



Summary Of The

Jipeshughuli



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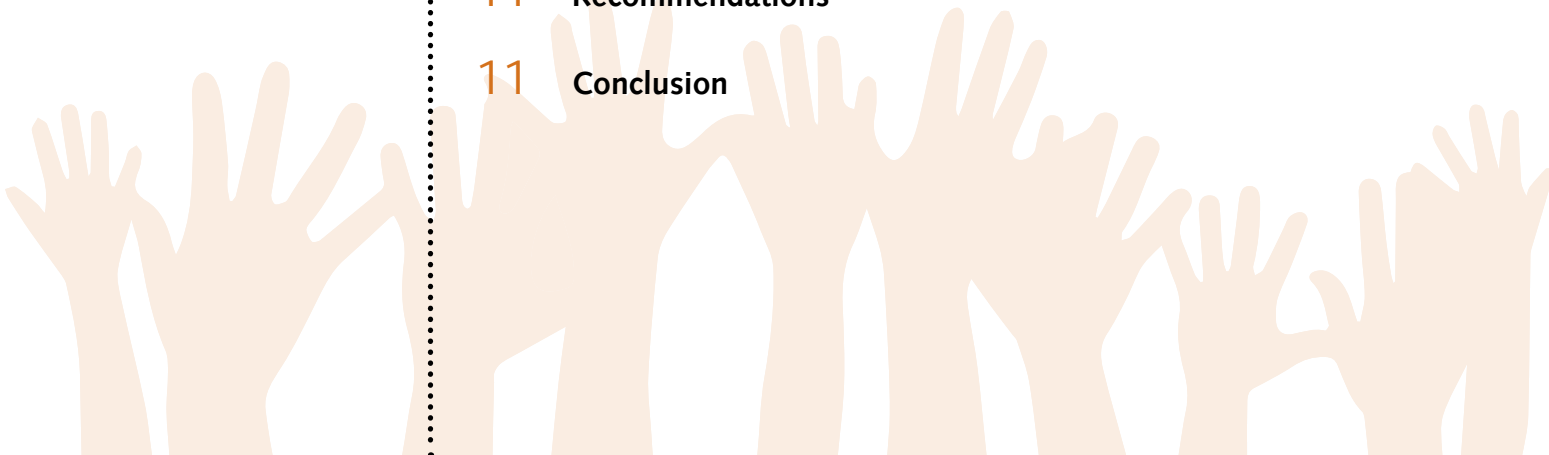
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INTRODUCTION

JIPEHUGHULI is a youth program that seeks to promote participation of the youth in governance in a bid to promote accountability.

JIPESHUGHULI in its literal meaning stands for “Get Involved”.

Public participation is one of the principles of governance in the Constitution of Kenya and the program JIPESHUGHULI aims at encouraging and sensitizing the youth to take up the space in governance by adding their voice to the accountability efforts in the country.

The Constitution vests the power in the people and keeping our leaders accountable is one of the responsibilities of the people.

The first phase of JIPESHUGHULI looked into the affirmative action efforts by the government geared towards improving the livelihoods of the youth, women and persons with disabilities in Kenya. These include the Youth Enterprise Development Fund (YEDF), Women Enterprise Fund (WEF), Uwezo Fund and the Access to Government Procurement (AGPO).

The Campaign focused on three dimensions/aspects, that is accountability, transparency and public participation in the various efforts mentioned above.

CONTEXT OF JIPESHUGHULI

The program is based on the context of increased corruption allegations in Kenyan governance, with the most recent and highly publicized National Youth Service (NYS) indicating how corruption affects development efforts that are supposed to benefit the vulnerable

groups in society. Jipeshughuli initiative was also informed by the findings of a study by the Agakhan on the youth in Kenya. They revealed a disturbing picture on the perception of the Kenyan youth on issues of corruption. The study indicated that the youth have become more concerned about accumulation of wealth and they do not care much how they make their money so long as they make money and accumulate wealth as fast as possible. It also revealed that the youth are not ready to stand up for the truth and they choose to remain silent even when they see things not going right.

This has thus indicated that corruption is slowly but surely becoming wide spread and deep rooted in our society and despite the National Values in Article 10, the country continues to struggle with challenges of corruption and impunity.

