondent	Primary school	6	18	1	25
	Secondary education	2	3	0	5
Total		8	21	1	30

Source: Field data, 2013

Table 4.7 shows that there is no significant relationship between level of education and business performance in terms of progress state tested at 0.149 Spearman's Rank correlation level of significance. This could be due to little difference existing among respondents on education they range from primary school to form four. The main difference could probably be indicated by the level of entrepreneurship training, however all YDF beneficiaries received the same scope of entrepreneurship skills training from Community Development Department prior to loan disbursement.

4.3 Youths Accessibility to YDF Loans and Involvement in Development Activities

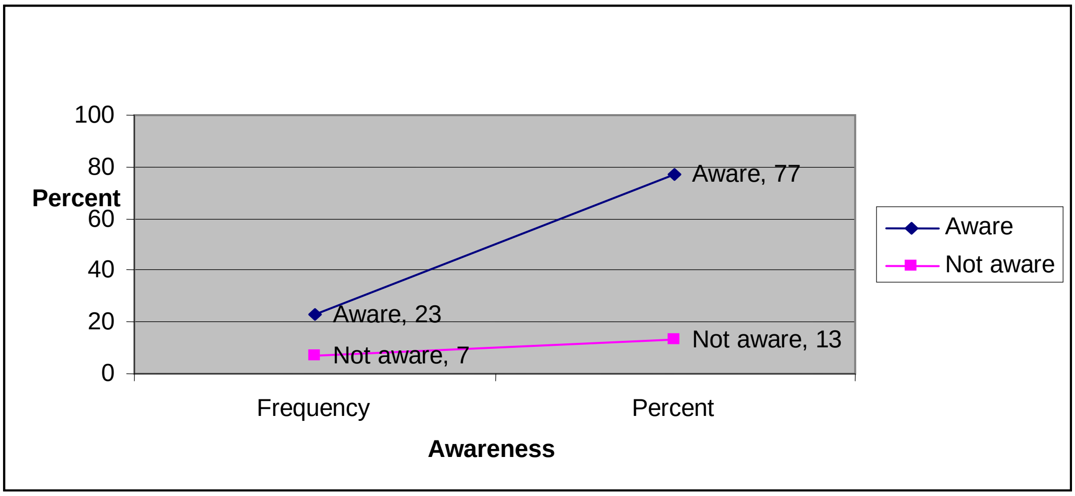
Under this objective the researcher wanted to know the magnitude of access and the extent to which YDF has influenced the involvement of youth in development activities. Youths access to YDF loans and involvement in development activities were studied using selected variables that the researcher found important regarding the demand of the study objective. To determine access, variables such as awareness of youth on YDF programme, access based on the number of youth in the whole district, access based on the sampled 10 wards youth population and access based on submitted applications. To determine youth involvement in development activities, the nature and number of new activities developed or initiated by youths after accessing the loan were used as responsible variables.

4.3.1 Accessibility

4.3.1.1 Awareness on YDF Loans

Through questionnaires, non – beneficiaries of YDF were asked to state whether they are aware on the availability of YDF soft loans and the results were as summarized in figure 4.1.

Figure 4.1 Respondents awareness on YDF loans



Source: Field data, 2013

Figure 4.1 indicate that, 23 (77%) out of 30 non – beneficiaries were aware on the availability of soft loans from YDF programme, while 7 (13%) were not aware. Such findings indicate that majority of youth in the study area are informed on the availability of YDF loans.

The researcher further investigated the sources from which respondents obtained information about the programme. Only respondents who reported that they are aware on the programme were then asked to state where they obtained the information and results are as shown in table 4.8.

Table 4.8 Source of information on YDF programme (n=23)

Source of Information	Frequency	Percent
Public official (eg. CDOs, CDAs, COs etc)	10	44
Political leader (Ward counselor etc)	7	30
Other community members	3	13
Media (television, radio/Kahama FM etc)	3	13
Total	**23**	**100**

Source: Field data, 2013

Data in table 4.8 reveal that, 10 (44%) of respondents obtained the information about YDF from public officials such as Community Development Officers, where as 7 (30%) were informed by Political leaders such as ward counselors and members of parliaments during political meetings and visits. However, 3 (13%) reported to be informed by other community members and the media mainly television and radio.

4.3.1.2 Accessibility at District Level

In order to determine the level of access to YDF loans at District level, it was important first to know the total youth population in the entire District. However, the government had not yet released its 2012 population and housing census report based on age and sex which according to census reports release calendar such report was to be released at the end of August 2013 (URT, 2013). Alternatively, the researcher used the relationship that youth population constitutes 35% of the total population of any nation (Polepole, 2007; URT, 2002) to estimate the number of youth in the district level as well as at ward level basing on the 2012 population and housing general census report that contain population distribution based on administrative areas. The youth population in Kahama district was estimated to 268,103 equal to 35% of total District population (766,010).

Data from interview with the District Community Development Officer (DCDO) indicated that the entire District has a total of 718 youth who have accessed YDF loans since 2008. This number represents 0.3% of total youth population (268,103) in the district. This justifies that youth access to YDF loans at District level is low. From this point, the researcher went ahead to determine the youths access to YDF in the sampled 10 wards.

4.3.1.3 Accessibility Based on Sampled 10 Wards

The estimate distribution of youth population in the specific 10 wards from which data was collected was calculated basing on the same relationship stated in section 4.3.1.2 as summarized in table 4.9.

Table 4.9 Youth population distribution by Ward

Ward	Overall Population			Youth population (35%)		
	Male	Female	Total	Male	Female	Total
Bugarama	8,968	9,303	18,271	3,139	3,256	6,395
Segese	8,930	9,434	18,364	3,125	3,302	6,427
Bulungwa	12,090	12,552	24,642	4,231	4,394	8,625
Idahina	11,912	12,025	23,937	4,169	4,209	8,378
Bulige	4,992	5,513	10,505	1,747	1,930	3,677
Nyihogo	6,575	7,047	13,622	2,301	2,467	4,768
Mhongolo	7,473	7,954	15,427	2,615	2,784	5,399
Kahama Mjini	3,479	3,142	6,621	1,217	1,100	2,317
Mwendakulima	6,697	7,014	13,711	2,344	2,455	4,799
Kagongwa	10,253	11,193	21,446	3,588	3,918	7,506
TOTAL	**81,369**	**85,177**	**166,546**	**28,476**	**29,815**	**58,291**

Source: Estimates based on URT, 2002, Polepole 2007, that youth constitute 35% of the total population of a place.

Table 4.9 presents youth population distribution in the sampled 10 wards whose total population amounts to 166,546 (81,369 males and 85,177 female) people. The estimate total youth population amounts to 58,291 (28,476 males and 29,815 female) youths.

From this point, the estimated youth population in the respective wards was compared to the number of youths who accessed YDF loans since 2008 like shown in table 4.10. The number of youths who have accessed YDF loans in the sampled 10 wards obtained from Community Development department in Kahama District Council.

Table 4.10 Number of youths accessed YDF loans since 2008

Ward	Youth population			Number accessed YDF			Percentage Access		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Bugarama	3,139	3,256	6,395	10	20	30	0.3	0.6	0.5
Segese	3,125	3,302	6,427	12	13	25	0.4	0.4	0.3
Bulungwa	4,231	4,394	8,625	20	10	30	0.5	0.2	0.4
Idahina	4,169	4,209	8,378	5	20	25	0.1	0.5	0.3
Bulige	1,747	1,930	3,677	16	19	35	0.9	1	1
Nyihogo	2,301	2,467	4,768	5	60	65	0.2	2.4	1.4
Mhongolo	2,615	2,784	5,399	20	30	50	0.8	1.1	0.9
Kahama Mjini	1,217	1,100	2,317	28	42	70	2.3	3.8	3
Mwendakulima	2,344	2,455	4,799	14	20	34	0.6	0.8	0.7
Kagongwa	3,588	3,918	7,506	9	13	22	0.3	0.3	0.3
Total	**28,476**	**29,815**	**58,291**	**139**	**247**	**386**	**0.5**	**0.8**	**0.7**

Source: Field data, 2013

Table 4.10 show that, a total of 386 (0.7%) out of 58,291 youths in the selected 10 wards of Kahama district accessed YDF loans to finance their economic activities between 2008 and 2012. Results also show that 139 (0.5%) out of 28,476 male and 247 (0.8%) out of 386 female youths accessed the loan. These findings imply that, the access of youth to YDF loans in the sampled 10 wards is also low 386 (0.7%) out of 58,291 youths.

4.3.1.4 Accessibility Based on Submitted Applications

The researcher went further to explore the ability of YDF programme to serve its clients by relating the number of loan applications received by the district and the number of applications that were successful in obtaining the loan. Data was collected from the Community development department through interview with the YDF programme coordinator and responses were as presented in table 4.11.

Table 4.11 Number of successful applications 2008 – 2012

Fiscal year	Applications (YEGs)	Successful Applications (YEGs)	Percentage (%)	Amount of loan disbursed
2008/2009	64	15	23	20,000,000
2009/2010	80	12	15	10,000,000
2010/2011	121	25	21	33,767,000
2011/2012	75	15	20	16,000,000
2012/2013	86	9	11	12,500,000
Total	**426**	**76**	**18**	**92,267,000**

Source: Kahama District Council, 2013

Information in table 4.11 indicates that, only 76 (18%) out of 426 applications for YDF loans within the period of 2008 - 2012 were successful in Kahama District. The applications here represent youth groups with group members ranging between 5 - 10 youths. Such findings further tell that youths' access to YDF relative to the total population of youths seeking loan is very low (18%). On the other hand this shows that 82% of the applications were not successful.

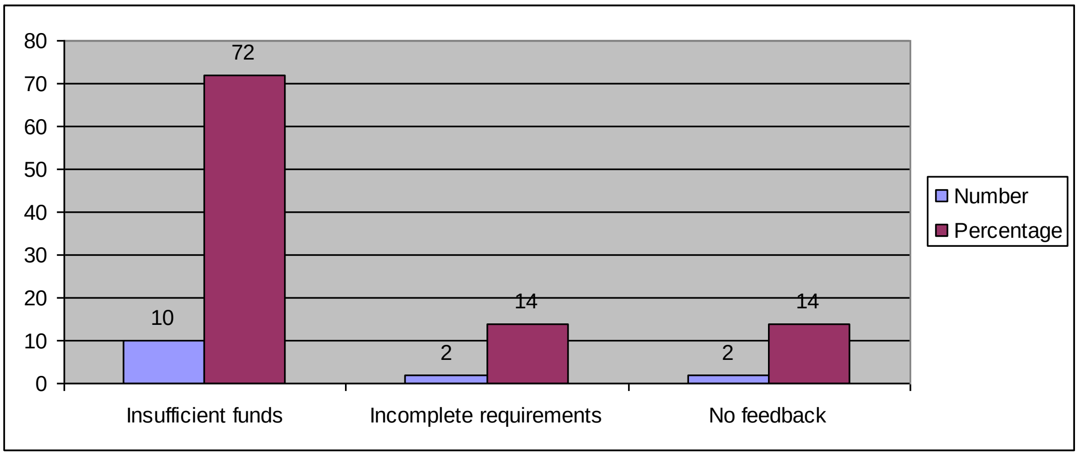
Based on gender, female applicants were more accessible 247 (0.8%) compared to only 139 (0.5%) male applicants. Difference in access by gender was triangulated with statement of the YDF coordinators during interview session who justified the situation by saying that female applicants are given priority because of their marginal/vulnerable situation compared to male youths. The following statement was noted from the District YDF Coordinator.

"Jobless male youths can easily find something to do using their physical strength and they are less vulnerable to sexual abuse compared to girls who suddenly fall into temptations for sexual abuse to satisfy their basic needs. Experience also shows that more female than male youths apply for the loan".

