

THE ROLE OF THE TVET SECTOR IN FOSTERING ENTREPRENEURSHIP

A holistic approach highlighting the role of TVETs



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GOYN is a multi-stakeholder initiative committed to creating place-based systems shifts for youth economic opportunity. Working with Anchor Partners situated in communities around the world, we work to create economic mobility for “Opportunity Youth” — young people aged 15-29 who are out of school, unemployed, or working in informal jobs. GDI is an incubator for transformational development ventures, working to build and scale the next generation of social impact solutions. Whether these concepts originate from sector experts, or are developed and tested ourselves, we create new approaches to address persistent global issues.



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What is entrepreneurship?

Over the last three decades, 'entrepreneurship' has become a ubiquitous term, and spawned an assortment of definitions and typologies. Even so, these categories typically highlight identifying (novel) opportunities, taking on risk, and creating value. Entrepreneurship may lead to formal or registered ventures, or may include micro, small or medium enterprises in the informal sector. In simple terms, entrepreneurship is defined as the capacity and willingness to develop, organise and manage a business venture along with any risks in order to make profit.¹



Chapter 1: Entrepreneurship is a critical driver of growth for African economies

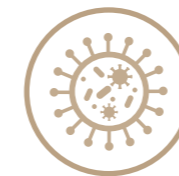
Let's start with three things we already know:



Economies are not supporting enough waged employment. Since African economies are unable to integrate enough working-age youth into waged labour, much of the workforce is forced to seek work in the informal sector, often with unreliable incomes and limited security. In Kenya, for example, over a million young people graduate from local institutions each year and enter the workforce², but demand generates a total of 843,000 new jobs, with the informal sector accounting for 767,900 of those new positions.³ What happens to the rest?



Entrepreneurs drive growth. Services and goods by entrepreneurs and small businesses create a cascading effect in the economy. Ventures generate wealth from new market segments; inject money into their local communities; create employment opportunities; and directly impact other small businesses. This chain reaction could also increase government tax revenues (when the enterprises are formalised, although most remain informal) which stimulates development in other sectors. Therefore, **entrepreneurship could fill much of the employment gap.**



The COVID-19 pandemic has exposed and exacerbated inequality. The International Monetary Fund (IMF) reported that the economy of sub-Saharan Africa shrunk nearly 3%.⁴ Access to training, financing, markets, social security and other critical services was disrupted for many. Nascent businesses took a hit, and many livelihoods were lost.

Given Africa's population is expected to triple by the end of the century,⁵ economic growth is central to the national and regional development agenda. Considerable resource investments are required to support an inflating population in addition to tackling pre-existing systemic challenges. Rapid and inclusive growth at scale is a critical issue, particularly in the context of COVID-19's global impact. Entrepreneurs' potential to execute change creatively and at scale is a resource private and state actors are working to tap into. African entrepreneurs are, in fact, already driving the provision of basic services as well as delivering innovative local solutions to waste management, education, transportation and sustainable energy alternatives.

And so, one final fact we may agree on: **while entrepreneurship has the potential to deliver much-needed economic growth, entrepreneurs themselves require supportive ecosystems to fully capitalize on their value.** In this context of a growing youth population in many countries along with economies still far from recovery, technical and vocational institutions have an opportunity to enhance their contribution to local populations and the world of work.