Transparency International in its report in 2015 ranked Kenya 139th out of 167 in its corruption index. The report specifically pointed out that corruption is espoused by the elite especially in the financial sector.

JIPESHUGHULI CONCEPTUAL APPROACH AND METHODOLOGY

Social accountability is about the exercise of power in public affairs. This addresses the extent to which power is regulated. The study aimed at measuring the exercise of power within the administration of youth funds and the degree of empowerment youth to demand accountability. The study was based on three aspects of accountability, transparency and public participation.



Transparency refers to the availability of information to the public and clarity about government rules, regulations,

and decisions. Transparent procedures include open meetings, financial disclosure statements, freedom of information legislation, budgetary review, and audits.



Accountability is the obligation of power-holders to account for or take responsibility for their actions. Power-holders being those who hold political, financial or other forms of power and include officials in government, private corporations, international financial institutions and civil society.



Public participation is one of the values and principles of governance under the Constitution. Public participation has been defined as the redistribution of power that enables have-nots (citizens) presently excluded from political and economic processes to be deliberately included in future.

Methods used in the Study

The study interrogates the extent to which the public youth initiatives are designed to empower youth in the promotion of accountability. Specifically, the study focused on three key aspects:

- i. Level of transparency in the funds and the affirmative action procurement process
- ii. Extent of youth voice in the policy creation and management of the funds
- iii. Accountability in the management of the funds

The study targeted the following programs; Women Enterprise Fund, Youth Enterprise Development Fund, Uwezo Fund and the 30% access to government procurement. The study was conducted in Embakasi South, Kisumu Central and Ruiru sub-counties reaching 818 respondents.

The study adopted the following methods in the collection of data:

- i. Literature Review
- ii. Administering of questionnaires (1200)
- iii. Focus Group Discussion

OVERVIEW OF THE FUNDS

Youth Enterprise Development Fund (YEDF)



The Youth Enterprise Development Fund is a state corporation under the ministry of Public Service, Gender and Youth Affairs, gazetted on 8th December 2006 and transformed into a State Corporation on 11th May 2007. The fund seeks to create employment through the promotion of entrepreneurship by providing loans services to small and medium size enterprises. The specific objects of the fund are; provide loans to youth owned enterprises, provide market support to youth enterprises, facilitate youth enterprises to develop linkages with large enterprises, provide trading premises and worksites, provide business development services to youth owned enterprises and facilitate youth to obtain jobs abroad.

Women Enterprise Fund (WEF)



Women Enterprise Fund is semi-Autonomous Government Agency in the Ministry of Public Service; Youth & Gender Affairs which was established in August 2007, to

provide accessible and affordable credit to support women start and/or expand business for wealth and employment creation.



Uwezo Fund

The Uwezo Fund is a flagship programme for Vision 2030 aimed at enabling women, youth and Persons with

Disabilities (PWDs) access finances to promote businesses and enterprises at the constituency level, thereby enhancing economic growth. The Fund was launched by His Excellency the President of the Republic of Kenya on 8th September 2013 and enacted through a Legal Notice No. 21 of the Public Finance Management Act, 2014, and published on 21st February, 2014. The Fund seeks to expand access to finance and promote women, youth and persons living with disability led enterprises at the constituency level.

Access to Government Procurement (AGPO)

The aim of the AGPO Program is to facilitate the enterprises owned by youth, women and Persons with Disabilities (PWDs) to be able to participate in government procurement. This will be made possible through the implementation of the Presidential Directive that 30% of government procurement opportunities be set aside for the youth, women and PWDs. It is affirmative action aimed at empowering disadvantaged groups by giving them more opportunities to do business with the Government.

RESEARCH FINDINGS

LITERATURE REVIEW

Youth Enterprise Development Fund (YEDF)

The studies that were reviewed on YEDF looked into the efficacy of the fund and the role YEDF has played in youth empowerment.

The main issues that were identified from the studies are:

- ⦿ YEDF was more useful in benefiting youth owned enterprise than individual young people.
- ⦿ YEDF is not sufficient to address the high levels of unemployment and thus there is need for other strategies to be applied to successfully deal with youth unemployment.
- ⦿ The loan application and processing procedures are cumbersome and too long for the youth.
- ⦿ There is need for the fund to be more focused on reaching youth in the informal sector.
- ⦿ The youth need training before accessing the funds and also after accessing the funds. Mentorship of the youth on proper utilisation of the funds is fundamental in the success of the fund.
- ⦿ YEDF has failed in some areas to achieve its objectives and especially the economic empowerment of the young people and therefore these are issues that need to be addressed by looking at the weaknesses of the system.

