



## Guidance note: Strengthening the design and delivery of youth entrepreneurship support

### Overview

*This note describes the steps that policy makers can take to improve the design and delivery of entrepreneurship support that is targeted at, and tailored for, youth. The policy guidance is structured around the good practice statements that comprise the “Strengthening the Design and Delivery of Youth Entrepreneurship Support” module of the Inclusive Entrepreneurship component of the Better Entrepreneurship Policy Tool. For further discussion of these issues and additional examples of relevant policy actions, please see:*

*OECD/European Union (2017), *The Missing Entrepreneurs 2017: Policies for Inclusive Entrepreneurship*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264283602-en> [1]*

*OECD/European Union (2016), *Inclusive Business Creation: Good Practice Compendium*, OECD Publishing, Paris.*

*<http://dx.doi.org/10.1787/9789264251496-en> [2]*

*OECD/European Union (2015), *The Missing Entrepreneurs 2015: Policies for Self-employment and Entrepreneurship*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264226418-en> [3]*

*OECD/The European Commission (2014), *The Missing Entrepreneurs 2014: Policies for Inclusive Entrepreneurship in Europe*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264213593-en> [4]*

*OECD/The European Commission (2013), *The Missing Entrepreneurs: Policies for Inclusive Entrepreneurship in Europe*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264188167-en> [5]*

*OECD/The European Commission (2012), “Policy brief on youth entrepreneurship”, Publications Office of the European Union, Luxembourg. <https://doi.org/10.1787/23114886> [6]*

### 2.1. Policy objectives and targets for promoting and supporting youth entrepreneurship have been defined.

Clearly defining policy objectives and targets can improve the implementation of policies and programmes, and help allocate resources. Often these are outlined in a written document such as a strategy or action plan. It is important that policy objectives and targets are informed by research and stakeholder views, and that they are realistic and achievable. In setting objectives and targets for youth entrepreneurship support, it is important to consider the entrepreneurial potential of different profiles of youth and set objectives and targets accordingly. It is also important that youth entrepreneurship objectives are consistent with youth employment objectives and that a range of youth entrepreneurship stakeholders input into the development of youth entrepreneurship objectives. Tailored and targeted entrepreneurship policies and programmes can be more effective than generic “one size fits all” approaches. To maximise the chances of having an impact, tailored inclusive entrepreneurship policies and programmes should have clearly defined objectives that identify the desired outputs (i.e. what a policy produces) and outcomes (i.e. the conditions that policy seeks to alter).

It is important to prioritise key objectives since not all policy objectives have the same importance. Policy makers typically order objectives in a hierarchical fashion, which can help allocate financial and human resources and determine priorities.

The process of defining objectives should also include setting targets and identifying indicators that can be used to track progress against these targets and to assess the impact made. Policy makers should use a logic model to set targets and indicators that align with the desired policy outputs and outcomes. When defining indicators to track the impact of policy, it is important to avoid confusing outputs and outcomes since policy can only directly impact outputs. Indicators should be consistent over time and to the extent possible, use data that can be accessed without a long time lag.

Targets should be quantitative and realistic for the type of policy intervention and the size of the target group. They can be defined based on past experiences and/or experiences in other regions or countries. Stakeholders can also have a role in defining policy targets for inclusive entrepreneurship policies and programmes since they typically have experience in delivering support to the target groups. It is also important for targets to be achievable within the time frame, and with the available resources.

The process of designing policy objectives and targets often includes the following steps:

1. *Describe the challenges to be addressed and the context* to provide a rationale for policy action. Why does your region or country need a strategy for promoting and supporting entrepreneurship for people from groups that are under-represented and disadvantaged in entrepreneurship (e.g. women, youth, immigrants, the unemployed)?
2. *Create a vision* that sets out solutions that are evidence-based, and informed by research, best practice models and lessons from past experiences. What are the expected outcomes? Is there a similar policy or strategy in another region or country that has been successful?
3. *Prepare a strategy* that sets out a number of core principles that underpin the overall policy. What are the key areas for improvement that will generate entrepreneurship among groups that are under-represented and disadvantaged in entrepreneurship, e.g. developing skills, tailored business development support, improved access to finance?
4. *Include a statement of accountability* that clearly describes which actors are responsible for overseeing the strategy and its implementation.
5. *Prepare an evaluation statement* that outlines how the policy outputs and outcomes will be monitored and measured to assess the impact and effectiveness of the strategy. Has the intervention generated positive outcomes, such as business creation or job creation?

