

Youth Revolving Fund Implementation in Chalia District, West Shoa Zone, Oromia Regional State, Ethiopia: Challenges and Opportunities

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Abstract

Due to over increasing youth unemployment it was implied that the need to prepare and introduce a number of measures that would allow rational utilization of countries resources. This paper is aimed to identify challenges and opportunities of youth revolving fund implementation in Chalia district. Descriptive research design was employed to meet a study objective that is to identify the practice, challenges and opportunities of youth revolving fund implementation. Samples of 189 youth were selected from four selected kebeles' those identified by systematic sampling techniques. Additionally 15 Key informant interviews from concerned professionals and youth representatives were involved. Besides that one Focus Group Discussion with 10 participants was successfully conducted. Data were analyzed by using descriptive statistics frequency, percentage and mean value and presented using pie chart, frequency table and narrations. Results of findings indicate that there was no adequate training given for youth to make them successful in their business and there were no regular monitoring and evaluation activities. Moreover, using the fund for other personal needs than investing on intended objectives were among the major challenges and lastly the attitude of youth due to political propagation were negative towards the revolving fund because they perceived the fund as intended as a tool of stabilizing political friction made by youth at the inception period. Finally accessibility of youth revolving fund with moderate interest rate to get them seed money to start their business which makes their socio economic future brighter than that of lived idle unemployed were among the major opportunities identified for few of those started to use the fund for intended purposes. It is suggested that all concerned stake holders including government should pay attention to follow all responsibilities required to train, conduct feasibility study for proposed youth business, close supervision to minimize using the fund for personal needs and free of political interference.

Keywords: Youth, Youth Fund, Challenges, Opportunities, Implementation.

DOI: 10.7176/PPAR/12-7-02

Publication date: October 31st 2022

1. INTRODUCTION

The United Nations estimated that there were 3.5 billion young people between ages of 15 to 24 years representing 18% of the global population in the year 2013. The majority of Africa's population is also below the age of 30 years (African Youth Report, 2011). Specifically Africa had 43% of the population 338 million young people under ages 15 and 24 years (World Youth Report, 2013). Likewise according to Central Statistical Authority, (2007) Ethiopia's population is predominantly young over 50 percent being under 18 years of age and the youth 15-29 ages constituting 30% of the population. However in the past this latter group has not received the attention it deserves and even though it has been affected by the same challenges that most youths in developing countries faced.

Youth development revolving fund is a global initiative that has been undertaken in various parts of the world. Youth who constitute a large segment of the society is the future of any economy and key drivers of employment growth and economic activities through ownership of Small Micro Enterprises (UNDP, 2009). Therefore elaborating an employment policy fixing objectives and deciding how to attain the target adopting a flexible approach and demonstrating that it was possible to take effective steps to cope with youth employment problem in the short and medium terms is becoming mandatory. Revolving fund is commonly described as source of money from which loans are made and to be repaid with interest so the fund is maintained and money can continue to be lent. The idea behind a revolving fund is that an organization has reserve of money fund which is used to lend to one or more borrowers and over a given period of time the borrower is expected to repay the original sum that replenishes the fund. Usually an additional sum is charged interest to the borrower that acts as a fee for providing the service administrative costs and helps to protect the fund from being depleted (Equator initiative, 2003).

Youth Funds have been running for a number of years in Tanzania since phase one of the youth development fund was established in 1993/94 and in addition the Economic Empowerment Fund was launched in 2007. In South Africa the national youth development agency formerly known as the Usombuvu Youth Fund

was established in 2001, the national enterprise development Fund in Kenya was established in 2006/07 and in Mali and Senegal were established in 2003 and 2001 respectively (Key Questions on National youth funds, 2011). In similar concern Ethiopian government also launch the youth revolving fund program in 2017 by proclamation number 995/2017 and implementing for the third round. Therefore this study is relied on identifying the practice, challenges and opportunities of youth revolving fund implementation in Chalia District, West Showa Zone, Oromia regional state Ethiopia.

2. LITERATURE REVIEW

2.1. Theoretical Review

Group lending in theory also referred to as solidarity group theory was the main theory applied in this study which is the first and most often-discussed solution to information asymmetries in developing countries. In this theory as postulated by Karlan and Morduch, (2009) adverse selection and moral hazards are dealt with effectively changing the responsibility of screening, monitoring and enforcement from the lender to clients. The peer groups who normally consist of five or more individual group members borrow a loan together in solidarity. Members are self-selected based on their reputation and relationship with each other. Group liability requires that in case one group member defaults the fellow group members will be responsible for his/her payment. Under group liability funds then clients have an inducement to screen other clients so that only the trustworthy individuals are allowed into the program. The study describes group lending as a means of addressing moral hazard by providing incentives for clients to employ peer pressure to ensure that funds are invested properly and effort exerted until the loans are repaid in full. By lowering default the expected total cost of borrowing for borrowers can be probably condensed and improving welfare especially for youth revolving fund beneficiaries without property collateral and with only group collateral.

A theory of change for the implementation of the youth development fund was developed as presented below by Zambian Institute for Policy Analysis and Research, (2018). The main purpose of the theory of change was to conceptualize a process and various stages involved in achieving the end objective of the youth development fund. Through the theory of change it was envisaged that an enterprise development fund would help youths operate business venture to enable them generate wealth for themselves while creating employment opportunities for fellow youths. This would in turn contribute to the reduction of youth unemployment and poverty in the country. The following were the various sections of the youth development fund theory of change:

- i. Expected impact, the expected impact of the youth development fund was poverty reduction among youths through the creation of jobs. At the initial design of the program government was concerned with the high levels of youth unemployment causing poverty among youth.
- ii. Anticipated outcomes, before reducing poverty among the youth it was anticipated that the youth development fund was going to stimulate employment creation among the youth. This would result in wealth creation as youths engage in business and generate income.
- iii. Outputs; various outputs were going to be achieved in order to have the outcomes listed earlier. Some of these include more youth engaging in a business activities as well as improvement in youth business viability.
- iv. Actual Activities: various activities were facilitated for in order to make it possible for the youth to be able to engage in business. Some of these include the set up of the fund itself granting youth access to finance. Other activities include youth entrepreneurship training to empower the youth with entrepreneurship skills who then register business.

2.2. Empirical Review

There were some studies conducted on the relative areas of practice, challenges and opportunities of youth revolving fund implementation. Most studies were from the sub Saharan Africa and the horn. The studies cover the areas of repayment challenges of youth revolving fund, factors influencing disbursement of revolving fund and loan sustainability of government micro credit.