¹ Source: <https://www.nepad.org/taxonomy/term/95>

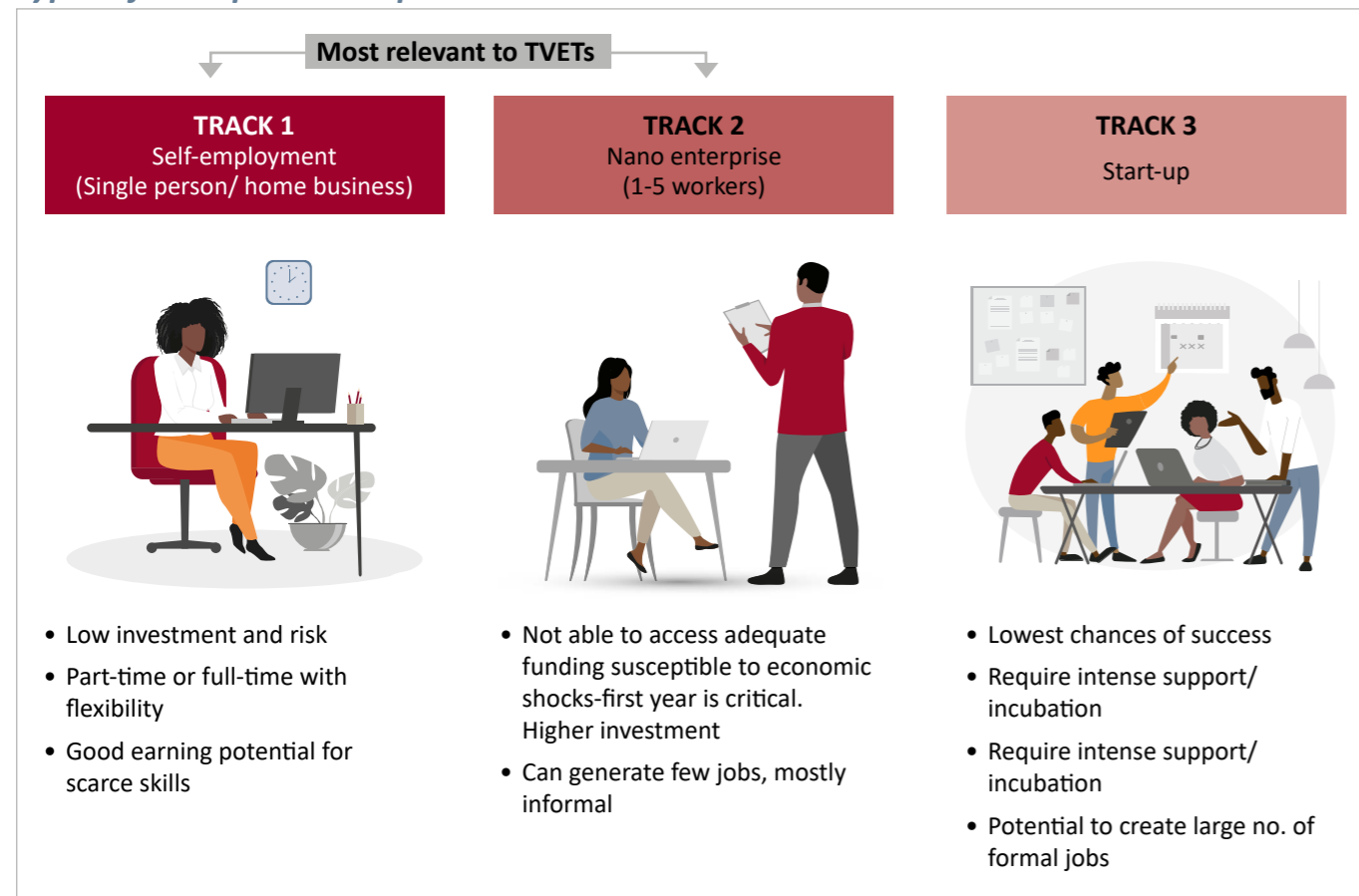
² Cytton, 2020

³ Economic, 2020

⁴ Source

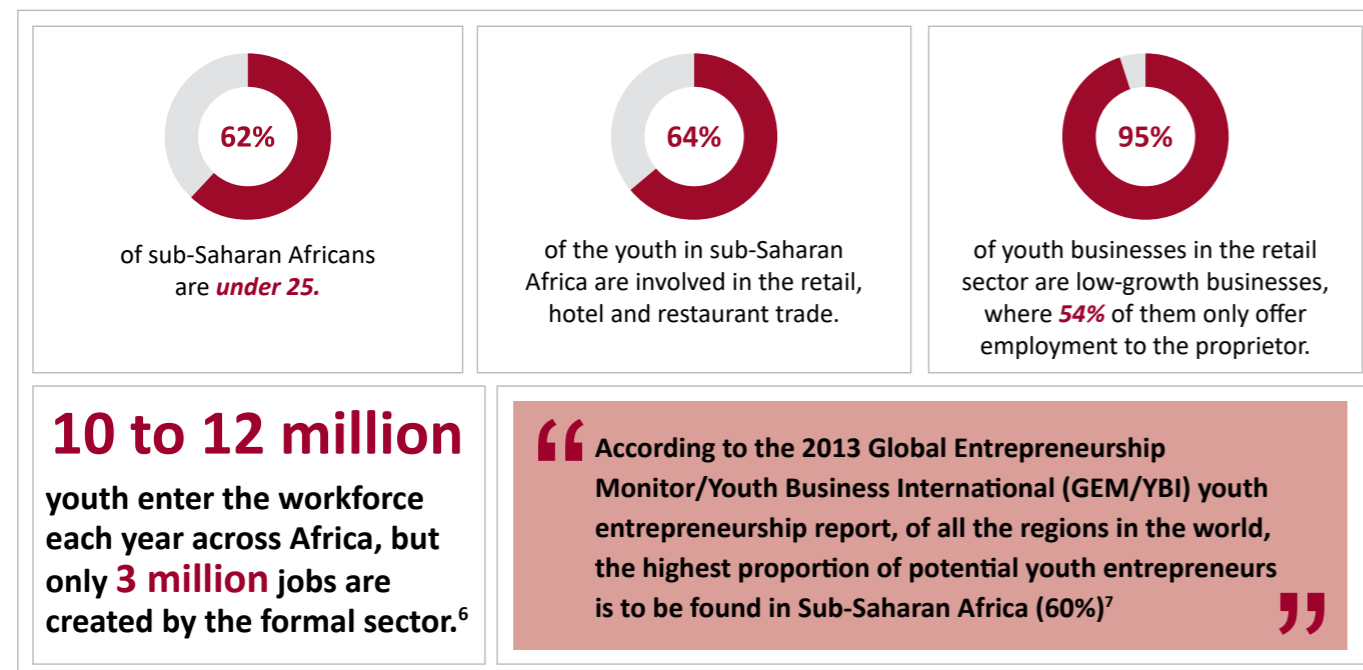
⁵ Lancet, 2020 [https://doi.org/10.1016/S0140-6736\(20\)31522-1](https://doi.org/10.1016/S0140-6736(20)31522-1)

Types of entrepreneurship



For the purposes of this model, we are focused on self-employment and nano enterprises as the type of entrepreneurship that is relevant for TVETs. Start-ups are best served through Incubators and Accelerators, rather than TVETs. In this regard, entrepreneurial skills and mindsets are an important factor in enabling TVET trainees' access to decent work.

The numbers are in!










⁶ World Bank, 2018

⁷ ILO, 2016

Chapter 2: A model for fostering youth entrepreneurship

Fostering entrepreneurship in African economies relies on effectively addressing the needs of youth entrepreneurs - in terms of the skills, resources and enabling environment required to establish and maintain an entrepreneurial venture. Many of these needs remain currently unmet in African economies.

The Global Development Incubator's extensive research on this topic has surfaced the needs highlighted below:

ENTREPRENEUR NEEDS ⁸	Description
 <p>Access to market information and linkages</p>	Entrepreneurs require access to market information to assess what potential opportunities are available in their local area, what skills are required to capture these opportunities, what kinds of businesses would be useful to start and have customers and what influences consumer decisions. This allows the entrepreneur to establish a business model that effectively addresses market needs. In addition, entrepreneurs need to know economic growth areas and how to access and connect to those markets (e.g. digital platforms, information). Linkages with various actors along the supply chain (e.g. suppliers, producers, consumers), along with guidance on how to access procurement to government contracts are also essential to allow entrepreneurs to establish ventures quickly and successfully.
 <p>Skills development</p>	Entrepreneurial skills centre around attitudes (soft skills), such as persistence, networking and self-confidence on the one hand and enabling skills (hard skills) on the other hand, including basic start-up knowledge, business planning, financial literacy and managerial skills. The content of course, alongside work-based learning opportunities are essential to develop these skills.
 <p>Access to finance</p>	Inadequate access to finance remains a major obstacle for many aspiring entrepreneurs. The financing gap for micro, small and medium-sized enterprises remains enormous. Entrepreneurs of all types and sizes require a variety of financial services, including (1) awareness of financing options available to them, (2) facilities for making deposits and payments, and (3) options for accessing credit, equity and guarantees. In addition, the structure and terms of funding must be favourable to encourage entrepreneurship e.g. collateral requirements, interest rates etc.
 <p>Motivation and attitude towards entrepreneurship</p>	Negative socio-cultural perceptions about entrepreneurship can act as significant barriers to enterprise creation. In addition, entrepreneurs need to be aware of how they can take time off from work/informal work to start a business, access immediate cash and foster long-term thinking with a business orientation.
 <p>Mentorship and access to networks</p>	Mentors and networks can play a critical role in encouraging and promoting entrepreneurship. Access to a network of experienced partners can guide the way to investment and business experience, and offer the support required to strengthen the entrepreneur's leadership skills.
 <p>Personalized coaching and technical assistance</p>	While mentorship can be useful to raise ambitions, personalised coaching and technical assistance is required to support the entrepreneur tackle the day-to-day challenges of establishing and maintaining their business.
 <p>Favourable policy and regulatory environment</p>	The unleashing of entrepreneurship requires an environment that enables the entrepreneur to create, operate, manage, and if necessary, close a business within a context where compliance with the rule of law governing disclosure, licensing and registration procedures, and the protection of physical and intellectual property is guaranteed. The regulatory environment should encourage people to set up their own business, to try new business ideas and to take on calculated risks, keeping administrative burdens to the minimum.

