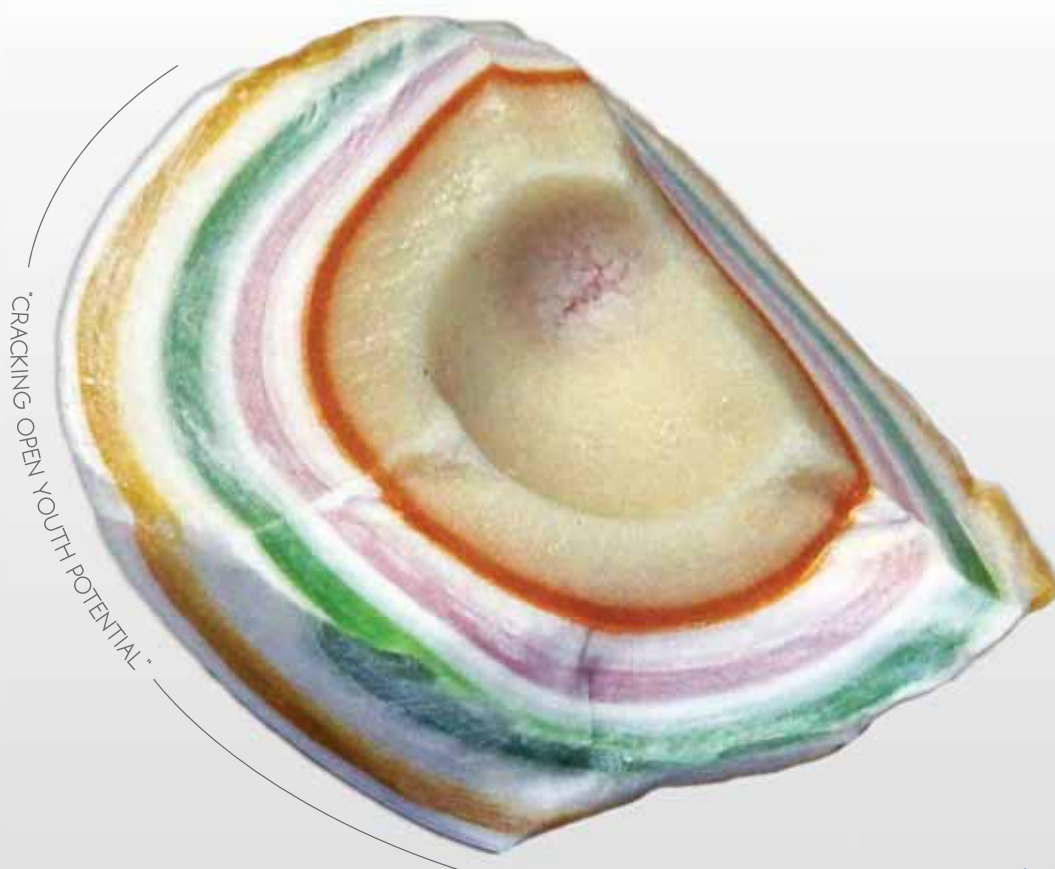


UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



Policy Guide on Youth Entrepreneurship

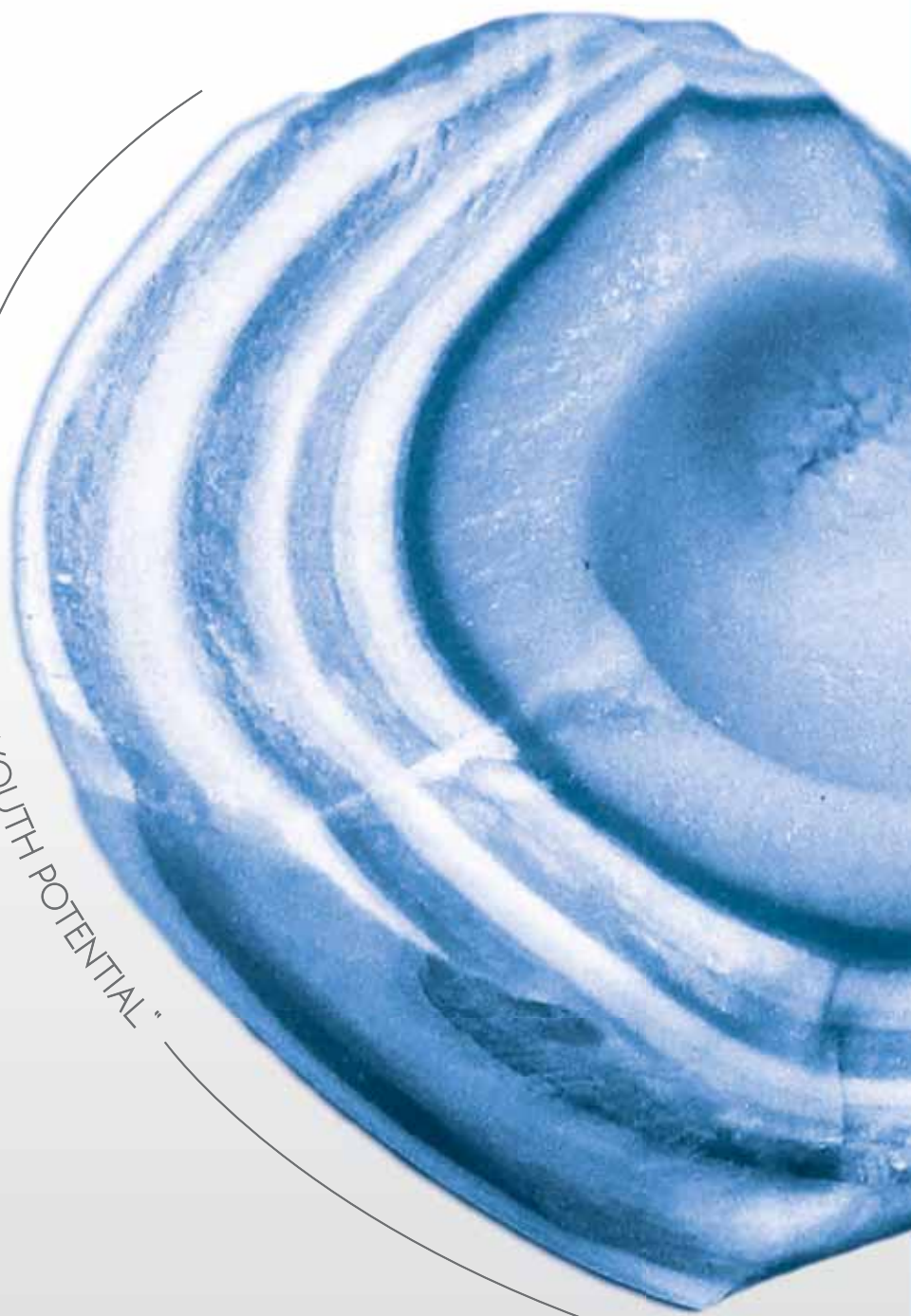


"CRACKING OPEN YOUTH POTENTIAL"



UNITED NATIONS

"CRACKING OPEN YOUTH POTENTIAL"

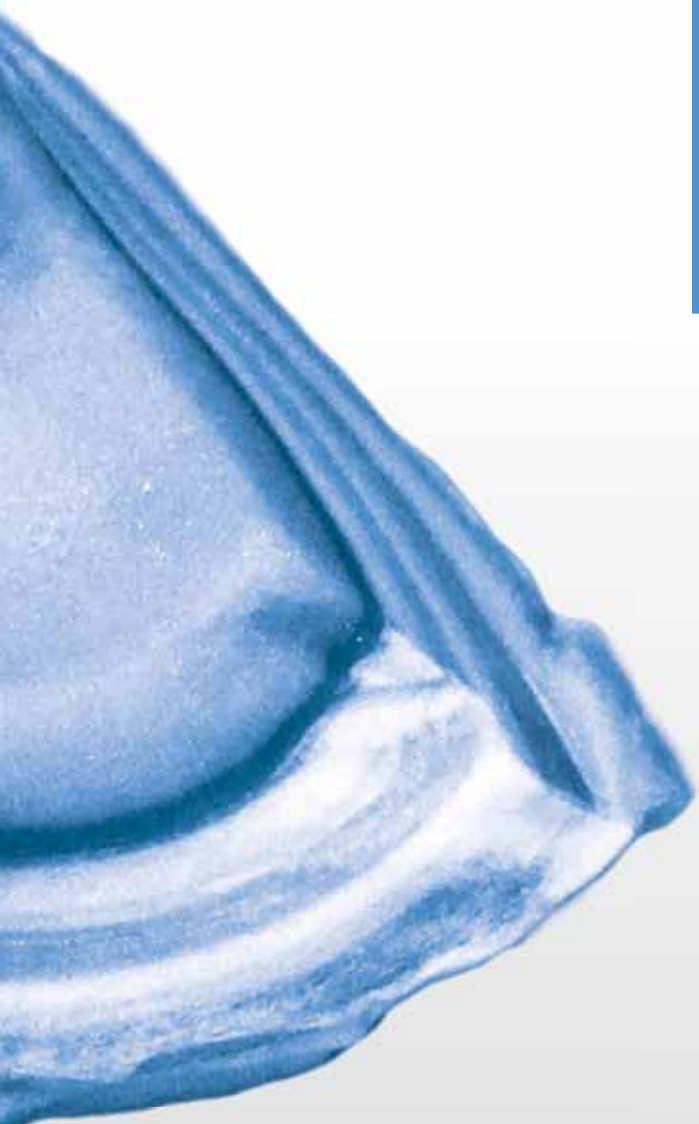


UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



Policy Guide on Youth Entrepreneurship



UNITED NATIONS
New York and Geneva, 2015

Note

The designations employed and the presentation of the material do not imply the expression of any opinion on the part of the United Nations concerning the legal status of any country, territory, city or area, or of authorities or concerning the delimitation of its frontiers or boundaries.

Material in this publication may be freely quoted or reprinted, but acknowledgement is requested, together with a copy of the publication containing the quotation or reprint to be sent to the UNCTAD secretariat.

This publication has been edited externally.

UNCTAD/DIAE/ED/2015/1

© Copyright United Nations 2015
All rights reserved

Acknowledgements

The Policy Guide on Youth Entrepreneurship was developed by UNCTAD in collaboration with the Commonwealth, building on each organisation's expertise in entrepreneurship policy and youth entrepreneurship respectively. It was prepared by a team led by Fiorina Mugione and comprising Fulvia Farinelli, Lorenzo Tosini, Stephania Bonilla-Féret, Alejandro Rubias-Hernandez and Peter Navarrette, under the overall supervision of Tatiana Krylova. James Zhan provided overall guidance.

Jane Wangui Muthumbi served as principal consultant. The report also benefitted from the advice and inputs of Katherine Ellis, Director of the Youth Affairs Division at the Commonwealth.

At various stages of preparation, the team benefitted from comments and inputs received from Rajkumar Bidla, Richard Bolwijn, Monica Carcó, Sueli Giorgetta, Cristina Martinez, Laurent Mieville, Jeffrey Petty, Anton Said, Abhik Sen and Merten Sievers.

The financial contribution provided by the Commonwealth towards the consultancy costs of developing the report is gratefully acknowledged. The report has been edited by Prof. Cletus K. Dordunoo. Neo Mothobi Matsau, CEO of Bamboo Innovation Ecosystem, and Louise Sawyer, Executive Creative Director of Bamboo Innovation Ecosystem, were responsible for the graphic lay out.

Preface

Youth employment has worsened dramatically since the financial and economic crisis of 2008. In economies with large young populations, the number of formal jobs available is insufficient to employ all youth entering the working population and to offer them prospects of a decent wage. Harnessing entrepreneurial talents among young people and easing constraints of the labour market is vital for employment generation and inclusive growth.

Current demographic trends and the explosion of youth unemployment is forcing youth entrepreneurship to the centre of global policy discussions and of the post-2015 development agenda.

Gripping the development needs and rights of young people, and empowering them, is a priority for both the Commonwealth and the United Nations.

The International Year of Youth 2010-2011, led the UN Secretary-General to task the UN Volunteer Programme to establish a Unit on Youth, and also the UN Inter-Agency Network on Youth Development to develop a System-Wide Action Plan on Youth. He also appointed a first ever Envoy on Youth.

Commonwealth for its part includes young people in policy work and high level meetings such as those of Commonwealth Heads of Government and of Commonwealth Youth Ministers. This focus on Youth is a core stand-alone element in the Commonwealth Secretariat's strategic plan. Youth entrepreneurship has been a priority of the Commonwealth's work for many years, driving such programmes as the Commonwealth Youth Credit Initiative, and the Commonwealth Alliance of Young Entrepreneurs. The Commonwealth has also been a global leader in developing a Youth Development Index and professionalising youth work.

The Policy Guide on Youth Entrepreneurship developed jointly by UNCTAD and the Commonwealth, is an important contribution to the efforts of the United Nations system and the Commonwealth to find solutions to address the challenges facing young people. It aims at supporting policymakers in developing countries and in transition economies to design policies and programmes, and to establish institutions that will promote youth entrepreneurship, providing the foundation for achieving job creation through the development, expansion and growth of youth-led enterprises.

This Guide builds on the UNCTAD Entrepreneurship Policy Framework (EPF), launched in Doha in 2012, and reflects good practices and lessons learned in the area of youth entrepreneurship promotion, including the implementation of UNCTAD's Empretec Programme and the Commonwealth Youth Credit Initiative.

We are confident that the guiding principles and policy recommendations in this framework will provide valuable support to policymakers in their efforts to promote youth economic empowerment.



A handwritten signature in black ink, appearing to read 'Mukhisa Kituyi'.

Mukhisa Kituyi
UNCTAD Secretary-General



A handwritten signature in black ink, appearing to read 'Kamalesh Sharma'.

H.E. Kamalesh Sharma
Commonwealth Secretary-General

Contents

Preface

Summary

I.	Introduction	14
II.	The Policy Guide on Youth Entrepreneurship	17
	• Formulating a national entrepreneurship strategy	
	• Optimizing the regulatory environment	
	• Enhancing entrepreneurship education and skills development	
	• Facilitating technology exchange and innovation	
	• Improving access to finance	
	• Promoting awareness and networking	
III.	Assessing the Effectiveness of Youth Entrepreneurship Policies	85
IV.	Conclusions	88
	Annex	90
	Bibliography	95
	Figure 1	18
	Figure 2	20
	Figure 3	38
	Table 1	11
	Table 2	19
	Table 3	29
	Table 4	35
	Table 5	50
	Table 6	60
	Table 7	74
	Table 8	86

Acronyms

→ **CAAYE**
Commonwealth-Asia Alliance
of Young Entrepreneurs

→ **CGAP**
Consultative Group
to Assist the Poor

→ **CYCI**
Commonwealth
Youth Credit Initiative

→ **CYFI**
Child and Youth
Finance International

→ **CYMM**
Commonwealth Youth
Ministers Meeting

→ **ENYA**
Enterprise Network
for Young Australians

→ **ICT**
Information and Communication
Technologies

→ **ILO**
International
Labour Organization

→ **ITC**
International Trade Centre

→ **MENA**
Middle East and North Africa

→ **MFI**
Micro-Finance Institution

→ **MSME**
Micro, Small and
Medium Enterprises

→ **NEET**
(Youth) Not in Employment,
Education or Training

→ **NFTE**
National Foundation for
Teaching Entrepreneurship

→ **OECD**
Organization of Economic
Development and Cooperation

→ **SME**
Small and Medium Enterprises

→ **TVET**
Technical and Vocational
Education and Training

→ **UNCDF**
United Nations Capital
Development Fund

→ **UNCTAD**
United Nations Conference on
Trade and Development

→ **UNIDO**
United Nations Industrial
Development Organization

→ **YBI**
Youth Business International

→ **YEA**
G-20 Young Entrepreneurs
Alliance

→ **YES**
Youth Entrepreneurship
and Sustainability

Summary

In response to the challenges of high youth unemployment, UNCTAD, in collaboration with the Commonwealth, has developed a *Policy Guide on Youth Entrepreneurship*. It is designed to support countries to develop effective policies that will unleash the potential of youth entrepreneurship. While it is primarily intended as a resource tool for use by policy-makers, the guide is also relevant for decision-makers in intergovernmental and international organizations as well as NGOs and development agencies involved in youth entrepreneurship.

Recognizing the unique needs of aspiring young entrepreneurs, the *Policy Guide on Youth Entrepreneurship*, which builds on UNCTAD's *Entrepreneurship Policy Framework*, identifies key priority areas for policy focus that have an impact on youth. Given the challenges that young people face when trying to start and grow their businesses, the guide identifies specific measures under each policy area and recommends actions for policy makers to create an enabling entrepreneurial ecosystem for young people.

The first section of this *Policy Guide on Youth Entrepreneurship* outlines the process for formulating an integrated national youth entrepreneurship strategy. It highlights the key elements that have a significant impact on youth entrepreneurship that countries will need to consider when developing their strategies. Stakeholders that need to be engaged during the development of the strategy and their roles in the process are also identified. Examples of youth entrepreneurship strategies developed (Colombia, South Africa and Wales) and cases from implementation of the *Commonwealth Youth Credit Initiative* are provided.

Recognizing that young people face considerable barriers within the regulatory environment, the framework examines the key bottlenecks that impede young entrepreneurs from starting and growing their businesses, including complex regulatory processes and high business registration costs. A case study on Italy's Simplified Regulation, for example, illustrates the implementation of a measure aimed at encouraging young people to start businesses. Other measures include minimizing stigma around business failure, and facilitating restarts. Orienting business development services to provide services to young entrepreneurs is essential in ensuring that they obtain adequate support.

Effective entrepreneurship education is key to ensuring that young people acquire the competencies and skills they need to pursue entrepreneurship and to lay the groundwork for developing a culture of entrepreneurship. Concerted efforts are being made to integrate entrepreneurship education within and across regions. UNCTAD's Empretec programme introduces entrepreneurship to young people, as do other UN programmes such as the International Labour Organization's (ILO) *Know Your Business*. Building the capacity of teachers to inculcate entrepreneurship skills among students is critical in ensuring that entrepreneurship is integrated within the education system. In addition, there is need for strengthening the capacity of vocational training and apprenticeship systems to equip young people with the skills to pursue entrepreneurship and self-employment.

Technology and innovation are important drivers of economic development. Business incubators and accelerators such as Start-Up Chile and India's Start-Up Village have emerged because they provide a conducive environment that nurtures innovation. Investments need to be made in technological infrastructure to create the foundation for a thriving digital economy and to provide the impetus for the spread of innovation as well as to ensure that young people have access to knowledge and the competencies as well as skills to exploit technology and create commercial products and services.

Access to finance is a binding constraint for young people that want to start or grow a business. Collateral requirements, high banking fees, inadequate youth-friendly products and lack of financial literacy are key bottlenecks for young people. Measures to ensure financial inclusion for young people have been undertaken in several countries. For example, Kerala Finance Corporation and Bhatariya Yuva Shakti Trust in India provide collateral-free loans to young entrepreneurs. In addition, financial institutions are increasingly orienting their services to meet the needs of young people. Child and Youth Finance International, increases access to financing by young people and Youth Business International provides under-served young entrepreneurs with funding to start and grow their businesses. The establishment of funds for the purpose of stimulating innovation and of catalyzing the development of an entrepreneurial ecosystem that will support innovation designed to benefit disadvantaged groups is discussed, as are programmes such as *Aflateen* and the *Commonwealth Financial Literacy Programme*, which are increasing financial literacy among young people. Enhancing the capacity of the financial sector to serve youth-led start-ups is critical in ensuring that young people have access to relevant financial services.

Finally, societal attitudes towards entrepreneurship, fear of failure, insufficient promotion of entrepreneurship opportunities, lack of platforms to foster young entrepreneurs' engagement and lack of access to markets are barriers that undermine efforts to create a culture of entrepreneurship. This report highlights the importance of events such as the Global Entrepreneurship Week in showcasing the role of entrepreneurship in society. The case study of the Commonwealth-Asia Alliance of Young Entrepreneurs (CAAYE) illustrates the importance of the youth entrepreneurship network both as a platform to engage young entrepreneurs and as an entity that advocates for the needs of young entrepreneurs in Asia. Also, initiatives such as *YouthTrade* in the U.S. which link youth-led enterprises to other businesses that buy *YouthTrade* certified products, support young entrepreneurs to access markets. It is essential to develop platforms that will facilitate opportunities to engage with young people as well as to promote the development of youth entrepreneurship networks and associations that advocate on behalf of young entrepreneurs.

The table below summarizes the main impediments faced by young entrepreneurs and the policy recommendations to address them. The document devotes a section to each policy area, containing also a checklist of key questions and case studies from countries, as well as key messages identified from the different case studies.