Women Enterprise Development Fund (WEF)

Past studies on WEF have also focused on the impact of the fund, the challenges of the fund and the accessibility of the fund.

The main issues that were noted from the studies that were reviewed are:

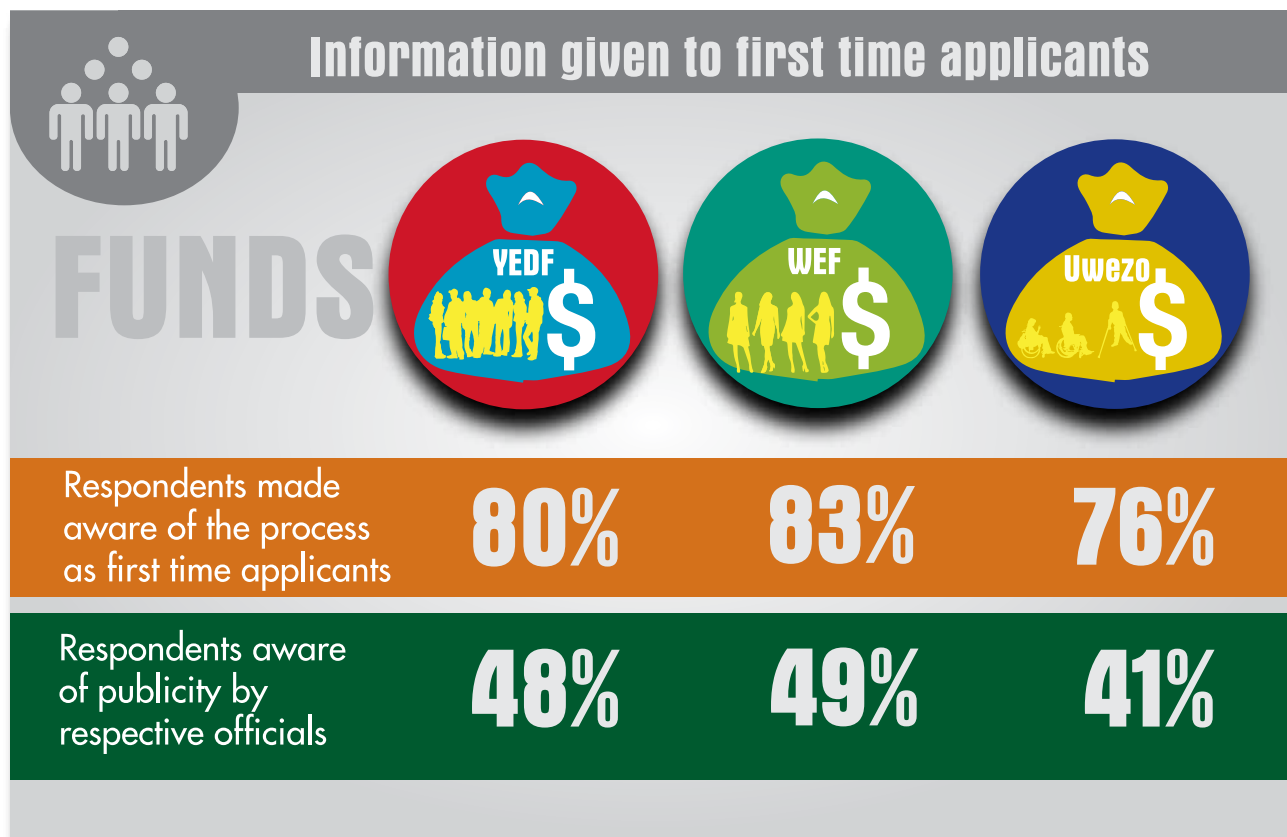
- The fund has positively resulted to the empowerment of women.
- Access and effectiveness of the fund is still a challenge due to issues such as the need for collateral, guarantors and also the women lacking people to advise them on the use of the funds.
- Duplication of business amongst women in same regions is a great challenge that is causing high levels of competition which affects returns.