One of those studies was Joyce, (2013) conducted in Chepalungu constituency, Kenya sought to establish the factors influencing repayment of youth enterprise development fund loans. The study considered training of the youth groups extend to contribute to loan repayment and how the entrepreneurial culture of the funded entrepreneurs influenced loan repayment. The study concluded that the funding process influenced repayment and that training, group dynamics and entrepreneurial culture influenced repayment. This was due to the fact that when groups are trained they are likely to be more careful in the decisions affecting the enterprise and hence an improvement in performance which a direct link to the ability to repay the loans. Group dynamics and especially with power struggles hindered cohesion and harmony within the groups and as a result performance was affected. Business skills were seen to be a requirement before funding can be advanced to the various youth groups. The study concluded that there was need for mentorship programs to ensure that the youth enterprises are guided towards profitability and hence positively impact the repayment of the funds. Another study was

Wakuloba, (2008) carried out research on loan repayment and sustainability of Government funded micro-credit initiatives in Muranga Country Kenya. The objective was to analyze loan repayment and sustainability issues. The study concluded that inconsistent flows of income by the rural borrower negatively affected repayment due to the uncertainty involved. The researcher recommended the need to ensure systems of monitoring to ensure consistent streams of income by the entrepreneur to ensure repayment of the borrowed funds. Mugira, (2012) conducted a study in Kasarani Constituency in Nairobi Country to determine the factors affecting repayment of youth enterprise development fund. The study considered repayment infrastructure, socio-economic factors, business performance factors and the extent to which disbursement levels affect repayment. The study concluded that most of the youth groups lacked the necessary knowledge and skills to manage the funds advanced to them. This in return would lead to losses and hence end up wasting all the money advanced to them. The study found that the funds advanced to the youth groups was not enough and that lack of training and skills was a major contributor to poor performance of the youth businesses. The research also concluded the poor performance of the youth enterprises was the major contributor to failure to repay the borrowed funds because the groups lacked other resources to facilitate the repayment of the borrowed loans. The researcher recommended that the youth enterprise development fund management should invest in training and capacity building which in return will improve performance of the youth enterprises and hence ability to repay the loans is improved.

Muthoni, (2012) revealed the factors influencing the implementation of the youth projects for sustainable income generation in 01-Kalou Constituency. The study was conducted through descriptive survey design. The research collected qualitative data from the questionnaire. The qualitative data was collected from key informants' interview schedule. The data collected was analyzed using descriptive statistics and simple statistical presentations were used such as frequencies and percentages for quantitative data. The study results reveal that lack of training, lack of capacity building programs, lack of market for goods and services and increased cost of living, inadequacy of youth fund. The study recommended that there is need of enhancing marketing of youth projects products and services. The focus should be on assuring marketing strategies such as trade fairs for generating leads, closing sales and making new contacts with buyers. Others include exhibitions as an attractive marketing tool that offers face-to-face customer contact coupled with the attraction of increased sales and promotion and advertising of their goods and services. Makhoha, (2010) conducted to bring out issues of local level capacities, deep-seated management and youth enterprise development fund utilization challenges and examine efficiency in the utilization of these funds with a view of improvement. The study entailed a descriptive survey in which primary data was collected using questionnaires with both open-ended and close-ended questions to allow in-depth understanding of the fund dynamics. The data collected was analyzed using descriptive statistics and multiple regressions. Results were presented in percentage frequencies and cross tabulations. The study results obtained from this study were speculated to be very useful to the government of Kenya, the Youth Enterprise Development Fund management board, rural development and microcredit agencies, entrepreneurs and intermediary organizations who would use it to improve the situation of unemployment and youth enterprise development in the country. The study recommended that future programs should instill training before funding for business ventures. Capacity building and other non-financial services ranging from literacy classes, developmental leadership, financial management, community development and market-based business development services can greatly help the young in the business.

Kanyari and Namusonge, (2013) sought to determine the various interventions that influence the youth entrepreneurs towards the youth enterprise development fund and their role in attracting the youth towards the youth Enterprise development fund. The study used a descriptive research design. The study covered youth enterprise development fund beneficiaries in Gatundu district, Kenya. The research utilized personal interviews, questionnaires and observations to collect data from the respondents. Stratified random sampling technique was used to draw the sample. The data was subjected to descriptive statistical analysis. Results of finding showed that provision of entrepreneurship training to sensitize and inculcate entrepreneurial culture among the young people is crucial to identifying emerging business talents. Gachuru and Mwirigi, (2014) analyzed the challenges in the disbursement of the youth enterprise development fund Kenya. A descriptive research design was used. The study used primary data which was collected by use of questionnaire. Results of findings indicated that the youth enterprise development fund is yet to make a significant impact. The attitude of the youth towards loans is poor and their knowledge level on the youth fund is low. Other major challenges identified were delay in loan processing and lack of initiative on the side of the youth. Group loans were also found not to be viable owing to the fact that it is very difficult to raise a group of 12 youth who can work harmoniously in a joint business. The study recommended that there is need to review the lending policy and to sensitize the youth so they can fully appreciate the ability of the youth fund in uplifting their standard of living. Alvaredo and Gasparini, (2013) found that parents, relatives and peers do have significant influence on youth engagement in business endeavors and further do shape the opinions and attitudes that youth have towards entrepreneurship. Youth from families with entrepreneurial backgrounds have a higher chance of engaging in entrepreneurship due to inherited family

values compared to those who come from families that are not entrepreneurial. Ameny, (2011) carried out a study on challenges facing youth enterprise development fund in Nyaribari Chache constituency. The study found out that despite the fact that youth enterprise development fund could be a preferred source of funding among the youths the fund has not employed enough staff to check all the applicants to determine their creditworthy and willingness to repay the loan. Businesses funded by the youth funds have not been properly managed and hence low repayment rates. The fund lacks proper monitoring and capacity building programs as a result of inadequate personnel. Majority of the defaulters from the year 2007 were funded without a background check and they were funded without proper assessment of their business proposals, individual characters and their intention to apply for the funds. The fund should employ more field officers to visit the groups and business sites to assess their ability and monitor the projects after funding. This will ensure the funds are put into proper use to enable the individuals repay the loans.