Policy objectives and targets are often outlined in a written document such as a strategy or an action plan.

Inclusive entrepreneurship policy strategies and action plans often focus on one specific group (e.g. women, youth, immigrants, the unemployed). They should outline the objectives, actions and targets for supporting the target group in entrepreneurship, as well as clearly indicate which ministry, department, agency, or local authority has responsibility for each action. An effective strategy is tailored to the specific circumstances, including the scope of policy actions (e.g. local, regional or national), the particular needs of the region (e.g. areas with high unemployment), and the specific target group (e.g. young people living in deprived areas). Clear links should also be made to other policy areas such as education, employment and economic policy.

In defining policy objectives and targets, it is good practice to consult relevant stakeholders early in the policy development process to gain an understanding of the issues and circumstances that affect how the target groups will likely to benefit, or possibly lose out, as a result of policy intervention. Stakeholders and public consultations should be based on written documents so that the messaging is clear and consistent.

When developing policy targets and objectives for promoting and supporting youth in entrepreneurship, it is important to:

- Consult with a range of youth entrepreneurship stakeholders, including youth organisations and networks, youth entrepreneurs, educational institutions, as well as relevant ministries, departments, agencies, local authorities and non-governmental organisations that work with youth. It can also be helpful to consult with experts in the field of inclusive entrepreneurship.
- Adjust objectives and targets for different profiles of youth entrepreneurs, including early school leavers, long-term unemployed and graduates.
- Draw on the knowledge generated from past youth entrepreneurship experiences and those in other countries.
- Consider labour market activity rates for youth to ensure that targets are realistic.
- Link youth entrepreneurship objectives to youth employment objectives.
- Collect performance indicators by age and gender.

## **2.2. There is an action plan to mobilise public sector actors and other relevant stakeholders to achieve youth entrepreneurship policy objectives.**

*An action plan can be an effective tool for transforming policy objectives into concrete policy actions on the ground. Action plans for inclusive entrepreneurship typically focus on one target group and identify the actions that will be taken to achieve the associated policy objectives. While one party should be responsible for the implementation of the action plan, responsibility for each action should be assigned to a ministry, department, agency, local authority, or other partner. In developing an action plan for youth entrepreneurship support, it is important that policy makers secure support and engagement from youth organisations and other key youth stakeholders. These groups should be consulted during the preparation of the action plan and can have a strong role in implementing initiatives.*

An action plan aims to transform a policy vision into implemented actions. A good action plan should seek to mobilise ministries, departments, agencies and other stakeholders to achieve the defined policy objectives. Organising all related actions into an action plan can also help co-ordinate the implementation of initiatives since stakeholders will be aware of all of relevant activities.

An action plan should contain a list of steps or actions that will be undertaken in a given time period to achieve a set of policy objectives. It should include clearly defined actions to be taken, and identify who will be responsible for undertaking the activity. There is often an indication of the start date (and possibly end date) to help manage the sequencing of actions. Action plans may provide an indication of the scale of each action by indicating

targets expected to be achieved and the resources allocated to each activity.

To increase the chances of success, it is important that one actor is responsible for overseeing the implementation of the action plan. Action plans also need to be supported by the implicated ministries, departments, agencies, local authorities, partners and stakeholders. Consultation with the relevant parties is therefore essential. This requires identifying key partners and stakeholder groups, and sharing written documents and collecting feedback in an organised consultation process.

