

Youth Participation in Youth Development Fund in Moshi Municipality, Tanzania

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Abstract

Youth Development Fund (YDF) is among the strategies for employment creation to youth. The strategy aims to support youth income generating activities to increase income, afford formal health services, food security and ability to participate in community social and developmental activities. However, despite the presence of the Youth Development Fund, there is still high prevalence of unemployment for youth and the extent to which YDF contributes to improving youth lifestyle in Moshi Municipal is not yet documented. The general objective of the study was to assess youth participation on YDF in Moshi Municipal, Kilimanjaro, Tanzania. Specifically, the study examined the perception of youth participation in YDF, determined factors influencing the participation and analyse stakeholders' views on improvement of youth participation in youth development fund in Moshi Municipal. The study used cross-sectional research design with a sample of 256 respondents selected by simple random sampling and purposive sampling techniques. Data were gathered through interviews and survey. Data were analysed through descriptive statistics and inferential analysis. The findings indicated that Moshi Municipal's youth believed that YDF has succeeded in providing the necessary financial resources for youth entrepreneurship but felt that the initial capital provided by the YDF was insufficient for starting their businesses. Regarding factors influencing participation in YDF, it was revealed that fund-processing delays, insufficient capital and educational gaps hindered youth participation in the YDF, while low-interest rates and educational support were beneficial. The Heckman selection model revealed that delays in fund processing, insufficient financial resources, low education levels, lack of entrepreneurship skills, and inadequate capital negatively impact youth participation in the YDF, while factors like low interest rates, experience sharing, and availability of entrepreneurship education positively influence participation. On stakeholders' views on improvement of youth participation study found that stakeholders strongly support increasing loan amounts, improving fund disbursement efficiency, expanding training, enhancing advertisement, enforcing compliance, and leveraging technology to boost youth participation in the YDF. The study concludes that the youth in Moshi Municipal are not benefiting the YDF because the presence of unemployment is still persisting and act as a major problem affecting youth. The study recommends increasing YDF's initial capital, offering

financial literacy training, and diversifying economic activities to bolster youth financial growth and business expansion. Operational enhancements, such as expedited fund processing, reassessment of fund size and inclusive entrepreneurship education, are also recommended to address participation barriers and leverage stakeholder insights for program improvement.

Keywords: Youth, development, fund, municipality, Moshi, Tanzania