Despite the fact that there were no adequate studies done so far on practice, challenges and opportunities of youth revolving fund implementation in Ethiopia the relative literatures was summarized as most scholars conducted on relative issues found that even though youth revolving fund were among the major critical interventions expected to support combat over increasing youth unemployment matters they supported by their findings that there were the need to focus on major challenges facing the youth revolving fund implementation and indicates that the intervention were not appropriately meeting the intended objectives due to lack of adequate training, capacity building, attractive market linkage and inadequate funding.

2.3. Conceptual Framework

The major determined contributions of Conceptual framework were a visual presentation which clearly explains the variables studied and the relationships among them (Miles and Huber man 1994). For this particular descriptive study it was shown in figure 2.below addressing the practice, challenges and opportunities in the youth revolving fund implementation that was investigated by this research.

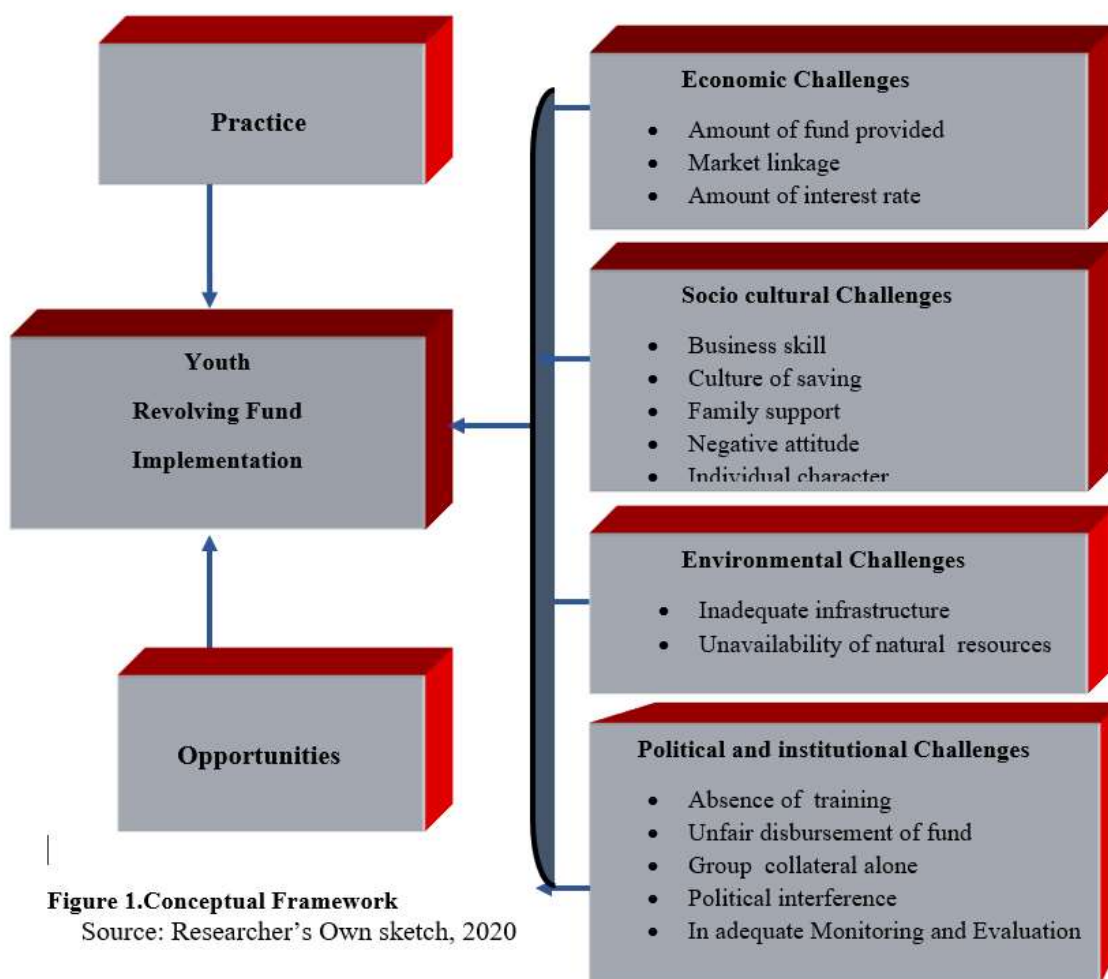


Figure 1. Conceptual Framework
 Source: Researcher's Own sketch, 2020

3. METHODOLOGY

This study employed a descriptive study design claiming both qualitative and quantitative approaches to collect and analyze data. According to Clarke R.J., (2005) it is through descriptive that researcher can make sense of reality and perceive order and coherence of our perception to our surrounding is highly dependent on the scale of our knowledge and our familiarity with a wide range of concepts.

The sample size for collecting quantitative data for this research was determined by using (Yemane, 1967) formula as cited in (Bartlet & Higgins, 2001). The study used the following formula to calculate the sample size.

$$n = \frac{N}{1+N(e)^2}$$

The sample was determined using the above formula to collect quantitative data obtained from questionnaire,

Where;

n =designates the sample size the research uses

N= designates total number of households

e =designates maximum variability or margin of error 5 % (0.05)

l=designates the probability of the event occurring

Therefore;

$$\frac{360}{1+360(0.05)^2} = 189$$

The research were used both qualitative and quantitative type data sources. Both primary and secondary data were collected that was needed for the identification of practice, challenges and opportunities of youth revolving fund implementation.

The primary data collection techniques of the study were from Questionnaire, Key Informant Interviews and Focus group discussion while secondary data were collected from journal articles, Enterprise and Industry Development sector available report data. Data were thoroughly coded and analyzed by descriptive statistics frequencies, percentages and mean using the help of Statistical Package for Social Science (SPSS) software.

4. RESULTS

4.1. Demographic Characteristics of Respondents

The distribution of respondents were identified as 152(85.4%) were male and while 26 (14.6%) were female respondents. This can be easily indicates that the beneficiary of the youth revolving fund shows the great gap between male and female to be the next attention of concerned stake holders to attract female towards the fund to be benefited.

Age was one of the major indicators of the respondent's demographic characteristics. it was identified as 87.6% of them fall under 25-34 age category, while only 12.4% of the respondents described in 18-24 age brackets.

The marital status of the respondent was identified as 79.2% of the respondents were single, 15.2% were married and while 5.6% of the respondents were divorced. This indicates the majority of the respondents were identified single.