In developing an action plan, policy makers should also consider the role of monitoring and evaluation. In order to track progress and assess the impact of the policy actions, appropriate indicators will need to be identified as well as the specific data sources that will feed the indicators. Often both are identified in the action plan. The ministry, department, or local authority that is responsible for overseeing the action plan should also be responsible for setting up monitoring and evaluation processes, although this is often contracted out to external experts.

Once action plans have been prepared and agreed, they should be made public so that stakeholders and the wider community can support the policy actions.

When developing an action plan for supporting youth in entrepreneurship, it is important to:

- Engage youth organisations, and relevant ministries, departments, agencies, and local authorities in the development of the action plan.
- Seek support from youth organisations in implementing the action plan.
- Ensure that youth entrepreneurship actions are consistent with youth employment policy.
- Collect key performance indicators according to participant characteristics, including age and gender.

### **2.3. Appropriate financial resources have been allocated to implement the youth entrepreneurship support.**

*Financial resources for tailored entrepreneurship policies are limited and should be a central consideration when selecting among policy options. It is important to consider all potential funding sources, including direct financing, matched financing for non-government actions, and the potential of leveraging in-kind support from the non-governmental sector. Effective financial management should include a tracking system that allows ongoing monitoring of expenditures. In securing financial resources for youth entrepreneurship support, it is important to explore all potential funding sources, including the European Social Fund and the Youth Employment Initiative. There is also potential to leverage in-kind contributions from youth organisations and business development service providers.*

An appropriate allocation of financial resources is essential for the successful implementation of inclusive entrepreneurship policies and programmes. This requires consideration of both financial and non-financial (e.g. human resources, organisational capacity) resources that will be required to implement inclusive entrepreneurship policies and programmes, and implementing support initiatives.

At the outset, it is necessary to identify the sources of appropriate funding and ensure that they are sufficient to cover costs that will be incurred throughout implementation. The availability of financial and non-financial resources will shape decision makers' choices of using internal or external delivery mechanisms, including delivery by government departments or agencies, non-governmental bodies, private sector organisations, not-for-profit organisations, or volunteers. A thorough cost-benefit analysis can help implementers decide what can be done in-house or sourced externally. In practice, most inclusive entrepreneurship initiatives are delivered with a mix of mechanisms.

It can be helpful to develop a resource management strategy that specifies how all financial and non-financial

resources will be tracked and managed to support policy delivery. Thought should be given to resources that are required to meet the anticipated outcomes, including office space, equipment, IT services and staff. Key questions for policy makers include: How will those resources be acquired and managed? How long will they be needed for? What are the estimated costs?

It is important not to overlook the human resources required to successfully implement the strategy. Different types of expertise may be needed for different phases of implementation to ensure the best possible results. Financial resources may be needed to hire or train staff, or to contract external expertise.

Consideration is also needed for the resources required at different levels to implement the strategy. Resources at the highest level (e.g. national or regional government) should be considered prior to assigning resources at the organisational and individual levels. For example, are the conditions and budgets available to facilitate the delivery of the desired outcome? At the organisational level, resources need to be sufficient to cover the equipment and human resources needed to deliver the support. At the individual level, business advisors and trainers will need appropriate skills and knowledge to successfully deliver the support programmes.

Policy makers need to monitor and measure the success of their inclusive entrepreneurship actions in terms of resource allocation and management. The instruments used in the assessment may vary depending on the scope of policy objectives and targets. The use of cost-benefit analysis is typically appropriate for national or regional initiatives since it enables policy makers to measure the benefits and financial costs of the project to society and to monitor the progress.

Finally, it is also important to balance the resource needs of ongoing operations against programme development needs. Any future policy development will require additional resources.

When securing and allocating financial resources to support youth entrepreneurship policies and programmes, it is important to:

- Explore all potential funding sources, including European Structural Funds (e.g. European Social Fund) and the Youth Employment Initiative.
- Seek partnerships with private sector companies and foundations that may co-fund initiatives.
- Leverage in-kind contributions from youth organisations and professional business development service providers.