Table 1. Summary of impediments that impact young entrepreneurs and recommended actions for policymakers

Policy Areas	Impediments for young entrepreneurs	Main Recommended Actions for Policymakers
<p>Optimizing the regulatory environment</p>	<ul style="list-style-type: none"> • High business registration costs • Complex regulatory procedures • Distrust in the regulatory environment • Limited knowledge of regulatory issues, in particular of copyright, patent or trademark regulations 	<ul style="list-style-type: none"> • Benchmark time and cost of starting a business • Balance regulation and standards with sustainable development objectives • Review and, where appropriate, simplify regulatory requirements (e.g. licenses, procedures, administrative requirements) • Enhance ICT-based procedures for business registration and reporting • Introduce transparent information and fast-track mechanisms and one-stop shops to bundle procedures • Make contract enforcement easier and faster • Carry out information campaigns on regulatory issues • Guarantee property protection
<p>Enhancing Entrepreneurship Education and Skills Development</p>	<ul style="list-style-type: none"> • Inadequate integration of entrepreneurship in the education system • Limited practical or experiential opportunities • Lack of and/or limited orientation to enterprising attitudes, behaviours and skills among teachers • Limited and/or poor quality business development services 	<ul style="list-style-type: none"> • Mainstream entrepreneurship awareness from the primary school level • Promote entrepreneurship through electives, extra-curricular activities and visits to businesses at the secondary school level • Support entrepreneurship courses, programmes and chairs at higher education institutions and universities • Promote vocational training and apprenticeship programmes • Promote experiential and learning-by-doing methodologies • Encourage entrepreneurship training for teachers • Promote entrepreneurship educators' networks • Introduce or strengthen youth-oriented and youth-friendly business development services • Encourage tailored local material, case studies and role models, and foster interactive, on-line tools
<p>Facilitating technology exchange and innovation</p>	<ul style="list-style-type: none"> • Lack of ICT skills • Inadequate infrastructure (physical workspace, digital infrastructure, access to reliable and cheap electricity) • Insufficient technological readiness • Limited linkages between youth-led start-ups and growth-oriented entrepreneurs and investors 	<ul style="list-style-type: none"> • Promote training of ICT skills for youth • Make available ICT technologies to youth, especially marginalised young people • Implement policies to support technology incubators, R&D labs and cluster development • Support work opportunities for young people in existing business incubators, knowledge hubs and science parks • Encourage university-based research commercialization and entrepreneurship centres to support youth-led innovation and facilitate skill acquisition among young people • Invest in innovation through grants, tax breaks and other incentives that encourage public-private partnerships and university-industry collaboration • Foster youth-led businesses' skills development and market access through business linkages • Support youth-led businesses through mentorship of large buyers

Continued on next page

Table 1. Summary of impediments that impact young entrepreneurs and recommended actions for policymakers

Continued from previous page

Policy Areas	Impediments for young entrepreneurs	Main Recommended Actions for Policymakers
<p>Improving Access to Finance</p>	<ul style="list-style-type: none"> • Inappropriate and/or lack of youth-friendly financial products • Excessive restrictions (age requirement to open a bank account) • Low financial literacy levels • High credit and collateral requirements 	<ul style="list-style-type: none"> • Facilitate the development of youth-friendly financial products, including mobile banking technologies • Inform young people of youth-oriented financial services, including informal lending and other viable financing options • Undertake financial sector reforms aimed at increasing financial inclusion • Support the establishment of a credit bureau • Promote youth-oriented financial literacy training • Support public-private partnerships aimed at building the financial sector's capacity to serve start-ups • Recognize business development support and mentoring in lieu of traditional collateral • Implement policies that promote access to finance for youth
<p>Promoting Awareness and Networking</p>	<ul style="list-style-type: none"> • Negative societal attitudes towards entrepreneurship • Insufficient promotion of role models • Underdeveloped young entrepreneurs' networks • Insufficient promotion of entrepreneurship opportunities 	<ul style="list-style-type: none"> • Highlight the talent of young entrepreneurs, and the benefits of supporting / investing in them • Support the recognition of failure as part of learning on how to succeed • Support youth entrepreneurship competitions and awards • Promote knowledge exchange between established business people and aspiring young entrepreneurs • Encourage the development of young entrepreneurs' and peer networks • Leverage social media and other communication tools and platforms • Reaching out and deploying information on business opportunities to youth • Promote entrepreneurship opportunities at the national, regional and local level

Source: UNCTAD and the Commonwealth



I. Introduction



Globally, young people aged between 15 and 24 make up almost a fifth of the world population (17%) (*UN World Population Prospects: The 2012 Revision*). In Africa, youth comprise a fifth of the population (20%); in Asia (18%); Latin America and the Caribbean (17%), in Oceania (15%); in North America (14%), and in Europe (12%) (UN, 2012). In terms of gender distribution, globally, female youth outnumber their male counterparts by a small margin. The majority of young people around the globe live in urban areas but there are differences by regions. In Sub-Saharan Africa, for example, a large proportion of young people live in rural areas.

Globally, young people are facing tremendous challenges, most notably, the unprecedented levels of unemployment in both developed and developing countries that was spurred by the 2008 economic crisis. Since the 2008 crisis, the number of unemployed youth has soared to an estimated 73.4 million young people—12.6 percent of the total youth population, representing an increase of 3.5 million between 2007 and 2013, and projected to rise to 12.8 percent of the total youth population in 2018 (ILO, 2013).

Moreover, the proportion of youth that are not in employment, education, or in training (NEET) has increased substantially. In OECD countries, for example, the number of NEET youth increased by 2.1 percent to reach 15.8 percent between 2008 and 2010, while in Latin America, the number of NEET youth has remained high at 19.8 percent since 2006, placing youth in the region at greater risk of labour market and social exclusion (ILO, 2013).

High unemployment among young people is not limited to individuals with low levels of education. In many countries, a large proportion of young people who graduate from university are unable to find employment, prompting many highly educated individuals to leave their countries in search of opportunities elsewhere. Brain drain, the emigration of skills, is a significant challenge throughout the developing world. It is particularly acute in Sub-Saharan Africa, South Asia and in Small Island Developing States, which lose thousands of highly educated and skilled individuals to developed countries every year, contributing to a severe shortage of skilled labour, often with negative consequences on their economies.

There is a higher female unemployment rate when compared with the male rate. The disparity, however, is more pronounced in regions such as North Africa and the Middle East, and to some extent, Latin America and the Caribbean (ILO, 2013). In addition, young women are more likely to earn less when compared with their male counterparts, and in some developing countries, young women are also more likely to engage in unpaid family work. Moreover, other groups of young people such as those with low levels of education, young people with disabilities as well as young people that reside in rural areas are likely to experience higher unemployment in some contexts.

Young people have the majority of low quality jobs, tend to earn low pay, and are more likely to be in the informal economy. In developing countries, young people are likely to be underemployed and poor, and are more likely to be among the working poor primarily engaged in agriculture, reflecting lost opportunities to attend school and acquire the skills and education that could raise their future productivity and earnings (ILO, 2012).

National action plans on youth employment should take into account the dimensions of investment, enterprise development and labour legislation. UNCTAD's World Investment Report 2014 has analysed the key challenges in maximizing the positive impact and minimizing the risks and drawbacks of public and private investment in SDGs (Sustainable Development Goals) sectors. It has raised attention to weak absorptive capacity in some developing countries, suggesting adequate policy responses to encourage and facilitate entrepreneurship, support to technology, human resources and skills development and the promotion of linkages and clusters in incubators or economic zones to support business creation and SME development in SDGs sectors.

According to the ILO (2008), the main elements of active labour market policies include labour-market training, career guide, job-search assistance, job-placement programmes, labour-market information, public works and community services, employment subsidies, as well as entrepreneurship programmes. Promoting youth entrepreneurship has the potential to contribute to social development as it offers young people an opportunity to increase their earnings through self-employment, and to create jobs for others, thereby raising their living standards and those around them, while reducing poverty and building sustainable livelihoods (YBI, 2013).

For example, social entrepreneurs like Evans Wadongo promote innovation for local communities. Wadongo, a young Kenyan and winner of the 2012 Commonwealth Youth Award, invented an environmentally-friendly solar lamp made from recycled materials, and established workshops to manufacture the lamps, thus creating jobs for local young people. *Mwanga Bora* (meaning good light) solar lamp is a cheaper and safer alternative to kerosene lamps that is now used in many rural and urban homes that lack access to electricity.



II. The Policy Guide on Youth Entrepreneurship



The *Policy Guide on Youth Entrepreneurship*, developed by UNCTAD in collaboration with the Commonwealth, aims at supporting policy-makers in developing countries and in transition economies to design policies and programmes as well as establish institutions that will unleash the potential of youth entrepreneurship, thereby providing the foundation for achieving job creation through the development, expansion and growth of youth-led enterprises.

The guide, which takes into account the ongoing challenges facing young people, including unemployment, poverty and gender disparities, is aligned with global development goals, including the draft post-2015 United Nations (UN) Development agenda which identifies promoting entrepreneurship, decreasing the number of unemployed youth and increasing the number of young people who obtain vocational and technical skills as high priority goals.

As a starting point of this framework, it is important to point out that there is no universally agreed-upon definition of the term 'youth'. The definition varies widely across countries, international organizations as well as entities such as funding agencies and youth associations. The UN, for instance, defines youth as young men and women aged 15–24. The Commonwealth, on the other hand, defines youth as individuals aged 15–29. Across countries, the definition of youth varies considerably, with the age range spanning from 12 (in several African countries) and extending up to age 35. While each definition of youth is valid, for the purpose of this framework, the term is used to refer to young people aged 15–24.

This document builds on both the Commonwealth *Guiding Framework for Youth Enterprise*, a resource tool designed to assist governments to implement youth enterprise development programmes, and UNCTAD's *Entrepreneurship Policy Framework (EPF)*, which supports policy-makers in developing countries in designing initiatives, measures and institutions to promote entrepreneurship. This *Policy Guide on Youth Entrepreneurship* has the same 6 priority areas for policy but it provides measures that have a direct impact on youth (Figure 1). It should be noted that, as in the EPF, the 6 priority areas are numbered sequentially, but from an operational perspective they should be all addressed at the same time and in a holistic manner.

Figure 1. Key components of the Entrepreneurship Policy Framework



Source: UNCTAD, 2012

The guiding principles and policy recommendations contained in the following sections are designed to support policymakers in their efforts to promote youth entrepreneurship. It should be noted that most recommendations for action contained in the tables are youth-specific, with the exception of the measures related to the regulatory framework. These are more horizontal in nature and should be applied to all entrepreneurs in order to maintain an equal level playing field. It should be also noted that the recommendations provided in the area of entrepreneurship education and skills development replicate entirely those of the EPF, because these measures already targeted youth needs and specificities.

1. Formulating National Entrepreneurship Strategy

Despite the importance of youth entrepreneurship in stimulating economic development through job creation, innovation and competitiveness, in many countries, its potential has yet to be fully harnessed. In designing a youth entrepreneurship policy, one size does not fit all and the national socio-economic context and specific development challenges faced by a country will to a large degree determine the overall approach to youth entrepreneurship development. This section explores the key elements in formulating a national entrepreneurship strategy that targets youth (Table 2), as well as the sequence of steps required to implement such a strategy from an institutional and operational perspective (Figure 2).

Table 2. Formulating National Entrepreneurship Strategy

Policy Areas	Recommended Actions	Youth-Specific Measures
<ul style="list-style-type: none"> • Identify country specific challenges • Specify goals and set priorities • Ensure coherence of the strategy with other national policies • Strengthen the institutional framework • Measure results, ensure policy learning 	<ul style="list-style-type: none"> • Map the current status of entrepreneurship in the country • Identify country-specific entrepreneurship opportunities and challenges • Identify youth group needs • Define strategies to achieve specific goals and reach specific target groups • Develop and prioritize actions • Align entrepreneurship strategies with overall development strategy and other private sector development strategies • Manage interaction and create policy synergies • Designate a lead institution • Set up an effective inter-agency coordination mechanism and clarify mandates • Engage with the private sector and other stakeholders • Define clear performance indicators and monitor impact • Set up independent monitoring and evaluation routines • Incorporate feedback from lessons learnt 	<ul style="list-style-type: none"> • Undertake a comprehensive situational analysis of the youth entrepreneurship ecosystem • Identify different youth cohorts' needs • Utilize a cross-cutting and cross-sectoral approach in defining strategies to achieve youth goals and reach different youth cohorts • Align youth entrepreneurship strategies with national youth employment and skills development • Establish a youth advisory body to articulate youth issues • Engage young entrepreneurs and youth-led networks in the development of the strategy • Promote the collection of youth entrepreneurship data in national surveys/assessments

Source: UNCTAD and the Commonwealth

Figure 2: Sequence of Steps in the Implementation of a Youth Entrepreneurship Strategy



Source: UNCTAD and the Commonwealth

Identify country-specific challenges

As an initial step in the process of formulating a national youth entrepreneurship strategy, it is necessary to conduct an assessment of the existing entrepreneurial ecosystem. An assessment of the entrepreneurial ecosystem entails mapping and measuring its features for the purpose of identifying its opportunities and challenges, with a goal of determining how these elements can be addressed through policy options.

A situation analysis of the youth entrepreneurship ecosystem will require gathering baseline information—both qualitative and quantitative data, that will serve as a foundation for developing a youth entrepreneurship strategy.

While market size and access to finance are binding constraints across all economies, other elements will constrain entrepreneurship differently, depending on the type of the economy. Similarly, the concentration of the youth population in either rural or urban areas will influence entrepreneurship, with market size, infrastructure, health, education and training, specialized research and training services, technological readiness and business sophistication being constraints in countries with a predominantly rural population.

Other aspects of the entrepreneurial environment that policy-makers will need to understand include the dominant characteristics of young entrepreneurs within their context. Across regions, young entrepreneurs are concentrated in different stages of the entrepreneurial pipeline.

In all regions except the U.S., young people aged 18–34 are more likely than adults to be either nascent entrepreneurs (those who own enterprises in their formative stages), or new entrepreneurs (those who own or manage an active business that has been in existence for 3–42 months) (YBI, 2013). Africa has the largest proportion of new and nascent businesses (30%) that are owned by young people, followed by Latin America and the Caribbean (18%), Asia Pacific and South Asia (11%), the European Union (9%), the U.S. (12%), while the Middle East and North Africa (MENA) region has 8 percent of these businesses (YBI, 2013).

Youth are not a homogenous group. Young people's circumstances vary widely by age cohort, gender and education level and geographical location, among other socio-economic factors. In addition, young people not only have different needs, capacities and expectations, but also encounter different barriers in the labour market. Young girls and women, persons with disabilities as well as immigrant, minorities and migrant youth are likely to face additional difficulties. Policy-makers need to understand the needs of the different cohorts of youth within their contexts and develop specific policies to address their constraints.

The private sector, which plays an important role in enterprise development as well as academic institutions—schools, colleges and universities which provide entrepreneurship education, should be involved in this process. Youth development organizations and networks which work with young people and have first-hand knowledge of their needs—such as the Commonwealth-Asia Alliance of Young Entrepreneurs (CAAYE) and G-20 Young Entrepreneurs Alliance (YEA)—need to be engaged to ensure that young people are partners and collaborators in the development of the strategy on young people and not just beneficiaries (Box 1).

Box 1. Examples of policies and initiatives to identify country-specific challenges

- **Regional:**

Commonwealth Youth Ministers Meeting (CYMM) is a platform for advancing the Commonwealth youth agenda and for consultation on issues facing young people in the Commonwealth. Beyond identifying challenges, CYMM sets benchmarks on youth development for the Commonwealth, reports on member countries' performance on youth issues and facilitates sharing of knowledge and good practices.

- **Regional:**

Pacific Youth Development Framework is a cross-border, cross-sectional and cross-generational collaboration among agencies on youth development in the Pacific region, including the Secretariat of the Pacific Community, the Commonwealth Youth Programme and the Pacific Youth Council. The 2014–2023 Framework has identified entrepreneurship as a way of addressing the high youth unemployment in the Pacific region.

Source: UNCTAD Inventory, www.unctad.org/epf

Specify goals and set priorities

Based on the results of the need assessment and situation analysis, a dialogue involving the stakeholders discussed previously should be convened to determine how to set the stage for the identification of the priorities that should be pursued. It is important to note that the objectives identified in the goal-setting and priority identification phase will determine all other aspects of the youth entrepreneurship strategy, from the institutional set up to the specific policy measures used (Box 2).

For example, *South Africa's Youth Enterprise Development Strategy (YEDS) 2013-2023*, which identified promoting youth entrepreneurship and accelerating the growth of youth-owned and operated enterprises capable of increasing self-employment among young people as objectives, was designed to address the high unemployment among young people in the country. Led by the Department of Trade and Industry, South Africa's YEDS 10-year plan identified mentorship and coaching, incubation, business infrastructure support, financing and promoting awareness as key enablers of the youth entrepreneurial ecosystem. In the strategy, the needs of youth cohorts that require special policy considerations were clearly prioritized. These are young people in rural areas and young black South Africans, as recommended in the Broad-Based Black Economic Empowerment legislative framework.

Some countries have taken steps to encourage young people to engage in social entrepreneurship. The growth of social entrepreneurship, the recognition of an opportunity to create social value, reflects the growing importance of social enterprises in addressing pressing issues within communities and in fostering inclusive growth and social inclusion,

while remaining profitable and sustainable. For example, the U.K. is exploring extending tax incentives in order to allow entrepreneurs, including young people, to develop initiatives that serve a social purpose. Similarly, initiatives such as *Jeun'ESS* in France are encouraging young people to engage in social enterprise.

Box 2. Examples of policies and initiatives to specify goals and set priorities

- **Colombia:**

Colombia *Joven Emprende 2013* is a youth entrepreneurship strategy within the President's Programme for Youth that aims to promote a culture of entrepreneurship among young people.

- **Fiji:**

Fiji's National Youth Policy has integrated youth enterprise as an objective and small enterprise as a key area of focus in the country's 20-year youth development strategic plan.

- **Global:**

The International Trade Centre (ITC) has developed a Strategic Framework and Plan of Action for its *Youth and Trade Programme*.

- **South Africa:**

South Africa's *Youth Enterprise Development Strategy (2013–2023)* has identified youth entrepreneurship as a priority. Promoting youth-owned and operated enterprises capable of contributing to economic growth, creating jobs and fostering innovation are key activities.

- **Regional:**

The Commonwealth *Plan of Action for Youth Empowerment (PAYE) (2007–2015)* has youth enterprise and sustainable livelihoods as one of its core areas of focus. The plan has been incorporated in member countries' national strategic plans and youth policies.

- **Wales:**

Launched in 2004 and now in its second cycle, Wales' Youth Entrepreneurship Strategy (YES) aims to equip young people aged 5–25 with entrepreneurial skills and attitudes to raise aspirations so they can fulfil their potential whatever choices they make in their future working life.

Source: UNCTAD Inventory, www.unctad.org/epf

Ensure coherence of entrepreneurship strategy with other national policies

Youth entrepreneurship should not be a “stand alone area” that is isolated in a single ministry. In many countries there is an entity responsible for youth affairs, often the Ministry of Youth, which may have an important role in the development of the youth entrepreneurship strategy. However, other stakeholders outside of the jurisdiction and technical expertise of the ministry should play a role in defining the objectives for the implementation and monitoring of the strategy, including key public and private sector entities in the areas of finance, education, science and industry, trade and agriculture, as well as regulatory agencies, need to be part of the strategy development phase (Box 3).

The effectiveness of entrepreneurship development strategies depends on how (i) the different elements of the strategy are integrated and (ii) how they are aligned with overall development strategies and (iii) with other national competitiveness and private sector development policies. Harmonization with strategic processes pursued by different national ministries and national commissions are crucial to exploit synergies. For example, South Africa’s *Youth Enterprise Development Strategy (YEDS) 2013-2023* was aligned with the *National Youth Policy*, the *New Growth Plan Framework*, the *Framework on Gender and Women Economic Empowerment*, the *Co-operatives Development Strategy*, the *Integrated Small Business Development Strategy* and the *National Industrial Policy Framework*, all of which have enterprise-related objectives.

Box 3. Examples of initiatives to ensure policy coherence with other national policies

- **Wales:**

Wales’ Youth Entrepreneurship Strategy encompasses key areas including education, finance, awareness and innovation. The strategy is aligned with national education policies and enterprise and entrepreneurship are embedded into the education system from age 5 up to the Welsh Baccalaureate, with employability and entrepreneurship skills being an essential part of students’ core education.

- **Zambia:**

Zambia’s 6th National Development Plan endorsed the entrepreneurship measures outlined in the country’s Micro, Small and Medium Enterprises (MSME) Policy (2008–2018). The plan aims to create a culture of entrepreneurship among citizens and facilitate the development of entrepreneurship skills by promoting entrepreneurship training at all levels of the education system.

Source: UNCTAD Inventory, www.unctad.org/epf

Strengthen the institutional framework

An important step in developing a youth entrepreneurship strategy is designating a lead institution to coordinate youth entrepreneurship. The role of the lead agency is to coordinate the activities of the various stakeholders involved in the development of the strategy, facilitate the strategy's development by defining the objectives needed for its implementation, and to mobilize resources that will ensure the strategy's effective development and implementation. It is important to emphasize that the lead entity that is designated to coordinate youth entrepreneurship should ideally have a strong youth-led advisory body that can articulate youth issues and take action (Box 4).

Box 4. Examples of policies and initiatives to strengthen the institutional framework

- **Botswana:**

The Ministry of Youth, Sport and Culture, through the Department of Youth, has the mandate to oversee the implementation of the *National Youth Policy* and the *National Action Plan for Youth*. Entrepreneurship development is an integral part of the Ministry's activities, which include administering the National Youth Development Fund that provides young people with funding for economic activities.

- **Sri Lanka:**

The Ministry of Youth Affairs and Skills Development's Small Enterprise Development Division is building the entrepreneurial skills of young people as well as supporting unemployed youth to engage in entrepreneurship while its Vocational Training Division is providing technical and vocational training through the technical and vocational education training (TVET) system.

Source: UNCTAD Inventory, www.unctad.org/epf

An effective inter-agency mechanism to coordinate activities related to youth entrepreneurship needs to be established. Its role is to identify the mandates, competencies and responsibilities of all institutional partners, including those in the public and private sector as well as other pertinent stakeholders. In order to develop an effective youth entrepreneurship strategy, relevant line ministries such as finance, economic development, education, trade, labour, innovation, and agriculture as well as other stakeholders will need to be included in its development. The lead entity will need to work in close collaboration with various stakeholders to integrate youth entrepreneurship into all policy-making, planning and programme delivery mechanisms in social, economic and political spheres as well as to determine how to strengthen stakeholders' capacity to address young people's issues.

For instance, the Youth Employment Network (YEN), which coordinates inter-governmental and interagency cooperation for promoting youth policies and employment, can foster information exchange as well as build awareness about efforts to develop economic opportunities for young people among its networks. Similarly, the intergovernmental sector can raise awareness on the development of youth entrepreneurship frameworks through its platforms and networks. The Commonwealth Heads of Government and Youth Ministers' Meetings are ideal platforms in which to share information on the development of youth entrepreneurship strategies within the Commonwealth as well as discuss issues that young entrepreneurs in the Commonwealth are facing.

Similarly, youth-led networks can facilitate information exchange among other youth entrepreneurship networks. In addition, these networks are advocating for the needs of young entrepreneurs at local, national and international levels and can use various platforms to share information on youth entrepreneurship. Besides using traditional platforms such as meetings, workshops and conferences for policy dialogue, other communication strategies that appeal to and are effective in reaching young people such as social media platforms (Facebook, Twitter, etc.), as well as schools, extra-curricular activity platforms, among others, should be used.

Measure results and ensure policy learning

Measuring results is an important aspect of the strategy. For the strategy to succeed, it must be implemented effectively. Clear performance indicators need to be identified at the outset. A comprehensive, regular monitoring of the impact of youth entrepreneurship policies, programmes and other measures needs to be undertaken. In addition, lessons learned from youth entrepreneurship programmes, initiatives and other measures taken need to be part of the feedback mechanism and should be communicated to all stakeholders.