The respondents were asked to tick their level of education provided in the questionnaire. This was important to address the demography of study respondents. The levels provided were no education, adult education, primary education, secondary education, diploma and bachelor's degree. The results indicates as 17 % of them from primary education back ground,36% of them holds secondary education level,18% of them from diploma education level and finally 28.1% of the respondents were described as graduates of degree program in different field of study. This can be summarized as the majority of the respondents in the study area were from secondary education background those are highly unemployed and stay idle in the community currently and involved in the program initiatives.

4.2 Findings on Youth Revolving Fund Implementation practice

This is among the focal objective of this study because without identifying the implementation practice by comparing what the legal frame work says and to what extent it was practiced and followed by the program stake holders during the program implementation on the ground level. The following sets of major implementation activities were identified and analyzed as follow in detail and respective.

Table 1 The Extent of Business Shift

Character	Frequency (f)	Percentage (%)
Directly started	21	11.8
Partially shifted and started	25	14.0
Fully shifted	132	74.2
Total	178	100

Source: Field survey, 2020

From the Table 1 Findings showed in the study area was that from all existing established youth enterprises it was only 11.8% those started their business in accordance with the pre loan prepared business plan while 74.2% were fully shifted their business from pre loan developed business plan in type and size and the rest 14.0% was partially shifted to some other business type and size after receiving the youth revolving fund loan.

This study findings of extent of business shift from pre loan and post receiving youth revolving loan fund shows clearly that the feasibility study doesn't conducted and rather there was the practice of preparing sample business plan that serve only for the need of requirements set for receiving the youth revolving loan fund. The trend of coping a sample business proposals for requirements of receiving the fund loan leads the majority youth business impractical and possibly failed after trial of realizing.

Table 2 Length of Time to Receive the Fund

Character	Frequency (f)	Percentage (%)
Less than two weeks	6	3.4
Two weeks-one month	87	48.9
One- two month	21	11.8
Two-three month	40	22.5
Three month and above	24	13.5
Total	178	100

Source: Field survey, 2020

As shown in Table 2, the study finding indicates based on the response of the respondents it's identified there was only 3.4% of the respondents that agree to receive the revolving fund in less than two weeks' time length while 48.9% of the youth respondents results indicate they spend less than one month to receive the fund and 22.5% of the responses indicate that they spend two to three months to receive the youth revolving fund from starting the registration process and the rest respondents indicate that time length were more than three month starting from the registration activities. This implementation activity from the length of time was that it was not so long time to receive the money when compared to other ordinary loan provision since the majority respondents indicated as it was encouraging the implementation activities to start their business within preset business motives.

Table 3, The Extent of Legalization Cost

	Frequency (f)	Percentage (%)
Less than 1000ETB	51	28.7
1000-1500ETB	100	56.2
1500-2000ETB	9	5.1
2000ETB and above	18	10.1
Total	178	100

Source: Field survey, 2020

From various implementation practices the amount of costs required for legalization process was the one that addressed in the study and identified as follow. As shown in the Table 3 the responses obtained from respondents indicate that 56.2% of the beneficiary youth respond that the legalization process cost them 1000-1500ETB for each of youth revolving fund established enterprises which was fixed 800 ETB in normal circumstances while 28.7% of them indicate they are completed their legal process with less than 1000ETB to receive their revolving fund loan. This indicates that as the length of time to receive the fund extended the more it exposes the youth for additional costs. However the finding showed that majority youth were completed their process within cost of 1000-1500 birr amounts.

Table 4 The Extent of Youth Business Back ground

	Frequency (f)	Percentage (%)
No one group member have business knowledge	66	37.1
1-2 members have business knowledge	50	28.1
Half of them have	20	11.2
All of them have	42	23.6
Total	178	100

Source: Field survey, 2020

Based on the data findings revealed in Table 4 it was identified that 37.1% of the respondents realize it as no one of the youth group member were from business back ground, while 28.1% of them incorporated 1-2 members having business background and 23.6 % of the youth enterprises members were from business back ground. This finding indicates that the majority of the beneficiary youths were from non-business back ground which maximizes the probability to fail with their business unless supported by adequate business skill training.

Table 5 The Youth Business Current Condition

	Frequency (f)	Percentage (%)
Running Business currently	46	25.8
Not operating Business or failed after established	132	74.2
Total	178	100

Source: Field survey, 2020

As indicated in the Table 5 from the total youth those received the revolving fund that was identified by the response of 25.8% that only running a certain business activities and 74.2% of them agreed as they are not operating business currently either not started and failed after starting their business. This clearly shows that the program implementation were failing from time of the inception because of some mismanagement activities and other critical challenges those identified by this specific study findings.

Table 6 Target Youth Selection Approach

	Frequency (f)	Percentage (%)
Selection were participatory	131	73.6
Youth target selection were not participatory	47	26.4
Total	178	100

Source: Field survey, 2020

From the data computed by this study and shown by the Table 6 it was clearly identified 73.6% of respondent's shows the target youth selection were implemented with the participation of the local community and kebeles leaders in order to minimize the bias among the prioritizing the target youth for benefitting them receive the youth revolving fund. The rest 26.4% of responses indicated that after the selection activities were completed for the first time with participatory approach there was no selection activity rather they are accepted and rejected whom they want based on the application received from the target youth. To summarize these phenomena based on the stated program guideline since the resources dispersed were financial and the most liquid asset, that's why the participatory selection of the target youth was made mandatory. But as the data clearly identifies the target youth selection was made participatory at the first round of the program inception but continued the target selection without the community engagement for participation.

Table 7 Legal measures taken on those not paid their loan and not started business

	Frequency (f)	Percentage (%)
Legal measures taken	24	13.5
No legal measures taken	154	86.5
Total	178	100

Source: Field survey, 2020

As indicated in Table 7 the research respondents tends to identify weather measures are taken on those not paid their loan and those not started their business yet. Accordingly 86.5% of the responses identify as no corrective measures are taken on those not paid their matured loan and again on those not started their business after securing their loan and used the money for their personal needs and stay idle, while 13.5% of the responses shown that only letters were written for the youth enterprise to start paying their matured loan and to make start those not started their business yet. The study by Berhanu and Fufa, (2008) supports the findings that elaborates the needs of legal measures as even though borrowers has the ability to repay but he/ she chooses not to repay because of inadequate or lack of law enforcement mechanisms used by the institution that offers the credit. This phenomena can be summarized as the concerned stake holders specially the mandatory implementer sector which is district enterprise and industry development could not performed its due mandate of guiding to make achieve the target objective of the program initiatives which directly leads as source of failure of the program that can be analyzed in the challenge parts of this study. To summarize the practice parts of the study the main activities of implementation guideline were not followed and majority of the activities are not achieved serious rather its tried to run the program without giving attention when compared to the other regular experienced financial initiatives around that local area and that's why the program implementation in the study area were reported among the least performer of the rest zonal districts.