⁸ Adapted from: GDI, UNCTAD, [Entrepreneurship Policy Framework and Implementation Guidance](#), www.uwezo.go.ke, Mombasa CEC youth, www.mombasa.go.ke, FSD Kenya SME Banking report; [eRegulations Kenya](#)

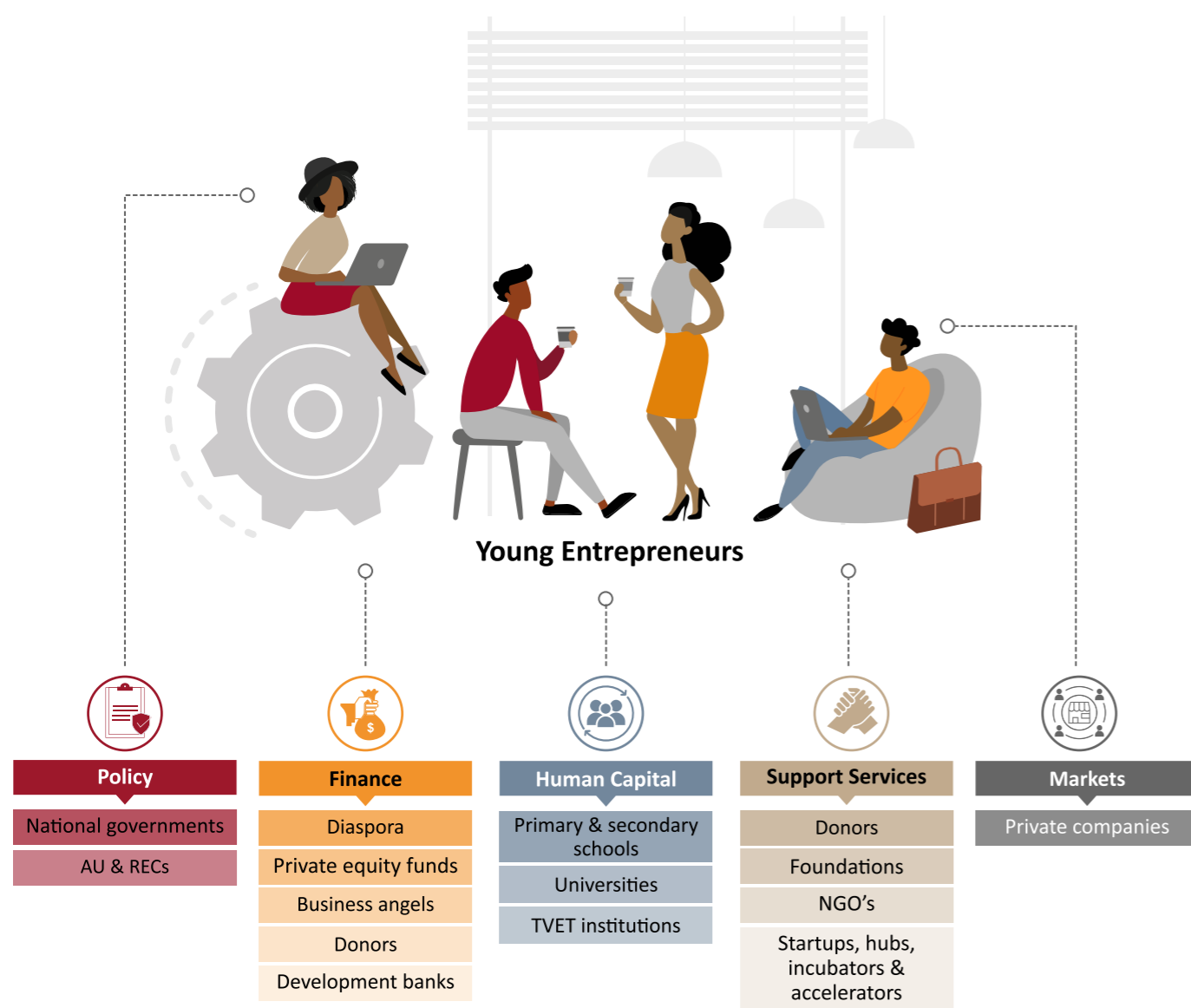
Chapter 3: How TVETs fit within this model

TVETs play a critical role in training individuals to be technically skilled mechanics, engineers, shoemakers, and garment makers, among other professions. Individuals who acquire TVET training often set up their own businesses, and enrol new entrants for training.⁹ According to the World Bank, skilled workers enhance the quality and efficiency of product development, production, and maintenance, and they supervise and train workers with lesser skills. It is for this reason that TVETs are recognised as the most practical avenue for acquiring readily employable skills for the world

of work by the African Union in their Continental Technical and vocational education and training (TVET) Strategy.¹⁰

Even the highest performing TVETs are unable to meet all the seven needs (table above), which are required to create successful entrepreneurs in African economies. A range of public and private actors must own and (fully execute!) specialized roles within the ecosystem to support young entrepreneurs.