Another reason provided through the focus group discussion with stakeholders was that more girls and women are involved in micro-credit and small businesses compared to males in the area.

The researcher also wanted to know the reasons behind failure of some loan applications to be successful. Such data could further inform the researcher on more constraints to access on YDF loans. Data were collected from 23 non – beneficiaries who have ever applied for YDF but their applications did not become successful. Results were as presented in figure 4.2.

Figure 4.2 Reasons for unsuccessful YDF loans applications (n=23)



Source: Field data, 2013

Figure 4.2 indicates that, 19 (82%) respondents out of 23 reported insufficient funds in the YDF budget to be the reason for their applications being unsuccessful. Another reason given was incomplete requirements for loan application 2 (9%) such as lack of group registration, application letter or business plan. This was reported by 2 (9%) respondents and 2 (9%) respondents said they got no any feedback on the status of their application for YDF loans. Thus most unsuccessful applications for the loan were attributed to insufficient funds in the YDF programme and incompleteness of application requirements.

4.3.2 Involvement of Youth in Development Activities

The influence of YDF programme on youth involvement in development activities was measured in terms nature of economic activities initiated by YDF beneficiaries after accessing the loan.

4.3.2.1 Nature of Economic Activities Carried Out

Understanding the nature or types of economic activities carried out by respondents before and after accessing the loan could place the researcher and the reader of this work in track to understand and discuss the extent to which YDF has influenced their involvement in development activities. Promoting youth participation in development activities is among the objectives of YDF programme in Tanzania. Improvement in nature and increase in number of new activities could justify increased youth participation as these create new job opportunities. A question on nature of economic activities initiated was included in the questionnaire for YDF beneficiaries and data were as presented in table 4.12.

Table 4.12 Nature of YDF beneficiaries' development activities (n=30)

Nature of economic activities	YDF beneficiaries (n=30)			
	Before YDF (2008)		Current (After accessing YDF)	
	Number	Percent	Number	Percent
Agricultural	13	43	10	33
Vocational business	8	27	8	27
Non-vocational business	9	20	11	37
Mixed activities	0	0	1	3
Total	**30**	**100**	**30**	**100**

Source: Field data, 2013

Findings from table 4.12 revealed that, before taking the loan in 2008, 13 (43%) of YDF beneficiaries involved themselves in agricultural activities such as farming cash crops such as rice, maize, tobacco and gardening of vegetables and spices. Others involved themselves in keeping livestock such as poultry and piggery. Also the results show that 8 (27%) of beneficiaries were dealing with Vocational business such as carpentry, welding, soap making, tailoring and catering services in wedding and other ceremonies. Besides, 9 (20%), were dealing with non – vocational businesses such as selling various types of shops, local food premises, motorcycle transport and cash crops business. None of them had mixed business before the loan. It can be summed up that before the loan most YDF beneficiaries dealt with agricultural and non – vocational business.

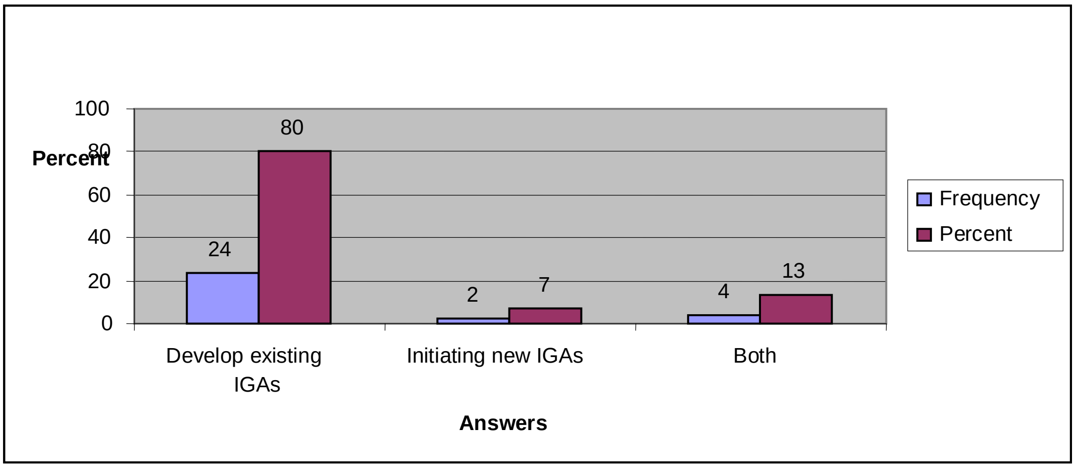
After accessing the loan the number of beneficiaries dealing with agricultural activities decreased to 10 (33%) while the number of those dealing with vocational business remained the same 8 (27%). However, the number of dealers in non – vocational business increased to 11 (37%) while only 1(3%) respondent managed to have mixed economic activities.

It can therefore be concluded that, even after receiving the loan, the nature of activities of YDF beneficiaries almost remained the same. For this case, the fund has contributed little to involvement of youths in development activities. The researcher further investigated the number of new activities created by YDF beneficiaries that could help in creating jobs for self-employment as well as for other youths.

4.3.2.2 New Development Activities Initiated as a Result of YDF

The parameter of new activities was taken to measure the level of youth involvement due to the assumption that new development activities or new investments could lead to new jobs creation hence increase employment opportunities rather than just expansion of existing business. The researcher probed the respondents on the purpose of their requesting for YDF loans or loans from other institutions to see whether respondents wanted to initiate new economic activities. Data was analyzed and presented in figure 4.3.

Figure 4.3 Reason for YDF loan application (n=30)



Source: Field data, 2013

Figure 4.3 shows that, 2 (7%) beneficiaries of YDF requested for loans in order to initiate new income generating activities while 24 (80%) requested for loan in order to develop existing development activities. However, 4 (13%) YDF beneficiaries requested for the loan in order to diversify their businesses by both developing the existing and initiating new ones.

From these findings it can be argued that to a little extent YDF has led to establishment of new development activities. This can be related to the fact that most of the respondents wanted to develop existing businesses. Basing on observation, a few managed to initiate completely new businesses or diversify although most did so within the same nature of activities identified like identified in table 4.9. Therefore it has contributed to a very little extent to the involvement of youth in development activities.

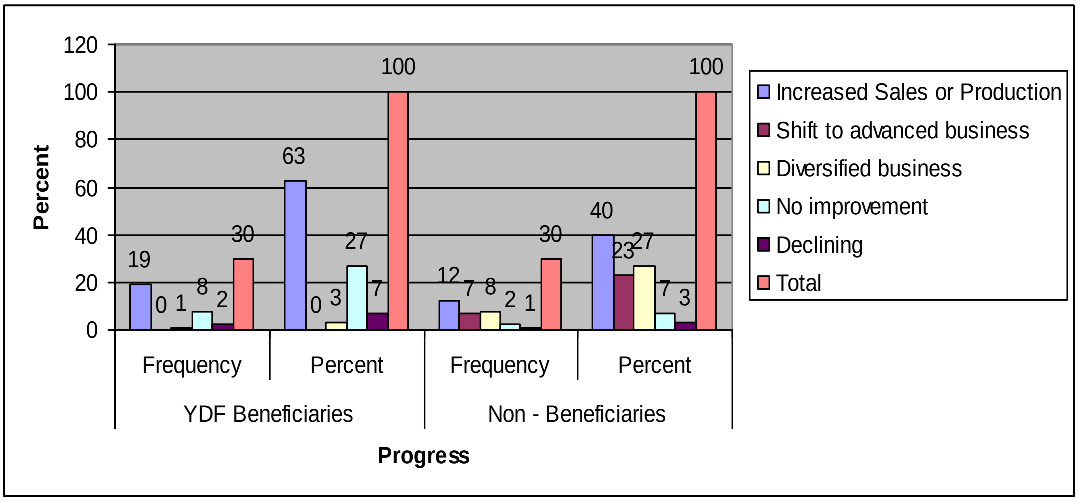
4.4 Performance of YDF Beneficiaries Development Activities

On this aspect various performance criteria were used and these include: progress state of economic activities, ability to employ others and number of other youths employed, income status before and after receiving the loan, livelihood improvement, loan repayment status, reasons for failure to repay the loan and extent to which YDF has met beneficiaries' expectations. These variables were selected basing on the fact that they could provide a true spectrum on the performance of YDF beneficiaries' economic activities from which realistic conclusions could be drawn. For instance the increase in annual income could give a true picture of positive business growth and vice versa is true.

4.4.1 Progress State of Development Activities

The progress state of respondents' development activities was measured using five (5) variables namely increase in sales or production, shift to advanced business/economic activity, diversification of business, no any improvement and decline of business. Both beneficiaries of YDF and non beneficiaries were subjected to this question in order to compare YDF related projects with projects of the control group. Data were presented as shown in figure 4.4.

Figure 4.4 Progress state of development activities (n=30)



Source: Field data, 2013

Figure 4.4 indicate that, 19 (63%) beneficiaries and 12 (40%) non – beneficiaries reported to have increased production and sales for their existing businesses. None of the beneficiaries of YDF reported to have managed to shift into advanced business while 7 (23%) of non – beneficiaries have managed to shift into advanced businesses.

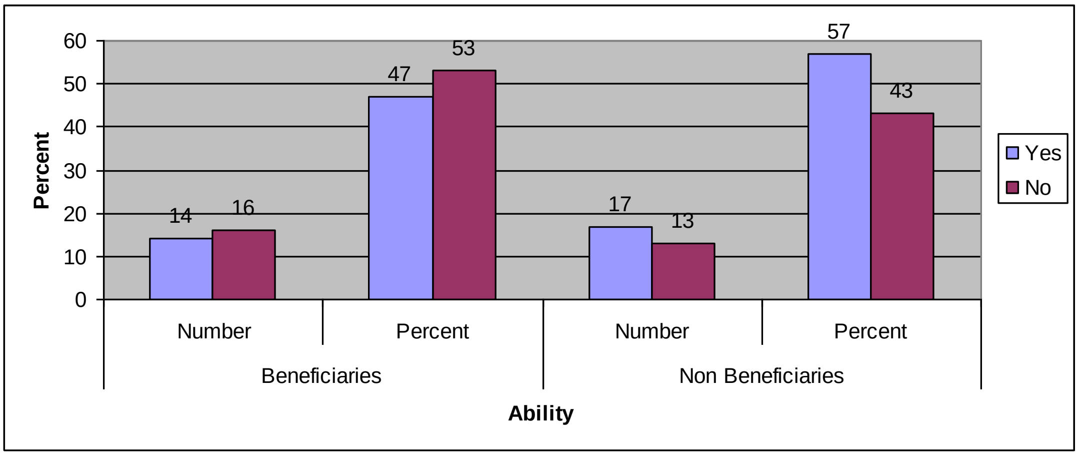
Figure 4.6 also reveal that, only 1 (3%) of beneficiaries diversified business while 8 (27%) of non – beneficiaries managed to diversify their business. Besides, 8 (27%) of beneficiaries and only 2 (7%) of non – beneficiaries' development activities did not show any sign of improvement within the five years period, while 2 (7%) of beneficiaries and 1 (3%) of non – beneficiaries reported business decline.

While both beneficiaries (63%) and non – beneficiaries (40%) reported increase in sales. The later (23%) have managed to shift to advanced business compared to none of the beneficiaries. A greater number of non – beneficiaries 8 (27%) than beneficiaries 1 (3%) have managed to diversify their business (development activities). It cannot therefore be stated that YDF has a more positive contribution in the progress of development activities for its beneficiaries, since others who secured loan from elsewhere seem to have gone beyond in progress as an element of good performance. The increase in sales or production might not be a direct indicator of progress since the little amount of loan provided off course was expected to change the magnitude of production and sales to some extent. The most powerful indicator of progress would be the advancement and diversification of development activities that show exactly the changing levels of entrepreneurship experiences.

