Youth Business International

Policy Paper

De-Risking Youth Entrepreneurship and Unlocking the Missing Middle – Solutions to Drive Youth-led Economic Growth

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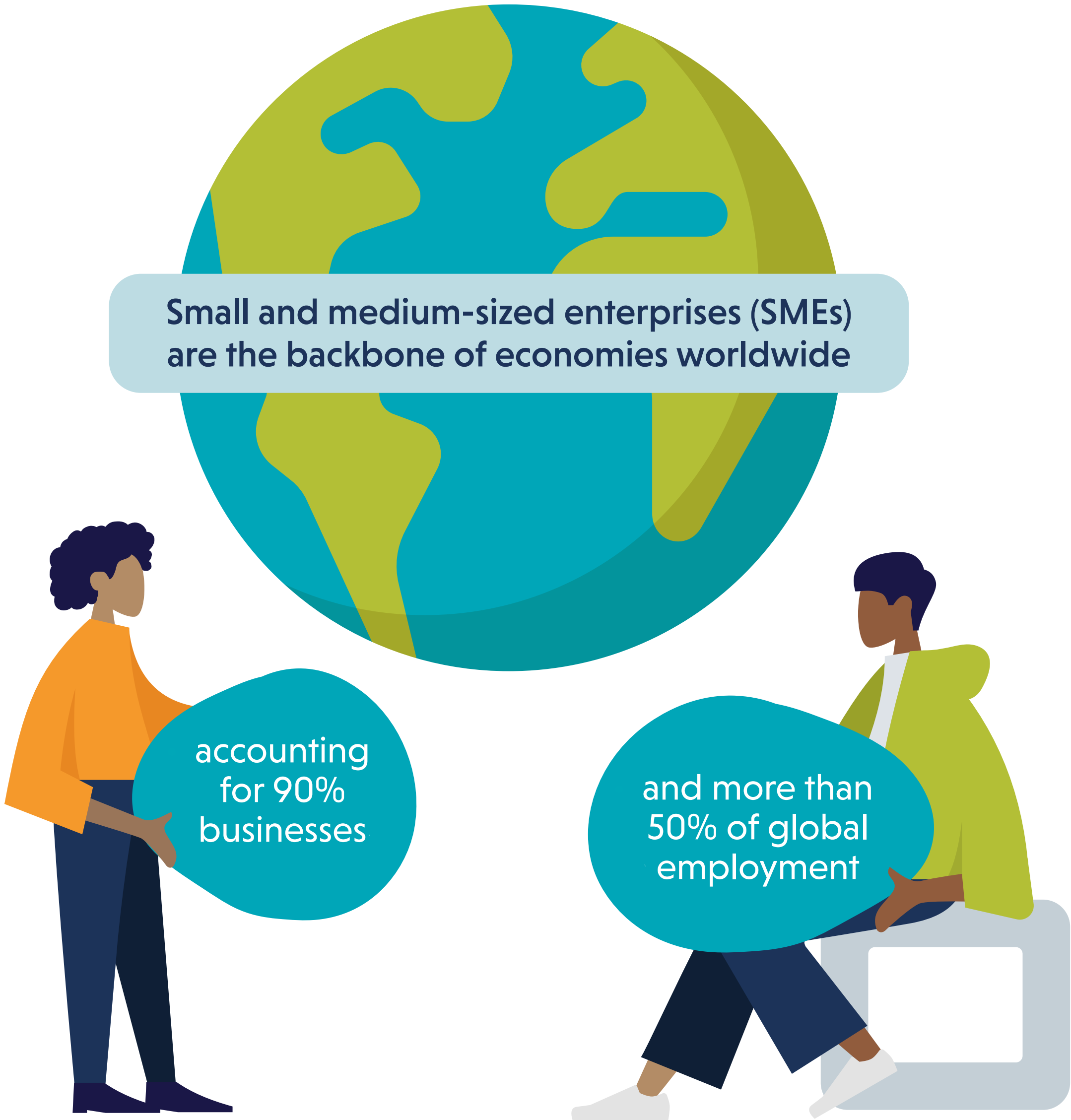
Introduction: Unlocking the Missing Middle for Economic Growth and Job Creation

Small and medium-sized enterprises (SMEs) are the backbone of economies worldwide, accounting for 90% of businesses and more than 50% of global employment according to the World Bank.