Actors in the entrepreneurship ecosystem



⁹ <https://www.nepad.org/skillsportalfor youth/publication/skilling-africas-informal-sector-growth-role-of-technical-and>

¹⁰ <https://www.nepad.org/news/unleashing-potential-of-TVET-africa>

Our goal is for all TVETs across Africa to integrate entrepreneurial training within their current programs, and to launch and scale an integrated suite of support as we detail below. With the current mandate of training alone, TVETs are still not delivering their full promise to working-age youth in need of jobs and income. So, we are conscious that the scale and depth of change we recommend will be an incremental process over the long-term. TVETs will need to make organizational and programmatic changes to fully unlock their value. Other stakeholders, like government, non-profits and development actors, must intervene to resolve the bottlenecks of low resourcing and capacity which currently constrain entrepreneurial support. Over time, we will tackle the underlying or systemic barriers to success for young entrepreneurs.

Within the broader entrepreneur support ecosystem, we have identified three different ways TVETs should contribute. While these three categories of action are distinct, they are interdependent. For the entire entrepreneurship ecosystem to function effectively, the interventions across all three types of roles need to be in place. We defined them as such based on the TVETs' sphere of influence: under 'deliver', TVETs have direct control; under 'coordinate' they have indirect control; and under 'advise' these are nearly entirely under the influence of another actor, often government. There are multiple opportunities for other actors to partner with TVETs so that they can execute at scale, speed and quality.

This holistic approach, the role of TVETs can be broken down into **three types**:

1. Deliver: TVETs must address and deliver certain interventions themselves. These rely on a TVET's direct engagement with young entrepreneurs; leverage their primary expertise of training and focus on areas where their efforts can be most additional. For example, a TVET providing training on pottery courses must deliver both the technical training required for potential entrepreneurs to become good potters, but also equip them with the financial, accounting and management skills required to run a business.

2. Coordinate: While TVETs cannot deliver interventions themselves, they can play a critical role in convening, coordinating and mobilizing the right set of stakeholders. TVETs cannot deliver these themselves, because they are designed to be multi-stakeholder initiatives, and necessitate collaboration. Importantly, expertise from other key actors is fundamental to the success of interventions under 'coordinate'. Now, however, few actors are actively finding synergies and harmonizing the different interventions. TVETs are uniquely connected to all the key actors and can therefore play this coordinating role. In the example above, the TVET may not be able to provide seed capital for the entrepreneur but should coordinate with local banks and capital providers to facilitate access to such capital for the entrepreneur.

3. Advise: Some activities are best handled by other stakeholders, acknowledging that the TVET may, or may not be able to influence the outcomes. TVETs should play the primary role of providing strategic direction, advice and recommendations. This is the case where TVETs may not have the authority and access to resources to influence structural barriers outside their core mandate (like taxation) and execute nationally and internationally. Other actors, often government, must take responsibility for acting on the advice of TVETs.

A holistic approach to fostering entrepreneurship must ensure that TVETs focus on all three types of actions. For example, providing guidance to funders on the types of funding required by entrepreneurs (advise), would increase the chances of a successful partnership with that funding source (coordinate) and ultimately allow the TVET to facilitate access to the right capital sources for the entrepreneur (deliver).










TVETs should not see this as an all-or-nothing model. In fact, a TVETs ability to successfully execute all three stages (Deliver, Coordinate and Advise) will depend on its bandwidth, track record, size and maturity – among other factors. TVETs can recognise what they already do within this model, and then consider what else they need to do to improve their ability to foster entrepreneurship in their markets.






Additionally, a lot of the activities in the 'Coordinate' and 'Advise' column may not be possible for a single TVET institution to carry out on their own. In such cases, TVETs can look to partner with other TVETs in their region, join national or regional working groups (e.g., the Permanent Working Group on TVETs in Kenya) or come together with other actors in creative ways to achieve the desired outcomes. In certain contexts, TVETs may not be in the best position to play the lead role in coordinating other actors, but can simply achieve the desired impact by networking or supporting other actors that are playing the leading role. However, where there is a vacuum in leadership, TVETs may play more of a leading role to assemble other actors and drive collective actions in a systemic way through the privileged access they have to young entrepreneurs.

This behaviour requires a significant shift in mindsets that requires all actors, including TVETs, to step outside their silos and seek entrepreneurial and creative solutions. In a context where information and knowledge sharing are generally weak, these mindset shifts, and the associated actions can be a critical foundation for building a well-functioning entrepreneurial ecosystem.

Chapter 4: The role of TVETs within this model (summary)

	 Deliver	 Coordinate	 Advise
YOUTH ENTREPRENEUR NEEDS	TVETs must address these entrepreneur needs directly	TVETs must play a coordinating role in partnerships to address these entrepreneur needs	TVETs should play an advisory role to enable other actors address these needs
 Access to market information and linkages	Consolidate and use validated data on growth markets and required competences to guide trainees in selecting businesses matched to both market demand and their individual skills and interests. Cultivate formal relationships with market actors (buyers, aggregators) and facilitate market linkages for trainees.	Contribute to and support local market scans regional labour market information systems led by government, private sector and/or civil society. Track and review local business support tools and providers; connect trainees with relevant packaged support ('business in a box') services.	Support local and national governments synthesize labour market data and provide focused recommendations on growth industries and job-creation opportunities for the private and public sector.
 Skills development	Discontinue stand-alone entrepreneurship programs and instead, integrate entrepreneurship components, comprising both technical business skills and soft skills, into all existing vocational curricula. Offer short refresher courses for entrepreneurs with existing businesses.	Formalize experiential training and work-based learning opportunities, like apprenticeships, with community partners.	Track and direct interested trainees to start-up accelerators, trade associations, and non-profit capacity building programs that provide specialized support in particular value chains or guidance to scale or advance business.
 Access to finance	Curate relevant and up to date funding opportunities from government schemes, donors, investors. Integrate evaluation of financing options in skills development programs; Guide trainees on assessing their funding needs and how to match different sources of funding to cater for those needs.	Initiate formal partnerships with financial providers; co-design tailored instruments for youth businesses. Partner with local government and financial providers to administer a joint mobilization fund for promising entrepreneurs.	Advise financial service providers (governments, funders, donors) on how to best serve young entrepreneurs, including offering capacity building on favourable terms, ticket sizes and interest rates.
 Motivation and attitude towards entrepreneurship	Complete detailed profiling during intake of enrolling trainees capturing demographics, career interests, and competences and carry out routine tracer studies to track career journeys of trainees.	Coordinate collation of trainee career journeys, and contribute to development or improvement of personal assessment tools for youth entrepreneur journeys.	Encourage governments and non-profits to invest in demonstrating the value of entrepreneurship to society and addressing negative cultural biases.