4.4.2 Ability to Employ Others

Addressing youth unemployment in Tanzania was among the objectives of YDF programme. It was expected that YDF could have good implications on youth development if has helped its beneficiaries to create employment opportunities for others thereby reducing youth unemployment in Tanzania. Beneficiaries therefore were asked to state whether or not they have managed to create job opportunities for other youths after receiving soft loans from YDF. The same question was asked to non – beneficiaries in order to compare the situation using the later as control data. Information on ability to employ others was presented in figure 4.5.

Figure 4.5 Ability to create employment for others (n=30)



Source: Field data, 2013

Figure 4.5 shows that, only 14 (47%) of YDF beneficiaries have been able to create job opportunities for other youths in their development activities compared to 17 (57%) non beneficiaries who have managed to do so.

From these findings, it can be argued that, although some YDF beneficiaries (47%) had ability to employ other youths, but non – beneficiaries (57%) had more ability of employing other youths in the study area. Therefore YDF has little influence on creating employment for youths compared to other micro-credit services opted by non – beneficiaries of YDF.

4.4.3 Number of Other Youths Employed

In order to establish further evidently on the performance of YDF, the researcher went far to find out the estimated number of new employment opportunities created as a result of YDF loan. Using enumerator administered questionnaires the researcher included a question to collect information on mean number of other youths who have benefited from development activities of beneficiaries by securing jobs and the results were analyzed and presented in table 4.13.

Table 4.13 Estimated number of other youths employed

Category	Beneficiaries (n=14)		Non- Beneficiaries (n=17)		Total no. of Youths employed
	No. of respondents	Mean no. of youths employed	No. of respondents	Mean no. of youths employed	
1 – 5 youths	14	42	14	42	84
6 – 10 youths	0	0	3	24	24
Total	**14**	**42**	**17**	**66**	**108**

Source: Field data, 2013

Table 4.13 shows that, beneficiaries of YDF have created 42 new employment opportunities for other youths while non – beneficiaries have created 66 new employments for other youths between 2008 and 2012. According to the collected data, none of the YDF beneficiaries have been able to employ more than 5 youths where as 3 non – beneficiaries have employed 6 – 10 youths making a mean total of

24 employment opportunities in this category. Generally, it can be stated that, although YDF has led to creation of new employment opportunities (42), it has been less efficient on this aspect compared to micro-credit services provided by the private sector. This is because non-beneficiaries most of whom have accessed loans from the private sector have employed more youths (66) than YDF related projects.

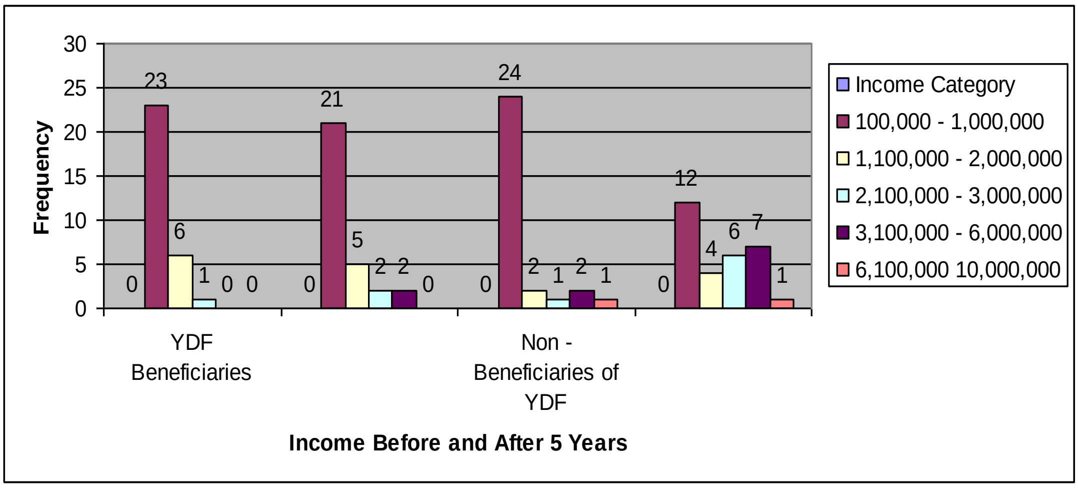
Through observation, the researcher also identified that some other youths were working (employed) in various YDF beneficiaries businesses such as restaurants, welding, carpentry, shops and motor cycle transport service provision. However most of them (27) out of 36 were employed by non-beneficiaries of YDF.

When some of the youths employed in these projects were asked on whether they are satisfied with the wage they are paid, most reported that the wage was not enough and some reported delays in wage payments. However, majority 3 (75%) out of 4 said their livelihood situation has improved to some extent compared to the period back when they had nothing to do. The poor wage and salaries paid to employees in YDF beneficiaries development activities reflects the reality of underperformance of such activities emanating from challenges associated with inadequate capital and shallow business skills provided through the YDF programme. The number of employment opportunities created by YDF therefore do not matter but the quality of such employments in terms economic returns. Such employments can still imply underemployment of youths in the study area.

4.4.4 Income Status Before and After Receiving YDF Loans

Income variable was used as an index to measure performance of YDF beneficiaries' development activities basing on the fact that increase in income could justify improvement of economic activities that could further lead to timely repayment of the loan; improved livelihood and vice versa is true. Income of non – beneficiaries was also considered to find out and discuss any difference that could easily assess the performance of YDF relative to other sources of investment capital among youth entrepreneurs. Information on income was presented in figure 4.6.

Figure 4.6 Income status before and after accessing YDF loans (n=30)



Source: Field data, 2013

Figure 4.6 shows that, 23 out of the 30 YDF beneficiaries had income between 100,000 – 1,000,000 prior to YDF loans access. The number has decreased to 21 after receiving the loan within 5 years. Only 2 (7%) have moved from this level of lower income, compared to 12 (40%) non – beneficiaries who have moved from this level to higher levels of income reducing the number from 24 to 12. Besides, 6 beneficiaries were in the middle income class of 1,100,000 – 2,000,000 compared to 2 of the non-beneficiaries. The number of beneficiaries in this income level has decreased to 5 while that of non – beneficiaries has increased to 4 within the same period.

The next higher levels of income 2,100,000 – 3,000,000 and 3,100,000 – 6,000,000 have shown rapid increase. One beneficiary has managed to improve income from 1,100,000 – 2,000,000 level to 2,100,000 – 3,000,000 level while some other 2 beneficiaries have moved to 3,100,000 – 6,000,000 level.

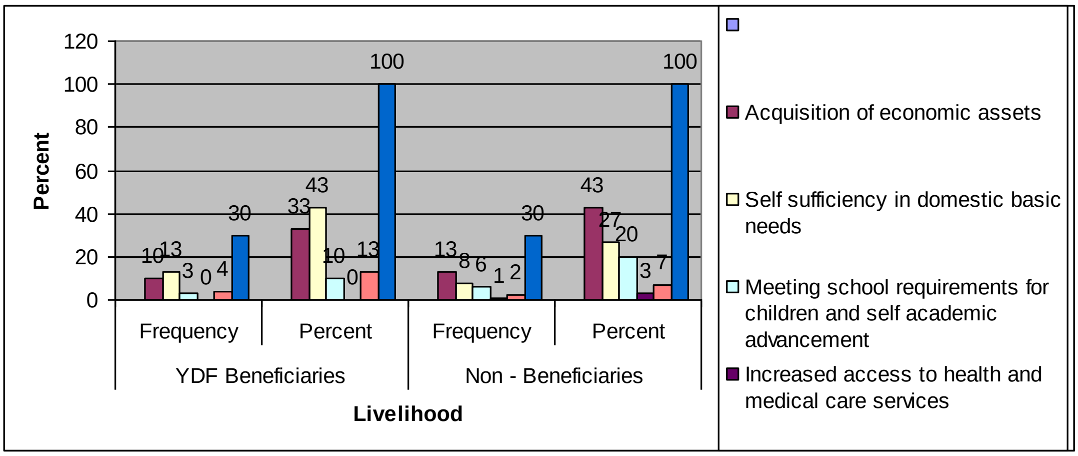
On the other hand the number of non – beneficiaries within the income level of 2,100,000 – 3,000,000/= has increased from 1 to 6 respondents. Their number in the income level of 3,100,000 – 6,000,000/= has also increased from only 2 to 7. The highest income level (6,100,000 – 10,000,000/=) has remained with the same number of respondents (only 1) who is a non – beneficiary of YDF.

From the findings above, non-beneficiaries income status showed a greater growth compared to YDF beneficiaries probably because most of them accessed sufficient amount of loans and timely to finance their income generating activities effectively than dependants of meager and delayed capital from YDF loans. The scope and coverage of entrepreneurship training can also be viewed as responsible for the difference, since YDF beneficiaries did not obtain intensive training compared to clients of MFI – NGOs like PRIDE, FINCA and SEDA.

4.4.5 Livelihood Improvement

Using the questionnaires probing was done to find out the extent to which YDF has impacted on the livelihood of its beneficiaries in comparison to the non – beneficiaries. Four main variables were used as criteria to assess livelihood improvement and these were: acquisition of economic assets, self sufficiency in basic domestic needs, meeting school expenses for children and self-academic advancement, and increased access to health and medical care. The findings were analyzed and presented in figure 4.7.

Figure 4.7 Livelihood improvement of YDF beneficiaries



Source: Field data, 2013

Figure 4.7 shows that, 10 (33%) beneficiaries of YDF and 13 (43%) non – beneficiaries have managed to acquire some fixed economic assets like land, house, motorcycle, bicycle, television, cattle and the like. Also, 13 (43%) beneficiaries and 8 (27%) non – beneficiaries have managed to be self – sufficient in domestic basic needs basically food, shelter and clothing. Besides, 3 (10%) beneficiaries and 6 (20%) have managed to meet school requirements of their children. However, 4 (13%) beneficiaries and 2 (7%) non – beneficiaries reported no any improvement in livelihood.

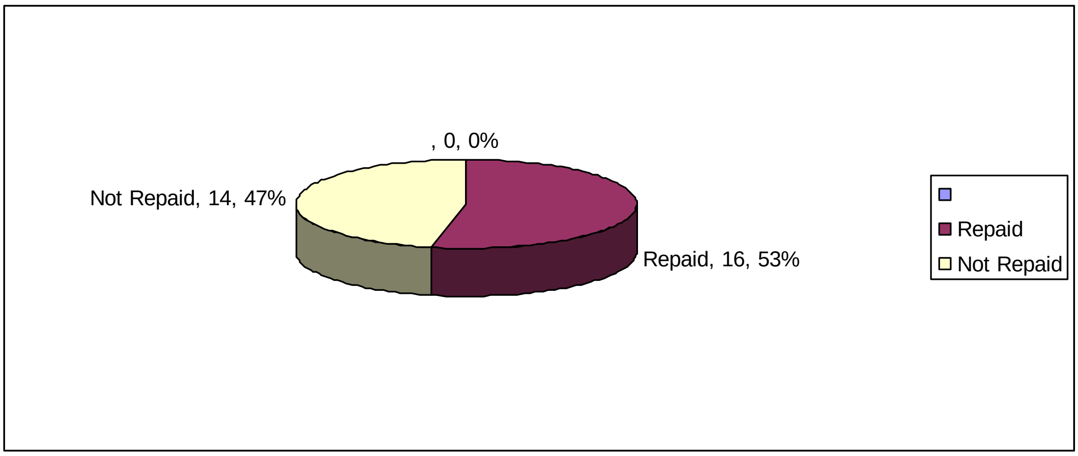
Through observation, the researcher visited one YDF beneficiary's farm land bought using benefits from a 200,000 YDF loan in 2008. The respondent explained *"with the loan, I managed to expand my farm land from 3 to 4 acres and my annual harvest has somehow improved from 6 to 8 bags of maize this year".* However one non-beneficiary of YDF who was also visited owned 2 motorcycles (bodaboda) and a small house (with 3 rooms) as a result of accessing 1,000,000 loan from FINCA in 2008. The respondent said, *"I owned nothing when arrived from Kigoma in January 2008, however with a borrowed capital of 300,000 from my friend, I started a small shop with which I managed to receive a 1,000,000 loan from FINCA".* This helped me to expand the shop which has brought me to this level. This indicates within the same period of time some non-beneficiaries have acquired more assets than YDF beneficiaries.