- Diversion of the loans is also an issue with WEF as the women divert the money they receive for other use rather than what they acquired the money for.
- There is lack of information especially amongst the rural community on the existence of the fund and also on the requirements to apply for the fund.

Access to Government Procurement Opportunities (AGPO)

Issues that arise from past studies on AGPO include:

- There is limited use of the social media while publicizing the initiative; this therefore locks out a large percentage of the youth who are easily reached through social media.
- The targeted groups lack information on registration procedures for companies.



- There is limited access to government financing for AGPO contracts.
- There is a feeling that the criterion for evaluation of AGPO contracts is not clear and this has given room for impunity in the system.

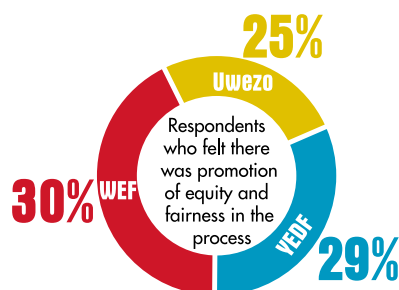
FINDINGS IN THE FIELD

Transparency

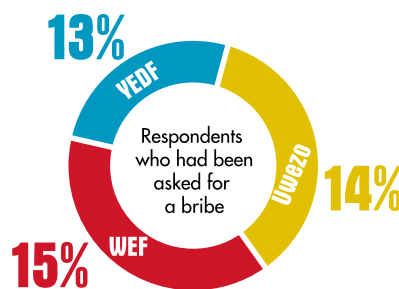
There was a positive response on the information given to the first time applicants with 80% of YEF respondents indicating they were made aware of the process as first time applicants, there was 83% for WEF and 76% for Uwezo Fund. The respondents however indicated that more needs to be done on the publicity of the funds. 48% of respondents indicated that they were aware of publicity efforts by YEDF officials while under WEF it was 49% and 41% for UWEZO Fund.

Accountability

The study sought to find out information on various aspects of accountability. 29% of YEDF respondents felt that there was promotion of equity and fairness and equity in the processes while WEF respondents were at 30% and Uwezo Fund 25%. This clearly indicates that the respondents lack faith in the fairness and equity of the processes in the various funds.



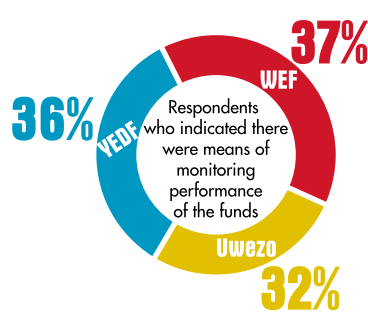
13% of the respondents of YEDF indicated that they had been asked for a bribe while in WEF there were 15% claiming to have been asked for



bribes and under Uwezo Fund 14%.

36% of YEDF respondents indicated that there were means to monitor the performance of the funds, while under WEF it was 37%, and 32% under Uwezo Fund.

37%, 41% and 50% of the respondents under YEDF, WEF and Uwezo Fund respectively indicated that they were aware of the feedback/complaints process/mechanism in the funds.