## **2.4. Effective co-ordination mechanisms are in-place to facilitate collaboration among public actors involved in designing and delivering youth entrepreneurship policies and programmes.**

*The effective implementation of inclusive entrepreneurship policies and programmes requires co-ordination across the range of ministries, departments, agencies, local authorities, and non-government actors involved in designing and delivering support measures to ensure coherence and relevance and actions, and to minimise duplication. Mechanisms that could be used include working groups and committees with representation of all of the relevant actors. Success factors include strong leadership and regular communication. In establishing co-ordination mechanisms for the design and delivery of youth entrepreneurship support, it is important for policy makers to strengthen relationships with youth organisations and ensure that there are mechanisms for information sharing across all actors involved in delivering youth entrepreneurship support.*

Inclusive entrepreneurship policies and programmes need to be co-ordinated across ministries, departments, agencies, and local authorities because inclusive entrepreneurship touches many policy areas (e.g. employment, economic, education policy) and several jurisdictions (e.g. national, regional, local). Moreover, many non-governmental actors are involved in delivering inclusive entrepreneurship initiatives and government needs to be

aware of these actions. Strong co-ordination across ministries and departments can facilitate information sharing, build synergies between initiatives, and minimise duplication.

A common approach to co-ordinating policy actions between ministries, departments and agencies is to use inter-organisation working groups, with representation from key ministries and departments (e.g. Labour, Economy, Industry, Education), as well as agencies and local authorities. The goal of such working groups is to design and manage working arrangements across institutions so that mandates, competences and responsibilities are clearly defined and agreed upon. However, it is also possible for a dedicated agency or department to take on this role.

Other potential mechanisms include the establishment of a public-private working group or an advisory council, which both seek to provide a strong voice to non-government actors. Either approach requires strong leadership from the public sector and a clear definition of roles, responsibilities and expectations at the outset.

It is also important to establish mechanisms to co-ordinate actions between ministries, departments, agencies, local authorities and non-government actors. Often these relationships are managed through the mechanisms that allocate public funding to non-government partners that deliver inclusive entrepreneurship support initiatives, or through public consultation processes. Other examples include inter-organisation working groups that could include both government and non-government representatives. These mechanisms typically seek to improve the coherence of public sector and non-governmental activities to support inclusive entrepreneurship.

In establishing co-ordination mechanisms, policy makers should consider a number of key questions: How well do different policy actions and stakeholder mandates fit together? Are there duplications or gaps in the actions required? How well do youth entrepreneurship programmes co-ordinate with, and complement, wider labour market and economic policies?

When setting up co-ordination mechanisms for youth entrepreneurship support, it is important to:

- Build trusting and co-operative relationships between the range of stakeholders involved in youth entrepreneurship support, including governmental and non-governmental organisations and educational institutions (e.g. schools, colleges and universities).
- Build conduits for information sharing so that all partners are aware of the take-up of support and its impact, e.g. websites, working groups.

## **2.5. Outreach methods are tailored to different profiles of youth to inform them about the range of available entrepreneurship support offers.**

*For inclusive entrepreneurship initiatives to be successful, it is critical that the target groups are aware of the available support. Many people from groups that are under-represented or disadvantaged in entrepreneurship (e.g. women, youth, immigrants and the unemployed) are “hard to reach” and policy makers need to adjust their messages and communication methods to reach these populations. When reaching out to potential youth entrepreneurs, it is important for policy makers to use online platforms and key role models (e.g. parents, teachers). Messages should be tailored to different youth populations such as school drop-outs and university graduates since they likely have different motivations and operate different types of businesses.*

Outreach is an important component of policy delivery since common reasons for low take-up of support among the targeted recipients include a lack of awareness about the available support and an inappropriate programme interface for the target group. This is a particularly important issue for inclusive entrepreneurship because the targeted populations (e.g. women, youth, immigrants, the unemployed) are often groups that are “hard to reach” by public support initiatives since these groups are typically less likely to be exposed to mainstream outreach



channels. This calls for a different approach when trying to raise awareness about tailored entrepreneurship support.