In this regard, a management information system that will facilitate data capture and track performance needs to be developed. As part of the process, specific benchmarks and indicators on youth entrepreneurship need to be developed and data on these elements need to be collected (Box 5). Defining performance indicators that will demonstrate change is occurring is also crucial. Examples of indicators that may be collected to show the contribution of youth entrepreneurship are presented in Section III.

Box 5. Examples of policies and initiatives to measure results and ensure policy learning

- **Regional:**

The African Union's African Youth Decade (2009–2018) Plan of Action: *Accelerating Youth Empowerment for Sustainable Development* identifies youth entrepreneurship indicators that member states need to track in order to assess progress.

- **Regional:**

The European Union (EU) Youth Strategy has indicators to assess the share of self-employed youth as well as attitudes towards entrepreneurship among young people, assessed by the number of youth that express an interest in starting a business. Other indicators include the number of NEET youth.

- **South Africa:**

As part of the development of the *Youth Enterprise Development Strategy*, a youth entrepreneurship data system has been developed. It tracks young entrepreneurs' performance and assesses the effectiveness of the strategy by monitoring targets and gaps.

Source: UNCTAD Inventory, www.unctad.org/epf

Formulating National Youth Entrepreneurship Strategy: Checklist of key questions

- Are there tools for assessing the national youth entrepreneurial environment?
- Are there mechanisms to promote dialogue on youth entrepreneurship?
- Is youth entrepreneurship embedded in the national policy framework to promote entrepreneurship? Are there policies designed to encourage youth entrepreneurship?
- Is youth entrepreneurship policy closely coordinated with other national policies? Are there specific measurable objectives designed to encourage youth entrepreneurship?
- Is there a lead entity (ministry or other institution) responsible for coordinating the development of the youth entrepreneurship strategy? Is there an advisory body to advocate for the needs of young entrepreneurs?
- Does the youth entrepreneurship policy deliberately target different cohorts of youth?
- Does the government routinely assess the impact of youth entrepreneurship policy measures?
- Does the government support independent policy evaluations on youth entrepreneurship?
- Is there an annual (periodic) report on the status of youth entrepreneurship?
- Are there mechanisms to promote cross-sectoral collaborations on youth entrepreneurship? Are there mechanisms to monitor and evaluate progress in youth entrepreneurship?

2. Optimizing the Regulatory Environment

Barriers in the business environment such as complex business registration procedures, high costs associated with business taxes and licenses and complex tax regulations are obstacles that often deter aspiring young entrepreneurs, particularly those in developing countries, from starting as well as registering their businesses. Ensuing informality results in a significant loss in tax revenues for governments, and hinders youth businesses' capacity to grow. This section explores the key elements and necessary actions for optimizing the regulatory environment for all entrepreneurs, including young entrepreneurs. The measures related to optimizing the regulatory framework are horizontal and should be applied to all entrepreneurs in order to maintain an equal level playing field. Therefore, the recommendations for action contained in the table are not youth-specific, and replicate those contained in the EPF. However, aspects related to youth are discussed as well as facilitation measures to ease youth understanding of how to start and grow a business. Table 3 provides a synopsis.

Table 3. Optimizing the regulatory environment

Policy Objectives	Policy Options
<ul style="list-style-type: none"> Examine regulatory requirements for start-ups 	<ul style="list-style-type: none"> Benchmark time and cost of starting a business Benchmark sector- and region-specific regulations Set-up public-private dialogue on regulatory costs and benefits Balance regulation and standards with sustainable development objectives
<ul style="list-style-type: none"> Minimize regulatory hurdles for business start-ups where appropriate 	<ul style="list-style-type: none"> Review and, where appropriate, reduce regulatory requirements (e.g. licenses, procedures, administrative requirements) Introduce transparent information and fast-track mechanisms and one-stop shops to bundle procedures Enhance ICT-based procedures for business registration and reporting
<ul style="list-style-type: none"> Build entrepreneurs' confidence in the regulatory environment 	<ul style="list-style-type: none"> Ensure good governance Make contract enforcement easier and faster Establish alternative conflict resolution mechanisms Guarantee property protection Reduce the bankruptcy stigma and facilitate re-starts
<ul style="list-style-type: none"> Guide entrepreneurs through the start-up administrative processes 	<ul style="list-style-type: none"> Make explicit link between regulatory requirements and public-services, including business support services Carry out information campaigns on regulatory requirements Make explicit link between regulatory requirements and public-services, including business support services Assist start-ups in meeting regulatory requirements

Source: UNCTAD's EPF

Examine the regulatory requirements for start-ups

In establishing a regulatory environment that is conducive to business, including youth-led enterprises, it is important to identify the regulations that are essential for businesses to function. Formalization is an essential component of establishing an enterprise. However, processes involved in formally registering a business can prove to be burdensome particularly to young people, often discouraging them from starting their businesses. Facilitating formalization for start-ups can create conditions that enable an entrepreneurial ecosystem that is conducive for the development of youth-led enterprises. Business registration procedures, specifically, the number of days it takes to register a business and the cost associated with the registration process such as administrative and legal fees, are predictors of formalizing a business and indicators of the ease of doing business in a specific country. According to the World Bank's *Doing Business 2014*, Canada and Singapore, which have few procedures required to formally register, short time frames to formally register a business and low registration costs make it easier to start and operate a business. Conversely, numerous procedures and lengthy time frames to formally register a business, and high registration costs are associated with an unfavourable regulatory environment in which to start and operate a business. It is important to consider whether regulations will particularly affect young people, such as minimum age for bank accounts or loans.

Minimize regulatory hurdles for business start-ups where appropriate

Many countries have taken steps to create an enabling environment that is conducive to enterprise development by minimizing the hurdles for start-ups. The implementation of electronic procedures, the elimination of minimum start-up capital requirement and the establishment of one-stop shops that bundle procedures have enhanced the regulatory environment.

Technology is increasingly being harnessed to facilitate formalization processes. In countries with electronic registration, formalizing a business not only involves fewer procedures, but also takes less time and is less costly. Singapore implemented an internet-based business registration system, *BizFile*, which has made it easier, efficient and less expensive to register start-ups. Information is updated within 30 minutes of filing when compared with 14–21 days before the implementation of the web-based system. Registering a new business takes 15 minutes, it took 24 hours prior to the implementation of the web-based system, and the fees to register a business have been halved from \$100 to \$50. Bangladesh, Brunei, Botswana, Cyprus, Dominica, India, Kenya, Malta, Pakistan, Rwanda, Sri Lanka, Samoa, to name a few, have also implemented online business registration procedures (World Bank, 2014).

Eliminating the minimum capital requirement to start a business can also enhance the regulatory environment for aspiring entrepreneurs, in particular, for young people who often lack access to start-up capital. In some countries, these measures have been targeted to youth-led enterprises. For example, in January 2012, Italy introduced a simplified registration procedure for youth-led start-ups that allowed young entrepreneurs under 35 years to register a limited liability company with negligible share capital. A year after the implementation of this measure, about 12,000 youth-led businesses had been registered and more than 17,000 new jobs had been created.

Similarly, Botswana and the United Kingdom have no minimum capital requirement to start a business. Elsewhere, costs associated with business registration have been reduced or eliminated altogether, making it easier for entrepreneurs to register their businesses. According to the World Bank *Doing Business 2014*, South Africa reduced the notary fees associated with registering a business, while Lesotho simplified its start-up processes by eliminating notarization requirements and introducing standardized articles of association.

According to the World Bank, of the 189 economies studied in *Doing Business 2014*, 99 have no minimum capital requirements and 39 of those have eliminated such requirements in the past seven years.

Minimum capital requirements can significantly slow entrepreneurship. Paid in minimum capital, which currently varies from 1\$ in Germany to \$58,000 in Myanmar, is often a fixed amount that does not take into account firms' economic activities, size or risks. Such requirements have the purpose of protecting consumers and creditors from hastily established and potentially insolvent firms. A study carried out in Japan has demonstrated that the removal of the capital requirement facilitated the creation of new businesses. The removal introduced after a trial period in selected sectors, led to the change in the Corporate Law of Japan in 2005, and applied to all companies (Nagaoka, Flamm, Kondo, 2009).

In case of the removal of capital requirements, however, it is necessary to monitor start-ups, protecting consumers and creditors for example by the enforcement of mandatory disclosure of information, corporate governance monitoring, setting of favourable interest rates for loans to start-ups, and contractual provisions such as bond indentures and loan agreements.

Fast-track mechanisms such as one-stop shops can facilitate formalization for new start-ups. Several countries, including Cameroon, Canada, Ghana, Lesotho, Malta, Mauritius, Namibia, Rwanda, United Kingdom, have established one-stop shops. It is critical to ensure that young entrepreneurs are informed of the regulatory environment and its requirements. A step by step checklist of administrative processes that entrepreneurs are likely to encounter during the registration phase may be particularly helpful for young entrepreneurs navigating these processes. In El Salvador, an online portal, *Mi empresa*, provides information on the requirements for start-ups. Other measures that can enhance the regulatory environment for young entrepreneurs include increasing the availability and enhancing the capacity of business development services to assist young people in navigating the administrative processes. Also, creating a window dedicated to assisting young entrepreneurs at one-stop shops and possibly extending a grace period to enable young entrepreneurs to comply with administrative procedures and other regulatory requirements can enhance the entrepreneurial ecosystem for youth.

Build entrepreneurs' confidence in the regulatory environment

A transparent regulatory system that has clear rules on compliance and insolvency and effective mechanisms for resolving disputes can build entrepreneurs' confidence in the regulatory environment and encourage them to engage in economic activity. Transparent and universal rules can also enhance the entrepreneurial ecosystem for young people and stimulate youth-led start-ups.

In many countries, however, property rights are neither adequately defined nor well protected. Registering property can be a time consuming and costly endeavour. Moreover, processes associated with property registration are often unclear. Poor enforcement of copyright, patent and trademark regulations can greatly disadvantage young people who are often uninformed of or unfamiliar with these regulations, and do not have resources or networks necessary to fight for justice. Since young entrepreneurs generally lack knowledge of and are poorly informed about property rights and trademark regulations, they cannot adequately protect their businesses, and could potentially find themselves in litigation with individuals or businesses for copyright infringement. Simpler procedures, effective administration of time limits, fixed registration fees, online registries and low property transfer taxes can reduce the burden associated with registering property (World Bank, 2014).

Bankruptcy laws in many countries are unreasonably punitive to business failure. Weak insolvency regimes, which are characterized by lack of effective dispute mechanisms, often result in negative consequences such as unresolved debts. Inexpensive and transparent procedures can facilitate debt repayments and encourage lending, thereby contributing to the survival of viable businesses.

Severe penalties for failure can greatly impact on young entrepreneurs' willingness to engage in business and their economic confidence generally. To overcome the stigma associated with filing for bankruptcy, closing a business or a business failure, *Think Young*, a group that advocates for young entrepreneurs in the European Union launched the '*Fail 2 Succeed*' campaign aimed at encouraging young entrepreneurs to embrace business failure as a learning requirement for future success and as part of its campaign, it showcases testimonials of "famous failures".

Beyond counselling young people on starting their businesses, it is important to educate young entrepreneurs on the importance of good governance. Business development services can play an important role in educating young entrepreneurs about business integrity and effective institutions and their role in the business environment as well as in instilling in young people the importance of paying taxes and their contribution to the economy. In the UK, for example, young entrepreneurs who do not earn a significant income in the first few months of launching their businesses are entitled to Working Tax Credits.

Given the evolving nature of regulatory environments, young entrepreneurs will need to be apprised of ongoing changes in rules and regulations. Information on changes in the regulatory environment can be disseminated to young entrepreneurs using youth-friendly platforms such as social media, and through young entrepreneurs' networks (see section 6). Similarly, training workshops, seminars and informational campaigns can also provide much-needed counselling about changes in the regulatory environment.

Guide entrepreneurs through the start-up administrative process

Guiding young entrepreneurs through the start-up phase is fundamental. It is essential to ensure that effective mechanisms are in place to help young entrepreneurs navigate the administrative processes. Efficient business development services can provide youth with necessary support as part of a broader assistance programme (Box 6). Ontario Canada's Small Business Enterprise Centres, for example, provide students participating in the province's flagship *Summer Company* programme and other young entrepreneurs with business support, from evaluating an idea to developing a business plan. Also, initiatives such as UNIDO's *Innovation, Development & Entrepreneurship for All* (IDEA) which assists youth-led growth-oriented SMEs through the formalization process, are closing the gap on informality, a defining characteristic of youth-led enterprises.

In many countries, mentors are playing an important role in facilitating formalization by helping young entrepreneurs to better understand the necessary procedures and regulatory requirements involved in operating their businesses, and the value to their organizations. Increasingly, financial institutions are providing other supports, besides financing to young entrepreneurs. Small Industries Development Bank of India (SIDBI), the principal financial institution for the promotion, financing and development of MSMEs, links entrepreneurs to various portals through its website, which provides information as well as redress of public grievances.

Box 6. Examples of programmes and policy actions taken to guide entrepreneurs in the start-up phase and enhance benefits of formalization

- **Canada:**
Ontario's Small Business Enterprise Centres provide business support to young entrepreneurs, from evaluating an idea to developing a business plan.
- **Tanzania:**
Tanzania Private Sector Foundation equips young entrepreneurs aged 25–35 with practical knowledge and skills to start and operate a business. As part of its follow-up services, the foundation assists young entrepreneurs to register their businesses and obtain a license.

Source: UNCTAD Inventory, www.unctad.org/epf

Optimizing the regulatory environment: A checklist of key questions

- What procedures are required in registering a business?
- How long does it take to register a business? How much does it cost to start a business? Which of these elements may pose particular barriers to young entrepreneurs?
- Are there special regulatory provisions for youth-led businesses?
- Are there fast-track mechanisms and one-stop shops that bundle procedures? Are ICT-based administrative procedures used?
- Are there services (such as business development services) and supports (i.e. mentors) to assist young entrepreneurs in meeting regulatory requirements, and understanding the importance of them?



3. Enhancing Entrepreneurship Education and Skills Development

Owing to lack of entrepreneurship education in many education systems' curricula, young people often do not learn about or acquire skills in entrepreneurship. Where entrepreneurship education is available, entrepreneurship is often offered as only a part of other subjects. Moreover, a mismatch in the skills that young people acquire while in school and those that the labour market demands, contributes to high youth unemployment. Strengthening the capacity for young people to gain entrepreneurial competencies will create an enabling environment, build an entrepreneurial culture among young people and prepare them to adapt for jobs that do not yet exist. This section explores the key elements and identifies actions necessary in enhancing entrepreneurship education and skills. It should be noted that the recommendations provided in the area of entrepreneurship education and skills development replicate those contained in the UNCTAD's EPF as they targeted youth needs and specificities. Table 4 provides a synopsis.

Table 4. Enhancing entrepreneurship education and skills development

Policy Objectives	Policy Options
<ul style="list-style-type: none"> • Embed entrepreneurship in formal and informal education 	<ul style="list-style-type: none"> • Mainstream entrepreneurship awareness and entrepreneurial behaviours (e.g. risk taking, teamwork behaviours, etc.) from the primary school level • Promote entrepreneurship through electives, extra-curricular activities, career awareness seminars and visits to businesses at the secondary school level • Support entrepreneurship courses, programmes and chairs at higher education institutions and universities • Promote vocational training and apprenticeship programmes • Promote and link up with entrepreneurship training centres
<ul style="list-style-type: none"> • Develop effective entrepreneurship curricula 	<ul style="list-style-type: none"> • Prepare basic entrepreneurial skills education material • Encourage tailored local material, case studies and role models • Promote experiential and learning by doing methodologies • Foster interactive and on-line tools
<ul style="list-style-type: none"> • Train teachers 	<ul style="list-style-type: none"> • Ensure teachers engage with the private sector and with entrepreneurs and support initiatives that bring entrepreneurs to educational establishments • Encourage entrepreneurship training for teachers • Promote entrepreneurship educators' networks
<ul style="list-style-type: none"> • Partner with the private sector 	<ul style="list-style-type: none"> • Encourage private sector sponsorship for entrepreneurial training • Link up business with entrepreneurship education networks • Develop mentoring programmes

Source: UNCTAD and the Commonwealth

Embed entrepreneurship in formal and informal education

Integrating entrepreneurship in formal and informal education systems is a necessary step in ensuring that young people acquire the appropriate competencies and skills to enable them to become entrepreneurs. For entrepreneurship education to be effective, it needs to be an integral part of a student's experience and not an add-on, and should focus on inculcating an entrepreneurial mind-set and promoting self-employment as a viable career option, i.e. it should encourage innovation and ensure that students develop confidence, flexibility, enterprise awareness, resilience and risk-orientation from the outset. To ensure that entrepreneurship is effectively integrated in education, different stakeholders, including the Ministry of Education and other ministries, such as Youth, Science, Export/Trade, Technology and Labour, as well as entities in the public and private sector, schools, academic institutions, business development services and NGOs that support young people, among others, need to be engaged in entrepreneurship education.

Entrepreneurship education should start at an early age, with the curriculum adapted at different levels of the education system – primary, secondary and tertiary levels. At the primary school level, entrepreneurship should focus on soft skills, informed risk-taking, and team work. Students should also be encouraged to be creative and engage in hands-on, practical activities. At the secondary school level, entrepreneurship education should focus on informing students about self-employment as a career option. Students should also develop non-cognitive skills, entrepreneurial knowledge, skills and attitudes and gain experiences in starting a business. In addition, they need to engage in real-life projects that provide them with an opportunity to exercise problem-solving and leadership skills as well as an understanding of risk and reward. In addition, enterprise skills need to be embedded in all lessons, not just in business classes. At the tertiary level in both university and vocational training environments, entrepreneurship education should focus on providing training to students in a broad range of disciplines, including science and technology. Like secondary school students, university students need to be taught non-cognitive skills that entrepreneurs need to create successful businesses such as resourcefulness, creativity, flexibility, determination, critical thinking, decision-making, leadership and focus, as well as how to function in a fast-changing workplace.

Several countries have taken measures to integrate entrepreneurship education. In Nigeria, entrepreneurship is part of the secondary school curriculum and entrepreneurship studies are compulsory subject for all university undergraduates, while in Rwanda, entrepreneurship is offered at both the Ordinary (O-Level) and Advanced Level (A-Level) in secondary school in an effort to ensure that educational outcomes are aligned with the labour markets' needs.

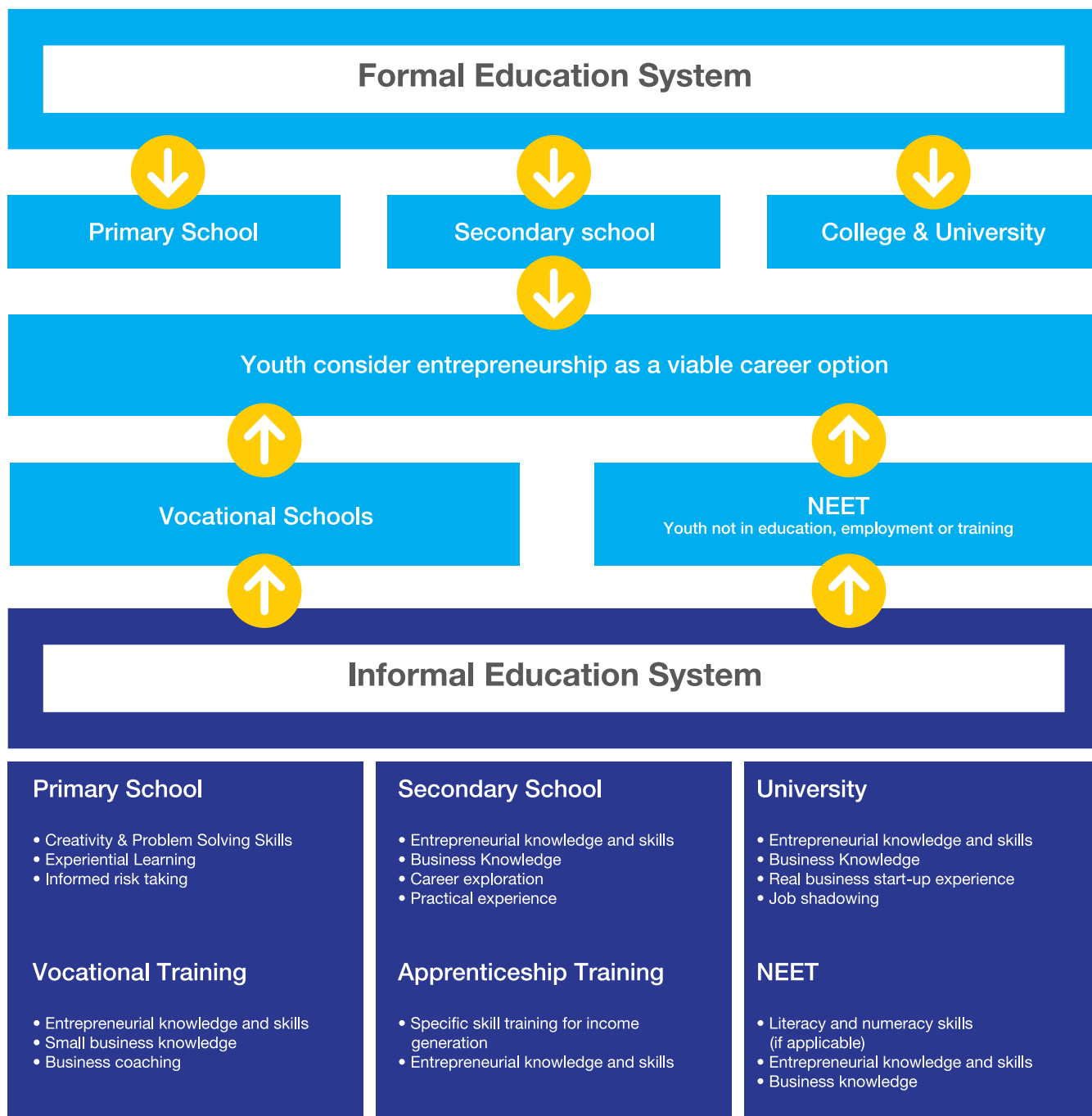
Most education systems do not offer opportunities for practical and experiential learning as well as teamwork learning, in part, because relationships between educational institutions and the business community (school industry partnerships, combination of classroom learning and structured on-the-job experience) are not well-developed, or are lacking altogether. At the same time, support structures such as business development services and networking opportunities aimed at linking young entrepreneurs to practical skills are often lacking in many countries or poorly developed in others.