Generally these findings justify that, YDF has insignificant implication on the livelihood of its beneficiaries as compared to the non – beneficiaries who have solicited investment capital (loans) from the private sector. This is because of fewer beneficiaries (33%) who have managed to acquire economic assets compared to 43% of non – beneficiaries. Also the number of non – beneficiaries who have afforded schooling expenses outweighs that of YDF beneficiaries by 6 (20%) and 3 (10%) respectively. While only 2 (7%) of non – beneficiaries reported no improvement in livelihood, 4 (13%) beneficiaries life has remained static.

4.4.6 Repayment Status of YDF loan

The underlying assumption here is that smooth repayment of YDF loans by beneficiaries could suggest that their economic activities established are performing well. Non-repayment however could be attributed to underperformance of business when other factors are held constant. Beneficiaries were asked whether they managed to repay the loan and responses were presented as shown in figure 4.8.

Figure 4.8 Repayment status of YDF loans (n=30)



Source: Field data, 2013

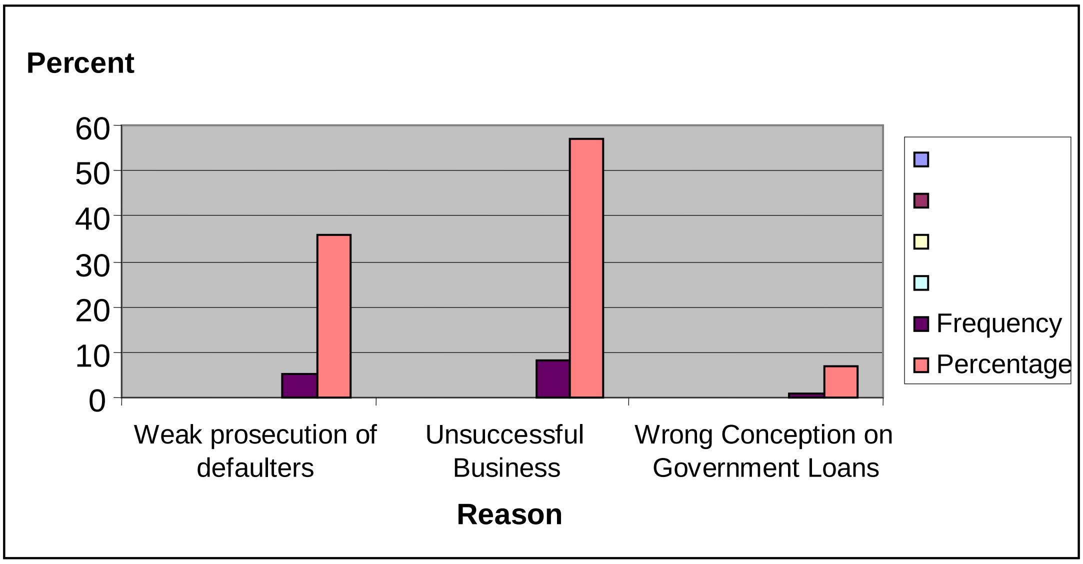
Figure 4.8 show that, 16 (53%) beneficiaries have repaid the loan while 14 (47%) beneficiaries have failed to repay. Such findings imply that although the majority (53%) has managed to repay the loan but almost half of the loan (47%) is not repaid. These findings correspond to information obtained from interview with the District YDF coordinator who reported 56% repayment of the loan in the fiscal year 2011/2012 implying that 44% did not repay the loan.

This observation may suggest that, repayment of YDF is still poor which indicate poor performance of beneficiaries' development activities as one aspect. The YDF coordinator added that, low repayment rate of YDF loans is among the factors undermining the growth of the fund and hence failure to serve a larger population of youths in the area

4.4.7 Reasons for Failure to Repay YDF Loans

It was seen by the researcher inevitable to dig out the reasons behind failure of some respondents to repay the loan in the study area. Using the same tool (questionnaires) 14 (47%) respondents who failed to repay were asked to provide the main reason and results are as indicated in figure 4.9.

Figure 4.9 Reasons for failure to repay YDF loans (n=14)



Source: Field data, 2013

Figure 4.9 show that, 8 (57%) respondents reported unsuccessful business as responsible factor for their failure to repay the loan while 5 (36%) respondents said that the main reason was weak prosecution of loan repayment defaulters. However, only 1 (7%) respondent said that people have wrong conception on government loans as they are taken as grants or gifts to the citizens especially when influenced by political leaders in the process of loan application. During the focus group discussion, one respondent who was among the loan defaulters narrated as follows:

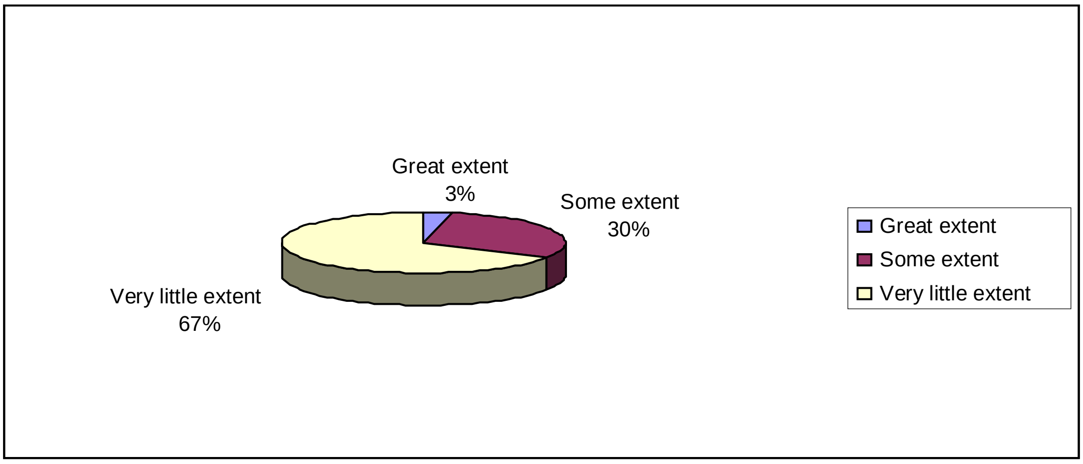
"I did not repay the loan because I thought it was a gift or thanks giving from political leaders after winning the election. I know some of my colleagues who took the loan in the past did not return it and nobody came to confront them, why was I supposed to repay?"

These findings are similar to findings by Kigoda (2009), whose study on JK's Presidential soft loans repayment, revealed that loans provided by the government are still treated as gifts not to be repaid. The study identified (6%) of the beneficiaries who had not repaid the loan and they responded by insisting that the loan was a gift from their President. This calls for the need to thoroughly sensitize the community on youth development policy and YDF programme in order to build awareness and capacity to take over their responsibilities in facilitating the programme. Besides, the influence of politicians in the process of loan acquisition also tends to magnify the wrong conception about soft loans by the government. However the main concern is to deal with the major challenges such as increasing the amount of loan and deepening business training to ensure IGAs are successful.

4.4.8 Extent to Which YDF Meets Expectation

The researcher also used this aspect to measure the level of performance of YDF programme. This is because good performance could also be indicated by the level of customer/client satisfaction. Beneficiaries of YDF were therefore asked to state rank the extent to which the programme has met their expectations. Three levels were reported as summarized in figure 4.10.

Figure 4.10 Extent to which YDF has met beneficiaries' expectations



Source: Field data, 2013

Data in figure 4.10 indicate that, 9 (30%) respondents said YDF has met their expectations to some extent while 1 (3%) respondents reported great extent. However, 20 (67%) respondents judged YDF to have met their expectations to a very little extent. The findings suggest that YDF has not satisfied almost $^{2}/_{3}$ of its clients. In other words customers are not satisfied by YDF services and hence YDF needs some improvement in order to efficiently meet its intended objectives. Such negative feedback from the community indicates that there are hindering factors to be addressed in order to improve performance of the programme.

4.5 Factors Influencing/Limiting Performance of YDF Beneficiaries' Development Activities

Identifying the factors influencing performance of YDF beneficiaries' development activities was the third research question formulated to achieve the third research objective. The researcher looked at general factors promoting or hindering performance of YDF beneficiaries' development activities. The question on general factors was given to YDF beneficiaries and key informants (10), while that on factors specific to YDF was only given to beneficiaries.

4.5.1 General Factors Promoting Performance of YDF Beneficiaries' Development Activities

This aspect aimed at identifying general factors promoting YDF beneficiaries development activities that could help the researcher to provide general suggestions to address related challenges. The question on general factors was included in the questionnaires for YDF beneficiaries and interview guide for key informants to capture a wide range of data related to investment on one side and coordination of the programme on the other. Each respondent was asked to mention only one factor of his highest choice of influence. Table 4.14 presents the factors and the number of respondents who stated them to indicate their influential strength to business.

Table 4.14 General factors promoting performance (n=40)

Factor promoting performance of youth economic activities	Frequency (%)
Availability of adequate amount of capital	18 (45)
Sound entrepreneurship skills	8 (20)
Availability of adequate and stable market	5 (13)
Effective transport and communication infrastructure	4 (10)
Processing technology	3 (7)
Power supply (Electricity, natural gas, Solar etc)	2 (5)
Total	**40 (100)**

Source: Field data, 2013

Table 4.14 shows that, 18 (45%) of respondents mentioned adequate capital, while 8 (20%) mentioned sound entrepreneurship skills as the factors promoting YDF beneficiaries development activities in case they are provided. It follows that, 5 (13%) respondents mentioned availability of adequate and stable markets, 4 (10%) mentioned effective infrastructure, 3 (7%) opted processing technology while 2 (5%) respondents stated power supply as the factors promoting development activities.

Such findings mean that, availability of adequate capital (45%) is the most important factor promoting development activities. Without start up capital youths can hardly launch new economic activities or develop the existing business lines successfully. The next factor was sound entrepreneurial skills which represented (20%) of all responses. The rest of the factors rate almost differed slightly in strength. However, all factors mentioned are cumulatively important although they might not be equally important because of various business circumstances.

4.5.2 YDF Related Factors Promoting Performance of Development Activities

The researcher also wanted to know if there are factors related to YDF programme that has helped the beneficiaries to promote their development activities in the study area, hence a question was included in the questionnaire specific to YDF beneficiaries of YDF. Only YDF beneficiaries responded to this question in order to capture specific and precise information basing on their experience as beneficiaries and responses were documented as shown in table 4.15.

Table 4.15 YDF related factors promoting performance (n=30)

YDF related factor promoting performance of youth economic activities	Frequency (%)
Low interest rate	23 (77)
Experience sharing through YEGs formed	5 (17)
Entrepreneurship education	2 (6)
Total	**30 (100)**

Source: Field data, 2013

Table 4.15 reveals that, 23 (77%) respondents mentioned low interest charged by YDF programme to have helped promoting their development activities. Besides, 5 (17%) respondents mentioned the youth economic groups (YEGs) formed, while 2 (6%) respondents mentioned the entrepreneurship training provided by YDF programme to have helped in advancing their Income generating activities.