Table 8 Regular Monitoring and Evaluation Activities

	Frequency (f)	Percentage (%)
Regular Monitoring and evaluation conducted	9	5.1
No regular monitoring and evaluation	169	94.9
Total	178	100

Source: Field survey, 2020

Based on the respondents result shown in the Table 8 that is 94.9 % of the youth respondents indicate there were no any activities concerning regular monitoring and evaluation activities performed in the program implementation. While 5.1% of the respondents show the presence of monitoring and evaluation activities tried by the enterprise and industry development sector expertise done only by writing letters for the youth enterprise to start their proposed business and liable repayment rates but only few youth groups responded for the letter. This can be generalized as the absence of regular monitoring and evaluation activities were leads to judge its overall contribution to the low repayment rate and the nonexistence of youth enterprise doing the intended business promised during the receiving of the fund.

4.3 Challenges of Youth Revolving Fund Implementation

Table 9 Analysis of economic challenges to youth Revolving Fund Implementation

SA: Strongly Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree, S. Dev: Standard Deviation

Item	SA (%)	A (%)	N (%)	DA (%)	SDA (%)	Mean	S.Dev. (%)
Inadequate revolving fund	43.3	28.1	11.2	8.4	9.0	3.88	1.299
In adequate market linkage	27.8	25.3	11.2	25.3	10.4	3.07	1.429
Amount of revolving fund interest rate	15.2	8.4	11.2	28.1	37.1	2.37	1.437
Using the fund for personal needs	53.5	21.0	8.5	10.0	7.0	4.24	1.145
Mean Average 3.39							

Source: Field survey, 2020

From Table 9 The responses obtained from questionnaire shows 43.3% of the respondents that the provided fund were not adequate for pre loan developed business plans and that's why most of them forced to shift their prepared business plan because of the deduction difference between the requested amount of loan and the approved and received amount of loan while 9.0% percent of the respondents show their requested and received amount of loan were approaching. From these the study finding can be summarized the available youth revolving fund was not adequate when compared to the demand of the youth to realize the previously proposed businesses. These were identified as source of challenges that were faced in the program implementation in the study area why the program was not achieving the intended objectives.

From Table 9 it is shown that 27.8 % of the respondents agreed that there was no adequate market linkage around the study area and results from the interviews carried out on this issues confirmed that the available market linkage was not encouraging especially in businesses like wood and metal works to have access to compete with existing private businesses previously established in the study area. The rest 10.4 % of the youth disagreed that the inadequacy of market linkage as a source of challenges of implementation. The finding concurs with Muthoni, (2012) that found lack of adequate market linkage and absence of market promotion identified those hinders youth business. This can be summarized as for the existing youth enterprises the available market linkage in the study area were not encouraging and as expected to compete with existing private businesses.

As shown in the Table 4.10 the extent of interest rate of youth revolving fund was that by 37.1 % strongly disagreed that indicated it was not source of challenges because the interest rate doesn't exceeds the ordinary rural group loan interest rate was 17% and urban micro and small enterprise loan interest rate was 13%, while the rest 15.2 % were responded as if the interest rate was challenging them. Therefore from these findings it can be easily summarized by observing and comparing the youth revolving fund interest rate 8% with that of ordinary financial loan service interest rate 17% for rural and 13% for urban. Based on this it's concluded that amount of youth revolving fund interest was not source of implementation challenges.

From the results obtained from the respondent's response it was clearly indicated that 21.0% of the respondents disagreed on using the fund for extra personal need were not considered as source of challenge of implementation, while the rest majority and 53.5% of the youth revolving fund beneficiary respondents were strongly agreed that the consumption of the revolving loan for their personal needs and left the proposed business without any efforts made to realize it. The finding supported by Makhoha, (2010) that lack of effective utilization and diversion of youth funds by beneficiary youth were found among youth revolving fund implementation challenge. This major finding of the research was able to identify and address the major areas where the program intervention was forced to fail from early stage of the implementation due to challenges of using the fund for extra personal needs than investing on the intended businesses.

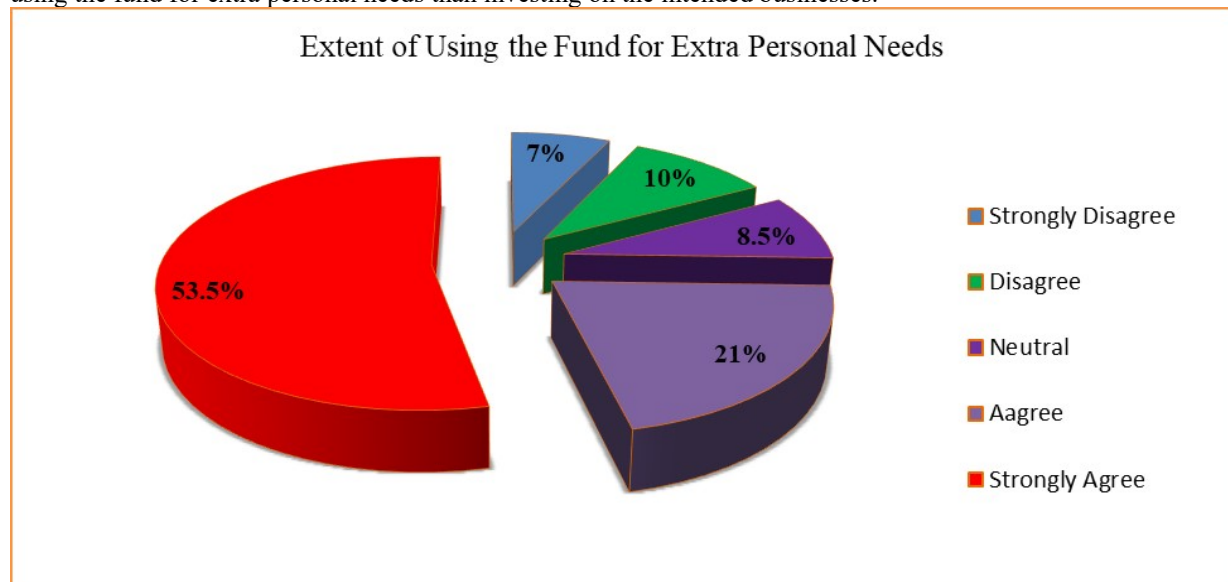


Figure: 4. The extent of using the fund for extra personal needs by beneficiary youth
 Source: Field survey, 2020