Promoting entrepreneurship in vocational training can ensure that young people acquire essential business skills as part of their training. Entrepreneurship has been integrated in several countries' technical and vocational education training systems (TVET). Formal TVET systems provide formal education, training and assessment of skills required in the workplace through schools, colleges, institutes, polytechnics and workplaces and other registered training organizations, and offer some form of certification or qualification. For example, Australia's nation-wide vocational education and training (VET) is offered in the public technical and further education (TAFE) system as well as through private and community training providers, and in secondary schools, and combines with apprenticeship programmes.

While TVET programmes across countries vary considerably in their operations and effectiveness in providing skills that are responsive to labour market demands, these programmes are being strengthened to better meet sector-specific needs. Entrepreneurship training has been integrated in several countries' vocational schools to ensure that young people are equipped with the requisite skills to enter self-employment, sub-contracting and small business. In Kenya, entrepreneurship education is a compulsory and examinable subject in all technical and vocational schools. *Know About Business (KAB)* is now offered through Kenya's TVET, also referred to as TIVET – Technical, Industrial, Vocational and Entrepreneurship Training, to reflect the integration of industrial components and entrepreneurship into the programme.



Figure 3: Entrepreneurship education in formal and informal education



Source: UNCTAD and the Commonwealth

Programmes such as the International Labour Organization’s Know About Business (KAB), a training programme on entrepreneurship that develops entrepreneurial skills, attitudes and mind-sets among young people aged 15–25 and prepares them for entrepreneurial careers, are making inroads in bridging this gap by delivering entrepreneurial skills to young people. KAB is aimed at trainers and teachers in schools, vocational training as well as in universities and has 10 modules that cover a duration of 80–120 hours (Box 7).

Box 7. ILO's Know About Business

Know About Business (KAB) is an entrepreneurship education programme that seeks to introduce young women and men to the world of business and entrepreneurship. KAB's overall objective is to contribute towards the creation of enterprising cultures among young people in ILO member states. The programme inculcates enterprising qualities such as initiative, innovation, creativity and risk taking among young people while raising their awareness about the opportunities and challenges of entrepreneurship and self-employment along with an increased understanding of the role that youth can take in shaping their own future.

The *KAB* package is geared towards teachers in public and private general secondary education, vocational and technical training institutions and higher education, with young people aged 15-24 who are enrolled in these institutions as its target group.

The programme's objectives are to:

- Develop positive attitudes towards sustainable enterprise, self-employment and social entrepreneurship;
- Create awareness of enterprise and self-employment as a career option for young people;
- Provide knowledge and practice about the desirable attributes for starting and operating a successful enterprise;
- Prepare students to become better employees through improved understanding of business; and
- Ensure that young people that have received training in KAB will have a positive approach to entrepreneurship and will be inclined to create their own business.

KAB comprises of a facilitator's guide, a learner workbook and 10 modules. Each Module represents a key area of entrepreneurship and is divided into several topics.

- Module 1: What is Enterprising?
- Module 2: Why Entrepreneurship?
- Module 3: Who are entrepreneurs?
- Module 4: How do I become an entrepreneur?
- Module 5: How do I find a good business idea?
- Module 6: How do I organise an enterprise?
- Module 7: How do I operate an enterprise?
- Module 8: What are the next steps to become an entrepreneur?
- Module 9: How to develop one's own business plan?
- Module 10: How do I become a social entrepreneur?

Risk taking, negotiation, team work and business games are integrated into the programme, making learning fun, inspiring and interactive. *KAB* students have an option to establish and operate a school business or social enterprise during the school year. The programme has been introduced in more than 50 countries in Latin America, Africa, the Middle East, Central, East and South East Asia. It has been integrated into the entrepreneurship education curricula in some countries, while in others, *KAB* is taught in select schools and institutions.

Internal impact evaluation studies have shown that *KAB* training had positive impact on participants' knowledge, skills, and attitudes towards starting a business 18 months after completing the programme. It also encouraged young people to be more aware of self-employment as a future career option. When asked about preferred sector of work, *KAB* participants were less likely to prefer public sector jobs and more likely to prefer the private sector.

Junior Achievement educates students in grades K-12 about workforce readiness, entrepreneurship and financial literacy through an experiential, hands-on programme, and has been effective in increasing critical thinking and problem-solving skills among its elementary school participants as well as knowledge about personal finance, business and economic concepts among its middle school participants. KIVA, an online lending platform that connects online lenders to low income individuals and entrepreneurs, has an education initiative aimed at K-12 educators, high schoolers and college students that uses microfinance and entrepreneurship as teaching tools to enhance young people's knowledge of poverty alleviation.

Programmes such as *Ontario Global Edge* which provide enterprising college and university students with practical experience in SMEs around the world and *Student Placements for Enterprises in Education*, a knowledge transfer programme available through the U.K.'s network of science and technology centres, allows student entrepreneurs to gain real business start-up experience while studying at university, and are also bridging the gap in entrepreneurship knowledge.

The private sector has an important role to play in entrepreneurship education. Business can provide young entrepreneurs with opportunities to gain knowledge and much-needed experience in entrepreneurship. For instance, *Kickstart*, an entrepreneurship development programme launched by Botswana's Kgalagadi Breweries Limited, provides young entrepreneurs aged 18–30 with business skills training, mentoring as well as start-up capital required to start or expand an existing business. Operated by a group of private sector companies, the programme, now in its tenth year, provides young entrepreneurs with business support that aligns with their aspirations and has been successful in inculcating a culture of entrepreneurship among young people in Botswana.

Apprenticeship programmes provide young people with opportunities to learn a particular technical skill or trade in the workplace thereby ensuring that the skills gained are relevant to the workplace. Quality apprenticeships not only offer pertinent skills for the workplace, but are also associated with lower levels of youth unemployment at the national level. In order to better equip the apprentices with the skills needed for the business environment, formal apprenticeship programmes in several countries have been strengthened to provide entrepreneurship skills along with technical skills. In Australia, for example, apprenticeships and entrepreneurship education have been integrated into the VET system, thus enabling apprentices to gain formal technical knowledge and hands-on business knowledge while on workplace assignments.

Programmes that provide mentoring opportunities to young entrepreneurs are essential in enhancing their business capabilities. Young entrepreneurs in developing countries often have limited access to experienced entrepreneurs and business leaders with whom they can discuss business-related matters. UNCTAD's *Empretec* capacity-building programme provides technical and behavioural training, and also facilitates access to mentors (Box 8), as does Youth Business International's model.

Box 8. UNCTAD/EMPRETEC beneficiaries from Uganda and Jordan

Empretec is a capacity-building programme of the United Nations Conference on Trade and Development (UNCTAD). Started in 1988, the programme operates in 36 countries across the world and has assisted over 340,000 entrepreneurs through its network of local market-driven Empretec centres. In an effort to address some of the most common challenges affecting young entrepreneurs, Empretec centres developed initiatives aimed at meeting the needs of young entrepreneurs in their countries. Peace Victoria Nyero-Too and Omar Al-Assi are two young entrepreneurs trained in Jordan and Uganda.

Omar Al-Assi (Jordan)

Omar is a 23-year old young man. Prior to starting his business, Omar worked for a year in the production line in a furniture-making factory. Realizing his job offered limited prospects, Omar decided to start his own business. Uncertain about how to turn his idea into a 'business', Omar enrolled in the Business Development Centre, Jordan's Empretec centre's Entrepreneurship Training Workshop, which he says, was the beginning of his real business journey: *"Empretec taught me that I have to feel the pain of starting from scratch to enjoy future achievements. The workshop provided the entrepreneurial competencies I needed to start my own business and that was the beginning of my success. Empretec gave me the confidence to believe in myself as a young aspiring entrepreneur and the trainers motivated me to pursue my dream and achieve my goals, and to never take no for an answer."*

After completing the workshop, Omar started his venture while still working as an employee. Prior to launching his business, he conducted market research and soon realized that he had a lot to learn to fully understand the business before hiring any staff. After this learning process, unable to handle the growing orders by himself, Omar began hiring new staff. Located in Madaba, the firm currently employs 9 people. Omar is proud to contribute to generating employment opportunities for local young Jordanians.

Source: http://www.bdc.org.jo/Youth_Entrepreneurship__Career_Path_Program.aspx

Peace Victoria Nyero-Too (Uganda)

Peace Victoria Nyero-Too, a young Uganda woman, participated in the Business and Enterprise Start-up Tool (BEST), by Enterprise Uganda, Empretec's local implementing partner. BEST is a five-day training programme which helps young entrepreneurs to build their inner confidence - a barrier that limits young people's entrepreneurial initiative - and equips them with practical tools to start a business. After attending the five-day training, Peace Victoria's confidence grew, with the belief in herself giving her the boost she needed to venture into self-employment. Some important lessons learnt during the training, using resources wisely while finding ways to save money and investing back into the business, came in handy. Peace Victoria started her poultry enterprise with just \$50 from her savings. With a can-do attitude and positive mind-set, she started a thriving business in a sector that is largely dominated by men and mature women in her country, proving that with hard work and the right skills and attitude, young people can compete in business and succeed.

Source: www.enterprise.co.ug/best.htm

Initiatives that offer entrepreneurship education tailored to young entrepreneurs engaged in specific sectors are essential (Box 9). Argentina's Ministry of Agriculture, Livestock and Fishing (Ministro de Agricultura, Ganaderia y Pesca) has implemented the *Young Rural Entrepreneurs* project that is providing entrepreneurship skills to young entrepreneurs in rural parts of Argentina. Similar programmes in Kenya, Madagascar, Rwanda and Uganda are providing young people in rural areas with requisite skills.

As labour markets change and new sectors emerge, it is important to ensure that young people are prepared to take advantage of opportunities in emerging sectors. In the Pacific region, for example, the Pacific Organic and Ethical Trade Community and the Tonga National Youth Congress are engaging young entrepreneurs who have an interest in organic farming, including providing them with training in organic farming as well as other support such as facilitating certification requirements, obtaining equipment and accessing markets in order to engage effectively in the organic sector. Other emerging sectors with promising opportunities for young people include technologies and renewable energy fields; tourism and the creative industries.

Box 9. Examples of programmes and policies to embed entrepreneurship in formal and informal education

- **Australia:**
Club Kidpreneur is a not-for-profit social entrepreneurship organization that encourages entrepreneurial thinking among primary school children. Its programmes provide experiential learning, business literacy and an opportunity to learn and develop business skills.
- **Global:**
International Youth Foundation, a youth development organization, in partnership with Microsoft, offers *Build Your Business*, an e-learning and in-person instruction training programme that is designed to help young people to start their businesses, including information on business planning, start-up financing and other business concepts.
- **Global:**
UNIDO's *Productive Work for Youth* initiative assists young entrepreneurs to establish their businesses and to financially appraise the business idea through UNIDO's financial appraisal software (COMFAR). The programme also helps aspiring young entrepreneurs seeking to establish an enterprise with analysis on markets and value chains, and to identify sectors and value chains with high potential for young entrepreneurs.
- **Global:**
IFAD's *PROSPERER* initiative provides training and apprenticeship opportunities to young people in Madagascar's rural areas through local SMEs. Through the initiative, young people gain knowledge and skills that will enable them to establish their own enterprises.

- **New Zealand:**

Young Enterprise Trust offers opportunities in experiential enterprise education and financial literacy to students in New Zealand. Established in 1981 as the Youth Enterprise Scheme, the programme encompasses enterprise activities and is aligned with the New Zealand Curriculum.

- **Pakistan:**

YES Network Pakistan, in partnership with the British Council's *Skills for Employability* programme, provides training in entrepreneurship to young people aged 16–21 who are studying in TVET institutions.

- **Regional:**

Junior Achievement-Young Enterprise Europe (JA-YE), Europe's largest provider of entrepreneurship education programmes, provides young people in primary and secondary schools, and in university with experiences that promote the skills, understanding and perspective that they will need to succeed in a global economy.

- **Trinidad and Tobago:**

Youth Business Trinidad and Tobago, an accredited member of Youth Business International (YBI), assists young people with the support that they need to launch their businesses.

- **United Kingdom:**

The Hub Youth Academy, an initiative of Impact Hub, is a programme designed to teach young entrepreneurs between 18-25 how to develop a social business.

Source: UNCTAD Inventory, www.unctad.org/epf

Develop effective entrepreneurship curricula

Developing effective curricula and teaching tools is an essential step in enhancing entrepreneurship education and skills for young people. An effective curriculum should build an individual's competencies and skills as well as build an entrepreneurial mind-set and enhance their ability to recognize an opportunity. In the United Kingdom, for example, the Quality Assurance Agency for Higher Education (QAA) supports educators in the development of entrepreneurship curricula so that they can help students develop enterprising behaviours, attributes and skills as well as an entrepreneurial mind-set. Ireland's National Foundation for Teaching Entrepreneurship's *Youth Entrepreneurship Curriculum* uses an innovative and creative approach to teaching entrepreneurship. It provides young people with entrepreneurship and business skills and encourages them to think creatively and to use their initiative when developing and implementing their business ideas (Box 10).

International organizations are also supporting governments in their endeavours. The United Nations Industrial Development Organization (UNIDO)'s *Entrepreneurship Curriculum Programme* (ECP) is designed to assist students in secondary, technical schools and universities to identify and implement business opportunities in their communities, learn to

save, innovate, invest and grow, and use technology. The private sector is also supporting governments' efforts aimed at ensuring that young people are equipped to take advantage of future opportunities. Chevron has partnered with the government of Angola and UNIDO to introduce entrepreneurship curricula in the country's secondary school system. As part of the initiative, teachers have been trained to deliver entrepreneurship and education officials to implement entrepreneurship curriculum in Angola's secondary schools. Several curricula have also been developed to meet entrepreneurship needs in specific sectors.

Box 10. Examples of programmes and initiatives in developing effective entrepreneurship curricula

- **Global:**

Making Cents International's *Agriculture Enterprise Curriculum* is designed to empower farmers to take a more commercially-minded approach to their farming activities and enhance rural entrepreneurs' business skills as well as help them to understand broader aspects of agri-business such as agricultural value chains.

- **Global:**

UNIDO's *Entrepreneurship Curriculum Programme* (ECP) is designed to enhance the ability of young people to identify economic opportunities as well as other skills such as creativity, innovation, planning and leadership. ECP has been implemented in several countries, including Mozambique, where 160 schools have implemented the programme, and over a thousand teachers were trained to teach entrepreneurship. Over 100,000 students were trained in entrepreneurship education.

- **Kenya:**

Equity Bank has developed an agricultural business curriculum designed to help young farmers to engage in enterprise development.

- **Nicaragua:**

Sistema de Aprendizaje Tutorial (SAT) curriculum is designed to train young people with primary school level education and prepare them to engage in agri-business.

- **United Kingdom:**

UK's Enterprise Education along with the QAA has developed guidelines for teaching enterprise and entrepreneurship education in the curriculum.

- **Wales:**

Wales' Department of Education and Skills has developed '*Essential Skills*', a curriculum that places emphasis on initiative, independence, creativity, and flexibility.

Source: UNCTAD Inventory, www.unctad.org/epf

Train teachers

Teachers play an important role in inculcating entrepreneurship knowledge and skills. However, in many instances, teachers that deliver aspects of enterprise education in various settings often are non-specialists with little or no training in the area of enterprise. Consequently, they lack the inclination, confidence and ability to teach enterprise effectively. To teach entrepreneurship effectively, teachers need to understand key entrepreneurial attitudes and skills and require training in entrepreneurship in order to promote these skills, focusing on experiential learning and project work, identifying best answers, rather than providing students with solutions. Towards this goal, the EU launched the *Entrepreneurial School Project* (Box 11).

Box 11. Examples of train-the-teacher programmes and initiatives

- **Global:**
ILO's Know About Business (*KAB*) is geared towards teachers in public and private general secondary education, vocational and technical training institutions and higher education, with young women and men aged 15–24 who are enrolled in these institutions as its target group.
- **Global:**
UNIDO's *Entrepreneurship Curriculum Programme* (ECP) has a train-the-trainer component that is geared toward training teachers who teach entrepreneurship.
- **Macedonia:**
Over 1,000 teachers who teach at the primary, secondary and tertiary levels in Macedonia were trained in entrepreneurship education.
- **Regional:**
The *Entrepreneurial School Project* is an EU initiative that is designed to train teachers from 22 countries in Europe to become more entrepreneurial in their teaching methods. A "*Virtual Guide to Entrepreneurial Learning*" with tools and methods to support entrepreneurial teaching and learning has been launched.
- **United Kingdom:**
UK's Enterprise Educators in collaboration with the National Conference of Enterprise Education, which host the International Enterprise and Entrepreneurship Conference (IEEC), use the platform to transfer knowledge on enterprise and entrepreneurship education among educators.

Source: UNCTAD Inventory, www.unctad.org/epf

Partner with the private sector

Business leaders, entrepreneurs, banking and finance experts have an important role to play in enterprise education by providing an understanding of business and enterprise, and transferring valuable knowledge to students, and in inspiring future entrepreneurs. Inviting business leaders and entrepreneurs to school classrooms to share their knowledge and experiences about operating enterprises can help to inspire young people. The use of ‘enrichment days’ in U.K. schools provides students with opportunities to immerse themselves in activities where they can acquire and utilize their business skills. In the U.K., Business in the Community (BiTC) brokers partnerships between business and schools in a specific geographical area through its *Business Class* programme, allowing schools to define their priority areas, among them, enterprise and employability, and receive support from businesses for a three-year period.

The private sector can also provide opportunities for real world experience and problem-solving such as internships and job shadowing opportunities to students, thereby allowing young people to improve their employability skills, meeting the demands of the workplace. Private sector engagement in skills development and apprenticeships in Australia, Canada, New Zealand and the U.K., is deemed critical in strengthening TVET’s capacity to provide demand-led skills that can meet sector-specific needs. India has established the National Skill Development Corporation (NSDC), a public-private partnership whose mandate is to enhance, support and coordinate private sector initiatives for skills development.

The private sector has a key role to play in the provision of mentors to support young people in establishing their business, understanding and navigating regulations and other challenges, and managing growth. Mentoring programmes should be properly structured and managed, to ensure the safety of young people, and to facilitate a positive, productive and sustainable experience for the young entrepreneur and the mentor.

Business development services also have a role to play in entrepreneurship education. Well-developed youth-oriented business development services can help young people to acquire the requisite technical and business skills to start and grow a business or build on their existing knowledge (Box 12).

Box 12. Examples of programmes and actions taken to partner with the private sector

- **Brunei Darussalam:**

Brunei Entrepreneurship Education Scheme (BEES), an initiative of the Ministry of Education in conjunction with Brunei Shell and the University of Brunei Darussalam, delivers enterprise training in schools and operates a cooperative fish farming project thereby allowing young people to gain practical knowledge on how to run a business.

- **Germany:**

The German Federal Association of Young Entrepreneurs has implemented programmes that link students and teachers with local entrepreneurs and businesses in an effort to raise awareness of and stimulate interest in entrepreneurship.

- **United Kingdom:**

Founders4School is a programme that allows teachers to organize visits with founders of successful businesses to their schools to share their knowledge and inspire their students. Similarly, Swansea's *Building Enterprise Education* brings together business and industry, entrepreneurs, finance experts as well as educators from colleges and universities to develop a coordinated enterprise programme in schools and universities in Swansea.

- **Global:**

Enablis Entrepreneurial Network, a public-private partnership launched in 2002 as part of the G-8 Summit provides promising entrepreneurs in Africa and South America that have otherwise no opportunity of scaling up enterprises with personalized learning, mentoring and coaching as well as networking opportunities, and established entrepreneurs with working capital and financing to ensure that they develop to their fullest capacity.

Source: UNCTAD Inventory, www.unctad.org/epf

Enhancing Entrepreneurship Education and Skills Development: A checklist of key questions

- Is entrepreneurship recognized as a subject in the education curriculum at primary, secondary and tertiary levels of education? Is entrepreneurship integrated in other subjects or disciplines?
- Are there policies to promote entrepreneurial skills training in schools and in other educational settings?
- Are there programmes beyond the formal education system that are designed to meet the needs of different youth such as out-of-school; youth in rural areas; immigrant youth; youth from ethnic minorities; girls and young women; youth with disabilities; youth in college/university; youth in the informal sector and disadvantaged youth (homeless and other at-risk youth)?
- Are interactive and experiential teaching approaches to entrepreneurship integrated in the education system?
- Is entrepreneurship integrated in the curricula for vocational, technical and commercial schools and in apprenticeship training?
- Are there entrepreneurship curricula and course materials for use in the classroom? Are case studies integrated in the course materials?
- Are academic institutions and business development support services encouraged to provide training, counselling, diagnostic and advisory services to young entrepreneurs?
- Are mentoring and coaching supports available to develop young entrepreneurs' skills?
- Are teachers' awareness and skills in entrepreneurship at an adequate standard? Are teachers trained to value and encourage entrepreneurial attributes in students?

4. Facilitating Technology Exchange and Innovation

Unprecedented developments in technology and innovation, in particular, the rapid growth of information and communication technologies (ICT) and their capabilities, has created new and interesting opportunities for young people. ICTs are used here to refer to computers, mobile phones as well as broadband technologies, not only by using these technologies to learn new skills that will enhance their employability, but also by using ICTs to develop new products, services and processes or to improve existing ones. Young people's use of ICTs to create some of the most innovative products and services of the 21st Century is well documented. Access to affordable and appropriate technology in schools (software and hardware), access to training as well as availability of infrastructure (reliable and affordable internet), are essential in ensuring that young people can take full advantage of these technologies. When access is facilitated, ICTs may play an important role in reducing inequality and fostering social inclusion. However, limited access to ICTs by young people is at the origin of an increasing digital divide. Table 5 presents a synopsis of the actions that can be taken to stimulate technology and innovation as well as foster the diffusion of ICTs among young people.