Thus, findings conclude that, the low interest rate has helped promote YDF beneficiaries development activities to the greatest extent (77%). Respondents described that low interest rate pronounced the meaning of soft loans since most YDF beneficiaries who managed to repay, they could not feel it as a burden but helped them to maximize saving which can then be re-invested to increase the volume of production and sales. Table 4.16 indicates the difference in interest rates from various Microfinance Institutions (MFIs) in the study area.

Table 4.16 Interest rates charged by different MFIs

Name of MFI or programme	Interest Rate Charged to Clients (%)	
	6 months	Monthly
SEDA	18	3
FINCA	20	3.3
PRIDE	19	3.2
NMB	22	3.7
VICOBA/SACCOs	13	2.1
YDF	10	1.7

Source: Field data, 2013

Table 4.16 shows that, commercial banks like NMB charge highest interest rates (22%), while government soft loans like YDF charge the lowest interest rate (10%) only for a period of 6 months. Community groups like SACCOS and VICOOBA also charge slightly low interest rate although above that of YDF but lower than other Micro-credit facilities. YDF has the lowest interest rate (10%) among the studies micro-credit facilities.

Experience sharing enabled by the formed youth economic groups (YEGs) (17%) also has helped to promote development activities in the study area. YEGs are formed and registered as among the pre-requisites in accessing YDF loans in the district like stated by the YDF coordinator during interview and focus group discussion sessions. The coordinator added the following description:

"Having the youths mixed up through YEGs with members who are experienced in various businesses, beneficiaries share investment and marketing techniques hence improve the operation of their income generating activities".

The District Community Development Officer from Kahama District Council further stated that, YEGs are voluntary groups formed by youth, but with guidelines on how they should operate usually defined as a group constitution approved and registered by the CSOs coordination section within the department of community development. Each member has mutual trust of one another and as a pre - requisite to YDF soft loan, each YEG must have participated in capacity building programmes organized by the office focusing on leadership, project management, entrepreneurship and business record keeping. The registered YEGs are then linked with commercial banks to open up bank accounts through which YDF loans are channeled and some other YEGs are linked with private MFIs for loan acquisition.

Another factor mentioned was the advantage of entrepreneurship training (6%) provided by community development staff to YDF beneficiaries, which although the scope and coverage was reported as low but at least they managed to understand some basic skills in business that helped them to some extent. Entrepreneurship training is the only efficient software that transforms ordinary youths into competitive minds, innovative and successful business persons.

4.5.3 General Factors Limiting Performance of YDF Beneficiaries' Development activities

Although the researcher aimed at YDF beneficiaries, but the question of factors hindering development activities was also asked to key informants to obtain general public opinion on the issue basing their experience with micro-credit issues and YDF in particular. Results were analyzed and presented as table 4.17 indicates.

Table 4.17 General factors limiting performance (n = 40)

Factor Hindering performance of youth economic activities	Frequency (%)
Low level of formal education (low literacy level)	5 (13)
Lack of adequate entrepreneurship skills (low scope and coverage)	7 (17)
Lack of adequate capital (insufficient YDF loans)	11 (26)
Lack of effective transport and communication infrastructure	4 (10)
Low level of technology (eg. processing)	3 (8)
Inadequate power supply (electricity, natural gas, solar etc)	4 (10)
HIV/AIDS and other diseases	1 (3)
Tradition and taboos (women workload and freedom)	2 (5)
Family size (family responsibilities), marital status	3 (8)
Total	**40 (100)**

Source: Field data, 2013

Table 4.17 shows that, inadequate capital was mentioned by 11 (26%) respondents as a factor limiting the progress development activities while lack of adequate entrepreneurship skills was mentioned by 7 (17%) respondents. Besides, low level of education among young entrepreneurs was mentioned by 5 (13%) respondents, poor infrastructure constituted 4 (10%) respondents while low level of technology was mentioned by 3 (8%) respondents. Other factors reported were lack of reliable power supply 4 (10%), large family size 3 (8%), discriminative traditions and taboos (eg. greater workload for women) 2 (5%), and HIV/AIDS/other diseases that could affect health consequently reduce human productivity 1 (3%).

The findings reveal that, the major factors limiting performance of YDF beneficiaries development activities are: lack of adequate capital, lack of adequate entrepreneurship skills, low level of education, ineffective infrastructure and . These findings to some extent, concur with findings from a research conducted by

Makombe (2006) on women entrepreneurship development and empowerment in Tanzania with the case study of SIDO/UNIDO supported women micro-entrepreneurs in the food processing sector identified lack of capital and training as among other factors limiting entrepreneurship development in Tanzania.

According to REPOA (1999), through a study carried out by Makombe, Temba and Kihombo (1999) on Credit Schemes and Women Empowerment for Poverty Alleviation in Tanzania with the case study of Tanga Region, also revealed that small capital or inadequate loan (13%), lack of market (27%), big family or family size (1%), poor project write up (emanating from low level of education) (1%), and sickness being among the factors inhibiting success of IGAs among women who received soft loans from credit schemes in Tanga region. These findings concur to some extent with the findings of this study as far as information in table 4.14 is concerned.

During focus group discussion one respondent who was a YDF beneficiary doing tailoring business said *" the problem we face in Segese is lack of electricity because with electricity we can make a lot of business here like selling soft drinks, operating milling machines, welding and processing fruits into juice. The price of petrol is too high now days that we can't afford with the small size of capita we have.* The researcher also observed that the area is not electrified yet though it's well built and populated.

4.5.4 YDF Related Factors Limiting Performance of Development Activities

Likewise, the researcher was interested to know if there were some other factors directly linked to YDF programme that hindered beneficiaries' development activities so that ways to address them are sought in order to improve the programme. Beneficiaries were asked to state such factors and responses were as presented in table 4.18.

Table 4.18 YDF related factors limiting performance (n = 30)

Factor related to YDF that hinder development activities	Frequency (%)
Insufficient amount of loan provided by YDF programme to beneficiaries	20 (67)
Delays in loan disbursement (too long processing time)	6 (20)
Low coverage and scope of entrepreneurship training provided	4 (13)
Total	**30 (100)**

Source: Field data, 2013

Table 4.18 reveal that, 20 (77%) respondents reported insufficient amount of loans provided by YDF as a hindrance to performance while 6 (20%) respondents reported delays in disbursement of loans and 4 (13%) said low coverage and scope of entrepreneurship training are the responsible factors.

From these findings, it can be stated that, insufficient amount of loans provided by YDF programme was the most responsible factor for business underperformance. The next hindrance factor related to YDF was delays in loan disbursement while low coverage and scope of entrepreneurship was the third. However all three factors were reported as hindrances to the performance of YDF beneficiaries' development activities.

Further findings noted that most 22 (73%) YDF beneficiaries received less than a half (50%) of the amount of loan they requested and this can be attributed to insufficient funds in the YDF account. Table 4.19 shows the difference in amount of loan provided by YDF and that provided by microfinance institutions in the private sector.

Table 4.19 Comparison of loan amounts provided

Amount of loan provided (by percentage of the amount applied for)	Beneficiaries (YDF loans) (n=30)		Non- beneficiaries (Private sector) (n=30)	
	Frequency	Percent	Frequency	Percent
100%	0	0	20	67
50% and above	8	27	3	10
Less than 50%	22	73	0	0
Not received loans	0	0	7	23
Total	**30**	**100**	**30**	**100**

Source: Field data, 2013

Table 4.19 shows that, 20 (67%) clients in the private microfinance institutions received the whole (100%) of the amount they applied for. On the other hand 22 (73%) beneficiaries of YDF received less than 50% of the amount they applied for. This further indicates insufficient of funds in the YDF programme sharpening the argument that insufficient funds in the YDF affects development of its beneficiaries development activities since most received less inadequate amount to full finance their business plans.

During focus group discussion at Kahama Mjini ward, one person said *"You know the amount we are given is too little compared to what we applied for. In our group of 5 people for example we applied for 3 million to operate our furniture making workshop, but we received only 1 million which did not even help us to buy half of the needed equipments and materials".*

The delays in YDF loan disbursement can be associated with bureaucratic procedures in the local government authority where by a series of officials are involved in the access procedure. They include the VEOs, WEOs, CDAs, CSOs coordinator, YDF Coordinator, DCDO, DED and DT in which each one has a role to play in executing the loan process. This is different from private sector procedures in which few officials are involved. Delays in disbursement necessitated applicants to incur unnecessary costs in making follow ups to YDF loans coordination unit at the District Council's head quarters.

It follows that, the scope of entrepreneurship training is narrow since short time is used for training and hence less material are delivered to clients that could hardly transform them to become strong and competitive entrepreneurs. Through observation, the researcher noted that about 80% of YDF beneficiaries had no record books for business sales and expenditure. This justifies that they were not thoroughly trained on entrepreneurship pertaining to business records management.

Ogutu, Ngowi and Milanzi (2006) in their study on SMEs Competitiveness Facility (SCF) and SME Export Market Prospects Volume II also observed that most SMEs are owner financed as the start up and operating capital being mainly from the owner's pocket and that among the factors constraining awareness and access of Small and Medium Entrepreneurs to business services include: availability of the services (eg. soft loans), time and lack of training in business aspects like entrepreneurship, new product technologies, marketing and sales promotion. The insufficient amount of loan provided by YDF programme affects investment capital requirements, delays in disbursement tend to waste time and cause clients to incur unnecessary costs to make follow ups, while low coverage and scope of entrepreneurship training provided fails to transform the youths into skilled entrepreneurs.

The support system in place for young people to undertake self-employment and become entrepreneurs is very limited, which put young people in vulnerable position (Helgesson, 2006). This imply that YDF services although in place but its effectiveness and efficiency in terms of adequacy of loans provided, timeliness of loan disbursement and the quality of training do not satisfy the demand of its beneficiaries hence leaving the youth development challenges untamed.

4.5 Stakeholders' Views/Opinions

Stakeholder opinions focused mainly two main aspects. First views were given concerning the potentiality of YDF, after which ways to improve YDF programme and YDF beneficiaries' development activities were given. The stakeholders involved were all respondents involved in the study including 30 YDF beneficiaries, 30 non-beneficiaries, 6 YDF coordinators (4 CDOs and 2 WEOs), 4 loan officers from non-governmental micro-finance institutions such as FINCA, PRIDE, SEDA and NMB. The questions to solicit their views/opinions were included in the different tools used for data collection.

4.5.1 Potentiality of YDF

To capture their views on this aspect, the researcher asked stakeholders to comment on whether YDF is still important for youth development in Tanzania. The majority 68 (97%) stakeholders out of 70 said YDF is still a relevant and important initiative to promote youth development in Tanzania, hence its existence should be continued.

4.5.2 Suggestions for Improvement of YDF Programme and YDF Beneficiaries Development Activities

Suggestions on this section were generally given and the researcher summarized them as in table 4.20. Each respondent was asked to give only one main suggestion of his/her choice in order to come up with the most important suggestions regarding the objective.