Table 10 Analysis of socio cultural challenges to youth Revolving Fund Implementation

SA: Strongly Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree, S. Dev: Standard Deviation

Item	SA (%)	A (%)	N (%)	DA (%)	SDA (%)	Mean	S.Dev. (%)
Low culture of saving	46.1	28.1	8.4	8.4	9.0	3.94	1.303
Inconvenient individual character	46.6	27.5	5.6	11.2	9.0	3.92	1.336
Absence of family support	54.5	19.7	5.6	8.4	11.8	3.97	1.418
Age incompatibility	46.1	28.1	8.4	8.4	9.0	3.94	1.303
Negative attitude towards revolving fund	57.9	16.3	5.6	11.2	9.0	3.98	1.319
Mean Average	3.95						

Source: Field survey, 2020

From Table 10 it was shown that 46.1% of the respondents agree on the presence of low culture of saving challenges the implementation of youth revolving fund while only 9.0% of the respondents disagreed that the presence of low culture of saving may not challenging the implementation practice. The study by Kenyari and Namusonge, (2013) also indicate that low cultures of saving and absence of entrepreneurial culture from the youth were among challenges of youth revolving fund implementation which hinders the youth from their business ventures.

From Table 10 it was described as 46.6.% of respondents were agreed that inconvenient individual youth character were among challenging activities while only 9.0% of respondents were disagreed that individual character were not among the challenges of implementing youth revolving fund.

From Table 10 it was identified that 54.5% of the respondents were agreed on absence of family support in managing and realizing their business was among the major challenges of implementation while 11.8% disagreed on the issues as not challenging the implementation activities of the program initiative. The study can be summarized as since the beneficiary was youth the importance of family support in all aspect for the achievement of goal was needy. The result were supported by Alvaredo and Gasparini, (2013) findings that parents, peers and relatives have significant role in youth engagement in the business and shape the youth opinions and perceptions to increase chance of youth to be successful in their proposed businesses. Therefore it can be summarized the absence of family support can contribute on the contrary as source of implementation challenges.

From 10 the response of 57.9 % indicates that strongly agreed on the attitude as source of challenge of implementation, while 9.0% of the responses disagreed that attitude were not among the implementation challenge. The findings supported by Gachuru and Mwirigi, (2014) found that the attitude of the youth towards youth fund were identified challenges of implementing the intervention. The study data was revealed the attitude of beneficiary youth towards the fund were negative because they perceived as the government fund made to fund the youth in order to stabilize the political compliance happening at that particular time than accepting as if the fund were launched for changing the life of the youth to use the fund as seed money to escape out of unemployment and determine their future fate.

Table 11 Analysis of environmental challenges to youth Revolving Fund Implementation

SA: Strongly Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree, S. Dev: Standard Deviation

Item	SA (%)	A (%)	N (%)	DA (%)	SDA (%)	Mean	S.Dev. (%)
Unavailability of natural resource	9.4	5.6	22.5	28.1	34.3	2.28	1.258
Absence of adequate infrastructure	9.4	2.8	25.3	27.6	34.3	2.25	1.230
Mean Average	2.33						

Source: Field survey, 2020

According to study results shown in the table 11 it was strongly disagreed by 34.3% of responses while 9.4% agreed. Finally the result shows as the natural resource related issues were not sources of youth revolving fund implementation challenges hence the district were among potential for forest and other construction minerals.

From the study findings it was identified that 34.3% of the responses strongly disagreed while 9.4% agreed on the presence of law infrastructure as source of challenge. Generally the study results showed that absence of adequate infrastructure could not be supported as sources of challenges of youth revolving fund implementation.

Table 12 Analysis of political challenges to youth Revolving Fund Implementation

SA: Strongly Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree, S. Dev: Standard Deviation

Item	SA (%)	A (%)	N (%)	DA (%)	SDA (%)	Mean	S.DEV. (%)
Urging to implement without preparation	52.8	35.4	2.8	3.9	5.1	4.39	.934
Political interference	50.8	35.9	2.8	2.8	6.2	4.25	1.077
Biasing for party members	51.7	33.7	5.6	2.8	6.2	4.22	1.096
Using the fund for political propagation	56.3	33.7	2.8	2.8	3.4	4.27	1.050
Mean Average	4.28						

Source: Field survey, 2020

From the study finding shown in Table 12 the majority and 52.8% of the respondents strongly agree that the government was directed as to urge the implementation without any preliminary preparation which may set better environment for the implementation activities, while only 5.1% of the respondents disagreed on the urgency of implementation. The study concludes that these were among the indicator of failure which was forcing the stake holders to implement the program without giving attention for preconditions and analysis for realizing the program objectives in the study area.

Based on the data shown in Table 12 it was identified that 50.8% of the respondents strongly agreed that in implementation activities there were political interference observed in such a way that in the process of registration to receiving the fund, the political officials from the district was involved in prioritizing the target youth who would be benefited and who would be rejected, while only 6.2% of the respondents disagree on the issues to be a challenge of implementation in the study area. Again biasing for party members agreed by 51.7% and disagreed by 6.2% responses while using the fund for political propagation agreed by 56.3 % and disagreed by 3.4% responses. This can be summarized as in implementation of the program intervention there was some mode of interferences done by some political appointees those were participating on the implementation activities.

Table 13 Analysis of institutional challenges to youth Revolving Fund Implementation

SA: Strongly Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree, S. Dev: Standard Deviation

Item	SA (%)	A (%)	N (%)	DA (%)	SDA (%)	MEAN	S.DEV. (%)
Unfair distribution of fund	43.3	28.1	11.2	8.4	9.0	4.26	1.058
Absence of business training	30.8	25.3	11.2	15.3	17.4	3.90	1.345
Group collateral alone	61.9	19.7	4.5	5.6	7.3	4.25	1.225
Absence of good governance	47.2	35.4	4.5	6.7	6.2	4.34	1.074
Lengthy and bureaucratic process	47.2	35.4	4.5	6.7	6.2	4.11	1.157
Lack of feasibility study	53.4	29.2	4.5	5.6	7.3	4.11	1.157
Absence of monitoring and evaluation	60.7	27.5	2.2	4.5	5.1	4.16	1.202
Mean Average	4.16						

Source: Field survey, 2020

Based on the study data shown in Table 13 the responses of 43.3% strongly agreed while 9.0% indicated that in implementation activities there has been bias in distribution of funds through advancing the late registered youth before early selected and prioritized youth groups. This was the indicators of additional challenges of youth revolving fund implementation in the study area.