Table 5. Facilitating technology exchange and innovation

Policy Objectives	Policy Options	Youth-Specific Measures
<ul style="list-style-type: none"> • Support greater diffusion of ICTs 	<ul style="list-style-type: none"> • Launch awareness and capacity-building campaigns on ICT use • Stimulate the introduction of ICT into business • Support the development of on-line and mobile market information platforms • Provide training on ICTs to target groups 	<ul style="list-style-type: none"> • Promote training of ICT skills for youth • Make available ICT technologies and programmes to youth, especially marginalised young people (through schools or other)
<ul style="list-style-type: none"> • Promote inter-firm networks that help spread technology and innovation 	<ul style="list-style-type: none"> • Promote horizontal linkages through cluster development • Promote business linkages through supplier development • Facilitate start-ups that commercialize innovation • Provide assistance for standardization and quality certification to networks of local enterprises (including social and environmental standards) 	<ul style="list-style-type: none"> • Foster youth-led businesses' skills development and market access through business linkages • Support youth-led businesses through mentorship of large buyers
<ul style="list-style-type: none"> • Build bridges between public bodies, research institutions and the private sector 	<ul style="list-style-type: none"> • Identify joint research activities with clearly designated participants and beneficiaries • Promote PPPs and mixed public/private structures to diffuse innovation • Promote institutional synergies at the sectoral level • Develop market friendly university-industry collaboration 	<ul style="list-style-type: none"> • Encourage university-based research commercialization and entrepreneurship centres to support youth-led innovation and facilitate skill acquisition among young people
<ul style="list-style-type: none"> • Support high-tech start-ups 	<ul style="list-style-type: none"> • Establish high-tech business incubators, knowledge parks and science parks • Build networks in knowledge-incentive sectors with leading science experts and academics around the world • Give researchers and innovators streamlined access to cost-effective patent protections 	<ul style="list-style-type: none"> • Support work opportunities for young people in business incubators, knowledge hubs and science parks • Promote initiatives that support budding young technology entrepreneurs

Source: UNCTAD and the Commonwealth

Support greater diffusion of ICTs

In many developing countries, considerable effort has been devoted to ensuring access to ICTs, in particular, access to computers. Rwanda, for instance, has distributed over 200,000 laptops to students in more than 400 primary schools as part of the One Laptop Per Child initiative. Similar plans are underway in Kenya where the government has committed to providing a laptop to each child attending primary school in the country's public school system.

In Pakistan, the Ministry of Youth Affairs has developed a computer literacy programme for disadvantaged youth. The *Mobile Youth Computer Literacy and Awareness* programme enhances the capabilities of young people in rural and underdeveloped regions of Pakistan by providing them with training in ICTs. Moreover, ICTs have enabled people from socially-disadvantaged backgrounds to participate in the digital economy. Individuals with basic ICT literacy are increasingly participating in emerging areas such as outsourcing, crowdsourcing, and micro finance.

Efforts are being made to ensure that young people obtain the skills and competencies needed to engage in a global economy. Technology companies such as Cisco, Microsoft, Google, Facebook, Intel, IBM, Hewlett Packard and Apple are providing opportunities to young people with advanced ICT skills with the necessary resources and supports to ensure that they acquire needed skills to develop relevant solutions for their customers and improve their businesses. Programmes such as Microsoft's *YouthSpark* which provide training in ICTs as well as entrepreneurship opportunities to young people in developing countries, allows them to acquire skills that will prepare them to compete in the technology field and in the 21st Century workplace.

Online and mobile-based platforms are also being harnessed to promote m-commerce in many countries, including for many people at the bottom of the economic pyramid in the developing world. Mobile phones can increase SMEs' efficiency and productivity. Since the launch of *M-Pesa*, a mobile-based money transfer service that allows individuals and businesses to send and receive money in Kenya, mobile technology is increasingly being relied upon to facilitate business transactions. Elsewhere, in sub-Saharan Africa, young entrepreneurs in rural areas use mobile phones to obtain market information and prices for their produce over long distances and across market locations, thereby providing them with a better understanding of their prospects for buying and selling goods.

Increased access to mobile technology has made it possible to reach remote communities as well as conduct business. In the Pacific region, for example, access to mobile technology has not only reduced isolation in the widely-dispersed region, but also made it easier and cheaper to do business in the region. Moreover, the growing availability of mobile phones has created new economic opportunities for many young people in the region. With the entry of mobile phone operator Digicel into Papua New Guinea in 2006, new work opportunities that were previously non-existent were created, thereby transforming the lives of many unemployed young people who now work as agents selling digital air time.

Young people have harnessed the Internet to create economic opportunities (Box 13). The platform has enabled entrepreneurs, regardless of their geographical location, to establish online businesses as well as access larger and geographically diverse markets. Soko, an online store founded by three women, among them, Catherine Mahugu, a young Kenyan entrepreneur, links web consumers to global artisans from the developing world. It is important to note that in much of sub-Saharan Africa and in Small Island Developing States, the internet's potential as a trading space remains largely underutilized partly because the infrastructure for ICTs in these countries is underdeveloped. Initiatives such as the *Pacific Regional Connectivity Programme* are providing high-speed broadband and enhancing connectivity in the region, thereby bridging the digital divide, while stimulating economic growth and social development.

Box 13. Examples of programmes and policy actions taken to support greater diffusion of ICTs to youth

- **Global:**
Cisco Networking Academy equips young people with the skills needed to build, design, and maintain computer networks. Students develop foundational skills in ICT while acquiring vital 21st-century career skills in problem solving, collaboration, and critical thinking. Cisco operates 9,000 academies in 170 countries worldwide.
- **Global:**
Samasource enables young people at the margins of society to develop skills in technology that enable them to increase their earning power and lift themselves out of poverty.
- **Global:**
UNIDO, in partnership with Hewlett-Packard, is implementing a global programme for entrepreneurship and IT education that equips aspiring young and existing entrepreneurs in Africa, the Middle East, Asia and Latin America with hands-on business and IT skills to start, operate run and grow their enterprises.
- **United Kingdom:**
GSMA's *Mobile for Employment* fosters the launch of youth-led employment services such as learning and training, connecting platforms, salary payments, employee registrations and secures helplines for employment advisors.
- **United Kingdom:**
Jaguar Land Rover's *Inspiring Tomorrow's Engineers* programme is designed to promote learning and engagement in science, technology, engineering and mathematics (STEM) among young people. Its *Inspiring Tomorrow's Engineers: Young Women in the Know* initiative is encouraging young women to pursue careers in engineering, thereby challenging outdated ideas about women's participation in non-traditional careers in STEM.

Source: UNCTAD Inventory, www.unctad.org/epf

Promote inter-firm networks that help spread technology and innovation

The development of clusters in various sectors can generate opportunities for young people to acquire skills and capabilities, and for young entrepreneurs, to access markets. Tech City, for example, a technology cluster in London that supports digital entrepreneurship by enhancing the capacity of technology-based start-ups in the Silicon Roundabout area and across London, has been instrumental in the growth of youth businesses such as Last.fm, Dopplr and TweetDeck. Tech City links young entrepreneurs to investors who provide financing for their businesses and facilitates linkages with the U.K. Trade and Investment, thereby enabling young entrepreneurs to access markets.

Clusters help to spread technology and innovation through facilitating knowledge exchange, product promotion and the commercialization of research. Often located in close proximity to academic institutions, partly to benefit from the highly-skilled labour that these institutions provide, clusters, in turn, help young people employed in firms within the sector as well as in academic institutions to build their skills through employment. The ICT cluster in Waterloo, Ontario, home to some of Canada's well-known ICT businesses such as Blackberry-maker, Research in Motion (RIM), is a case in point. The University of Waterloo, which supplies the ICT sector with highly-skilled and specialized labour force, also provides strong support for entrepreneurship, enabling spin-off companies such as Sybase which hire young people, to emerge (Wolfe, 2009).

Public-private partnerships can also help to spread technology and innovation. A partnership between Silicon Valley entrepreneurs and Tanzania's Commission on Science and Technology (COSTECH) technology incubator, for example, is spreading technology and innovation by building the capacity of young Tanzanian software developers to create businesses that have strong growth potential. Also, programmes such as UNIDO's *Productive Work for Youth*, which facilitate business linkages between youth-led SMEs and established firms, allow youth-led enterprises to further develop their businesses and create jobs. In addition, UNIDO is assisting young people involved in the Tanzania's cashew nut value chain to improve their earnings by providing community-level enterprises with appropriate technical equipment for pre-processing plants and in upgrading technology in end processing plants, thereby spreading technology and innovation (Box 14).

Intellectual Property Policies serving ICT entrepreneurship and innovation

Tailored policies related to Intellectual property (IP) and ICTs play an important role in the entrepreneurial journey of the youth. Young entrepreneurs need help in translating innovation into market value. For instance, how to protect a new mobile application, software or a promising prototype?

Intellectual Property rights refer to patents, prototypes, utility models, trademarks, domain names, service marks, geographical indications, layout-designs or topographies of integrated circuits, among others. Copy rights relate to the design of a website or software and other artistic creations (animations, cinematographic works and videogames, among others). Complex but common transactions related to IP and ICTs by young entrepreneurs may include licensing and further development of existing software.

In this regard, the Innovation Policy Platform (IPP) developed by the World Bank and the OECD, provide policy practitioners around the world with a tool to learn about innovation policy, both conceptual and how-to aspects, tailored to the needs of developing and developed countries. Additionally, the World Intellectual Property Organization (WIPO) through the SMEs and Entrepreneurship Support Division develops a solid platform of SME-related content and assists governments to build their national capacity to manage IP from the early stage of research results, through to commercializing, licensing or establishing a start-up business.

Finally, instilling IP notions into the existing curricula at engineering and computer science faculties, protecting IP originating from graduation projects of students and academics at large could further help young entrepreneurs.

Box 14. Examples of programmes and policy actions taken to promote inter-firm networks that help spread technology and innovation

- **Canada:**

MaRS District in Canada has forged partnerships with the private sector to commercialize publicly-funded research in ICTs, health life sciences, clean energy as well as in social enterprises.

- **Malta:**

ICT Gozo Cluster facilitates inter-firm networks between local ICT businesses and international ICT enterprises. The exchanges, which foster technology transfer, product promotion as well as commercialization of ICT and R&D, help spread technology and innovation.

- **Global:**

UNIDO's Productive Work for Youth's programme facilitates business linkages between youth-led SME and established firms which allow youth-led SMEs to further develop their enterprises and create jobs.

- **United Kingdom:**

Tech City UK Alliance aims to accelerate the growth of digital businesses in cities in the U.K.

Source: UNCTAD Inventory, www.unctad.org/epf

Building bridges between public bodies, research institutions and universities, and the private sector

Technological innovation is integral to and an essential component in the development of an enabling entrepreneurial ecosystem. For innovation to be effective, government, academia and the private sector, each of which provide crucial support in the development of an entrepreneurial ecosystem, need to work collaboratively to achieve mutual goals. Government plays an important role by encouraging research and technology transfer as well as in providing an environment that supports the commercialization of science and technology. Academia, on the other hand, is involved in technology transfer as well as in promoting the commercialization

of its research, including the development of spin-off enterprises. In the U.K., science and enterprise parks that were established in 12 universities have spurred entrepreneurship and the commercialization of science and technology, with the parks' strong R&D base, highly skilled workforce and centres of innovation, providing the impetus for start-up growth, and in some cases leading to the development of high-growth enterprises. The private sector, on the other hand, plays an important role in investing in the commercialization of science and technology and in bringing the ideas to the market place (Box 15).

Box 15. Examples of programmes and policy actions taken to build bridges between public bodies, research institutions and universities, and the private sector

- **Canada:**
Networks of Centres of Excellence (NCE), through its Centres of Excellence for the Commercialization of Research (CECR), is building bridges through public-private research and commercialization partnerships and supporting projects in the areas of health, energy/natural resources, ICT, and the environment.
- **Kenya:**
Nokia Research Centre, in conjunction with the University of Nairobi, established a research and sub-contracting lab at the university.
- **Singapore:**
National University of Singapore promotes industry collaboration, technology transfer and commercialization of innovations developed by the institution's researchers and students, with the technologies and research spin-offs developed at the university stimulating the growth of new start-up companies.
- **Tanzania:**
IBM has partnered with the University of Dodoma in the area of cloud computing.

Source: UNCTAD Inventory, www.unctad.org/epf

DEMO Africa is a public-private alliance that was established to enhance and strengthen start-up and innovation ecosystems on the continent. It links start-ups in Africa to venture capitalists, investors, technology acquisition specialists and IT buyers from around the globe. A launching pad for Africa's most innovative enterprises, DEMO Africa offers start-ups in a variety of areas such as agriculture, health, education, manufacturing, retail, media and entertainment, communications, transport and logistics, energy, finance and banking, water and sanitation, and waste management and recycling with an opportunity to launch their products in a technology ecosystem. A flagship initiative of LIONS@frica, DEMO Africa, in collaboration with Microsoft, USAID, the U.S. Department of State and Start-up Weekend launched the Liberalizing Innovation Opportunity Nations (LIONS@FRICA). Since its launch, DEMO African alumni have generated over \$8 million in investment, business or partnerships from the unique mix of positioning, opportunity (networking, fundraising), training and exposure that the launch pad offers.

Support high-tech start-ups

Business incubators are a popular model of stimulating start-up growth and job creation among youth. Often located in close proximity to universities and research institutes which provide technological support and access to much-needed know-how, business incubators provide start-ups at critical stages of development with workspace and a community for an indefinite time period. Business incubators housed at the National University of Singapore's (NUS) Enterprise Centre and Canada's Ryerson University's Digital Media Zone, for example, offer an array of services and supports to young entrepreneurs, including resources and skills, thereby helping to spur innovation. Despite their tremendous growth, business incubators are particularly vibrant in developed countries but are taking hold in some developing countries. For instance, Rwanda's Kigali Institute of Science and Technology has established a Technology Business Incubator Facility which provides support primarily to youth-led technology-focused start-ups.

Other workspace models such as business accelerators which are time-bound, intense programmes that support digital start-ups by turning good ideas into new, scalable digital businesses, often culminating in a 'demo day' after which start-ups have to make it on their own. ilab and Blue Chilli in Australia provide young people with business workshops, mentoring and other supports, as does TechStart, an innovative social enterprise which provides ICT equipment, IT training and skills, and employment opportunities. Similarly, co-shared working hubs, another workspace model, support start-ups by providing entrepreneurs with structures that allow them to convene and discuss new ideas without having to rent an office space. A feature of large cities such as Amsterdam, Johannesburg, Melbourne, Mexico City, San Francisco and Sydney, among others, co-shared working spaces promote innovation through collaboration.

Initiatives such as JA-YE Europe's *Start Up* Programme, which encourage young people in college or university to develop start-ups in their areas of study, often in collaboration with other faculty who can provide complementary competencies, are noteworthy. In addition, academic institutions can play a role in promoting entrepreneurship by supporting entrepreneurial student organizations that work with start-ups. IDEA Network at Australia's University of Queensland, which assists aspiring young entrepreneurs to develop their ideas into successful ventures and facilitates linkages between young entrepreneurs and business incubators, angel investors, venture capitalists and experts in the business and technology fields, is an example of this. Competitions can play a role in fostering the development of start-ups (Box 16). In Trinidad and Tobago, the government is supporting innovation through the idea 2 innovation i2i competition. Launched in 2012 by the Council for Competitiveness and Innovation (CCI) within the Ministry of Planning and Sustainable Development, the competition is designed to encourage young entrepreneurs to develop innovations that are commercially viable and will have an impact on the country's social and economic development.

Box 16. Examples of programmes to support high-tech start-ups

- **Chile:**

Startup Chile is a programme created by the Chilean Government and implemented by InnovaChile that seeks to attract early-stage high-potential entrepreneurs to launch their enterprises on a global platform.

- **Colombia:**

The International Park of Creativity (IPOC) promotes innovation and creativity among young people in Colombia by encouraging them to exploit science and technology for the purpose of developing inventions, products and innovative concepts that have a global impact.

- **Global:**

Microsoft's *BizSpark* provides promising start-ups with software, support, visibility and community.

- **India:**

Start-Up Village is a business incubator that targets aspiring young entrepreneurs that provides them with the support they need to develop technology products and start their own businesses. Kerala government, in conjunction with Start-Up Village, supports youth-led entrepreneurship by sponsoring trips to the Silicon Valley in the U.S. for promising young entrepreneurs participating in the Start-Up Village.

- **Nigeria:**

Information Technology Developers Entrepreneurship Accelerator (iDEA) in Nigeria provides workspace, training, mentoring and access to capital to entrepreneurs and has been behind the success of start-ups in Nigeria's ICT sector.

- **Regional:**

Start-up bootcamp, a 3-month acceleration programme in Europe, connects start-ups to a community of mentors and advisors. The programme which operates in various European cities, each with a different theme, culminates with start-ups showcasing their ideas to top angel investors and venture capitalists for funding at the Investors' Demo Day.

Source: UNCTAD Inventory, www.unctad.org/epf

Facilitating Technology Exchange and Innovation: A checklist of key questions

- Are there awareness and capacity-building campaigns on ICT use aimed at youth?
- Is there a policy to promote the diffusion of technologies to marginalized young people and youth-led SMEs?
- Does the government encourage and support linkages for university-industrial partnerships?
- Does the government provide support for infrastructure or engage in public-private partnerships to establish business incubators, clusters, networks and science parks for science and technology commercialization?
- Does the government encourage girls to pursue science, technology, engineering and mathematics?

5. Improving Access to Finance

Access to finance is a key constraint for an entrepreneur, and more so, for an aspiring young entrepreneur interested in starting a business. Lenders often view young people as risky investments because they typically lack bank accounts; have no credit history or work history, and generally have insufficient collateral or guarantees to secure loans or lines of credit. Aspiring young entrepreneurs carrying student debts tend to face greater difficulties when trying to secure financing. Table 6 provides a synopsis of actions that can be taken to improve access to finance for youth.



Table 6. Improving access to finance

Policy Objectives	Policy Options	Youth-Specific Measures
<ul style="list-style-type: none"> • Improve access to relevant financial services on appropriate terms 	<ul style="list-style-type: none"> • Develop public credit guarantee schemes • Stimulate the creation of private mutual guarantees • Promote FDI in financial services, supply chain finance ('factoring') and leasing • Facilitate collateral-free loan-screening mechanisms • Encourage equity and 'risk capital' financing modalities 	<ul style="list-style-type: none"> • Inform young people of youth-oriented financial services, including informal lending and other viable financing options • Shift lenders' perception of collateral to include ideas, business support, mentoring, psychometric tests etc.
<ul style="list-style-type: none"> • Promote funding for innovation 	<ul style="list-style-type: none"> • Provide incentives to attract venture capital investors and business angels • Provide performance-based loans and incentives for innovation and green growth • Facilitate the use of intellectual property as collateral 	<ul style="list-style-type: none"> • Facilitate linkages between youth-led start-ups and growth-oriented entrepreneurs and investors
<ul style="list-style-type: none"> • Build the capacity of the financial sector to serve start-ups 	<ul style="list-style-type: none"> • Establish a national financial charter • Promote public-private grants and technical assistance to expand lending activities (e.g. financial service provision through post offices and other 'proximity lenders'; use of new banking technologies to reach rural areas) 	<ul style="list-style-type: none"> • Facilitate the development of youth-friendly financial products • Support the development of youth-friendly mobile banking technologies
<ul style="list-style-type: none"> • Provide financial literacy to entrepreneurs and encourage responsible borrowing and lending 	<ul style="list-style-type: none"> • Set up financial and accounting literacy • Expand private credit bureau and public registry coverage • Undertake appropriate supervision of financial products offered to social and micro-entrepreneurs 	<ul style="list-style-type: none"> • Promote youth-oriented financial literacy training

Source: UNCTAD's EPF

Improve access to relevant financial services on appropriate terms

Young entrepreneurs usually rely on personal savings and assets, or their salaries, as well as obtain funds from friends and family (either loans or donations) to launch their ventures. Recent reports suggest almost half of the youth (41.5%) in Asia Pacific and South Asia, and the majority of youth (62%) in China obtain funding from family and friends (*Global Entrepreneurship Monitor 2013*; YBI 2013). Young people in Latin America and the Caribbean and the Middle East and North Africa (MENA) region primarily rely on personal sources to fund their businesses. However, their counterparts in Sub-Saharan Africa do not have such resources to finance their ventures.

Contrary to the perception that young people are risky investments, there is ample evidence that young people are bankable. According to a study on micro-finance institutions in Indonesia, young people's loan repayment rate was higher than other clients. Similarly, lessons learned from the implementation of the *Commonwealth Youth Credit Initiative* in Guyana, India, Mozambique and Namibia showed that young people are bankable and respond positively and responsibly with the right supports (See Box 23).

Ensuring access to relevant financial services will enhance the entrepreneurial ecosystem for young entrepreneurs. Providing young people with relevant financial products tailored to their business needs is essential. For instance, young people operating small enterprises need access to soft loans, grants and subsidies, while those operating high-growth businesses require innovation grants, R&D loans and angel finance. Also, a recent survey of young entrepreneurs across G-20 countries suggests there are gender differences with regard to financing needs, with female entrepreneurs prioritizing grants and access to incubators while their male counterparts are more likely to prioritize tax breaks and education-related initiatives (Ernst and Young, 2013).

Traditional sources of financing such as loans ensure that youth have funds to start and operate their businesses. Financial institutions offer a range of loan products to young people, including collateral as well as collateral-free products. Collateral-free loans are ideal for young people who often cannot meet financial institutions' collateral requirements. India's Kerala Finance Corporation's collateral-free loan scheme allows young entrepreneurs to borrow interest-free loans repayable in 5 years in 48 months instalments, with repayments exempted in the first year.

In an effort to better meet young people's financial needs as well as other individuals that lack collateral, financial institutions have devised alternatives to collateral requirements such as psychometric tests which they use to screen prospective loan applicants and assess their risk and likelihood of repaying the loan. Prior to launching its unsecured *SME Quick Loan* facility, Standard Chartered Bank initially piloted psychometric tests to prospective borrowers in Ghana, Kenya, Tanzania and Nigeria and subsequently extended the loan programme to Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Uganda, Zambia and Zimbabwe. Youth Business International's evaluation of their programmes across a number of countries show that the percentage still in business after three years is 74 percent, substantially higher than average start-up success rates.

In the UK, *StartUp Loans*, a publicly-funded loan programme, provides loans repayable in 5 years to young entrepreneurs aged 18–30. Created with the support of the Department of Business, Innovation and Skills, the programme equips aspiring entrepreneurs with the support they need to launch a business, including funding, resources such as a start-up toolkit and access to mentors. Launched in 2012 with an initial allocation of £40 million (approximately \$68 million), in 2013, the UK government provided an additional allocation of £34 million (approximately \$58 million) to the programme, a significant investment in entrepreneurship.