Table 4.20 Stakeholders opinions/suggestions (n=70)

Suggestion/opinion	Frequency (%)
Amount of loan provided by YDF should be increased	24 (33)
Timely disbursement of YDF loans to beneficiaries	9 (13)
Coverage and scope of entrepreneurship training to YDF beneficiaries should be extended	6 (9)
YDF should be well advertised to the community	3 (4)
Technical advice to YDF beneficiaries through regular field visits	5 (7)
Enhancing prosecution of YDF loan defaulters	4 (6)
Creation of enabling environment by the government	6 (9)
Application of modern technology	5 (7)
Diversification of economic activities	4 (6)
Adopting Family Planning and Reproductive health skills	2 (3)
Proper targeting of YDF beneficiaries in terms of age [18-35 years]	2 (3)
Total	**70 (100)**

Source: Field data, 2013

Table 4.20 reveal that, 24 (33%) stakeholders out of 70 suggested on the increase of the amount provided by YDF to beneficiaries where as 9 (13% stakeholders recommended timely disbursement of the loan. Coverage and scope of entrepreneurship skills training was suggested by 6 (9%) respondents while 6 (9%) respondents suggested on creation of enabling environment by the government such as improving transport and communication infrastructure, power/energy supply, tax holidays, domestic market protection (eg. controlling the importation of rice from abroad). The rest of the suggestions differed slightly in strength and are as shown in the table.

In general, I agree with the stakeholders on the fact that YDF is still potentially important due to the important role it plays to empower the youth economically and promote their participation in various development activities. For this case the youth in Tanzania Kahama District in particular still need the fund and hence it should not be terminated but improved to efficiently attain its objectives.

However, although stakeholders suggested the government to increase the amount of YDF loans provided to beneficiaries but they did not suggest more ways to help the government to increase the fund for YDF apart from improving loan repayment by enhancing prosecution of YDF loan defaulters. Currently the government uses official Development Assistance (ODA) provided by multilateral and bilateral organizations to facilitate YDF besides mobilizing LGAs to contribute 5% of their own sources (revenues) for YDF. The later initiative is sustainable although its efficiency may be low due to multiple responsibilities of LGAs depending on their own sources revenue. More effective ways can be mobilizing the private sector (eg. large mining companies) through cooperate social responsibility to contribute to YDF funding besides prioritizing YDF in the government budgeting system from central to LGAs level. When these are met, adequate funds will be available for YDF beneficiaries in Tanzania. The scope and coverage of entrepreneurship training for YDF beneficiaries will also improve when financial resources are in place provided human resource are not deficient.

Proper targeting of YDF beneficiaries was another suggestion by stakeholders which responded to the challenge of insufficient funds that deny access among the youths. For instance the researcher noted that 7 (23%) YDF beneficiaries out of 30 involved in the study were no longer youths by the time they accessed the loan in 2008 since they aged above 35 years because at the time this research was conducted they aged above 40 years (Refer table 4.3) on distribution of respondents by age.

Stakeholders also mentioned timely disbursement of YDF loans to address unnecessary delays which negatively affect YDF beneficiaries' development activities. The practice of good governance and reduction of bureaucracy in the LGAs management system will be effective in responding to the challenge. Currently, a series of government officials are involved in the YDF loan procedure including regional youth officers, YDF coordinators (DCDOs/CDOs), Executive Directors (DED), District Treasurers (DTs) Ward and Village executive Officers and the currently added system of channeling YDF loans through Youth SACCOs in all LGAs. The loan approval procedure under this (big government) system automatically leads into delays in loan disbursement. However, advertising YDF in the community is not very important because according to the findings of this study, awareness is high among the youths as 23 (77%) non-beneficiaries out of 30 were aware on the availability of YDF loans (Refer figure 4.1).

To improve the performance of YDF beneficiaries development activities off course calls for creation of enabling environment for small and medium entrepreneurs such as improving access to market by improving transport and communications. Roads in most parts of Kahama District were observed to be not useful throughout the year while some villages are disconnected with telecommunication networks (digital divide). Power supply and lack of modern technology was reported by some respondents to affect processing of agricultural commodities like cereals, fruits and affected some business such as soft drinks, welding and timber works.

Enhancing technical support of YDF beneficiaries through regular field visits will eventually be attained when YDF funding is improved because community development as the technical staff involved in this aspect need to be facilitated with transport facilities. Besides, field supervision of YDF beneficiaries will also be enhanced when such staffs are employed at village level like the Community Development Policy 1996 directs.

Furthermore YDF beneficiaries were advised to diversify their development activities (business) in order to respond to market fluctuations. This is because the demand and supply of commodities changes depending on seasonality or due to influx of competitors in the market where by sticking to fixed type of some commodities may affect business progress. Entrepreneurs therefore need to be flexible in trying various kinds of business for market and progress assurance especially in this era of free market economy.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Overview

This chapter presents the summary of the findings, conclusions, policy recommendations and end by pointing out direction for further research. The chapter begins with summary which statistically highlights the major findings of the study followed by conclusion section which provides the main arguments developed. The policy recommendations section which provides policy directions towards addressing the YDF related challenges precedes the final section which suggests potential areas on which further researchers can investigate.

5.2 Summary

The major objective of this study was to examine the performance of Youth Development Fund (YDF) in promoting youth development in Tanzania and Kahama District in particular. It specifically focused on determination of youth accessibility to the fund and youth involvement in development activities, performance of YDF beneficiaries' development activities, identifying the factors influencing/limiting performance and soliciting stakeholders' views/opinions to improve the programme.

The study revealed that: youth accessibility to YDF loans is low. This is because although awareness about the programme is high amounting to (77%) responses, only 718 (0.3%) youths out of 268,103 youths in the District accessed the YDF loans between 2008 and 2012. Besides, YDF has influenced the involvement of youth in development activities to a low extent. This was indicated by little number of new economic activities created by its beneficiaries as only 1 (3%) beneficiary managed to diversify business and the little number 8 (27%) beneficiaries dealing with vocational business remained the same while those dealing with non – vocational business only increased slightly from 9 (20%) youths to 11 (37%) youths. Besides, only 2 (7%) beneficiaries requested the loan for the purpose of initiating new business while most 24 (80%) beneficiaries requested the loan to develop their existing business.

The performance of YDF beneficiaries' development activities was found to be poor and lags behind that of non-beneficiaries. Although 19 (63%) beneficiaries and 17 (57%) non-beneficiaries reported to have increased sales or production but none of the beneficiaries managed to shift into advanced business while 7 (23%) non-beneficiaries shifted into advanced business within the same period. Besides, only 14 (47%) beneficiaries have been able to employ other youths compared to 17 (57%) non-beneficiaries who have been able to employ others. Consequently, YDF beneficiaries have employed fewer (44) youths than non-beneficiaries who have employed 66 youths in total. The income of beneficiaries did not change much compared to income of non-beneficiaries because while only 2 beneficiaries out of 30 have moved from lower annual income level (100,000 – 1,000,000/=) after receiving the loan, 12 non-beneficiaries out of 30 have moved above this level. In terms of acquisition of economic assets also beneficiaries are lagging behind because only 10 (33%) beneficiaries reported to have acquired fixed economic assets like land, house, television, sofa sets and motorcycles whereas 13 (43%) non-beneficiaries have acquired such assets. YDF loan repayment status was not smooth because 14 (47%) beneficiaries out of 30 failed to repay the loan with the reason of unsuccessful business provided by 8 (57%) loan defaulters. Furthermore, YDF has not satisfied its beneficiaries since 20 (67%) beneficiaries reported that the programme has met their expectations to a very little extent.

Some factors influencing/limiting the performance of YDF beneficiaries' development activities were found out by this study. Factors directly related to YDF include: insufficient amount of loans provided by YDF which was mentioned by 20 (67%) beneficiaries out of 30 where by 22 (73%) beneficiaries received less than 50% of the amount of loan they requested from YDF while 20 (67%) non-beneficiaries received the whole (100%) of the amount of loan they requested from the private sector institutions. The low coverage and scope of entrepreneurship skills training provided by YDF programme was another factor mentioned by 4

(13%) beneficiaries and the other was delays in loan disbursement stated by 6 (20%) beneficiaries. General factors include low level of formal education (literacy) among youths, lack of effective transport and communication infrastructure, low level of technology, inadequate power/energy supply such as electricity, HIV/AIDS and other communicable diseases, bad traditions and taboos as well as large family size.
The study also identified factors directly related to YDF that promote beneficiaries' economic activities and these include but not limited to: small interest rate (10%) charged by YDF, experience sharing through youth economic groups (YEGs) formed and entrepreneurship skills training provided by YDF programme.

The study ended up by soliciting various YDF stakeholders views/opinion on the improvement of the programme in order to enhance youth development activities in Tanzania. The stakeholders involved include all key respondents and key informants in the study sample. 68 (97%) stakeholders viewed YDF as still relevant and important initiative to promote youth development in Tanzania. The most important suggestions to improve the programme include: increasing the budget for YDF programme, controlling the delays in YDF loan disbursement by halting bureaucracy, widening the scope and coverage of entrepreneurship training, enhance prosecution of loan defaulters by seriously enforcing the available legal frame-works, creating enabling environment for small and medium enterprises and proper targeting of YDF beneficiaries.

5.3 Conclusions

The study finally concludes that: youth accessibility to YDF loans in Kahama District is low and to a little extent YDF has stimulated the involvement of youths in development activities. Likewise the performance of YDF beneficiaries' development activities is not promising and lags behind that of non-beneficiaries. Some factors influencing/limiting the performance of YDF beneficiaries' development activities exist comprising factors directly related to YDF programme such insufficient amount of YDF loans provided, delays in loan disbursement and low scope and coverage of entrepreneurship skills training. Although YDF has met beneficiaries' expectations to a very little extent but stakeholders still considered YDF a better source of capital compared to loans from the private sector institutions because of its friendliness in terms of interest rate, experience sharing through YEGs formed and slack prosecution of loan defaulters. Stakeholders viewed YDF as an important initiative for youth development in Tanzania. Improving the implementation of YDF programme in Tanzania will substantially contribute to address youth unemployment problem thereby promote youth and national economic development at large. This will be achieved by prioritizing youth programmes in the national budgeting system especially to deal with the existing challenges informed by youth related research findings. Besides, harnessing the private sector through cooperate social responsibility in contributing to YDF programme and supporting other youth development initiatives in Tanzania is likely important. Micro credit services provided by NGOs and community based groups were seen to compliment YDF service, hence need to be facilitated and promoted as well.

5.4 Policy Recommendations

The aim of any research is to make investigation whose output will make the researcher suggest some courses of action in addressing related development challenges. This study has yielded some information from which the researcher would like to make some recommendations to different potential stakeholders, policy makers inclusive. Hence, in order to meaningfully empower youth for poverty reduction in Tanzania through the YDF programme, the following recommendations have been put forward with stakeholders views incorporated:-

The government should increase the amount of fund allocated for YDF programme in order to improve access and utilization so as to ensure large impact is felt by YDF beneficiaries and the national at large. Besides motivating youths to apply for the soft loan, the adequacy of loan was also seen to have a profound positive impact on progress of development activities which in turn will contribute to improved loan repayment

Loan processing time should not be too long to affect business schedule of YDF clients. To ensure clients invest the loan in accordance with their proposed business duration since some businesses such as agricultural and cereal trading are seasonal, and this will also save the time for youth being jobless in streets, likewise will save the cost spent on frequent follow up visits to YDF coordination offices.
The scope and coverage of entrepreneurship training should be extended to ensure young entrepreneurs are thoroughly trained in running business especially in this era of globalized markets where competition is high. This can be achieved by scaling up YDF budgets and increasing the type and number of stakeholders involved in entrepreneurship training such as the UDEC, NIC, Community Development, Cooperatives and Trade departments.

The government should enhance creation of enabling environment for small and medium enterprises (SMEs) initiated by indigenous such as improving economic infrastructure (transport, communication, legal frameworks, technology and power/energy).