Yet, while many entrepreneurs successfully launch their ventures, a significant portion struggles to scale beyond the early stages. They fall into what is known as the "missing middle"—businesses that have outgrown microfinance initiatives but remain too small, undercapitalised, or high-risk for traditional investors and banks.

This challenge is particularly severe for youth-led businesses, which often face additional financial and structural barriers. Young entrepreneurs typically have limited credit histories, fewer assets to use as collateral, less knowledge of financial practices and services and less access to investment networks compared to their older counterparts. As a result, they are disproportionately caught in the missing middle, unable to secure the growth capital needed to transition into fully established SMEs. Furthermore, many youth-led enterprises operate in innovative but nascent industries—such as digital technology, creative industries, and green or climate enterprises—that traditional lenders may perceive as especially high-risk, further limiting their funding opportunities.



Defining the Missing Middle: The Businesses Caught in the Growth Gap

The "missing middle" refers to a category of enterprises that sit between early-stage microbusinesses and well-established SMEs.

These businesses often share the following characteristics:

- **Size and stage:** They typically have between five and 250 employees and generate annual revenues ranging from $50,000 to $5 million, depending on the sector and region. They are beyond the start-up phase but not yet large enough to attract major investment.
- **Growth potential:** These businesses have proven business models and established customer bases but struggle to access the financing or support needed to expand operations, invest in technology, or scale their workforce.
- **Industry and sectors:** They span diverse industries, including manufacturing, agribusiness, technology, retail, services, and creative industries. Many are in high-growth sectors, such as green energy, digital services, and social enterprises, but lack the capital to scale.
- **Financial constraints:** They often require financing in the range of $20,000 to $2 million, which is too large for microfinance institutions and can be too small or risky for commercial banks and venture capital.
- **Structural barriers:** They face challenges such as limited access to credit, complex regulatory environments, and lack of tailored business development support.

The Missing Middle: An Overlooked Economic Powerhouse

Addressing the challenges faced by this segment is not just about creating opportunties—it is an economic imperative. High-potential SMEs contribute disproportionately to job creation, innovation, and economic resilience.

In India, for example, small businesses in the manufacturing, trade and services sectors created 11 million new jobs in 2024, according to Reuters.

Similarly, in the UK, SMEs employ 16.6 million people and contribute more than half of private sector turnover, according to The Times.

However, despite their economic significance, support for these businesses is glaringly inadequate and the financing gap for SMEs is substantial and widespread.