 <p>Mentorship and access to networks</p>	<p>Provide networking opportunities through fairs, and guest speakers during training.</p> <p>Establish a systematic peer mentorship program and deepen TVET alumni networks.</p>	<p>Facilitate connection to community role models, and mentors through existing regional mentorship and networking services.</p>	<p>Advise corporates, governments and non-profit actors on how to launch or scale existing mentorship and networking programs.</p>
 <p>Personalized coaching and technical assistance</p>	<p>Collect feedback on programming and trainee performance from mentors, coaches and other industry partners.</p> <p>Tailor services and improve program performance based on analyses.</p>	<p>Initiate and lead joint services with sector experts, finance providers, private sector coaches. Provide intensive technical and individualized support to entrepreneurs for at least 1 year after business setup to troubleshoot challenges and explore growth opportunities.</p>	<p>Pursue governments on how to establish clear incentive systems to ensure enough tailored support for 'high risk' or marginalized segments, like refugees, remote entrepreneurs, and business owners with disabilities.</p>
 <p>Favourable policy and regulatory environment</p>	<p>Guide entrepreneurs through the business administrative and regulatory process during set-up.</p>	<p>Connect entrepreneurs with regulatory experts and relevant government services during business growth.</p>	<p>Lobby and advise the government on legislation conducive to business creation and growth, including favourable taxation, licensing, and registration policies.</p>



DELIVER

To fully address entrepreneur needs, TVETs can (and must!) deliver the following activities and support.

ACCESS TO MARKET INFORMATION AND LINKAGES: Consolidate and use validated data on growth markets and required competencies to guide trainees in selecting businesses matched to both market demand and their individual skills and interests.

Based on capacity and available resources, TVETs can support entrepreneurs to access and utilize market information to set up and scale their businesses.

Firstly, all TVETs must commit to collecting basic information on their local markets. A market scan provides basic information from the local labour market in terms of growth industries, potential markets (customers, buyers, suppliers), and the skills required for a business to thrive in different sub-sectors.

In order to build on these market insights over time, TVETs must regularly update and analyse these data as well as contribute to and learn from other actors' data. This step often requires designing and scaling procedures and mechanisms to collect data; validate the accuracy of these data; securely store different types of information; frequently analyse these data; and importantly, utilize and communicate the insights for decision-making across different levels (national, regional, sectoral, local, governmental).

Based on these insights, TVETs can upgrade their intake and training processes to guide trainees in matching their interests, with needed competencies and market information to select which businesses to develop, and how to be successful within those industries in their region.

ACCESS TO MARKET INFORMATION AND LINKAGES: Cultivate formal relationships with market actors and facilitate market linkages for trainees.

Given the volume of data TVETs are likely to collate (as mentioned above), institutions may choose to contribute to their regional Labour Market Information Systems (LMIS). LMIS are tools used to disseminate statistics on the labour market that are condensed and structured in a manner that is easily digestible for users. Access to these or other informational portals is not enough, however. TVETs can use this data to identify and prioritize partners in the ecosystem. To support entrepreneurs, particularly, TVETs can

help cultivate formal relationships with market actors (like suppliers, buyers, aggregators, distributors) and facilitate market links for trainees. For example, a TVET will likely have more influence over a local chilli processing plant than an individual trainee business; they could enable their trainees to supply certain volumes once their businesses are established and thus kickstart these nano enterprises' market entry.

SKILLS DEVELOPMENT: Discontinue stand-alone entrepreneurship programs and instead, integrate entrepreneurship components into existing vocational curricula.

TVETs can strengthen their core capacity of training, and deliver entrepreneurship skills programs integrated into their existing vocational curricula.¹¹ Stand-alone, intensive models tend to be disconnected to real-time market data, and are often best suited for more advanced start-ups or venture capital-seeking businesses. Such entrepreneurs are best served by incubators, accelerators and other specialized service providers. We suggest a more expansive integration of entrepreneurial learning within existing vocational courses could be TVETs' contribution to the broader entrepreneurship promotion ecosystem. A TVET with this approach would generate entrepreneurial plumbers, carpenters and hairdressers who would succeed as innovative employees as well as confident entrepreneurs.¹² In our *Partnerships Handbook for TVET Managers (2021)*, we provide further guidance on designing and delivering demand-based curricula.

SKILLS DEVELOPMENT: Offer short refresher courses for entrepreneurs with existing businesses:

In addition to the longer technical training programs, TVETs should explore brief and focused 'refresher courses' for their alumni and other established entrepreneurs. Such courses should also still be grounded in the vocational and industry context; for example, a 'masterclass' for self-employed bricklayers led by more experienced practitioners, which would offer updated insights on market trends and offer training in new sub-skills (including, say, advertising on social media) or modern equipment. TVETs should aim to design refresher courses which are under 6 months, during hours in which business owners can attend. This will eventually lead to more efficient micro, small and nano enterprises which are more efficient, inclusive and profitable.

¹¹ The suggested to customize by vocation instead of general, stand-alone entrepreneurship programming is also recommended by: [Integrated Entrepreneurship Education in Botswana, Uganda and Kenya](#)

¹² See, for instance: [Entrepreneurship Education in TVET Engineering Studies: A Case for South Africa](#)

CASE:

The African Management Institution (AMI) based out of Kenya adapted very quickly to the COVID-19 pandemic by shifting their training for existing MSME owners to an online format. Through their program 'Survive to Thrive,' AMI created a 6-month virtual resilience and growth programme for entrepreneurs in Africa whose businesses generated an annual revenue of between \$10,000 to \$500,000. Despite the short duration of the training and the online format, AMI reached 227 businesses with a total of 597 individuals, where 42% of the businesses were owned by women.¹³ Not only did all of the businesses survive the duration of the pandemic, but they were able to save nearly 20,000 jobs. Although revenues fell 10% on average, this was viewed as a victory compared to the 20% or more that was projected at the onset.

ACCESS TO FINANCE: Curate relevant and up to date funding opportunities from government schemes, donors, investors.