Mobilizing Foreign Direct Investors (FDIs) such as mining companies, banks and industries to contribute funds to YDF and other youth development initiatives as part of their cooperate social responsibility (CSR), for instance, Bulyanhulu and Buzwagi Barrick Gold mining companies as well as Banks and Petroleum Filling Stations which are numerous in Kahama District.

Promote private savings and credit schemes to compliment YDF services such as VICOBA/SILC implemented by Care Tanzania and other stakeholders. Due to insufficient funds from YDF, most of the non – beneficiaries reported to seek capital from private sector including community groups like VICOBA/SILC, SACCOs etc. Mobilizing the formation of such institutions will serve capital demands for most young entrepreneurs since YDF loans though its access may be improved but it will be difficult to accommodate all eligible clients in a short run.

There is a need to seriously enforce the available legal frameworks on YDF loan defaulters in order to improve loan repayments. Research findings investigated that one of the reasons of low YDF loan repayment was weak prosecution of loan defaulters although the framework and guidelines are in place. Undoing political influence to allow the judicial system work, will improve the situation. YDF beneficiaries and other entrepreneurs in Tanzania should learn to diversify their economic activities in order to positively respond to market fluctuations and changes brought about by seasonality and the effect of globalization.

Developing the private sector by creating enabling environment for foreign and domestic private investors especially with a focus on SMEs will lead to job creation thereby reducing unemployment problem among the youth. Employment and Earning Survey (2011) in Tanzania identified that, private profit making institutions had the highest of the total employment in Tanzania amounting to 52% in 2011.

Enhancing the formation and registration of youth economic groups (YECs), as it has been observed by this study to benefit the YDF beneficiaries through sharing investment and marketing experiences besides being one of the requirements for the access of YDF loans. YEGs formed and registered should be furnished with intensive organization and business management skills in order to build youths' capacity in launching and effective management of income generating activities.

Family planning programmes should be integrated with YDF and other economic empowerment initiatives to ensure manageable family size for young entrepreneurs in Tanzania. This is because family size was also seen among the factors influencing the progress of married YDF beneficiaries and other entrepreneurs due to the burden of family expenditure that reduce the margin propensity to save impacting on slow capital accumulation and business performance.

Development stakeholders should continue combating HIV/AIDS in multi-sectoral, team and consultative approach preferably using local resources in order to sustain-ably safeguard the youths against the pandemic which has been mentioned to be among the challenges influencing development activities of youths and YDF beneficiaries in particular.

Expansion of VET centers from the currently existing 40 VET centers to at least one in all 151 District Councils will promote youths' access to vocational education and training to build youths' self employability as well ass employment in other sectors. This will compliment YDFs efforts to respond youths' involvement in development activities and hence reduce youth unemployment in Tanzania and Kahama District in particular.

Furthermore, to pinpoint the idea like proposed by Lintelo (2012), the government and other actors should not continue under-prioritizing youth empowerment but should ensure that youths are given a sensitive share in development plans like increasing the amount of financial and human resource to effect the coordination of youth development activities.

5.5 Areas for Further Research

Further research should be conducted to identify factors influencing prosecution of YDF's loan defaulters in Tanzania and Kahama District in particular. Also the factors leading to insufficiency of loans provided by YDF in Tanzania and Kahama District in particular call for further research. Besides, the same study can be replicated in other areas of Tanzania by using the same or different research designs in order to compare the situation.

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APPENDICES

Appendix I

Questionnaire for the Beneficiaries of the Youth Development Fund (YDF)

Respondent Number……

Dear respondent, I am **Elisha Mussa,** a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the **Performance of Youth Development Fund (YDF) in Youth Development in Tanzania** in order to suggest improvement measures. I am requesting you to set aside some few minutes to respond to my questions. Any inconvenience is highly regretted. I wish to assure you that the information given here will be used for academic purposes only.

A: BACKGROUND INFORMATION

Village/Street …………………………………………….

1. Sex: (1) Female (2) Male

2. Age: …………Years……………….

3. Marital Status:

(1) Single (2) Married (3) Widowed (4) Divorced/Separated

4. Occupation:………………………………………………

5. Level of education

(1) Primary (2) Secondary (3) College (Certificate/Diploma (4) University

B1: EXTENT TO WHICH YDF IS ACCESSIBLE BY THE YOUTHS

6. Where did you get information about the availability of YDF?

(1) Public Official (2) Media (3) Community member (4) Other (Specify)…

7. What was the purpose of requesting for the YDF loan you received?

(1) For developing existing IGAs (2) For starting new IGA

(3) Both '1' and '2' (4) Other (Specify) ……………………

8. How much shillings in total did you request (--------shs) and how much of it did you receive (------shs) from YDF loan?

9. What constraints did you face when processing your application for YDF loan? ………………………………………………………………………………

10. Were the procedures you went through to secure soft loans from YDF:

(1) Straight forward (2) Difficult

Please provide reasons to support your answer……………………

11. How long did it take to receive the loan from YDF from the date you applied for? (1) Within 1- 3 months (2) Within 4 – 6 months

(3) Within 6-12 months (4) Above 12 months (a year)

12. Did the disbursement time for the loan match with your business duration (routine)? (1) Yes (2) No

B2: EXTENT TO WHICH YDF HAS INFLUENCED YOUTH INVOLVEMENT IN DIFFERENT DEVELOPMENT ACTIVITIES

13. What were your main Income Generating Activities before you secured the loan from YDF?..

14. What are your main Income Generating Activities currently after securing the loan from YDF?..

15. Have you been able to employ or create any job for others as a result of YDF loan? (1) Yes (2) No (3) I am not sure

16. If the answer for question 14 above is yes, how many youths have been employed or self-employed as a result of your business?

(1) 1- 5 people (2) 6-10 people (3) Above 10 people

C: PERFORMANCE OF VARIOUS YDF BENEFICIARIES' DEVELOPMENT ACTIVITIES

17. How is the progress of development activities/business for which you requested the YDF loan?

(1) Well progressing (2) Collapsed or declining

(3) Progressing but not well

18. If collapsed or not progressing well, please give reasons for the situation?

....

19. If business or activities are progressing well, please state what has improved? …………………………………………………………..

.20. Was the soft loan you received from YDF enough to finance your business plan? (1)Yes (2) No

21. What is the main benefit you have attained as a result of your business among the following areas?

(1) Acquisition of economic assets such as land, house, car, motorcycle, bicycle, livestock, electricity or solar, TV set, radio etc

(2) Self sufficient in meeting domestic basic needs (food, shelter, clothing)

(3) Increased access to health and medical care (eg. joining CHF etc)

(4) Meeting school needs for children and self educational or vocational advancement

(5) No any improvement in livelihood

22. What was your approximate annual income in 2007 before securing soft loans from the YDF? ……….Tshs,

23. What is your current annual income in 2012 after securing the loan?..….Tshs.

24. Have you managed to repay the entire loan from YDF?

(1) Yes (2) No ( )

25. If you haven't repaid the loan in full, please provide reasons for failure

……………………………………………………………..

D: FACTORS INFLUENCING YDF BENEFICIARIES DEVELOPMENT ACTIVITIES

26. Please mention the main factors that promote (boost) your business or development activities other than those related to YDF loans

…………………………………………………………………

27. Please mention the main factors (challenges) that affect negatively your business or development activities other than those related to YDF loans

…………………………………………………………………

28. What are the main factors (challenges) related to YDF loans that affect your business or development activities negatively?

…………………………………………………………………

29. How has YDF loan helped you to improve your business/development activities?

(1) Capital (2) Low interest rate (3) Experience sharing through IGAs groups

(4) Entrepreneurship/Business skills training (5) Other………

30. Is the market for your business (goods and services) always available and accessible? (1) Available (2) Unstable (3) Not available

31. If the answer for question 27 above is NO, what is the main reason for the situation?

(1) Poor infrastructure (roads and communication networks)

(2) Lack of processing technology to add value

(3) Lack of marketing skills

(4) Seasonality (rainy and harvesting)

(5) Imported goods

(6) Any other reason (please specify) ……………………………

32. Did you get any training on entrepreneurship before receiving the loan from YDF? (1) Yes (2) No

33. If the answer for the question above is YES, who provided the training?

(1) Government (2) NGO (eg. FINCA) (3) Company (eg. Bank) (4) Individual

E: STAKEHOLDERS' VIEWS ON IMPROVEMENT OF YDF AND BENEFICIARIES' DEVELOPMENT ACTIVITIES

34. To what extent has YDF Programme managed to meet your expectations?

(1) To a very little extent (2) To some

(3) To a great extent (4) To a very great extent (5) Other…………..

35. Are you willing to continue applying for new loan from YDF in future?

(1) Willing (2) Unwilling

36. How do you compare YDF loans and Loans from other Microfinance institutions like Banks and SACCOs?

(1) YDF is better source of capital compared to others

(2) Other sources are better compared to YDF

(3) No difference

(4) Not aware……………………………………….

37. Please provide reasons to support your answer for the question 36 …………………………………………………………………

38. What are your opinions about the future of YDF?

(1) Still relevant, should be continued (2) Irrelevant, should be stopped

39. What is your main suggestion for improvement of YDF programme and YDF beneficiaries' development activities in Tanzania?

1)...

Thank you for your cooperation

Appendix II

Questionnaire for Non-beneficiaries of the Youth Development Fund (YDF)

Respondent Number…….

Dear respondent, I am **Elisha Mussa,** a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the **Performance of Youth Development Fund (YDF) in Youth Development in Tanzania** in order to suggest improvement measures. I am requesting you to set aside some few minutes to respond to my questions. Any inconvenience is highly regretted. I wish to assure you that the information given here will be used for academic purposes only.

A: BACKGROUND INFORMATION

Village/Street …………………………………………….

1. Sex: (1) Female (2) Male

2. Age: …………Years

3. Marital Status:

(1) Single (2) Married (3) Widowed (4) Divorced/Separated

4. Occupation …………………………………………………

5. Level of education

(1) Primary (2) Secondary (3) College (Certificate/Diploma (4) University

(5) Not attended school at all

B1: EXTENT TO WHICH YDF IS ACCESSIBLE BY THE YOUTHS

6. Are you aware about the availability of soft loans from YDF?

(1) Yes (2) No

7. If aware, where did you get information about the availability of YDF loans?

(1) Public Official (2) Media (3) Community member (4) Other (Specify)…

8. Have you ever applied for soft loans from the YDF?

(1) Ever applied (2) Never applied

9. If YES, What was the purpose of applying for the loan?

(1) For developing the existing IGAs (2) For starting new IGAs

(3) Both '1' and '2' (4) Other (Specify)...................

10. Why were your applications for YDF not successful?

………………………………………………………………

11. Where do you alternatively get capital to finance your IGAs after missing the YDF loan?

(1) Bank (2) NGOs (3) SACCOs (4) SACCOs/VICOBA or other Community groups (5) Own saving

12. If you got loans from other organizations, how long did it take from the time you applied to the time you received the fund? ……………………….

13. How much shillings in total did you request (--------shs) and how much of it did you receive (------shs) from YDF loan?

B2: EXTENT TO WHICH YDF HAS INFLUENCED YOUTH INVOLVEMENT IN DIFFERENT DEVELOPMENT ACTIVITIES

14. What were your main Income Generating Activities in 2008?

…………………………………………………………………

15. What are your main Income Generating Activities currently (in 2012)?

…………………………………………………………………

16. Have you been able to employ or create any new job for other youths?

(1) Yes (2) No

17. If the answer for the question above is yes, how many youths have been employed or self-employed as a result of your business?