Micro-finance loans are another option for young people seeking financing for their businesses. Numerous micro-finance institutions now provide funds to young entrepreneurs. Globally, efforts to promote financial inclusion among the world's poor have led to the growth of micro-finance institutions that provide affordable financial services to previously unbanked and underserved people. The Consultative Group to Assist the Poor (CGAP), a global partnership of 34 organizations, promotes financial inclusion among the world's poor by ensuring that the 2.7 billion who are unbanked are considered valued clients of their country's financial system and have access to high-quality, convenient and affordable financial services.

The Commonwealth Youth Credit Initiative (CYCI) provides a model for credit and training support to unemployed young people in select countries in Africa, Asia and the Caribbean. As part of the programme, an assessment of the credit and training is undertaken and young people are taught credit management. Other examples of programmes tailored to underprivileged youth include BRAC, a Bangladesh-based NGO that operates a youth microfinance programme which provides loans as well as education and training to young people from poor and marginal households in Uganda. Equity Group Foundation, established by Kenya's Equity Bank and the largest microfinance provider in East and Central Africa, provides financial services to young people and those living in rural areas.

Facilitating guarantees ensures that young entrepreneurs have access to relevant financial services. The Dominica Youth Business Trust (DYBT), established using the CYCI model, partners with other financial institutions to provide funds to aspiring young entrepreneurs to launch and operate their businesses. Evidence suggests that non-traditional, informal forms of guarantees are ideal in meeting young people's financial needs. Alternatives to formal guarantees such as personal references, solidarity group guarantees, borrowing against a savings account or furniture, have been deemed viable for young people. In India, Bharatiya Yuva Shakti Trust (BYST), a youth entrepreneurship initiative that provides collateral-free financing to underprivileged youth aged 18–35, has partnered with Indian Bank and Bank of Baroda and established a partial credit guarantee scheme which covers up to 80 percent of the value of each loan.

Increasingly, efforts have been made to improve access to financing for young people engaged in specific sectors. India's Ministry of SME administers a credit initiative—the Prime Minister's *Employment Generation Programme* that is linked to subsidy schemes which provide financing for start-ups in manufacturing. Similarly, the Youth Social Innovation in Canada, which administers a Capital Fund that provides financial and non-financial support to young entrepreneurs to establish and grow their social enterprises.

Cooperatives are a viable option for young people seeking financing for their ventures. Generally, young people engaged in a cooperative can borrow up to a certain level of their savings. Often, young people are the borrowers, but in some cases, their parents act as guarantors to their loans. Cooperative schemes that offer a wide range of financial products to young entrepreneurs, including a mix of both formal and informal guarantees, are likely to appeal to young people. While cooperatives are a viable option for young people seeking financing for their enterprises, poorly governed schemes that lack accountability, have ineffective supervision and weak standards, put their clients at risk. Efforts should be made to ensure that financial institutions adhere to governance standards. Client protection initiatives such as the *Smart Campaign*, a global initiative under the auspices of ACCION's Centre for Financial Inclusion, aim to address weak governance standards by implementing client protection principles based on transparent pricing, appropriate collection practices, avoidance of client over-indebtedness, and privacy of client data. The initiative has also trained financial institutions in several countries on client protection principles and engaged them in formalizing participation among active associations in client protection governance.

An alternative to traditional funding, crowd-funding, allows an individual to raise funds from other individuals or groups via the internet, and increasingly, using mobile technology and social media. While the platform is a viable option for some young entrepreneurs seeking financing for their start-ups and holds promise for many developing countries, its potential in these countries has yet to be realized, in large part, because the infrastructure to support the platform is underdeveloped. KIVA, the first online lending platform, is an example of a crowd-funding platform that connects online lenders to low income entrepreneurs around the world that need modest funding to help them develop a business opportunity (Box 17).



Box 17. Examples of programmes and policies to improve access to relevant financial services on appropriate terms

- **Australia:**
Enterprise Network for Young Australians (ENYA) *Fund It!* is a nationwide education programme that assists young entrepreneurs in Australia to prepare themselves for funding from other entities and resources.
- **Bangladesh:**
Padakhep's *Introduction of Financial Services* programme provides street children aged 8–18 with credit and savings services to enable them to initiate income generating activities.
- **Canada:**
Futurepreneur Canada (formerly Canada Youth Business Foundation) provides aspiring young entrepreneurs aged 18–39 with financial support and expert advice to start their businesses.
- **Global:**
KIVA, an online lending platform, connects online lenders to low income entrepreneurs and allows entrepreneurs around the world to borrow loans of modest amounts.
- **Global:**
Youth Business International, a global network with a presence in over 30 countries, provides interest-free loans to young people aged 18–35 to help them to start and grow their businesses. In addition to financial support, YBI provides mentoring and financial management to young entrepreneurs.
- **Kenya:**
Kenya's Youth Enterprise Development Fund provides flexible collateral loans at highly competitive rates to young people aged 18–35 who own enterprises. The Fund's loan products include sector-specific loans aimed at special business projects and group loans that allow young people to start or expand a business.
- **Papua New Guinea:**
Bank of Papua New Guinea has established the Centre for Excellence in Financial Inclusion whose mandate is to address financial access and financial education.

Source: UNCTAD Inventory, www.unctad.org/epf

Promote funding for innovation

Innovation is widely considered as a driver of economic growth that stimulates competitiveness and job creation, and is associated with the growth of start-ups and high-growth firms. Considered as a strategy in solving countries' economic challenges, innovation features prominently on governments' agendas, attracting considerable investment from both the public and private sector. Funding for innovation has largely been from non-traditional sources such as angel financing and venture capital, among others. Angel investors have played a crucial role in spurring enterprise development by raising capital to support promising start-ups, with much of this funding being directed at technology start-ups. India's Start-Up Village Angel Fund provides financing to promising start-up companies, including youth-led businesses participating in Start-Up Village business incubator.

Venture capital is another source of funding that is growing in popularity and is increasingly being used to support innovation in the area of technology. E-Ventures Africa, for example, has invested in three ICT SMEs in East Africa as has Silicon Valley-based I/O Ventures, which has helped support the development of an incubator, COSTECH, in Tanzania. Other examples include VC4Africa, the largest online resource linking investors to the most promising entrepreneurs, has partnerships with more than 600 angel and early-stage venture capital investors across 159 countries. While venture capital funds are largely associated with technology, they are also being used to support innovation in other areas such as agriculture. In Nepal, for instance, SME Venture Fund provides funding to support the development of agricultural innovation centre for SMEs.

In some cases, funds have been established for the sole purpose of stimulating innovation, in particular, to promote high-growth start-ups. New Zealand's *Start-up Fund* provides grants to support innovative start-ups as well as emerging researchers and budding entrepreneurs participating in the country's Accelerator Programme. Elsewhere, funds have been established to support innovation in specific sectors. The U.S.'s *Social Innovation Fund*, a public-private initiative that provides funds to encourage social entrepreneurs to develop solutions to local problems, is an example of this.

Also, programmes such as the *Small Business Innovation Research* (SBIR) in the U.S., which encourage small business to explore their technological potential and provide incentives that enable these entities to benefit from their commercialization, are helping to stimulate high-tech innovation. Similarly, Initiatives such as the *Entrepreneurship Programme for Innovation in the Caribbean* (EPIC) are playing an important role in promoting innovation among high-growth enterprises in the mobile and climate technology sectors in the Caribbean (Box 18).

Box 18. Examples of policies and initiatives to promote funding for innovation

- **Canada:**

Ontario Emerging Technologies Fund supports innovation in clean technology, life sciences, health technologies, digital media and ICTs. Also, the *College-Industry Innovation Fund* (CIIF) in Canada is designed to help researchers in three universities to acquire state-of-the-art infrastructure to successfully carry out important research in forest engineering, plant and tree biology and mechanical engineering.

- **Mexico:**

Programa de Incubadoras de Negocios para Jovenes (PROJOVEM) is a business incubator that provides young entrepreneurs in rural areas with temporary support to start or grow a microenterprise or SME, including supporting the establishment of agri-businesses or alternative tourism enterprises.

- **Regional:**

Entrepreneurship Programme for Innovation in the Caribbean (EPIC) is a seven year programme funded by the Canadian Government that seeks to build an enabling ecosystem to foster high-growth and sustainable enterprises in the mobile sector and in climate technology throughout the Caribbean.

- **Regional:**

Horizon 2020, the EU's Research and Innovation programme aims to address inequality and social exclusion through research on innovation in a variety of areas, including addressing issues of NEET youth in the region as well as in stimulating the engagement of girls in science, technology, engineering and mathematics (STEM).

Source: UNCTAD Inventory, www.unctad.org/epf

As inclusive innovation which aims to address inequality and social exclusion grows in importance, funding will be required to support and encourage the development of innovations that will benefit those at the bottom of the economic pyramid. *India's National Innovation Council* established the India Inclusive Innovation Fund in 2013 to catalyze the development of an entrepreneurial ecosystem designed to support innovation geared toward disadvantaged groups in society. The recent rise of 'impact investing', where investments are 'made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return' (Global Impact Investing Network), may provide new avenues for finance for young entrepreneurs.

Build the capacity of the financial sector to serve start-ups

One of the key concerns when lending money to young entrepreneurs is their lack of experience and business skills. Because of their age, young people are unlikely to have the type of business experience, track record or business skills that financial institutions require to prove their creditworthiness. In addition, many financial institutions do not have financial products that are suitable for young people. A study undertaken on financial inclusion in the Pacific region suggests that financial institutions in the region lack a business model that allows for the expansion of financial services to meet the diverse needs of young people or products specifically targeted to different groups of young people. Existing financial products for young people are not designed to meet their needs and can inadvertently lead to defaults in loan payments or lack of comprehension of financial products, thereby discouraging young people from applying for financial support.

Boosting the capacity of the financial sector to serve youth-led start-ups can improve access to finance for young people. Government can play a role in helping the financial institutions such as banks, credit cooperatives, private equity and venture capital to understand young people's needs. Child and Youth Finance International (CYFI) has partnered with the financial sector to develop child and youth-friendly financial products. Sri Lanka's Hatton National Bank has developed financial products, including micro-savings, micro and rural financing for young people (Box 19).



Box 19. Child and Youth Finance International

Child and Youth Finance International (CYFI) leads the world's largest movement dedicated to enhancing the financial capabilities of children and youth. Launched in April 2012, the movement has reached more than 18 million children in over 100 countries.

CYFI leverages expertise and innovation from its network of global organizations, including some of the world's leading financial institutions, international NGOs, multilateral and bilateral organizations, foundations, renowned academics, as well as children and youth. For example, CYFI has launched an online platform called Ye! that links young entrepreneurs to each other, but also to experienced coaches, tools, resources and investment opportunities to support the growth of their enterprises.

CYFI's objective is to increase the economic citizenship of children and youth by providing all children and youth aged 8- 18 with the knowledge to make wise financial decisions, the opportunity to accumulate savings, and the skills to find employment and earn a livelihood, and ultimately break the cycle of poverty. It aims to empower all children and youth around the world, in particular, those who are vulnerable and marginalized by increasing their financial capability, enhancing their awareness of social and economic rights, and improving their access to appropriate financial services in order to build their assets and invest in their own futures.

Source: <http://childfinanceinternational.org/movement/about>

Offering young people the opportunity to open and manage a savings account, which CGAP cites as a good practice in helping young people to build a stake in their financial future, enhances their credibility with financial institutions and may help them to access financing. Lowering the age limit to allow young people under the age of 16 to open a bank account; instituting a child proxy system to allow parents or a legal guardian to open an account on behalf of a young person under 18, and accepting alternative forms of identification can boost the capacity of financial institutions to serve youth-led start-ups, while enhancing young people's access to financing. Also, the use of mobile technology to provide financial services to young people living in rural areas, many of whom are unbanked, is promising.

United Nations Capital Development Fund (UNCDF), the UN's capital investment agency for the world's 48 least developed countries in Africa and Asia, in partnership with the MasterCard Foundation, is assisting micro-finance institutions (MFIs) to design and deliver high-quality financial services, including financial education to young people below the age of 18 from low-income areas through its YouthStart initiative. Its initiative in Uganda has designed three youth-friendly products: Girls' Choice, Teen Classic and Youth Progress, which are increasing access to appropriate, demand-driven financial and non-financial services to low-income youth.

Mobile money can play an integral role in increasing access to basic financial services for those at the base of the economic pyramid. GSMA's Mobile Money for the Unbanked (MMU) has partnered with 19 mobile operators and the financial industry to accelerate the availability of

affordable, safe, and convenient financial services to millions of previously unbanked customers. Similarly, CGAP, through its Technology and Business Model Innovation initiative, is exploring extending financial services to the poor through the use of innovative technologies in the area of branchless banking (Box 20).

Box 20. Examples of programmes and policy actions taken to boost the capacity of the financial sector to serve start-ups

- **Australia:**

Commonwealth Bank's *Youthsaver* account is aimed at young people under the age of 18. While parental consent is required for children under the age of 16 to open and operate an account, young people aged 16 are eligible to open and operate an account independently. The services are child and youth-friendly to the extent they do not have minimum deposit or monthly maintenance fees or withdrawal fees when using the Commonwealth Bank's system.

- **Global:**

GSMA's Mobile Money for the Unbanked (MMU) has partnered with mobile operators and the financial industry to deliver affordable, safe, and convenient financial services to millions of previously unbanked customers.

- **Global:**

UNCDF, in partnership with the MasterCard Foundation, is assisting MFIs to design and deliver high quality financial services to young people through its *YouthStart* initiative.

- **Regional:**

Australia and New Zealand Bank (ANZ Bank) has extended mobile banking to low income individuals living in rural areas in Solomon Islands, Samoa, Tonga and Vanuatu.

- **Singapore:**

OCBC Bank's *FRANK* savings account allows young people aged 16–29 to save and transact through the same account.

- **Sri Lanka:**

Hatton National Bank has developed financial products, including micro-savings, micro and rural financing for young people.

- **Papua New Guinea:**

Bank of Papua New Guinea is working with other financial institutions in the Pacific region to develop financial products for young people.

- **Uganda:**

FINCA Uganda, a regulated deposit-taking microfinance institution has developed loans and savings products for young people in 24 rural and urban districts countrywide. Its *Star Girl* product, which targets girls aged 10–19 who are in and out of school and participate in self-managed groups, encourages its clients to manage their finances responsibly.

Source: UNCTAD Inventory, www.unctad.org/epf

Mobile technology has been harnessed and adapted to increase access to finance for youth. Programmes such as CYFI's school banks work stream which promote the application of mobile banking technology in creating access to formal channels of saving and using schools to facilitate the provision of financial access are noteworthy. Several countries have taken steps to ease restrictions around young people's access to financial services. In the U.S., there are no federal age-related restrictions for opening a bank account. Philippines' Central Bank facilitated the creation of a Kiddie Account which allows young children over 7 years old to open a savings account. Elsewhere, child proxy systems which allow a parent or guardian to open an account on behalf of a young person under 18, have been instituted.

Provide financial literacy to entrepreneurs and encourage responsible borrowing and lending

Across countries, lack of financial literacy is a barrier to financial inclusion. In many developing countries, less than half the population has a bank account, which is largely attributed to lower education levels for those at the base of the economic pyramid and geographic remoteness for people living in rural areas. Limited education is not only a barrier to accessing as well as in utilizing formal financial services appropriately, but also limits people's capacity to take advantage of financial opportunities and make informed choices that will improve their financial well-being.

Promoting financial literacy can enhance financial inclusion and enable young people to access and appropriately use financial services. Across countries and regions, efforts are being made to promote financial literacy among young people. For example, the Commonwealth has deployed its financial literacy programme across its member countries in the Caribbean, the Pacific, and Sub-Saharan Africa and delivered the programme to students in 89 schools in Ghana.

There are numerous programmes that provide financial literacy to young entrepreneurs. Aflatoun, a global organization which provides financial literacy education to young people aged 6–18 has developed *Aflateen*, a Social and Financial Education programme for young people aged 15 to 18 that inculcates financial knowledge and skills through experiential activities. Business development services provide financial literacy training, some of which are for young people. Often, the focus of these programmes is to augment young people's money management skills as well as encourage them to borrow and spend responsibly. Mennonite Economic Development Associates (MEDA), an international economic development NGO, provides young people with financial education and training in entrepreneurship and life skills that is designed to help them to start a viable enterprise or obtain the skills needed to identify and secure decent work opportunities.

Across countries, financial institutions are providing young people with training in financial literacy. Australia's Commonwealth Bank Foundation, for example, delivers *StartSmart* workshops to young Australians, as does HSBC's *Finance for Life* programme, which provides young people in Australia with practical financial knowledge.

Initiatives such as UNCDF's *Pacific Financial Inclusion Programme* (PFIP), in partnership with several public and private sector entities, is increasing financial inclusion to underserved individuals in the Pacific region, one of the least banked regions in the world. The programme

is increasing access to quality, affordable financial services to low income and rural households as well as SMEs in the Pacific Islands.

Young people can acquire financial literacy knowledge through other means such as competitions. In Samoa, a financial literacy competition, *Be MoneyWi\$e*, encourages young children in primary school aged 3–8 to learn about money. The Victorian Government, in partnership with the National Australia Bank and the Foundation for Young Australians, recently launched the \$20 Boss programme, where young people are challenged to imagine, design and build their own businesses from the ground up, starting with \$20 provided by the bank.

In addition, technology-based approaches can encourage young people to use finances responsibly. *goHenry*, a cash card system that is combined with apps, helps young people to earn, save and spend responsibly with parental supervision and *Visa Buxx Card*, a reloadable prepaid card that helps teens to make purchases, load cash and monitor balances, while allowing parents to monitor card activity, are noteworthy. A key constraint associated with lending to young people is financial institutions' inability to assess their creditworthiness. Typically, young people tend not to have a credit history because of their age, which impedes them from accessing financing from financial institutions. Establishing a credit history can enhance young people's ability to access financing. The establishment of credit bureaus in countries where they do not exist is an important step in the path to helping young people build credit (Box 21).



Box 21. Examples of programmes and policy actions taken to provide financial literacy to entrepreneurs and encourage responsible borrowing and lending

- **Brunei:**

More than Money programme for young children aged 7–11 and *Economics for Success* for children aged 10–14, both of which are delivered by Junior Achievement Brunei, teach children about financial literacy.

- **Chile:**

Emprendejuven uses technology to train teachers of the financial literacy and entrepreneurship curriculum to share ideas, lessons and lessons learned.

- **Fiji:**

Fiji Development Bank (FDB) provides financial literacy to students in secondary school as part of its Commercial Studies curriculum. In addition, the Bank's *Invest Smart Task* develops students' attitude towards investing and savings to ensure future financial wellbeing.

- **Global:**

Junior Achievement Worldwide's *Banks in Action* provides young people with the opportunity to learn the principles of the banking industry. Moreover, young people that participate in the *Banks in Action* programme, also participate in an international *Banks in Action Challenge* where they apply their classroom knowledge.

- **Kenya:**

Equity Group Foundation provides financial literacy training to youth and women across Kenya. The training focuses on savings, budgets, debt management, financial negotiation, banking services, and micro-insurance.

- **Regional:**

The Commonwealth's financial literacy programme has been deployed across Commonwealth member countries in the Caribbean, the Pacific, and Africa.

- **Singapore:**

OCBC Bank offers financial literacy for young people aged 16–29 who are account holders.

Source: UNCTAD Inventory, www.unctad.org/epf

Improving access to finance: A checklist of key questions

- Has the government taken steps to improve access to finance for youth?
- Are there financial services, designated to specific cohorts of youth i.e. out-of-school; youth in rural areas; immigrant youth; youth from ethnic minorities; girls and young women; youth with disabilities; youth in college/university; youth in the informal sector and disadvantaged youth?
- Are there financial services designed to meet the needs of young entrepreneurs engaged in specific sectors?
- Are there measures to encourage established, commercially viable, sustainable and high-performing institutions to lend to youth-led start-ups and SMEs?
- Are there public-private funds for young entrepreneurs? Are there incentives for venture capital, impact investing and the development of networks of business mentors or supporters including business angel networks to serve youth?
- Is financial service provision for young entrepreneurs through new technologies (mobile banking) available and/or encouraged?
- Are there formal courses on financial literacy for young people?
- Are there financial services linked to entrepreneurship and/or skill based training to enhance young entrepreneurs' credence with lenders and business viability?



6. Promoting Awareness and Networking

Young people’s perceptions about entrepreneurship are shaped by the environment in which they live, how youth are perceived, and their role in the labour market, among others. According to a recent survey undertaken by Youth Business International, young people aged 18–34 across all geographical regions perceive entrepreneurship as a good career choice, with over 70 percent of youth in Latin America, the Middle East and North America and Sub-Saharan Africa; 65 percent in the European Union and 62 percent in Asia Pacific and South Asia having positive views of entrepreneurship as a career option. This section explores actions that can be taken to promote awareness and networks among young entrepreneurs. Table 7 provides a synopsis.

Table 7. Promoting awareness and networking

Policy Objectives	Policy Options	Youth-Specific Measures
<ul style="list-style-type: none"> • Highlight the value of entrepreneurship to society and address negative cultural biases 	<ul style="list-style-type: none"> • Launch entrepreneurship outreach and awareness campaigns at national, regional and local levels in collaboration with all stakeholders using media and spaces for public dialogue to communicate support for entrepreneurship • Disseminate information about entrepreneurship, including social entrepreneurship, and its impact on the economy • Publicly celebrate entrepreneurship role models through involving entrepreneurs in policy dialogue processes to sensitize government officials 	<ul style="list-style-type: none"> • Encourage the development of young entrepreneurs’ and peer networks • Support youth entrepreneurship competitions and awards • Support the recognition of failure as part of learning on how to succeed • Highlight the talent of young entrepreneurs, and the benefits of supporting / investing in them
<ul style="list-style-type: none"> • Raise awareness about entrepreneurship opportunities 	<ul style="list-style-type: none"> • Organize information and career fairs, fora and summits on business opportunities, including in specific economic sectors or on specific business models such as micro-franchising • Facilitate business exchange platforms, business portals, fairs, business associations and clubs • Advertise business opportunities linked to national sustainable development strategies and related incentive schemes 	<ul style="list-style-type: none"> • Leverage social media and other communication tools and platforms • Reaching out and deploying information on business opportunities to youth
<ul style="list-style-type: none"> • Stimulate private sector led initiatives and strengthen networks among entrepreneurs 	<ul style="list-style-type: none"> • Support private sector-led campaigns • Engage diaspora community on local entrepreneurship networks 	<ul style="list-style-type: none"> • Promote knowledge exchange between established business people and aspiring young entrepreneurs • Support activities that build young entrepreneurs’ business and advocacy skills

Source: UNCTAD and the Commonwealth

Highlight the value of entrepreneurship to society and address negative cultural biases

In order to shift mind-sets about entrepreneurship on a societal level and dispel cultural biases, in particular, the negative perceptions about entrepreneurship as a career choice, it is crucial to highlight the value of entrepreneurship and its contribution to promoting socio-economic development through job creation and poverty alleviation.