TVETs may have limited control over the direct provision of financing, but they can be proactive in utilizing different channels to broadcast and circulate funding opportunities to their current trainee cohorts and alumni. A TVET with sufficient resourcing could develop a digital portal in addition to physical opportunity boards would streamline regular updates and trainee access to information-- especially for alumni who may be based in a different region.

ACCESS TO FINANCE: Integrate evaluation of financing options in skills development programs. Guide trainees on assessing their funding needs and how to match different sources of funding to cater for those needs.

A TVET can also scan and review all funding opportunities within their locality, aggregate the information, and vet these opportunities where possible. Importantly, TVETs can improve the financial literacy of their trainees and direct them to the most appropriate financing.

MOTIVATION AND ATTITUDE TOWARDS ENTREPRENEURSHIP: Complete detailed profiling during intake of enrolling trainees capturing demographics, career interests, and competences and routine tracer studies to track the career journeys of trainees.

Profiling involves collecting information of enrolling trainees as part of the intake process. Such trainee profiles generally

include demographic data (age, gender, disability status). Ideally, TVETs also uses the profiling process to collect baseline skills/competencies of their trainees as well as career interests.

TVETs can also lead in tracking the career journeys and outcomes of their trainees. Alumni surveys or other types of research methods could help TVETs understand which of their graduates continue in entrepreneurship, and which factors help them succeed. Via email or telephone, you could ask them about their current work - industry and role; what their income is; whether they are supported; and their career plan going forward. Publishing case studies and statistics on alumni entrepreneurs could be useful to motivate young entrepreneurs.

CASE:

The government of Sudan has worked with development partners like the International Labour Organization (ILO) to conduct tracer studies on graduates from Khartoum State. The study traced the progress of graduates from three different types of TVET colleges to analyse their ability to gain employment after graduating in 2011. Over a span of two years, the study conducted surveys for employers which asked questions regarding the quality of employees along with their transferable skills into the workspace. The students were also given questionnaires to gauge how quickly they found employment after graduation, and their perspectives on the nature of their working experience with their employers. The effectiveness of what they learned from TVET and its applicability at work is also explored within the questionnaire.¹⁴

MENTORSHIP AND ACCESS TO NETWORKS: Provide networking opportunities through fairs, and guest speakers during training.

A TVET can organize training and fairs aimed at mentoring the youth, including inviting guest speakers, expert craftspeople, industry leaders, and company executives to participate. TVET trainers could design such opportunities into their curricula and term schedules, to ensure that they are prioritized. In these sessions, trainees can learn how to run a successful venture and receive practical advice directly from experts. These events could be virtual or in-person, but should occur at regular intervals.

Establish a systematic peer mentorship program, and deepen TVET alumni networks.

TVETs can enrich their entrepreneurship programs by facilitating matches between current trainees and alumni. The key is to pair mentors with mentees based on their skill sets, experience, and personalities. A systematic program would equip all participants to benefit fully from the match. Tools and guidelines to support this process could span a pre-mentoring assessment, relationship health survey, and a close-out process to match mentors with mentees. Best-practice mentoring programs should begin with participants agreeing on a set of learning objectives and tracking results based on this agreement throughout the relationship.

PERSONALIZED COACHING AND ACCESS TO NETWORKS: Collect feedback on programming and trainee performance from mentors, coaches and other industry partners.

Effective entrepreneurship interventions do not end once the trainee's business has been set up, but continue to cater

for the entrepreneur's long-term success. Establish effective follow-up systems to determine program performance. Critically, TVET leadership must encourage data-driven decision making across all departments by regularly reviewing program data and results as a team. For instance, as we suggest below, use internal data and secondary data on the ecosystem to adapt or upgrade training curricula and communicate with key stakeholders.¹⁵

PERSONALIZED COACHING AND ACCESS TO NETWORKS: Tailor services and improve program performance based on analyses.

A TVET has access to different sources of information (funders, mentors, coaches, and trainees, local businesses). These actors will have anecdotal and statistical evidence to guide TVETs in adapting their programs to market demand. Based on these insights, administrators should be willing to remodel their TVET to match the priority demands of the trainees and the market.

A few metrics to track:¹⁶

- The percentage of trainees who have an entrepreneurial learning experience as part of their TVET.
- The percentage of teachers who have been trained in entrepreneurial learning.
- The hours of entrepreneurial learning offered.
- Learners' satisfaction with the entrepreneurial learning programme.
- An established network with entrepreneurial enablers and an entrepreneurial ecosystem.
- The results of an evaluation of the entrepreneurship competencies of the learners.
- Self-assessment as an entrepreneurial TVET institution.
- External certification as an entrepreneurial learning TVET institution.
- The number of founded companies after 5 years.
- The survival rate of founded companies after 7 years.

FAVOURABLE POLICY AND REGULATORY ENVIRONMENT: Guide entrepreneurs through the business administrative and regulatory process during set-up.

Familiarizing students with the proper processes and organs of the government that deal with business creation and taxation will greatly expedite their entrepreneurial aspirations. Educating students on the locations, responsibilities, and regulations of government departments will empower them to formalize their businesses. Public TVETs have a slight advantage over privately owned colleges, as they are funded and managed by governments.

Even in the case where there isn't a formal relationship between TVET and government, the TVET could provide simple guidance on requirements for legal businesses as well as information on fees and regulations necessary to start and maintain a business. A walkthrough of the standard process one would go through to register and establish a business can demystify the prospect of owning a business for many youths.

¹³ AMI Impact Report, 2021

¹⁴ ILO, 2016

¹⁵ [Quality TVET for the successful training-to employment transition of Africa's youth](#) (p. 11)

¹⁶ Source



COORDINATE

TVETs must play a coordinating role in partnerships to address these entrepreneur needs

ACCESS TO MARKET INFORMATION AND LINKAGES:

Contribute to and support local market scans of regional labour market information systems led by government, private sector, and/or civil society.

TVETs can play an important role by contributing to regional labour market information systems by providing guidance on how such information can be relevant to trainees and emerging trends amongst their trainees in the local area. Effective information exchange between TVETs and government, private sector, and/or civil society actors can ensure that trainees have relevant and up-to-date data to make informed decisions on their entrepreneurial ventures.

ACCESS TO MARKET INFORMATION AND LINKAGES: Track and review local business support tools and providers; connect trainees with relevant packaged support ('business in a box') services.