According to ILO, (2017) skills training interventions offer great impacts. Especially in lower income Countries investments in skills training may lead to large changes in both employment and earnings of youth. As shown in the table 13 the response of 30.8% strongly agreed and while 17.4% of the responses indicate disagreed on the issues. The finding indicates that implementing the youth revolving fund without giving training on how to run and administer their business for the beneficiary youth. The finding over lay with the findings of Joyce ,(2013) and Mugira,(2012) those reveals the absence of adequate training and skills were the critical challenges of youth revolving fund implementation.

The responses of 61.9% from questionnaire result indicated in table 12 reveals that one source of challenges of implementation were using group collateral alone, while 7.3% of the responses disagreed on the issues. This shows that due to group collateral alone the most revolving fund beneficiary youth enterprise were either not started their business and or not started to pay their due loan. The finding was supported by Gachuru and Mwirigi, (2014) findings that revealed using group loan collateral alone was not viable enough to administer the

implementation of youth revolving fund. Therefore it was identified as other source of revolving fund implementation challenges.

As a very critical aspects of a given initiatives to be successfully implemented the presence of good governance can play important role for success and failure. Therefore from this study data presented in the table 13 it was observed that 47.2% of the responses agreed on the absence of good governance as implementation challenges that happened in service delivery procedure from screening for registration to receiving the fund while 6.2% of the responses disagreed. This indicates the majority of the youth beneficiary was considerably showed the presence of some bias to be addressed in the implementation activities.

From the study data shown in the table 13 it was identified that 47.2% of the responses strongly agreed the presence of lengthy and bureaucratic process in the activities starting from the registration to receiving the fund. While 6.2% of the responses show disagreed the long process as a source of challenges of youth revolving fund implementation. The finding concurs with Gachuru and Mwirigi, (2014) that concludes the delay in loan processing leads to minimize youth initiative on the side of the youth and challenges the implementation activities.

As shown from the Table 13 that 53.4 % of the study respondents strongly agreed on the lack of feasibility study while implementing the revolving fund activities while 7.3% of the responses disagreed the issues as lack of feasibility may not taken as sources of challenge in implementation activities. It can be summarized that absence of feasibility study for the revolving fund business proposal and all risk factors to be avoided couldn't be performed in the program; hence it was addressed as the major sources of challenges of youth revolving fund implementation.

From the normal point of view monitoring and evaluation play the lion share for the effective achievement of a certain phenomenon. In line with these true's as shown in table 4.14 the study identified that in the implementation activities by 60.7% of the responses assured that there were no monitoring and evaluation activities while 5.1% of the responses disagreed as there were monitoring activities in implementation. From this it was concluded as only letter writing once for the youth group to start their business and repay their matured loan. Hence due to the absence of close monitoring and evaluation activities the program did not on the right track to achieve the intended objectives.

4.4. Opportunities of Youth Revolving Fund Implementation

The study findings identified that the major opportunities were discussed as follow from the Table 4.16. The loan accessibility with moderate interest rate were strongly agreed by 41.0% of the responses that the amount of interest from youth revolving fund were 8% and relatively low when compared to regular financial interventions operating for small and micro enterprises that allowed 13% for urban and 17% for rural enterprises. Regarding availability of micro finance institutions, 46.1% of responses strongly agreed and only 7.3% were disagreed. The availability of micro finance institution contributes the implementation activities of youth revolving fund by complementing the saving and additional credit for the youth businesses. Again increasing youth demand towards works agreed by 48.9%. Since the interventions was youth targeted having the willing and demanded youth beneficiary directly pave the way for successful implementation. Availability of forest coverage in the district agreed by 43.3%, Availability of construction minerals like sand and stone that contributes for business start up with minimum beginning capital strongly agreed by 49.4%. Availability of experience from existing small and micro enterprise agreed by 43.3% even though they are not many in number there were a few existing micro and small enterprises those can be used to learn from their business success. Youth development change package agreed by 43.3%, Government commitment towards prioritizing youth issues due to existing political tensions were strongly agreed by 44.4% responses. Existing legal market incentives for micro and small businesses agreed by 52.2%, finally availability of potential youth graduates were agreed by 51.7% and revealed from the majority responses and supported by interviews and focus group discussions.

Table 14 Analysis of opportunities of youth Revolving Fund Implementation

SA: Strongly Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree, S. Dev: Standard Deviation

Item	SA (%)	A (%)	N (%)	DA (%)	SDA (%)	Mean	S.Dev. (%)
Loan affordability with moderate interest	41.0	34.3	4.5	5.6	14.6	4.19	1.404
Availability of micro finance institutions	46.1	37.6	4.5	4.5	7.3	4.11	1.157
Over increasing youth demand towards work	48.9	33.7	5.6	4.5	7.3	4.11	1.188
Availability of forest coverage in the district	43.3	33.7	11.8	6.7	4.5	4.24	1.054
Availability of minerals like sand and stone	49.4	37.6	3.9	4.5	4.5	4.23	1.035
Experience from small and micro enterprise	43.3	33.7	4.5	11.2	7.3	3.94	1.261
Youth development change package	43.3	25.8	6.7	15.7	8.4	3.80	1.363
Government commitment towards resolving youth issues due to existing political tensions	44.4	30.9	5.6	11.8	7.3	3.93	1.278
Existing legal market priority for youth micro and small businesses	52.2	16.9	7.9	11.2	11.8	3.87	1.451
Availability of potential youth graduates	51.7	33.7	5.6	2.8	6.2	4.22	1.096
Mean Average	4.06						

Source: Field survey, 2020

Interview Result

One of professional expertise from industry and enterprise development sector serving on the process owner or team leader was forwarded his opinion on the issues as follow.

Since the structured questions were forwarded starting from what are the major practices of youth revolving fund implementation? Then the responses were narrated in summary form. From starting the time of inception the implementation activities were politically motivated and directed to do so differently from the experienced financial interventions rather than giving the chance of administration and implementation for professional expertise in both Oromia credit and saving Share Company and district Industry and Enterprise development sector. The only activity left for them was providing the fund for the youth those selected by mass mobilization of local political appointees urgently without giving the chance to administer the business training and feasibility study for proposed business plan even they don't given right to quest why they forced them to urge without given enough time for preparations.