Conferences and summits that highlight the value of entrepreneurship and young people's talents are of utmost importance. Highly visible events such as the Kauffman Foundation's *Global Entrepreneurship Week* (GEW) play a critical role in promoting entrepreneurship development by reaching out to existing members and in encouraging aspiring young entrepreneurs to consider launching their own businesses. Similarly, events held at the national level such as the *Barbados National Entrepreneurship Summit*, which bring together youth aged 18 to 30 at the early start-up phase, play an important role in nurturing and inspiring young entrepreneurs.

The Commonwealth-Asia Alliance of Young Entrepreneurs (CAAYE)'s annual summit, which brings together entrepreneurs and speakers from countries in the Asia region, provides an opportunity for young entrepreneurs to learn from established entrepreneurs, build capacity and networks for support and trade (See Box 23). Similarly the annual conference of the G20 Young Entrepreneurs' Alliance (YEA) develops policy recommendations targeted at G20 leaders, as well as providing a platform for networking and capacity building.

Intergovernmental meetings such as the Commonwealth Heads of Government Meeting and the Commonwealth Youth Ministers Meeting are important venues for advancing the Commonwealth youth agenda as well as for consultation on issues facing young people in the Commonwealth. In recent years, these fora have provided a platform for member countries to discuss the role of youth entrepreneurship in addressing youth unemployment as well as for networks like CAAYE to advocate for young entrepreneurs.

It is important to promote dialogue among different networks that are active in the area of youth entrepreneurship, including youth entrepreneurship organizations, youth employment organizations, business associations, youth-led organizations as well as stakeholders in education, the business sector, and the NGO community. These networks play an important role in supporting the development of an entrepreneurial culture and in identifying ways to promote youth-focused entrepreneurship objectives. South Africa's Youth Development Network (YDN)—a national network comprising of six youth development organizations—helps to foster collaboration that is essential in tackling youth unemployment as well as in developing synergies in order to better advocate for the interests of young people.

Recognition awards also create visibility and attractiveness of entrepreneurship and inspire young people to pursue it, and investors and policy-makers to recognize and support young entrepreneurs. The *Anzisha Prize*, Africa's premier award for young entrepreneurs, is playing an important role in raising the awareness of innovative young African entrepreneurs. Launched in 2011, Anzisha Prize recognizes young people that have developed innovative solutions that address pressing problems in their communities.

Shell LiveWire *Young Business Start-Up Award* is an annual country-based competition that recognizes and rewards young people who are successful in business. The award not only

raises the profile of the young entrepreneurs who are recognized, but also creates awareness of entrepreneurship as a viable career option for young people, as does the Youth Business International's (YBI) *Young Entrepreneurs Award* which recognizes the achievements of successful young entrepreneurs from the YBI network. *Rolex Awards for Enterprise*—Young Laureates recognize young enterprising people aged 18 to 30 who have undertaken major challenges to improve the lives of others or protect the planet. The Foundation for Young Australians' Young Social Pioneers programme supports a select cohort of Australia's best and brightest emerging social entrepreneurs and innovators, enhancing their social change purpose, building networks of support, and developing their business skills and capabilities to drive successful purpose-driven ventures.

Business Plan Competitions encourage young entrepreneurs to showcase their business ideas and innovations, and help to raise awareness of youth-led entrepreneurship. The *ILO Business Plan Competitions*, which are held annually in various countries around the world, showcase outstanding businesses or ideas through business plans. Increasingly, initiatives are also addressing underlying psychological, social and economic barriers that hinder young people from pursuing entrepreneurship. *Show Your Creativity*, a competition launched by YES Network Pakistan in partnership with the British Council allows young people to experiment with their ideas and develop social enterprise projects, and helps them to grapple with and overcome some of the barriers linked to entrepreneurship such as fear of failure.

Communication tools are indispensable in highlighting the importance of entrepreneurship (Box 22). Positive media attention of entrepreneurs can help to change attitudes and perceptions towards entrepreneurship by showcasing positive role models and highlighting the importance of entrepreneurship in economic development. The proliferation of TV shows such as *The Apprentice*, *Dragon's Den* and *Shark Tank* which showcase budding entrepreneurs presenting their ideas to established entrepreneurs, play an important role in affirming the role of entrepreneurs and their contribution to society, and hopefully, in changing societal perceptions about entrepreneurship. Platforms such as the television and web initiative, Chat the Planet, a global forum for young people aged 15–24, as well as communication technologies, in particular, social media platforms—Facebook and Twitter, which are immensely popular with young people, can be effective in highlighting the value of entrepreneurship.



Box 22. Examples of initiatives to highlight the value of entrepreneurship to society and to challenge negative cultural biases

- **Australia:**

Enterprise Network for Young Australians (ENYA) supports the participation of young people in enterprise development and raises awareness of youth entrepreneurship through its blog.

- **Global:**

Seedstars World is a Swiss-based global competition that raises the visibility of high-quality startups in emerging markets. Startups pitch their ideas at regional events, with finalists proceeding to the World event in Switzerland where they meet potential investors and partners. The worldwide winning startup receives an equity investment of \$500,000.

- **Pakistan:**

The British Council sponsors the *Youth Social Enterprise Award Challenge* to promote entrepreneurship among young people aged 16 to 21 studying in Technical and Vocational Education and Training (TVET) institutions across Pakistan.

- **Trinidad and Tobago:**

The Ministry of Planning and Sustainable Development supports the *idea 2 innovation – i2i* competition which aims at encouraging young entrepreneurs to develop innovations that are commercially viable and will have an impact on the country's social and economic development.

- **United Arab Emirates:**

The Abu Dhabi Council for Economic Development holds an annual entrepreneurship awareness campaign that is designed to inspire and educate young people about entrepreneurship. It includes workshops, and business idea competitions.

- **United Kingdom:**

Enterprise UK's *Make Your Mark Challenge*, the UK's largest one-day enterprise competition for students in secondary school and college, brings together young people to develop new and innovative entrepreneurial ideas in response to a particular issue.

- **United Kingdom:**

UnLtd, one of the leading providers of support to social entrepreneurs, carries out campaigns in the UK to promote social entrepreneurship in the Higher Education sector. The partner universities receive funding for an Awards pot for social venture creation plus tailored support. In 2009–2011, a £1 million campaign directly funded and supported the creation of 200 new social ventures by staff and students in 70 universities across England.

Source: UNCTAD Inventory, www.unctad.org/epf

Raise awareness about entrepreneurship opportunities

Raising awareness about entrepreneurial opportunities is essential in ensuring that young people have access to relevant business information that will help them in their endeavours as well as in promoting a culture of entrepreneurship.

Networks play an important role in raising awareness of entrepreneurship opportunities. At the international level, networks have emerged as important drivers of business performance. Youth-oriented business associations such as Junior Chambers of Commerce, Youth Business International, Youth Entrepreneurship Associations and Clubs play an important role in linking young entrepreneurs with other entrepreneurs and facilitating international trade. For instance, young entrepreneurs from eight countries—Bangladesh, Brunei, India, Malaysia, Maldives, Pakistan, Singapore and Sri Lanka, who attended the CAAYE Summit’s sector-oriented business-to-business (B2B) meetings, established connections with entrepreneurs from Asia and identified business opportunities. CAAYE has also been instrumental in facilitating trade through bilateral missions between young entrepreneurs in various countries in Asia (Box 23).

Box 23. Commonwealth-Asia Alliance of Young Entrepreneurs (CAAYE)

The Commonwealth-Asia Alliance of Young Entrepreneurs (CAAYE) is a network of young entrepreneurs and the organizations that support them: the Bangladesh Youth Leadership Centre, Federation of the Chamber of Commerce and Industry Sri Lanka, Young Entrepreneurs Forum (Pakistan), Malaysia Graduates Entrepreneur Association, Young Entrepreneurs Association of Brunei, Singapore Indian Chamber of Commerce and Industry, Junior Chamber International (JCI) Maldives and JCI Petaling Jaya (Malaysia), Young Indians (India) and Nepal Young Entrepreneurs Federation.

CAAYE’s goal is to champion the cause of young entrepreneurs at the local, national, regional and international level, and make measurable progress towards development of entrepreneurship to ensure future prosperity.

CAAYE engages with governments, the media, the public, relevant stakeholders and member organizations, and its activities include:

- supporting young entrepreneurs across the Commonwealth-Asia region;
- building and promoting a culture of entrepreneurship among young people;
- creating a network between member countries that provides young entrepreneurs with mentoring, advisory and other relevant support services, and network and trade opportunities;
- contributing to human capital development through education & training of young entrepreneurs;
- providing relevant information on entrepreneurship such as access to financing to young entrepreneurs, and

- influencing policy mechanisms that promote an enhanced ecosystem for youth entrepreneurship.

A strong advocate for young entrepreneurs in the Asia region, CAAYE convenes in advance of the Commonwealth Heads of Government Meeting and other relevant Commonwealth Ministerial forums to identify issues and make policy recommendations to the meetings. As a representative of young entrepreneurs from the region, the network acts as a collective voice for and presents a unified perspective on issues affecting young entrepreneurs. In addition, the Alliance advocates for young entrepreneurs at economic fora such as the ASEAN-China Young Entrepreneurs Forum, among others. In 2013, CAAYE led a discussion on financial inclusion for young entrepreneurs at a summit organized by Child and Youth Finance International (CYFI), and a panel on youth entrepreneurship at the Commonwealth Business Forum.

CAAYE facilitates trade through bilateral missions between young entrepreneurs in Asia. In October 2013, Pakistan's Young Entrepreneurs Forum hosted a delegation of 22 young entrepreneurs from India. The mission, which culminated in the signing of a Joint Declaration aimed at building bridges between the two countries, provided an opportunity for the young people from the two largest economies on the Asia subcontinent to strengthen business ties by committing to an action plan that advocates for policies to promote trade. CAAYE holds a flagship annual summit whose goal is to recognize and support youth entrepreneurship development, while ensuring that ventures are socially responsible and financially sustainable. Its sector-oriented business-to-business (B2B) meetings, which cover a wide array of sectors, allow young entrepreneurs to build as well as expand their business linkages and identify business opportunities.

CAAYE has partnered with ILO to recruit e-coaches (entrepreneurs, professionals, academics from academic institutions) to provide young entrepreneurs with business support and advice as well as guide young people through the process of setting up their businesses and in finding solutions to specific business challenges.

In November 2013, the Commonwealth Heads of Government endorsed the replication of CAAYE in other Commonwealth regions.

Source: <http://www.caaye.com/>

In addition to raising awareness of entrepreneurship opportunities, networks are also playing an important role in shifting mind-sets. *Girls in Tech*, a global social enterprise that offers girls and women the tools and resources to enhance their professional careers and aspirations in the area of technology and entrepreneurship, is encouraging them to pursue careers in non-traditional fields, in so doing, changing mind-sets about gender involvement in the technology field. Similarly, events such as *Sci-preneurship: 24-hour Student Contest* that is supported by Junior Achievement-Young Enterprise (JA-YE) Europe, are important in promoting innovation and creativity, while encouraging young people to integrate entrepreneurship in Science, Technology, Engineering and Mathematics (STEM).

At the national level, Youth Entrepreneurship and Sustainability (YES) country networks are playing an important role in raising awareness of entrepreneurship opportunities as well as in fostering a culture of entrepreneurship among young people. In Pakistan, for instance, the YES Network Pakistan, in partnership with the British Council, is helping young people aged 16–21 who are attending TVET institutions to cultivate their entrepreneurial spirit by engaging them in social enterprise activities that will enable them to tackle challenges in their communities.

It is essential to leverage grassroots organizations and networks to raise awareness of entrepreneurship as well as highlight the benefits of entrepreneurship. Cross-country networks such as the Nehru Yuva Kendra Sangathan Volunteers in India, with broad countrywide reach, is raising awareness about entrepreneurship opportunities by sharing information on the benefits of various schemes with young entrepreneurs, as does Katutura Youth Enterprise Centre which raises awareness of entrepreneurship opportunities among young people from disadvantaged backgrounds in Namibia.

Such fora can help to raise awareness about entrepreneurship opportunities. Events such as the Global Forum on Innovation and Entrepreneurship help to raise awareness about and build support for entrepreneurship in the area of technology, as does Google's *G-Africa* series which raises awareness about the company's products and opportunities for developers. Similarly, events hosted by Global BizSpark are essential in providing young people with access to supports such as angel investors to finance their enterprises as well as mentors who provide advice on establishing and operating their businesses. Fairs aimed at showcasing young entrepreneurs' innovations are important in raising awareness of youth-led entrepreneurship. In Europe, the Junior Achievement—Young Enterprise (JA-YE) Europe—hosts an annual fair, the *JA-YE Trade Fair*, where young entrepreneurs display their innovations and products.

Communication plays an important role in raising awareness of entrepreneurship (Box 24). Traditional media such as television and the press, as well as digital media—websites and social media platforms like Facebook and Twitter, are all important vehicles that should be used to reach out to young people and deploy information on entrepreneurship, including educational opportunities, financial resources and market information. Across countries and regions, young people are using Facebook, Twitter and other social media to raise awareness of entrepreneurship. The annual CAAYE Summits are widely covered online and on social media in real time, allowing other young people around the world to participate in the events. The Internet is also being used to showcase young entrepreneurs' businesses. Kenya's Equity Bank, in conjunction with Google, launched a channel on YouTube—*African Success Story: Generation X* where successful young entrepreneurs showcase their businesses. Child and Youth Finance's Ye!, an online portal which brings together young entrepreneurs aged 16 to 30, is important in fostering peer-to-peer support and in linking young entrepreneurs to various tools, resources and opportunities to support the growth of their enterprises.

Box 24. Examples of policies and initiatives that raise awareness about entrepreneurship opportunities

- **Global:**

Global Youth Innovation Network is a platform for young entrepreneurs from disadvantaged backgrounds as well as those based in rural areas that provides opportunities for networking, knowledge sharing and collaboration.

- **Global:**

Global Innovation through Science and Technology (GIST) builds entrepreneurial ecosystems in 54 countries across the Middle East, Turkey, Asia and Africa by identifying, coaching, and funding the most promising technology entrepreneurs through its flagship competitions, startup acceleration services, online social media platform and interactive mentorship programmes.

- **Kenya:**

Equity Bank, in conjunction with Google, have launched “African Success Story: Generation X,” channel on YouTube where successful young entrepreneurs can showcase their businesses.

- **Multilateral Initiatives:**

G-20 Young Entrepreneurs Summit is held annually in advance of the G20 Summit to champion the importance of young entrepreneurs to the G20 member nations and to share its experiences and practices. At the end of the summit, the organization of the host country presents a report to each of the heads of the executive with young entrepreneurs’ recommendations and proposals.

Source: UNCTAD Inventory, www.unctad.org/epf

Stimulate private sector-led initiatives and strengthen networks among entrepreneurs

Business networks can support young entrepreneurs as they embark on entrepreneurship by providing them with information and guide to help them manage and grow their businesses. For example, Equity Bank in Kenya links young entrepreneurs with successful local and international entrepreneurs. Established entrepreneurs provide young entrepreneurs with guide and advice on how to manage and grow their businesses. Similarly, in the UK, HSBC's *Young Enterprise* links young entrepreneurs with business advisors and mentors who provide guide and other support on how to run a business.

Private sector-led initiatives can help young entrepreneurs to access markets. Chambers of Commerce and Regional Economic Development organizations can link young entrepreneurs with established entrepreneurs that have been successful in foreign markets, thereby allowing young people to gain knowledge and expertise that can help them expand their businesses. Increasingly, the private sector is promoting awareness about the kinds of skills that are required in the 21st Century workplace. Hyundai Motors Europe has partnered with JA-YE Europe to launch a pan-Europe initiative, *Skills for the Future*, which is providing young people in vocational schools in 15 European countries with the opportunity to learn valuable STEM (science, technology, engineering and math) skills and apply their knowledge in new ways while engaging in enterprise.

Youth-led networks are playing an important role in linking young entrepreneurs with established business people. For instance, young entrepreneurs from 8 countries in Asia who attended the 2013 CAAYE summit in Sri Lanka visited large businesses in diverse sectors including ceramics, ICT, tea and the financial services and micro enterprises in the sectors in traditional weaving, wooden handicraft, clay and mask making where they gained first-hand knowledge about these enterprises. Similarly, networks like YES are playing an important role in supporting young entrepreneurs to access markets. *YouthTrade*, an initiative of YES in the U.S., in partnership with the Conscious Capitalism Institute (CCI), links enterprises operated by young people under the age of 35 to conscious businesses which buy *YouthTrade* certified products such as Whole Foods Markets, thereby helping young entrepreneurs to grow their businesses.

Also, cross-border business exchange programmes such as *Erasmus for Young Entrepreneurs*, which link an aspiring young entrepreneur in Europe with an established entrepreneur in another country thereby enabling the aspiring entrepreneur acquire valuable business knowledge prior to launching their businesses, are invaluable for both the aspiring and established entrepreneurs who have an opportunity to learn about different ways of doing business or identify new business opportunities or business partners. In the Caribbean, events such as the *Caribbean Idea Marketplace* (CIM), a business plan competition that encourages local and diaspora entrepreneurs to forge partnerships around innovative projects that generate employment and economic opportunities in fifteen Caribbean countries, are not only fostering knowledge diffusion, but also promoting entrepreneurship. Such programmes as the *Global Enterprise Project*, an initiative of the European Round Table for Industrialists, JA-YE Europe and European Schoolnet, raises awareness among young entrepreneurs about globalization, entrepreneurship and the skills needed to succeed in the global economy.

Online business networks and virtual meetings can also be used to facilitate information exchange between young entrepreneurs and their established counterparts. For example,

Enterprise without Borders (EwB), an online initiative of Junior Achievement –Youth Enterprise (JA-YE) Europe, teaches the value and importance of international trade by providing young people operating small businesses with the opportunity to create cross-border international partnerships (Box 25). The government of Malta has introduced a support measure aimed at encouraging and supporting entrepreneurs to visit international markets and meet with foreign chambers of commerce.

Box 25. Examples of policies and initiatives that stimulate private sector-led initiatives and strengthen networks among young entrepreneurs

- **Regional:**

Erasmus for Young Entrepreneurs is a cross-border exchange programme that provides aspiring entrepreneurs with opportunities to learn from experienced entrepreneurs running small businesses in other participating countries prior to launching their business. The exchange allows the visiting entrepreneur to acquire the skills needed to run a small firm and an opportunity to learn about new markets.

- **Regional:**

Enterprise without Borders, an online initiative of Junior Achievement–Young Enterprise (JA-YE), allows young entrepreneurs to create cross-border partnerships; promote, market and export their products and services to another JA company, and network with peers around the world and gain valuable business experience and job skills.

- **U.S.**

YouthTrade, an initiative of YES, helps young entrepreneurs under 35 to improve their distribution capabilities and accelerate the growth of their businesses. YouthTrade helps youth-led businesses to obtain certification for their products, gain access to markets, and connects young entrepreneurs to other entrepreneurs.

Source: UNCTAD Inventory, www.unctad.org/epf

Promoting awareness and networking: A checklist of key questions

- Does the government actively promote activities/campaigns to encourage youth entrepreneurship?
- Does the government, private sector or regional/global intergovernmental organizations actively support networks of young entrepreneurs and young business leaders?
- Are there other measures taken within the public sector to raise awareness of issues related to youth entrepreneurship by public officials?
- Are young entrepreneurs provided with platforms to engage with policymakers and business leaders?
- Is the value of youth entrepreneurship to social and economic development communicated publicly, in particular by public officials?
- Is youth entrepreneurship a policy priority and a key part of youth employment strategies?
- Does the government participate in and/or promote entrepreneurship activities such as the Global Entrepreneurship Week?
- Does the government actively engage in public-private partnerships aimed at raising awareness of youth entrepreneurship events?
- Does the government actively support competitions, awards ceremonies and other events to publicly recognize young entrepreneurs?
- Are there efforts to promote cross-border networks and activities?

III. Assessing the Effectiveness of Youth Entrepreneurship Policies

The *Policy Guide on Youth Entrepreneurship* assists policy makers in creating effective policies to support aspiring and potential young entrepreneurs. As a result, in order for entrepreneurship to achieve its desired impact on development it is important to measure results.

This section focuses on the last step in implementing the Policy Guide—the indicators that can be used to evaluate the policies and measures put in place under the framework. Some key characteristics:

- The indicators need to be relevant and specific and should be linked to policy-makers' objectives in order to measure relevant trends;
- Data to feed into the indicators should be readily available or relatively easy to collect;
- Data should be collected periodically and in a timely fashion in order to monitor the situation of young entrepreneurs. The collection of annual data is an indication of policy-makers' commitment to youth entrepreneurship policy formulation, implementation and measurement, and
- Finally, indicators should be - when feasible - comparable across countries to allow benchmarking

Table 8 provides an illustrative set of possible indicators that comply with the characteristics of relevance, availability, timeliness and comparability across the six areas of the *Policy Guide on Youth Entrepreneurship*.