Communication methods and channels used by policy makers need to be adjusted. Outreach messages need to be clear and easy-to-understand since many of these targeted populations have less experience in the entrepreneurship and the labour market. It is most effective to push these messages out through communication channels that will reach the intended target group, e.g. through community-based media, respected role models. Outreach for many entrepreneurship programmes is now done online so it is important to ensure that these messages are disseminated through appropriate online platforms that are used by the different target groups. Some groups, however, will still prefer more traditional brochures or leaflets, and it is important to consider whether there is a need to offer printed material in multiple languages or in special formats (e.g. Braille). It can be helpful to consult with members of the target group, as well as organisations that work with, or represented, them to ensure that appropriate messages are delivered through appropriate channels.

The programme interface is also important. Members of under-represented and disadvantaged groups often feel more comfortable in meeting a business adviser in their own environment rather than in the offices of business support agencies. This can be achieved, for example, by business advisors travelling to the homes and businesses of the supported entrepreneurs or by operating out of local branch offices. Further, it can be effective to have the business advisors and trainers come from the community that policy makers are trying to reach. It is important to mention any tailoring of the programme interface in outreach efforts.

When reaching out to potential youth entrepreneurs, it is important to:

- Make use of online platforms that are heavily used by youth, e.g. social media.
- Develop messages that speak to different profiles of youth, e.g. school drop-outs, higher education graduates.
- Use key role models to help deliver messages, including parents, teachers and alumni.
- Partner with youth organisations and education institutions (e.g. schools, vocational training colleges, higher education institutions) to reach youth.

## 2.6. Support providers are equipped to work with different profiles of youth entrepreneurs.

*Entrepreneurs from groups that are under-represented or disadvantaged in entrepreneurship (e.g. women, youth, immigrants, the unemployed) face greater and different barriers to business creation. This calls for support initiatives that are tailored to address the unique barriers faced. To be effective, those delivering support should understand these barriers and be trained to work with the target groups. To improve the delivery of entrepreneurship support for youth, frontline staff should have appropriate entrepreneurship qualifications and experience, and strong communication skills since youth are likely inexperienced in entrepreneurship and the labour market. It is also important for them to understand the challenges faced by different profiles of youth in business creation.*

Some of the common barriers in using mainstream entrepreneurship support include the “one size fits all” mentality and the inability of mainstream agencies to fully understand and address the unique needs of the target groups that are under-represented and disadvantaged in entrepreneurship (e.g. women, youth, immigrants, the unemployed).

When implementing support initiatives, programme managers have two main options for ensuring that there is qualified support staff. First, they can recruit people who have experience in working with specific target groups. This should help ensure that frontline staff understands the challenges faced by these groups and that they know how to communicate effectively with them. Furthermore, trust can be built more quickly with a target group when

at least some members of the frontline staff are from this group.

Second, programme managers can train their staff so that they understand the challenges faced by a target group and so that they know how to best work with this population. Often, training for inclusive entrepreneurship trainers and business advisors places a strong emphasis on communication skills.

Having frontline staff who is experienced in working with specific target group has two benefits for programme managers. First, it can help ensure that the support is relevant. Second, it can help increase take-up due to the relevance of support, well-established outreach channels and methods, and an existing relationship between the target group and support provider.

Some regions and countries offer certification programmes for entrepreneurship trainers and advisors. Often this is a signal to potential clients that the support offered is high quality, but there are also several examples of certifications that indicate that frontline staff is experienced in working with the target group.

Policy makers can also have influence on programme managers by placing conditions on programme funding. For example, conditions can require that a certain proportion of programme staff is from the target group, and/or that they receive training in working with the target group.

When delivering youth entrepreneurship support, it is important to:

- Offer training to business advisers, trainers, coaches and mentors so that they have specialised entrepreneurship knowledge and an understanding about the business-related needs of various profiles of youth (e.g. school drop-outs, university graduates).
- Ensure that frontline staff has strong communication skills so that they can build trust with the supported youth entrepreneurs.