TVET can partner to track and review local business support tools and providers, and ultimately connect trainees with relevant packaged support ('business in a box') services. TVETs, together with partners, can then develop different tools and sets of market information that can guide students in focusing on areas of opportunity. The review involves identifying potential partners who provide entrepreneurship support, and engaging them to evaluate the relevance of the tools and developing a collaboration model that will facilitate review of tools, methodologies, and training, and finally providing guidance on how to enhance them for trainees' support.

SKILLS DEVELOPMENT: Formalize experiential training and work-based learning opportunities, like apprenticeships, with community partners.

As detailed in our *TVET Partnerships Handbook*, close relationships between TVETs and the private sector are essential for the sake of employment and the economic ecosystem of African countries. TVETs are expected to provide real world experiences to their students with work-based learning activities along with their private sector partners. Partnerships with employers can be leveraged to provide students with hands-on and visual experience as to how a good business function. For example, The Meltwater Entrepreneurial School of Technology (MEST) program in Ghana has tapped into the talent across the continent. They provide an intensive training course on entrepreneurship

where the student gains substantial hands-on project work. They guide students through modules that simulate development start-ups in Africa today.

ACCESS TO FINANCE: Initiate formal partnerships with financial providers; co-design tailored instruments for youth businesses.

TVETs can partner with financial services providers and on behalf of the trainees to negotiate and set terms to access finance that are favourable for entrepreneurs to create and manage their business. By providing a pipeline of vetted entrepreneurs, financial institutions may also tend to benefit from more secure investments. This could review eligibility criteria for funds access and terms of the credits, to ensure they are more inclusive of trainees. For example:

- Reviewing evaluation criteria for funding and making the process user friendly.
- Advocating for alternative risk assessment metrics and more inclusive funding eligibility. These could include tapping into alternative data sources, like social media or mobile money transaction data, as well as utilizing technology like artificial intelligence to use predictive income potential in lieu of conventional assets as collateral.

ACCESS TO FINANCE: Partner with local government and financial providers to administer a joint mobilization fund for promising entrepreneurs.

TVETs can work with local governments and other financial providers to establish a joint strategy for mobilizing funds for entrepreneurs. This can be achieved in two ways

- Lead in the creation of a fund together with existing stakeholders, then lobby the government and other funders to commit resources to fund.
- Make use of existing funds and lobby for portions of them to be allocated to TVET entrepreneurs, for example: Mombasa County Revolving Fund Act, 2016, which targets youth businesses, allows money to be borrowed and repaid almost at zero interest rates; TVETs can partner with the county and ensure a portion of this fund directly targets youth trainees coming out of TVETs.

EXAMPLE: As part of its 2Jiajiri project in Kenya, KCB Foundation provides scholarships to young people for them to join TVETs. Once they graduate, youths are placed into two tracks. Individuals can join waged employment or pursue entrepreneurship. TVETs have partnered up with the KCB bank to establish an interest-free credit scheme for start-ups created by youths who graduate. To ensure the beneficiaries are well prepared for the funding, the bank and TVETs run a

micro-accelerator program to train them in entrepreneurship skills and financial management. Once youths complete the micro-accelerator programs, they then benefit from the interest-free credit.

MOTIVATION AND ATTITUDE TOWARDS

ENTREPRENEURSHIP: Coordinate the collation of trainee career journeys, and contribute to the development or improvement of personal assessment tools for youth entrepreneur journeys.

TVETs can work with different employers during apprenticeship to map out trainees' individual journeys based on feedback. The process can be achieved again by co-designing competency tools with potential employers, industry associations, and other stakeholders, then as ongoing activities documenting the process from the moment the students join schools, during training and during transition from class to the workplace.

MENTORSHIP AND ACCESS TO NETWORKS: Facilitate connection to community role models, and mentors through existing regional mentorship and networking services.

A TVET can identify key role models and influencers within its community, which could be alumni or recognized members of society. Following mapping, they can later develop a database based on a few criteria, including expertise, gender, and experience level. TVETs are therefore able to refer their interested mentees to mentors according to different mentorship requirements. For example, Global Opportunity Network Mombasa is implementing a mentorship program for youth. In addition, case studies provide another way to bring locally and socially relevant role models to the fore.

EXAMPLE: GOYN created a call for mentors within the community, according to their specific areas of interest. As soon as they acquired interested mentors, GOYN trained them how to be mentors. Currently, GOYN is matching potential young people with mentors based on location and areas of need.

PERSONALIZED COACHING AND ACCESS TO NETWORKS: Initiate and lead joint services with sector experts, finance providers, private sector coaches. Provide intensive technical and individualized support to entrepreneurs for at least 1 year after business setup to troubleshoot challenges and explore growth opportunities.

Social partnership in the landscape of TVETs has become very popular. These partnerships between employers, trade unions, government, and TVETs allow for a more efficient skills development ecosystem that responds more

adequately to the market demand. Coaches and mentors can be recruited from the social partnerships especially from the private sector.

The MEST program which operates in Cote d'Ivoire, Ghana, Kenya, Nigeria, and South Africa has leveraged its social network to provide its entrepreneurs with a fully sponsored program that incubates business for one year after launch. The students work in teams to develop a start-up business and subsequently pitch their idea to a board of investors. Yearly, at least Fifteen of more of the student teams are awarded seed funding between \$50,000 to \$200,000. These award recipients are supported within the MEST Incubator program for an additional six months. MEST provides the students with mentors and guest speakers from their vast network of experts in sales, engineering, marketing and many other domains.

FAVOURABLE POLICY AND REGULATORY ENVIRONMENT: Connect entrepreneurs with regulatory experts and relevant government services during business growth.

TVETs can leverage their institutional capacity to connect students to government offices and personnel before they engage in the process of becoming an entrepreneur. Hearing from the individuals who work in these offices is a rare opportunity in the African context. There isn't always a fluid connection between stakeholders, and most times it is merely the lack of access that inhibits the transfer of information.





ADVISE

TVETs should play an advisory role to enable other actors address these needs

ACCESS TO MARKET INFORMATION AND LINKAGES: Support local and national governments to synthesize labour market data and provide focused recommendations on growth industries and job-creation opportunities for the private and public sectors.