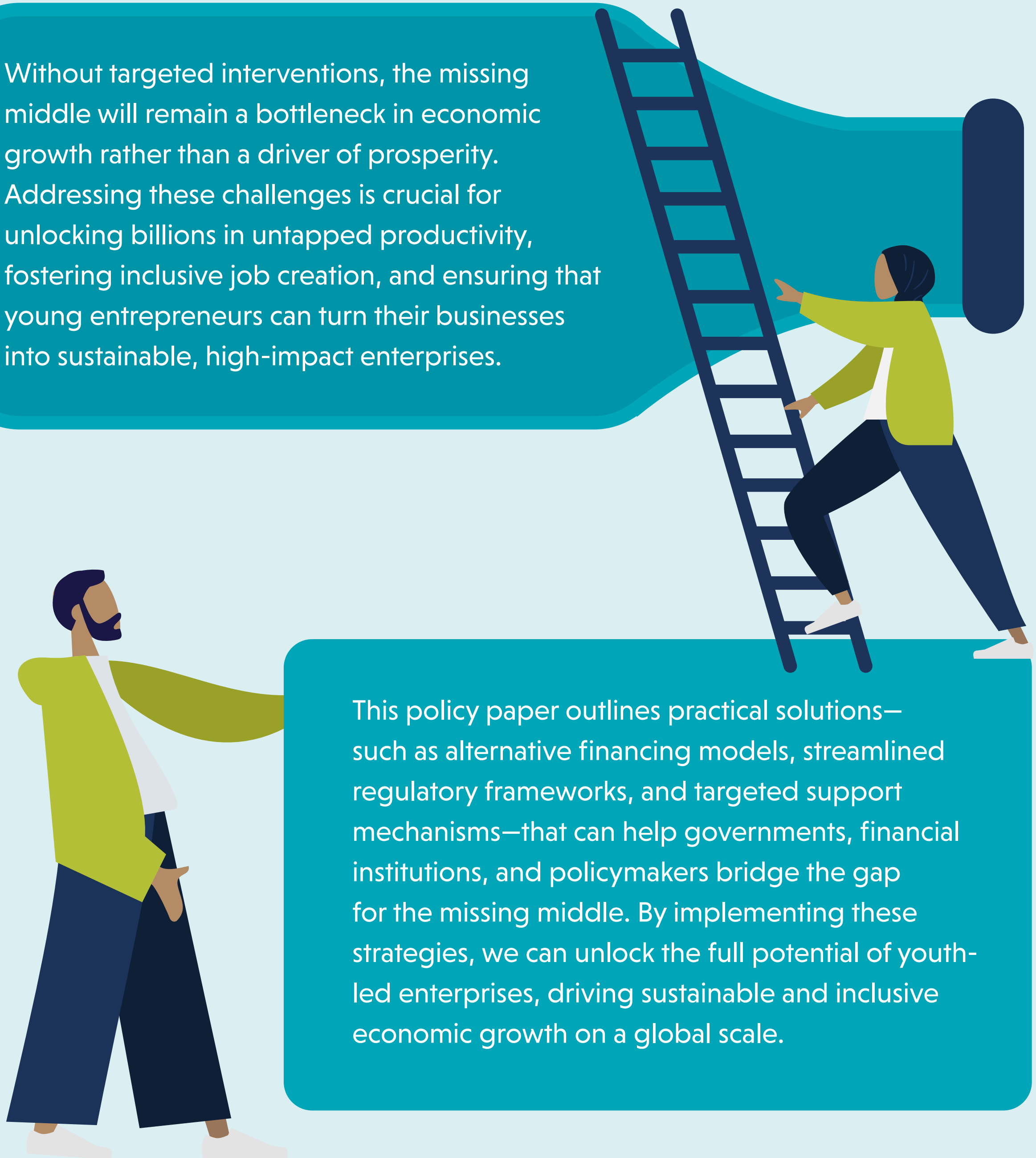
In sub-Saharan Africa, for example, the SME financing gap is estimated at $331 billion.

In the UK, SMEs face an estimated £22 billion funding gap, according to a Bank of England report, limiting their ability to invest in growth and innovation.

These figures underscore the systemic nature of the issue and the urgent need for targeted financial solutions and business development support.

Supporting the missing middle —especially youth-led enterprises—is crucial for several reasons:

- **Job Creation:** SMEs are significant contributors to employment. In developing countries, they provide approximately 45% of formal employment, according to the World Bank and the OECD. By enabling the growth of missing middle enterprises, particularly those led by young entrepreneurs, we can substantially boost job creation and reduce youth unemployment.
- **Economic Growth:** SMEs contribute significantly to GDP. In emerging markets, formal SMEs contribute up to 40% of national income, according to The World Bank. Facilitating their growth can lead to broader economic development and poverty reduction, particularly for younger generations who are entering the workforce and launching new businesses at record rates.
- **Innovation and Diversification:** SMEs often drive innovation and economic diversification. Youth-led businesses, in particular, are at the forefront of technology, social enterprises, and sustainable business models. Supporting the missing middle can lead to the development of new industries and services, enhancing economic resilience.



Without targeted interventions, the missing middle will remain a bottleneck in economic growth rather than a driver of prosperity. Addressing these challenges is crucial for unlocking billions in untapped productivity, fostering inclusive job creation, and ensuring that young entrepreneurs can turn their businesses into sustainable, high-impact enterprises.

This policy paper outlines practical solutions—such as alternative financing models, streamlined regulatory frameworks, and targeted support mechanisms—that can help governments, financial institutions, and policymakers bridge the gap for the missing middle. By implementing these strategies, we can unlock the full potential of youth-led enterprises, driving sustainable and inclusive economic growth on a global scale.