## 2.7. Monitoring and evaluation are used to measure progress against the strategic objectives and targets for youth entrepreneurship.

*Monitoring and evaluation are an important part of the policy development process. When assessing the impact of youth entrepreneurship support against strategic objectives, policy makers must keep in mind that there can be a time-lag between the policy action and business creation. A student may not start a business immediately after a course, but later on during their career.*

The policy development process should include monitoring and evaluation to measure progress against the objectives and targets. Policy makers should want to understand what works, what does not work, and to ensure that lessons can be learned and shared with others.

Basic monitoring is done with key performance indicators (KPIs) by programme or project managers. KPIs measure progress of a policy or project against the objectives and targets. Indicators can be grouped into three main types:

- *Impact* (i.e. changes in the problem or other outcomes of concern);
- *Cost-effectiveness* (i.e. costs for a given level of impact); and
- *Net Benefits* (i.e. all beneficial impacts minus all costly impacts).

*Mid-term* and *ex-post* evaluations can help identify the ways in which the policy can be improved or developed to increase its impact. These evaluations are typically undertaken by external experts to ensure independence and objectivity. Such evaluations should be built into the policy design process from the outset. Furthermore, the lessons learned from evaluations should be available and accessible to other policy makers in order to share good practice.

Effective policy evaluation should include several features. It should be systematic and analytical, focused on



actual effects and provide judgement of the level of success. Moreover, it should aim to improve decision making, help resource allocation, enhance accountability, and bring about organisational learning. Six principles for sound evaluation practices can be highlighted:

1. Evaluation should lead to policy change;
2. Evaluation should be part of the policy debate;
3. Evaluators should be “in at the start”;
4. Evaluation techniques should always use the most appropriate methodology;
5. Evaluation should apply to all policies and programmes; and
6. International comparisons should be made where necessary.

The process of policy evaluation may vary, depending on the circumstances. Some government departments and organisations have a dedicated unit with responsibility for evaluating policies, while others may commission evaluations in-house or from outside organisations, as required. Although best practice principles exist, the context of the policy and the target audience requires particular attention against these broader best practice guidelines.

In order to establish effective evaluation of inclusive entrepreneurship strategy, decision makers may consider undertaking the following steps:

- Consider the scope and purpose of evaluation from the outset of policy design.
- Identify all relevant stakeholders and seek their views so that the impact of the policy on all parties can be evaluated.
- Undertake *ex post* evaluations of policy pilots to identify how a policy might be improved before it is rolled out nationally.
- Ensure indicators and data are fit for purpose and sufficiently valid, reliable and relevant.
- Quantify the effects of a policy in isolation from other related policies using valid measures of the counterfactual from controlled comparisons.
- Distinguish between factors that are attributable to an outcome and factors that contribute to an outcome to analyse the success or failure of a policy.
- Ensure results are used to inform and improve the design and implementation of future policies.
- Share results and lessons publicly.
- Ensure that evaluators have the appropriate skills and experience.
- Ensure that evaluators understand the policy objectives, as well as the political, cultural and organisational context.
- Ensure that the criteria used to evaluate the success of a policy meet its objectives, and distinction is made between policy outputs and policy outcomes.

When monitoring and evaluating strategic objectives for youth entrepreneurship support, it is important to:

- Recognise that business start-up can occur many years after entrepreneurship education or awareness raising activities. It is also possible that someone may learn that entrepreneurship is not suitable for them and not starting a business could be a positive outcome.
- Ensure that strategic objectives for youth entrepreneurship support are coherent with youth employment policy objectives.
- Collect key performance indicators by age and gender.

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#### **Links**

[1] <http://dx.doi.org/10.1787/9789264283602-en>

- [2] <http://dx.doi.org/10.1787/9789264251496-en>
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- [6] <https://doi.org/10.1787/23114886>