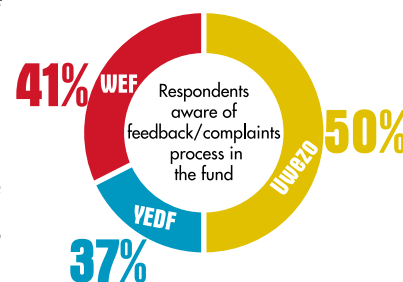


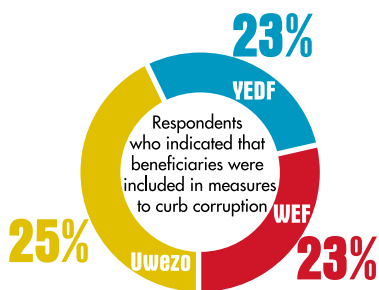
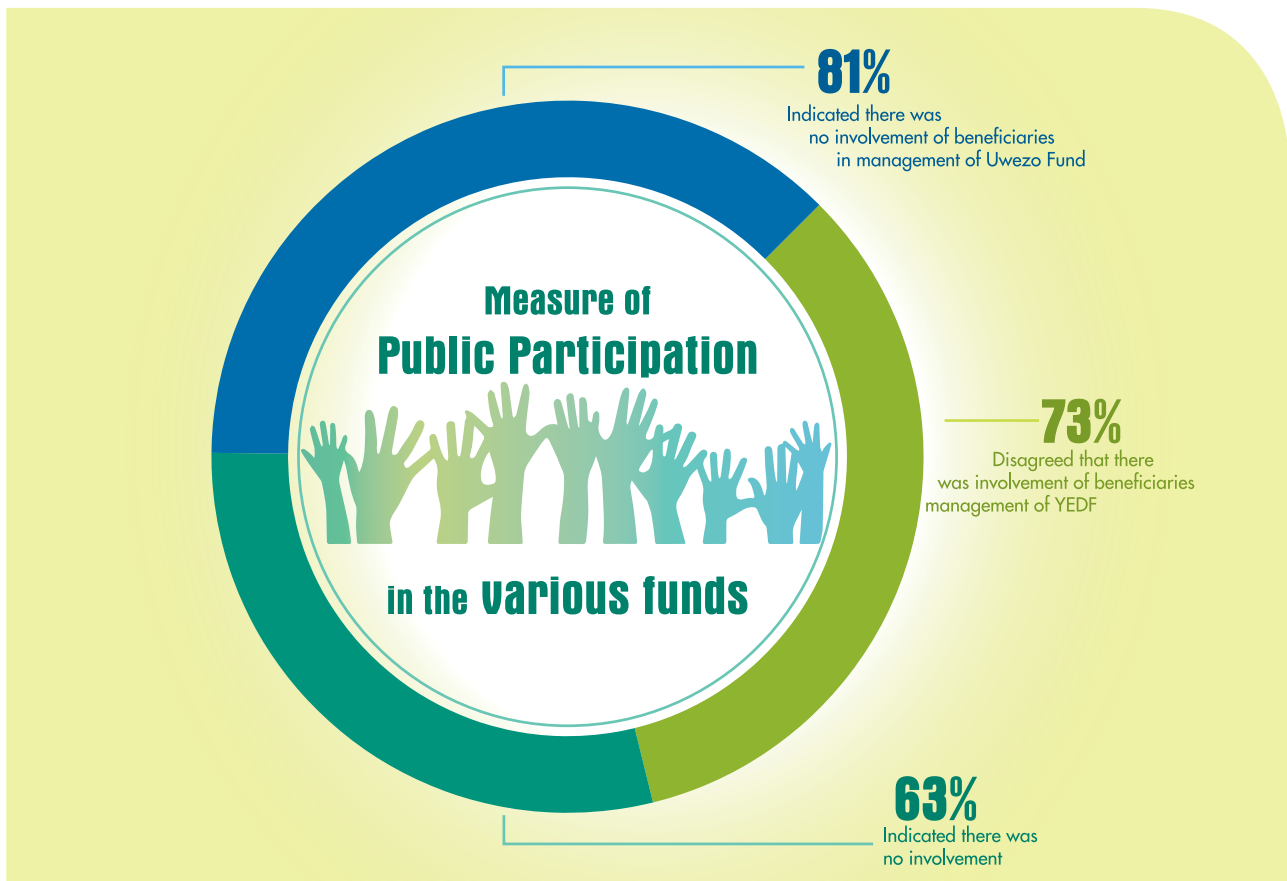
23% of respondents from YEDF and WEF indicated that the beneficiaries were included in the measures to curb corruption while 25% under

Uwezo Fund indicated that the beneficiaries were included in the reduction of corruption.

Public Participation

The measure of public participation in the various funds was based on the inclusion of the intended beneficiaries of the various funds in the management of the funds. 73% disagreed that there was involvement of the beneficiaries in the management of YEDF, 63% indicated there was no involvement of beneficiaries in the management of the fund and 81% of the respondents indicated that





there was no involvement of the beneficiaries in the management of Uwezo Fund.

LSO and LPO financing during the entire study Jipeshughuli did not come across any beneficiary of the same. This means that there is either lack of awareness or very few beneficiaries of the LPO/LSO financing. The youth, women and PWDs may be able to acquire the government tenders but are not able to finance the tenders this therefore means they lose out on the opportunities due to lack of funds.