TVETs can provide leadership in ensuring different stakeholders get to connect through events and workshops and constructively engage and support in exchanging key market information and linkages. This can be achieved through TVETs setting up an advisory committee that could include the staff and other ecosystem stakeholders. Regular meetings could be held for TVETs to discuss the changing trends in the labour markets and the implications of the changes. Research could be published regularly to aid different stakeholders. TVETs can then strategically engage key government offices and agencies with reports and data that contain clear recommendations. This can be a long-term relationship established as a collaboration between governments and TVETs.

CASE:

Leveraging community events to ensure exchange of data

DataKind is involved in several significant projects that include information gathering and sharing. In one of its projects, volunteers are used to collecting data from communities and inform decision-making during one of their community events. It organizes weekend-long events for organizations to analyse, explore, and prototype data obtained during its data drives. Participation in community activities facilitates the networking of experts in the field. In Kenya, DataKind is developing a platform for sharing information between online and offline TVET institutions as part of its work. It plans to establish an information gateway with crucial information on labour market needs.

SKILLS DEVELOPMENT: Track and direct interested trainees to start-up accelerators, trade associations, and non-profit capacity building programs that provide specialized support in particular value chains or guidance to scale or advance business.

The value of a TVET to prospective students can be augmented by the amount of opportunities the institution can connect them with. TVET colleges can act as a conduit

to further training and job placement opportunities by directing interested trainees to specialised organisations that can support them with the next phase of their journey. These could be start-up accelerators that can incubate and develop specific business ideas with financial support and mentorship, or other programs that can enable young entrepreneurs to succeed in their journey by providing services that are relevant to the sector they are a part of. TVETs can utilize their physical spaces, information systems, and media services to advertise opportunities for employment and further studies to students regularly.

ACCESS TO FINANCE: Advise financial service providers (governments, funders, donors) on how to best serve young entrepreneurs, including offering capacity building, setting favourable terms, ticket sizes, and interest rates.

TVETs can provide guidance to financial service providers (i.e. governments, funders and donors) on how to best serve young entrepreneurs that are seeking their funding. The guidance can be both in terms of the types of capacity building required, but also on specific contractual terms, ticket sizes, and interest rates that match their needs. Such guidance is useful to funders that are actively seeking to engage with a pipeline of entrepreneurs, but are unable to do so because of bandwidth or other constraints. By ensuring that the right funding instruments are available, TVETs can have more success in setting up partnerships with these funders and ultimately increasing the availability of funding for their trainees.

CASE:

Association of Small and Social Enterprises Kenya, pushing for a systemic shift

This Association represents all players in Kenya's SME enablers and start-up ecosystem, as well as actively promoting networking among its members across the country. The organization also strives to influence government policy, development partners, and investors, as well as to set rigorous ecosystem standards and norms that will facilitate the sharing of information, knowledge, and best practices among members and foster close ties between them. Over the last two ASSEK has managed to support the development of the Kenya start-up bill. The Startup Bill 2020 was published in the Kenya Gazette on September 14, 2020. It aims to provide legal protection for start-ups by simplifying registration procedures and facilitating their access to investors and financial institutions.

MOTIVATION AND ATTITUDE TOWARDS

ENTREPRENEURSHIP: Encourage governments and non-profits to invest in demonstrating the value of entrepreneurship to society and addressing negative cultural biases.

TVETs can lobby relevant government ministries and organizations, and share critical data on the value and impact of promoting entrepreneurship through lobbying. TVETs can accomplish this by joining guilds and ecosystem associations. During the member meeting, they can lead discussions on how to demonstrate the value of entrepreneurship to society and share different strategies members use to demonstrate this to other stakeholders and communities at large.

CASE:

Dominant Entrepreneurial Intention among TVETs students in North Rift Students

Attitudes towards entrepreneurship affect the outcome of TVET training. The curriculum must contain a change of attitude (behavioural context) for a positive outcome in the training. Supplementing technical skills, entrepreneurship with a Behavior change component might achieve better results. Best practices include:

- Behavior change is the most crucial component when it comes to changing attitudes towards entrepreneurship.
- Training should not only focus on the practical bit but include a behavioural component in it to fully enhance the experience and inspire students to entrepreneurship.
- The creation of an entrepreneurial system would through networks enhance the learning experience.
- Aspects like developing an entrepreneurial project during the duration of the study, that is developed along the different stages would provide a real-life experience for the student. This will expose students to a practical way of ideating and developing an idea into a business.

MENTORSHIP AND ACCESS TO NETWORKS: Advise corporates, governments and non-profit actors on how to launch or scale existing mentorship and networking programs.

As a partner with various stakeholders including government, non-profit organizations and the private sector, TVETs can provide guidance on developing, implementing, and scaling a mentorship network. This may include the development of guidebooks and toolkits, and collecting best practices and cases for use.

As soon as the tools are created, TVETs can convene stakeholders to gather feedback and ultimately share for use.

PERSONALIZED COACHING AND ACCESS TO NETWORKS: Pursue governments on how to establish clear incentive systems to ensure sufficient tailored support for 'high risk' or marginalized segments, like refugees, remote entrepreneurs, and business owners with disabilities.

Support to entrepreneurs can be provided by public and private partners to scale technical advisory and coaching funds which TVETs and other service providers can draw down. Donor funds from the business community and even government can stimulate many dormant entrepreneurs to take risks if there is auxiliary support. Local governments need to view TVETs as an asset that achieves community development goals, and thus support them accordingly with financial and non-financial resources. Governments can provide incentives and tax breaks for TVETs that conform to certain standards and produce specific results. Performance-based funding motivates the participating institutions and their staff to deliver better training as the results may greatly impact their respective financial compensation.

FAVOURABLE POLICY AND REGULATORY ENVIRONMENT: Lobby and advice on legislation conducive to business creation and growth, including favourable taxation, licensing and registration policies.

TVETs can play an active role in advising governments on legislation and policies favourable to entrepreneurs. This could take the form of a policy brief that captures the systemic needs of trainees. One such report is the "Promoting Youth Entrepreneurship in Africa" policy brief¹⁹ by AUDA-NEPAD that provides guidance to governments on how to promote entrepreneurship. TVETs can lend an important voice to these insights and discussions from their perspective. In addition, TVETs can support the recommendations of this report by providing a platform for youth to engage directly in entrepreneurship-related policy making.



¹⁷ AUDA-NEPAD, <https://www.nepad.org/skillsportalfor youth/publication/policy-brief-promoting-youth-entrepreneurship-africa>

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