(1) 1- 5 youths (2) 6-10 youths (3) Above 10 youths

C: PERORMANCE OF VARIOUS YDF BENEFICIARIES' DEVELOPMENT ACTIVITIES

18. How is your business or development activities progressing?

(1) Well progressing (2) Progressing but not well (3) Declining (4) Collapsed

19. If declining, collapsed, or not progressing well, what are reasons?

…………………………………………………………………

20. If improved, please state what has improved:

(1) Increased sales or production (2) Shift to a new advanced business

(2) Diversified (increased types of commodities or services)

(3) No improvement (Remained the same)

21. Was the amount of capital you received enough to finance your business plan?

……………………………………………………………………..

22. What is the main benefit you have attained as a result of your business among the following areas?

(1) Acquisition of economic assets such as land, house, car, motorcycle, bicycle, livestock, electricity or solar, TV set, radio etc

(2) Self sufficient in meeting domestic basic needs (food, shelter, and clothing)

(3) Increased access to health and medical care (eg. joining CHF etc)

(4) Meeting school needs for children and self educational or vocational advancement

(5) No any improvement in livelihood

23. What was your approximate annual income in 2007? ………………..Tshs,

24. What is your current annual income in 2012? ....Tshs.

D: FACTORS INFLUENCING YDF BENEFICIARIES DEVELOPMENT ACTIVITIES

25. Please mention the main factor that promote your business and other development activities

(1)……………………………………………………………………….

26. Please mention the main factor affecting your business and other development activities negatively

(1)………………………………………………………………………

27. Is the market for your business or IGA available?

(1) Available (2) Available but not stable (3) Not available

28. If market is not available, what is the main reason?

(1) Poor infrastructure (2) Lack of processing technology

(3) Lack of marketing (business) skills (4) Seasonality (rainy v/s harvesting)

(5) Imported goods/services

29. Have you attended any training on entrepreneurship between 2008 -2012?

(1) Trained (2) Not trained

30. If the answer for question above is YES, who provided the training?

(1) Government (2) NGO (eg. PRIDE) (3) Company (eg. Bank) (4) Individual

E: STAKEHOLDERS' VIEWS ON IMPROVEMENT OF YDF AND BENEFICIARIES' DEVELOPMENT ACTIVITIES

31. How do you compare the loan service from the source you are currently financing your business and loans from Youth Development Fund?

(1) YDF is better source of capital compared to others

(2) Other sources are better compared to YDF

(3) No difference

(4) Others (please specify)……………………………………….

32. Please provide reasons for your comparison choice above

………………………………………………………………

33. Are you still willing to apply for YDF loans in future?

(1) Willing (2) Unwilling

34. Do you think YDF loans service is still relevant/important for youth development in Tanzania?

(1) Relevant (2) Irrelevant

35. What main suggestion do you have for improvement of YDF programme and YDF beneficiaries' development activities in Tanzania?

(1)..

Thank you for your cooperation

Appendix III

Interview Guide for YDF Coordinators

Respondent Number…….

Dear respondent, I am **Elisha Mussa,** a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the **Performance of Youth Development Fund (YDF) in Youth Development in Tanzania** in order to suggest improvement measures. I am requesting you to set aside some few minutes to respond to my questions. Any inconvenience is highly regretted. I wish to assure you that the information given here will be used for academic purposes only.

A: BACKGROUND INFORMATION

1. Title of the officer:…………………………………………………………..
2. Sex: (1) Male (2) Female
3. Duration of service in the current position: ………………………….
4. Name of the institution: ……………………………………………….
5. Department: …………………………………………………………..

B1: EXTENT TO WHICH YDF IS ACCESSIBLE BY THE YOUTHS

6. What was the purpose of the YDF Programme? ....
7. Has the purpose changed?

   (1) Yes (2) No

   Please give details……………………………………………………
8. To what extent do you think youth are accessible to YDF loans in the District?

   (1) To a very great extent (2) To a great extent

   (3) To some extent (4) To a low extent (5) To a very low extent

9. How many Youth Groups or SACCOS in your area have so far applied for soft loans from YDF and how many of these have received the soft loans between 2008 - 2012?

Beneficiary	Number Applied					Number Received				
Year	20 08	20 09	20 10	20 11	20 12	2008	200 9	20 10	20 11	20 12
Youth SACCOS										
Youth Groups										
Individual Youths										

10. What are the reasons for other youth groups /SACCOS not receiving soft loans from YDF? …………………………………………………………

11. Are there any other factors constraining/limiting the access of youths to YDF loans? (1) Yes (2) No

12. If YES, please mention the factors that you know

………………………………………………………………………

13. Have you taken any efforts to address the constraining factors mentioned above? (1) Yes (2) No

14. If YES, mention the efforts you have ever taken

…………………………………………………………………………

15. What are the main criteria used in provision of YDF loans to youths

…………………………………………………………………………

16. To what extent have the youths been able to meet the criteria in place?

(1) Great extent (2) Low extent (3) Very low extent

17. How much money has been so far spent for YDF programme by your institution between 2008 - 2012? ………………………………………..

18. What is the level of repayment of soft loans from YDF in your area so far?

(1) Above 80% (2) Between 50 – 80% (3) Below 50%

19. How many youth SACCOs and Groups have been able to repay completely the YDF loan between 2008 – 2012?

20. How many youth SACCOs and Groups have failed completely to repay the YDF loan between 2008 - 2012?

B2: EXTENT TO WHICH YDF HAS INFLUENCED YOUTH INVOLVEMENT IN DIFFERENT DEVELOPMENT ACTIVITIES

21. Basing on your experience, what are the common Income Generating Activities of YDF beneficiaries in your area?

………………………………………………………………………………

22. Do you think youths who are YDF beneficiaries have been more successful in running their businesses (IGAs) compared to their counterparts who are not YDF beneficiaries?

(1) Yes (2) No

Provide reasons to support your answer..

23. Do you think youth who failed to get YDF loans are willing to have another chance to request for loans from YDF?

(1) Yes (2) No

24. What types of activities are financed by soft loans from YDF?

....

C: PERFORAMNCE OF VARIOUS YDF BENEFICIARIES' DEVELOPMENT ACTIVITIES

25. To what extent the youth activities initiated or expanded after securing YDF are still operating?

(1) Highly operating (2) Moderately operating

(3) Most have collapsed (4) I don't know

26. For the collapsed projects or those not doing well, what are the reasons behind?...

27. What efforts have you taken to alleviate the problem for the collapsed projects or those not doing well? …………………………………………………………

28. In your views, is there any difference between the life standard of youths who received YDF loans and those who didn't?

(1) Yes (2) No

Please, explain to support your answer……………………………………

D: FACTORS INFLUENCING YDF BENEFICIARIES DEVELOPMENT ACTIVITIES

29. In your view, what are the main challenges influencing YDF beneficiaries development activities in the District?..

30. Please mention the factors that you think promote YDF beneficiaries development activities in the district ……………………………………….

31. Do you provide entrepreneurship training to YDF clients prior to disbursement of YDF loans? (1) Yes (2) No

32. If Yes, What is the coverage of entrepreneurship education training to YDF beneficiaries in your area?

(1) All YDF beneficiaries are trained (2) Above 50% (3) Less than 50%

E: STAKEHOLDERS' VIEWS ON IMPROVEMENT OF YDF AND BENEFICIARIES' DEVELOPMENT ACTIVITIES

33. What main challenges do you face in the implementation of the YDF program?

(1) ....

(2) …………………………………………………………………

34. What efforts have you taken to overcome the challenges above?

…………………………………………………………………………

35. Do you think YDF is still relevant for youth development? Please briefly describe, if yes why and if no why?

36. What main suggestion do you have for improvement of YDF Programme and YDF beneficiaries' development activities in Tanzania?

(1) ……….…...

Thank you for your cooperation

Appendix IV

Interview Guide for Leaders of Private Micro Credit Institutions

Respondent Number…….

Dear respondent, I am **Elisha Mussa,** a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the **Performance of Youth Development Fund (YDF) in Youth Development in Tanzania** in order to suggest improvement measures. I am requesting you to set aside some few minutes to respond to my questions. Any inconvenience is highly regretted. I wish to assure you that the information given here will be used for academic purposes only.

1. Position:…………………………………………………………..
2. Name of Organization:……………………………………………
3. What main activities of youth development is your organization dealing with?
   (1) ……………………………………………………………………
   (2) ……………………………………………………………………
4. Are you aware of the soft loans from YDF provided by the local government in your district?
   (1) Yes (2) No
5. What do you think are the purposes of soft loans from the YDF?
   ....
6. In your opinion what types of development activities are financed by soft loans from YDF?
   (1) ……………………………………………………………………
   (2) ……………………………………………………………………
7. What do you think are the main challenges/factors influencing YDF loan beneficiaries' development activities in the District?
   (1) …………………..
   (2) ……………………………………………………………………

8. If your organization is also providing loans for youths, what are the advantages of the loans provided by your organization over YDF loans provided by the Local Government?

(1) ………………………………………………………………………

(2) ………………………………………………………………………

9. What are the challenges/factors influencing youth development activities in general? ………………………………………………………………………

10. If your organization provides loans to small entrepreneurs, what is the interest c rate charged for a loan to be recovered in 6 months? ……………………..

11. What are your opinions about the future of YDF?

……………………………………..

12. What main suggestion do you have for improvement of YDF programme and YDF beneficiaries' development activities in Tanzania?

....

Thank you for your cooperation

Appendix V

A checklist for Focus Group Discussion

Respondent Number……

Dear stakeholder, I am **Elisha Mussa,** a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the **Performance of Youth Development Fund (YDF) on Youth Development in Tanzania** in order to suggest improvement measures. I am requesting you to set aside some few minutes to respond to my questions in a focus group discussion. Any inconvenience is highly regretted. I wish to assure you that the information given here will be used for academic purposes only.

PART 1 (B1): EXTENT TO WHICH YDF IS ACCESSIBLE BY THE YOUTH

1. Are the Youths aware on the availability and purpose of YDF?
2. To what extent are the youth aware on the availability and purpose of YDF loans?
3. To what extent are the youths in Kahama District accessible to YDF loans?
   (1) Very great extent (2) Great extent (3) Low extent (4) Very low extent
   (5) Other (specify)………………………
4. What factors influence/limit the accessibility of youth to YDF loans?

PART 1 (B2): EXTENT TO WHICH YDF HAS INFLUENCED YOUTH INVOLVEMENT IN DIFFERENT DEVELOPMENT ACTIVITIES

5. Has YDF contributed to Youth involvement in development activities in Kahama District?
6. Has YDF contributed to job creation among the youths in Kahama District?
7. Has YDF contributed to improvement of Youths' investment skills and capability in Kahama District?

PART 2 (C): PERFORMANCE OF VARIOUS YDF BENEFICIARIES DEVELOPMENT ACTIVITIES

8. Have youth development activities improved as a result of YDF loans?

9. Has the income of YDF beneficiaries increased compared to the situation back in 2008?

10. Has the social wellbeing of YDF beneficiaries improved compared to the situation back in 2008?

11. In your opinion, why have some of the YDF beneficiaries failed to repay the loan in time?

PART 3 (D): FACTORS INFLUENCING YDF BENEFICIARIES DEVELOPMENT ACTIVITIES

12. What factors/challenges influence YDF beneficiaries development activities?

13. What are the gaps of YDF Programme in promoting youth development?

PART 4 (E): STAKEHOLDERS' VIEWS ON IMPROVEMENT OF YDF AND BENEFICIARIES' DEVELOPMENT ACTIVITIES

14. Is YDF programme still potential/important for youth development in Tanzania?

(1) Yes (2) No

15. If no, what alternative ways do you suggest for youth empowerment to increase their participation in development?

(1) …………………………………………………………………………

(2) …………………………………………………………………………

16. If relevant, what can be done to improve the YDF programme in Tanzania?

(1) …………………………………………………………………………

(2) …………………………………………………………………………

Thank you for your cooperation