Another respondents from the district Oromia credit and saving share company replied his opinion as follows: He believed that from the very beginning the collateral approach derived for the loan provision that forces to provide the loan by group collateral alone was the major problem that leads to under implementation rather it would be tied with additional family asset as for youth to provide the loan since relatively the youth doesn't own adequate asset to join collateral because they are from higher education institution or some other living idle un employed. The rest reason for under implementation were the attitude of the youth towards the revolving fund were among practical challenges because of the significant perception towards the fund as it was launched for political motivation made by government to benefit from stabilizing political friction and demonstration led by youth at that moment of inception. This view completely build confidence of youth beneficiary to urge receiving the fund and consume for their respective personal needs without any worry that may liable to them after all.

One of the beneficiary youth aged 30 and involved in a group with a member of 5 proposed the business on cafe service and received 50,000 fund amount of ETB replied the following opinion. At the time we do not believe to start the business using the fund as seed money. We heard the program and get ready by preparing a group of 5 friends; we tried all the requirements to be fulfilled and requested 300,000 ETB. But unfortunately they were given 50,000 ETB. Sooner two contrasting ideas emerged from members of the group. Using the fund to start some other small business were the first stand and no we have to share the money and start the business alone was the other category raised by some group members. Finally after one month idea friction made between their group members they all agreed to share the received loan. This was the result of absence of follow up and training. They never discussed again the issues with their friends and no one group member started any business yet. Specifically one of their friends who finished his share after one month he received the fund told that this all misuse of the fund were made due to absence of close counseling, monitoring and evaluation activities by responsible sectors.

Focus Group Discussion Result

The selected target professionals and youth representatives were agreed on the following issues based on their

perceptions and beliefs forwarded towards common realities was narrated as follows. They agreed that the major challenges of implementation at the inception period were that emerged from the implementation practice directed by mass mobilization. Leading the implementation by mass mobilization made the legal requirement missed the direction set to be followed in the program guide line and also prepared the loop for the youth to be perceived the intervention as it were only intended as the political tool to the young participating on the political movement of the time to make them stabilize tension than intended for solving the socio economic problems of the youth by providing them seed money to start their business and made their future bright and escape out of living idle unemployed. Due to the preconceived youth perception as it was intended for political motivation the majority beneficiary youth were used the fund for their personal needs than investing on the intended and proposed businesses. This was confirmed with the questionnaire responses that indicate using the fund for extra personal needs as the major implementation challenges. Again absence of adequate training for the target youth, urging the implementation activity without giving enough preparation time and feasibility study for the proposed business by youth and finally absences of monitoring and evaluation in the program implementation was among those major challenges and forced the implementation activity to harvest failures than counting the achievement of the objectives. Finally the opportunities that would be enhance the implementation activity were confirmed and discussed even though the opportunities were not assessed and used by the youth beneficiaries in the area. Those are the district forest holding may be great opportunity to host youth business like bee farming because the district were among the zonal districts those holding better forest coverage's that are administered by Oromia Forest and Wild life Enterprise under Jibat- Gedo branch office. The experience from small micro enterprise, the availability of micro finance institution, like Oromia Credit and Saving share company, Eshet Micro Finance and Wasasa micro finance institution in the area those may support as complementary for saving and credit activity, Priority for the youth business, the availability of youth specific policy and strategy, like youth development and change package that forces the youth issues to be cross cutting among different sectors stake holders and the government strong commitment towards solving youth issues due to existing political tensions were confirmed as the major opportunities but those not exhaustively used in the youth revolving fund implementation in the study area.

The summary of findings from the key informant interview and focus group discussion can be stated as from the youth revolving fund implementation practice it was identified that the youth the community participation on the selection of target youth were employed for first round only. Again from the findings related to the current business condition it can be summarized that the majority of youth were indicated that their proposed businesses were not operating because in some cases reasonably failed after starting and the rest does not started yet. The normal cost for required for legalization cost was 800ETB and again there were no measures taken on those not paid their loan and not started their business yet. Finally there were no monitoring and evaluation activities supported so far and in most cases the observed practices were not responsibly contributing for the target objective achievements.

The major challenges facing the implementation activities of the program were almost similar with that of questionnaire results. Those are economic challenges indicated by inadequacy of the provided fund when compared to youth business and number of youth waiting for the fund. Another challenge was that using the fund for personal need than investing on the intended businesses, low culture of saving, absence of family support and having negative attitude towards the fund because of the perception as it was intended for political stabilization. Political interference by local political appointees was observed and no technical business training was given for the youth and no feasibility study was conducted and lastly absence of regular monitoring evaluation activities were among challenges faced the program implementation.

Concerning available opportunities it was summered as there were many opportunities available but not exhaustively used in the program intervention. The availability of the fund with moderate interest rate, availability of minerals and forest recourses in the study area, availability of micro financial institutions that could complement the saving and credit services for youth business and also the government commitment towards solving youth issues in the recent time due to former political tensions to be made stable and managed.

5. CONCLUSIONS

Based on the study findings the major implementation activities were concluded as follows.

Majority of group of target youth selected to access the revolving fund loan were delayed for less than one month from the day they registered to complete the process and receive the revolving fund. This can be taken as positive side of youth revolving fund practice even though the fund was provided urgently without additional preparation to succeed in implementation activities. The majority youth were identified as they are not among business knowledge back ground that unless they are supported by extra business and entrepreneurial training they directly faced difficulties of running their proposed business. It was identified and agreed that for the first round of the program the selection of youth were clearly participatory which involves the local administration with integration of local community those approved the youth as they are really the dwellers of their community

and target unemployed youth of their local residents while after the first face of implementation the responsible sector does not gone to share the selection procedure for the stake holders rather they continue to register the youth applicants and finally they made accept or reject the applicants based on their interest. Concerning regular monitoring and evaluation activities the study findings from respondents, interviews and focus group discussion shows that there was no monitoring and evaluation activities performed in the study area. Lastly in the findings of the youth revolving fund implementation practice the study concluded as there was no legal measures taken on those not paid their matured loan and not started their business yet. Generally the study finding concludes that the major practices of implementation were not in lined with the pre requirements and which made them leads the program unsuccessful.

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