Table 8. Indicators to measure the effectiveness of youth entrepreneurship policies

Policy Areas	Possible Indicators	What they monitor	Why they are relevant
<p>OVERALL INDICATORS (Formulating National Entrepreneurship Strategy)</p>	<ul style="list-style-type: none"> • Number of youth-led start-ups created • Youth-led business survival rate (compared with overall) • Share of youth-led start-ups in green, high-tech and social enterprise • Number and quality of jobs created by youth-led businesses • Taxes collected from youth-led businesses • Number of young entrepreneurs ranking in the top 100 net worth in the country 	<ul style="list-style-type: none"> • Young entrepreneurs' success in starting and sustaining businesses • Young entrepreneurs' success in promoting social change • Youth employment • Economic impact of youth-led entrepreneurship 	<ul style="list-style-type: none"> • Youth unemployment is a critical challenge. By monitoring the success of youth entrepreneurship and employment, policy-makers can forecast unemployment trends.
<p>Optimizing the Regulatory Environment</p>	<ul style="list-style-type: none"> • Number of procedures to open a business; number of agencies involved • Number of days; costs to start or close a business • Number of days to register; costs to register a title to property • Timelines of dispute resolution • Simplified procedures aimed at young entrepreneurs • Start-up incentives for youth-led businesses 	<ul style="list-style-type: none"> • Ease of starting/closing a business • Effectiveness of the judicial system 	<ul style="list-style-type: none"> • If the policies are effective, young entrepreneurs will face less challenges in starting or engaging in a business. As a result, there will be increase in businesses owned by youth.
<p>Enhancing Entrepreneurship Education and Skills Development</p>	<ul style="list-style-type: none"> • Share of secondary and high schools and universities offering entrepreneurship education/experiential opportunities • Share of apprenticeship, technical and vocational schools offering entrepreneurship education/experiential opportunities • Number of start-ups and spin-offs from universities and research programmes • Number of patents registered by young entrepreneurs • Share of private sector entities offering entrepreneurship education/experiential opportunities • Number of young entrepreneurs engaged in mentoring/coaching support by mentors, business executives and high-profile entrepreneurs 	<ul style="list-style-type: none"> • Availability of entrepreneurship education • Higher educational institutions' success in enterprise-relevant research and in commercializing research results • Contribution of the private sector 	<ul style="list-style-type: none"> • A better entrepreneurship education will lead to the creation of successful business ventures. Policy makers will develop education policies which will unleash youth entrepreneurial potential.

Continued on next page

Table 8. Indicators to measure the effectiveness of youth entrepreneurship policies

Continued from previous page

Policy Areas	Possible Indicators	What they monitor	Why they are relevant
Facilitating Technology Exchange and Innovation	<ul style="list-style-type: none"> • Number (occupancy and success/graduation rates) of young entrepreneurs in science parks/technology hubs, incubators and accelerators. • Share of youth-led tech intensive start-ups in relation to total start-ups • Share of youth-led tech-intensive startups with Venture Capital (VC) funding • Girls/young women engaged in science, technology, engineering and mathematics (STEM) programmes 	<ul style="list-style-type: none"> • Availability and success of facilities for the promotion of youth-led tech intensive start-ups • Success in bridging the male-female gap in science and technology 	<ul style="list-style-type: none"> • Data that shows access to technology and innovation, a key factor for business expansion and productivity.
Improving Access to Finance	<ul style="list-style-type: none"> • Share of microfinance/ SME loans provided to young entrepreneurs • Share of other forms of financing provided to young entrepreneurs • Total number of angel networks and VC invested in youth-led SME • Existence of a youth enterprise development fund or trust • Number of institutions with youth friendly financial products • Credit bureau coverage • Number of formal or informal financial literacy trainings for youth and their respective occupation rates 	<ul style="list-style-type: none"> • Performance of the financial sector in facilitating loans and other financial products to young entrepreneurs • Support by private sector for young entrepreneurs • Adequacy of financial infrastructure for lending to young entrepreneurs • Adequacy of financial infrastructure to meet the different business needs of young entrepreneurs 	<ul style="list-style-type: none"> • Policy makers will review the financial status of youth lead businesses, and can accompany lending with capacity building with the support of the private sector.
Promoting Awareness and Networking	<ul style="list-style-type: none"> • Results of opinion/attitudinal surveys and evaluations following awareness campaigns • Number of business associations that are targeted to/engaged with young entrepreneurs • Number of young entrepreneurs' networks – national and regional/ international • Number of competitions / awards for young entrepreneurs 	<ul style="list-style-type: none"> • Success in fostering a positive societal attitude towards young entrepreneurs • Opportunities for networking for young entrepreneurs • Recognition and incentives for young entrepreneurs 	<ul style="list-style-type: none"> • Monitoring mindset change and removing fears of failure will increase the positive perception of entrepreneurship as a career choice. With the right mindset combined with improved networking entrepreneurs may tap into new opportunities.

Source: UNCTAD and the Commonwealth

IV. Conclusions

Calls for policy actions to address soaring levels of unemployment among young people are becoming increasingly pressing both in developing economies and developed countries. Lack of job opportunities and barriers to self-employment for young generations, irrespective of their educational background, can have potentially serious consequences on a country's capacity to develop in a sustainable way in the years to come. Social exclusion of constantly growing shares of young population may also pose threats to a country's internal stability.

Developing an enabling entrepreneurial ecosystem for young people is the key to unleashing the potential of youth entrepreneurship and the foundation for creating a culture of entrepreneurship among young people. This Policy Guide takes a broader view on how governments can develop policies in key priority areas that will create an enabling environment for young entrepreneurs.

The examples provided under each priority area show that concerted policy actions can address the main impediments faced by young entrepreneurs. **Youth entrepreneurship strategies** developed and implemented at the national level in some countries provided policy makers with opportunities to assess the existing entrepreneurial ecosystem, identify opportunities and challenges by ensuring coherence with other national policies, and develop a step-by-step approach of sequenced interventions for strategy implementation.

For youth entrepreneurship to have a broader impact on job creation and in promoting sustainable development, policy-makers can enhance the regulatory environment for young people by **addressing regulatory barriers** that specifically hinder young entrepreneurs, and crafting policies that will create a friendlier business climate. Too many and burdensome regulatory hurdles, sometimes coupled with the absence of youth-orientated business development services, may discourage young people to start business, push young entrepreneurs to informality or clip the wings of nascent enterprises. Targeted initiatives, such as reducing initial capital requirements and simplifying the accounting regime for youth-owned start-ups, turned in to a remarkable increase in establishing new businesses.

The public and private sectors as well as other relevant partners can come together to address barriers related to **education and skills development**, and to determine how to better align the skills acquired by young people with the labour market's demands. Initiatives are mushrooming in many countries to instil an entrepreneurial spirit at an early age and to forge a positive entrepreneurial mind set through integrating entrepreneurship education into formal education systems. Though the impact of changes in the education system can generally be seen in the long term, some early assessments conducted point to noticeable improvements on attitudes, such as self-confidence, and skills, e.g. critical-thinking and problem solving, which are important for further developing entrepreneurial competencies.

Policy-makers can take a leadership role in **supporting technology and innovation** by providing incentives that will encourage private sector investment as well as by establishing favourable regulatory frameworks and crafting policies that will support the development of the infrastructure needed for innovation to occur, and by investing in higher education and training, and research and development in order to spur innovation. Young entrepreneurs are the most common source of innovation and creative use of technology and for their ideas to turn into

commercial products and services, a conducive environment is required. Programmes aimed at promoting inter-firm networks (for instance, through knowledge-exchange initiatives and public-private partnerships) as well as at building bridges between research institutions and the private sector, have the potential to stimulate the establishment and growth of high-tech start-ups, which are recognized to have the most positive impact on job creation.

In addition to undertaking financial reforms, governments, with the support of entities in the financial sector as well as non-governmental organizations (NGOs) could explore how to reduce barriers that have a disproportionate impact on young people and thereby **improve financial inclusion**. Access to finance is widely indicated as the most binding constraints by young entrepreneurs. It therefore deserves special attention by policy makers in trying to tackle those bottlenecks that keep young people away from the financial support needed to start their business. Two main areas of intervention have been identified, which act on both sides of financial products and services market: programmes that can increase financial literacy among young people (on the demand side) and initiatives to enhance the capacity of the financial sector to serve young entrepreneurs (on the supply side), thus meeting the peculiar needs of this niche of entrepreneurs and start-uppers.

Young people need to be partners and collaborators in youth entrepreneurship. In order to take on this role, concerted effort on the part of governments, NGOs and the private sector is required to develop platforms to engage young people as well as to promote the development of youth entrepreneurship networks and associations that advocate on behalf of young entrepreneurs. Similarly, international organizations such as the ILO, ITC, the World Bank, UNCTAD and UNIDO as well as inter-governmental organizations such as the Commonwealth which promote economic activities for young people need to engage young people as partners and collaborators in youth entrepreneurship. In the recent years, there has been a proliferation of **awareness-raising events on entrepreneurship**. Successful global events, often replicated at the national level, catalyse the media attention on specific times of the year. Contests, competitions and awards for young entrepreneurs recognize the achievements of successful business ideas and contribute to highlight the value of entrepreneurship to society and to stimulate other young people to think about an entrepreneurial career. In the long run, creating an enabling entrepreneurial ecosystem for young people will yield tremendous benefits by creating jobs and alleviating poverty, and by reducing social unrest and instability that is fostered by economic disenfranchisement.

As a way forward after the official launch of the Policy Guide on Youth Entrepreneurship, the Commonwealth Secretariat and UNCTAD commit to work together in the following areas:

- Engagement of multiple stakeholders in collective action model at national levels, promoting and supporting ongoing advocacy with regards to the set-up of enabling youth entrepreneurship ecosystems, working with policy makers, private sector, regulators, financial institutions, NGOs, entrepreneurs' networks.
- Carry out joint technical assistance projects to develop national youth entrepreneurship strategies and action plans.
- Liaise with other international organizations dedicated to youth, including participating actively to the initiatives led by United Nations Envoy for Youth and the United Nations Interagency Network on Youth Development (IANYD).

ANNEX. References to cases mentioned in the text

Formulating a National Entrepreneurship Strategy

Botswana

Ministry of Youth, Sport and Culture
http://www.mysc.gov.bw/?q=dept_youth
p.25

Colombia

Colombia Joven Emprende
<http://wsp.presidencia.gov.co/ColombiaJoven/estrategias/Paginas/colombia-joven-emprende.aspx>
p.23

Fiji

Ministry of Youth and Sports
<http://www.youth.gov.fj/index.php/poli>
p.23

Global

International Trade Centre
<http://www.intracen.org>
p.23

Regional

African Union
<http://summits.au.int/en/17thsummit/news/african-youth-decade-2009-2018-plan-action-accelerating-youth-empowerment-sustainable>
p.27

Regional

The Commonwealth
<http://thecommonwealth.org/>
p.22

Regional

European Union
http://ec.europa.eu/youth/policy/youth_strategy/index_en
p.27

Regional

Secretariat of the Pacific
<http://www.spc.int/>
p.22

South Africa

Department of Trade & Industry
www.dti.gov.za/news2013/YEDS_strategy2013.pdf HYPERLINK “http://www.dti.gov.za/news2013/YEDS_strategy2013.pdf”strategy HYPERLINK “http://www.dti.gov.za/news2013/YEDS_strategy2013.pdf”2013.pdf
p.23
p.27

Sri Lanka

Ministry of Youth Affairs and Skills Development
<http://www.youthskillsmin.gov.lk/web/>
p.25

Wales

Big Ideas Wales
<http://business.wales.gov.uk/bigideas/>
p.23

Wales

Youth Entrepreneurship Strategy
<http://wales.gov.uk/docs/det/publications/101115yesen.pdf>
p.24

Zambia

Zambia 6th National Development Plan
http://siteresources.worldbank.org/INTZAMBIA/Resources/SNDP_Final_Draft__20_01_2011.pdf
p.24

Optimizing the Regulatory Environment

Canada

Small Business Enterprise Centres
<https://www.ontario.ca/business-and-economy/small-business-enterprise-centre-locations>
p.33

Tanzania

Tanzania Private Sector Foundation
<http://www.tpsftz.org/>
p.33

Enhancing Entrepreneurship Education and Skills Development

Australia

Club Kidpreneur
<http://clubkidpreneur.com/>
p.42

Brunei

Brunei Entrepreneurship
Education Scheme
<http://beesprogramme.com/>
p.47

Global

Enablis Entrepreneurial Network
<http://www.enablis.org/>
p.47

Global

International Youth Foundation
[library.iyfn.org/library/build-
your-business-byb](http://library.iyfn.org/library/build-your-business-byb)
p.42

Regional

Junior Achievement
[https://www.jaworldwide.org/
Pages/default.aspx](https://www.jaworldwide.org/Pages/default.aspx)
p.43

Global

COMFAR
<ftp://ftp.unido.org/COMFAR>
REPLACE KIVA
p.42

Global

UNCTAD - EMPRETEC
<http://www.empretec.net>
p.41

Global

UNIDO
[https://www.unido.org/ituyouth.
html](https://www.unido.org/ituyouth.html)
p.42

Global

UNIDO
[https://www.unido.org/en/
what-we-do/poverty-reduc-
tion-through-productive-ac-
tivities/business-invest-
ment-and-technology-services/
competitiveness-business-en-
vironment-and-upgrading/in-
formation-and-communica-
tions-technology/programmes/
entrepreneurship-curriculum-pro-
gramme.html](https://www.unido.org/en/what-we-do/poverty-reduction-through-productive-activities/business-investment-and-technology-services/competitiveness-business-environment-and-upgrading/information-and-communications-technology/programmes/entrepreneurship-curriculum-programme.html)
p.44

Kenya

Equity Bank - Agricultural
Business Curriculum [http://
www.youtheconomicoppor-
tunities.org/sites/default/files/
uploads/resource/EquityBank_
CaseStudyNo%2015%20
Updated%202012.pdf](http://www.youtheconomicopportunities.org/sites/default/files/uploads/resource/EquityBank_CaseStudyNo%2015%20Updated%202012.pdf)
p.44

New Zealand

Young Enterprise Trust
[http://www.youngenterprise.org.
nz/](http://www.youngenterprise.org.nz/)
p.43

Regional

European Union
[http://theentrepreneurialschool.
eu/](http://theentrepreneurialschool.eu/)
p.45

Trinidad and Tobago

Youth Business Trinidad and
Tobago
[http://www.ybtt.org/about.
php?contentid=2248](http://www.ybtt.org/about.php?contentid=2248)
p.43

United Kingdom

Enterprise Education
[http://www.qaa.ac.uk/
Publications/Information-
AndGuide/Documents/
enterprise-guide.pdf](http://www.qaa.ac.uk/Publications/Information-AndGuide/Documents/enterprise-guide.pdf)
p.44

United Kingdom

International Enterprise and
Entrepreneurship Conference
<http://ieec.co.uk/>
p.45

United Kingdom

Founders4School
[https://www.founders4schools.
org.uk/](https://www.founders4schools.org.uk/)
p.47

Wales

Government of Wales
[http://wales.gov.uk/topics/edu-
cationandskills/qualificationsin-
wales/qualificationtypesinwales/
essentialskillsinwales/?lang=en](http://wales.gov.uk/topics/educationandskills/qualificationsinwales/qualificationtypesinwales/essentialskillsinwales/?lang=en)
p.44

Global

Making Cents International
p.44

Macedonia

p.45

Germany

p.47

Nicaragua

SAT

p.44

Global

ILO KAD
p.39, p.45

Pakistan

YES Network Pakistan
p.43

Regional

Junior Achievement Europe
p.43

United Kingdom

The Hub Youth Academy
p.43

Facilitating Technology Exchange and Innovation

Canada

MaRs Discovery District
<http://www.marsdd.com/>
p.54

Chile

Start Up Chile
www.startupchile.org/
p.57

Colombia

The International Park of Creativity
<http://www.parquedelacreatividad.org/english/>
p.57

Global

Cisco Networking Academy
<http://www.cisco.com/web/learning/netacad/index.html>
p.52

Global

UNIDO
<https://www.unido.org/ituyouth.html>
p.52

Global

UNIDO
https://www.unido.org/media_upgrade/Worldwide/Projects/AGRCashew.pdf
p.54

Malta

ICT Gozo Cluster
<http://www.marsdd.com/>
p.54

Nigeria

Information Technology Developers
Entrepreneurship Accelerator
<http://www.idea-nigeria.org/>
p.57

Tanzania

IBM - Dodoma University
<http://www.udom.ac.tz/>
<http://www.telecompaper.com/news/ibm-signs-ict-agreement-with-tanzania-government--743414>
p.55

United Kingdom

GSMA Mobile for Employment
<http://www.gsma.com/mobilefordevelopment/programmes/mobile-for-employment>
p.52

United Kingdom

Jaguar Land Rover - Inspiring Tomorrow's
Engineers
<http://www.jaguarlandrover.com/gl/en/responsible-business/social-responsibility/advancing-knowledge/inspiring-tomorrows-engineers/>
p.52

Global

Microsoft
p.57

India

Start-Up Village
p.57

Regional

Start-up bootcamp
p.57

United Kingdom

Tech City UK Alliance
p.54

Canada

Networks of Centres of Excellence
p.55

Kenya

Nokia Research Centre
p.55

Singapore

p.55

Improving Access to Finance

Australia

Commonwealth Bank
<https://www.commbank.com.au/personal/accounts/savings-accounts/youthsaver.html>
p.69

Australia

Enterprise Network for Young Australians
<http://enya.floktu.com/>
p.77

Canada

Ontario Emerging Technologies Fund
www.ontario.ca/ocgc
p.66

Global

Consultive Group to Assist the Poor CGAP
<http://www.cgap.org/>
p.62

Global

Child and Youth Finance International
<http://childfinanceinternational.org/>
p.68

Global

Junior Achievement
<https://www.juniorachievement.org/web/ja-usa/home>
P.72

Global

KIVA
<http://www.kiva.org/>
p.64

India

Kerala Finance Corporation
<http://www.kfc.org/credit-guarantee.php>
p.57

Mexico

PROJOVEM
p.66

Regional

Entrepreneurship Program for Innovation in the Caribbean
<http://www.infodev.org/EPIC>
p.66

Regional

Horizon 2020
<http://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020>
p.66

Regional

Venture Capital for Africa VC4A
<https://vc4africa.biz/>
p.69

Singapore

OCBC Bank
<http://www.frankbyocbc.com/>
p.69

Sri Lanka

Hatton National Bank
<http://www.hnb.net/>
p.69

Uganda

FINCA Uganda
<http://www.finca.org/where-we-work/africa/uganda/>
p.69

Chile

Emprende Joven
<http://www.emprendejuven.cl/>
p.72

Promoting Awareness and Networking

Global

Commonwealth –Asia Alliance of Young Entrepreneurs

<http://www.caaye.com>
p.78

Global

G20 Young Entrepreneurs Alliance

<http://www.g20yea.com/7>
p.81

Global

Global Innovation through Science and Technology

<http://gist.crdfglobal.org/about-gist>
p.81

Global

Global Youth Innovation Network

<http://www.gyin.org/what-is-gyin/>
p.81

Global

Seedstars World

<http://www.seedstarsworld.com/>
p.77

United Kingdom

UnLtd

<https://unltd.org.uk/>
p.77

Kenya

Equity Bank

<https://www.youtube.com/user/africasuccess>
p.81

Pakistan

The British Council

<http://www.britishcouncil.org/enterprisingpakistan.pdf>
p.77

Regional

Commonwealth-Asia Alliance of Young Entrepreneurs

<http://www.caaye.com/>
p.78

Regional

European Union

<http://www.erasmus-entrepreneurs.eu/>
p.83

Regional

Junior Achievement Enterprise Without Borders

<http://www.jaewb.org/>
p.83

United Kingdom

Make Your Mark

www.makeyourmark.org.uk
p.77

United Arab Emirates

Abu Dhabi Council for Economic Development

<http://www.adced.ae/en/home/index.aspx?mnu=Pri> HYPERLINK

<http://www.adced.ae/en/home/index.aspx?mnu=Pri&MenuID=25>" & HYPERLINK

<http://www.adced.ae/en/home/index.aspx?mnu=Pri&MenuID=25>"MenuID=25
p.83

Trinidad and Tobago

Idea 2 Innovation competition. Council for Competitiveness and Innovation

p.56

REFERENCES

- All-Party Parliamentary Group for Micro Businesses (2014). *An Education System Fit for an Entrepreneur, Enterprise Educators, UK.*
- Aspen Network of Development Entrepreneurs. (2013). *Entrepreneurial Ecosystem Diagnostic Toolkit, UK.*
- Chigunta, F. (2002). *Youth Entrepreneurship: Meeting the Key Policy Challenges.* Oxford, University, U.K.
- Commonwealth Secretariat (2013). *An Analysis of TVET in Bangladesh, Gambia, Jamaica, Kenya and Papua New Guinea,* London.
- Commonwealth Secretariat (2012). *Commonwealth Youth Credit Initiative (CYCI).* In-house Evaluation Report, London.
- Ernst & Young (2013). *Avoiding a lost generation: Young entrepreneurs identify five imperatives for action.* Produced for the G20 Young Entrepreneurs' Alliance Summit, Russia.
- Global Entrepreneurship Monitor (2013). *Annual Report,* Washington D.C.
- International Labour Organization (2012). *The youth employment crisis: Time for action.* Geneva.
- International Labour Organization (2013). *Global Employment Trends for Youth. A generation at risk,* Geneva.
- Matsumoto, M., M. Hengge and I. Islam (2012). *Tackling the youth employment crisis: A macroeconomic perspective.* ILO, Geneva
- Poonam, A and S. Smita. (2009). *Nurturing Youth Entrepreneurs.* Prepared for the Commonwealth Heads of State Meeting, Trinidad & Tobago.
- Schoof, U. (2006). *Stimulating Youth Entrepreneurship: Barriers and incentives to enterprise start-ups by young people.* ILO, Geneva
- Shrader, L, N. Kamal, W.A. Darmono & D. Johnston (2006). *Youth and Access to Microfinance in Indonesia: Outreach and Options,* Global Partnership for Youth Investment, Jakarta, Indonesia.
- UNCTAD (2014). *World Investment Report 2014, Investing in the SDGs: An Action Plan,* Geneva and New York.
- UNCTAD (2012) *Entrepreneurship Policy Framework and Implementation Guide,* Geneva and New York.
- Youth Business International (2010). *Youth Entrepreneurship: How to Increase Access to Capital for Young Entrepreneur,* London.
- Youth Business International (2012). *Youth entrepreneurship A contexts framework. How to maximise the impact of youth Entrepreneurship support in different contexts: a consultation,* London.
- Youth Business International (2013). *Generation Entrepreneur? The state of global youth entrepreneurship. Understanding the entrepreneurial attitudes, aspirations and activities of young people,* London.
- Wolfe, D. (2009) *21st Century Cities in Canada: The Geography of Innovation,* CIBC Scholar-in-Residence Lecture, Ontario, Canada.
- World Bank (2014). *Doing Business: Measuring Business Regulations,* Washington D.C.
- Doing in Business Report. S. Nagaoka, N. Flamm, M. Kondo (2009). *21st Century Innovation Systems for Japan and the United States.*



'CRACKING OPEN YOUTH POTENTIAL'