Recommendations

- i. Youth, women and PWDs are not a homogenous group. The design of the funds is greatly closing out the people living in poverty and excluding them from benefiting from the funds. The design of the funds needs to be rethought and have the groups that are intended to benefit involved in the redesigning of the funds to accommodate people from all walks of life.
- ii. There is urgent need to operationalise the LSO and LPO financing. Despite there being provision that the funds provide for
- iii. The funds are designed to empower the target beneficiaries. There are however silent policies that are disempowering to the youth. For instance, YEDF should review the requirements for accessing individual loans in order to ensure that more youth are able to participate. It is impractical for a youth empowerment fund to request for logbooks in order to secure credit. The funding should be given on the strength of a business plan as opposed to prohibitory requirements.

Further, the group applicants receiving a minimum of KES 50,000 in some instances is too little for business enterprises especially in situations where the groups split the money among themselves.

- iv. Uwezo Fund needs to delink itself from the Constituency Development Fund (CDF) framework, as mentioned above. The linkages creates a situation where the relevant official at the ground wields too much power over the community and persons with whom there is tension in accessing one of the opportunities are greatly discouraged from accessing the other.
- v. The structure of the funds is not clear. There is need for transparency in the fund structures and application process. Beneficiaries do not understand the application process, the existence of the vetting committees of the 3 funds and the duration their application is likely to take (this is with the exception of WEF, where applicants understand the applications are considered within a month after submission of application and requirements). The lack of knowledge disempowers youth, women and PWDs who are compelled to participate in corruption towards winning the favour of officials.
- vi. There is need to involve the youth, women and PWDs in the design of the fund products to ensure that the products respond to the needs of the target population. Additionally, there is need of greater youth involvement in the implementation of the funds beyond the constituency/county representatives or committees that are handpicked by the Member of Parliament without involvement of the greater community in question which is the case in Uwezo Fund. This exercise results to greater political clientelism in the implementation of the fund since the

representative favours political allies of the Member of Parliament thus defeating the purpose of the funds. There are no mechanism of youth, women and PWDs involvement in the funds framework.

- vii. Further there is need to implement the recommendations of the presidential taskforce of Parastatals reforms that recommended the merging of all agencies, funds and initiatives supporting, financing and developing SME's in Kenya into the Biashara Kenya entity.

ACCESS TO GOVERNMENT PROCUREMENT OPPORTUNITIES (AGPO)

It emerged from the study that majority of youth are not aware on the existence of AGPO as only 20% of the respondents had an AGPO certificate. There were also structural challenges that were identified with AGPO that have made it ineffective. There are no guidelines from the government on the prices of items which leaves the AGPO beneficiaries taking chances with sampling to identify the prices for their goods or services. There are also other challenges that are associated with AGPO which include corruption, delayed payments, market fluctuations, lack of resources and lack of information.

RECOMMENDATIONS

- i. There is need to train the youth on how place a competitive quotation. Additionally, the Market Price Index needs to be updated and operationalized to ensure that there is fairness in the procurement process.
- ii. There is need for a system that merges LPO/LSO financing with down payment facilities that are given by certain ministries or public bodies to AGPO enterprises. This will ensure that youth have fast access to cash to finance the tenders that they are able to secure.
- iii. Further, it is good that the government preserves AGPO tenders for the relevant target group, however it important that the implementation of preferences of AGPO enterprises is enhanced in categories that are not purely for AGPO enterprises to ensure that AGPO enterprises also stand a chance to secure high value tenders.
- iv. There is need to put in place very high penalties for public officials participating in corruption. Additionally, there is need for educating the youth on reporting mechanisms for officials soliciting bribes in the procurement process towards averting high level of corruption in public procurement.
- v. Youth living in rural areas were not aware of the opportunities AGPO presents, thus the government needs to put in place comprehensive awareness mechanisms that reach youth living in exclusion and rural youth.



CONCLUSION

The efforts of the government to empower the youth and other groups in society have been evident; the question that still remains largely unanswered is the efficacy of the efforts. This study and other studies have revealed various challenges that have hindered the full success of the funds that the government has created to empower the youth among other groups in society. Impunity has been at the centre of the ineffectiveness of the funds created to empower the youth. The culture of impunity is deeply rooted within the funds undermining their effectiveness. There are also structural impediments in the design of the funds which may undermine their overall impact and should urgently be addressed. Finally there is a need for Kenyan youth to make a deliberate effort to involve themselves in the governance of the country especially raising their voices against impunity and poor governance.



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