Growth barriers for the "missing middle"

Businesses caught in the "missing middle" face a unique set of legal, financial, and psychological barriers that hinder their growth, including:

Legal Barriers: Complex regulations and institutional hurdles

Navigating complex legal frameworks poses significant challenges for entrepreneurs aiming to formalise and expand their businesses. Intricate registration processes, high compliance costs, and restrictive regulations particularly impact youth-led enterprises, which often lack the legal expertise and resources to manage bureaucratic systems. In developed countries, for instance, the regulatory environment and business compliance requirements are notably complex and numerous, demanding substantial time and effort from entrepreneurs to ensure compliance. This complexity can deter entrepreneurs from pursuing business opportunities or scaling their existing ventures.

In some countries, age-based restrictions limit young entrepreneurs' ability to access credit, sign contracts, or participate in government procurement programmes, further constraining their business growth.

Financial Barriers: Limited collateral and credit history

Access to capital remains one of the most significant barriers for youth-led businesses in the missing middle—those too large for microfinance but too small or risky for traditional commercial lending. Traditional financial institutions often perceive these businesses as high-risk due to a lack of collateral, short credit histories, and the perceived inexperience of young founders.

According to the OECD-EU Youth Entrepreneurship Policy Academy, young entrepreneurs rarely have a long work history and typically possess little capital or collateral to secure debt, making it difficult for lenders and investors to assess risk. This often leads to high interest rates or outright denial of funding, leaving many promising businesses unable to scale. Loan terms are frequently ill-suited to the needs of these businesses, with high interest rates, rigid repayment schedules, and extensive paperwork that can be difficult to navigate. Moreover, many youth-led businesses lack the financial track record or tangible assets banks require, further limiting their access to credit.

In addition to structural barriers, perception-based challenges also restrict funding access. Investors and banks often view youth-led businesses as risky due to their early-stage nature, inconsistent cash flows, and limited operational history. Many financial support programs are designed for larger, more established enterprises, making young entrepreneurs ineligible for key funding opportunities.

As a result, many turn to informal sources of finance, which are often inadequate or carry high borrowing costs.

Without sufficient working capital, youth-led businesses in the missing middle struggle to invest in infrastructure, hire skilled employees, or expand into new markets—ultimately stalling their growth and economic impact.

Psychological Barriers: Risk perception and entrepreneurial confidence

In addition to external obstacles, psychological barriers significantly hinder the growth of youth-led businesses. Young entrepreneurs often struggle with self-doubt, fear of failure, and limited access to mentorship—factors that can impair strategic decision-making and discourage scaling.

Fear of failure is especially pronounced among youth, particularly in contexts where business setbacks carry social stigma. This fear discourages risk-taking and innovation. Societal and familial expectations can further suppress entrepreneurial ambition by favouring stability over risk. Negative past experiences, such as being denied funding, can also deter young founders from pursuing new investment opportunities.

These psychological and social pressures are often compounded by limited financial literacy, making it harder for young entrepreneurs to manage cash flow and make informed investment decisions.

Without access to strong support systems—including mentorship, peer learning, and mental resilience programs—many youth-led businesses struggle to shift from survival mode to sustainable growth.

Lack of networks and mentorship

Established entrepreneurs often benefit from strong industry connections and mentorship, which open doors to investment, supply chains, and strategic partnerships. In contrast, young business owners frequently lack these networks, placing them at a disadvantage when navigating growth challenges. Without access to mentors, they may struggle to gain industry insights, adopt best practices, or overcome financial barriers. Limited connections also restrict their ability to access new markets—both domestic and international—hindering opportunities for expansion and customer growth. This is especially critical in today's interconnected economy, where cross-border collaboration, global supply chains, and digital marketplaces offer significant potential for scale.

Youth-led enterprises often miss out on these channels due to a lack of exposure or institutional support. This highlights the critical role that both mentorship and networking—along with intentional efforts to build market linkages and cross-border connections—play in the success and scalability of youth-led enterprises stuck in the missing middle.

Sector-specific challenges

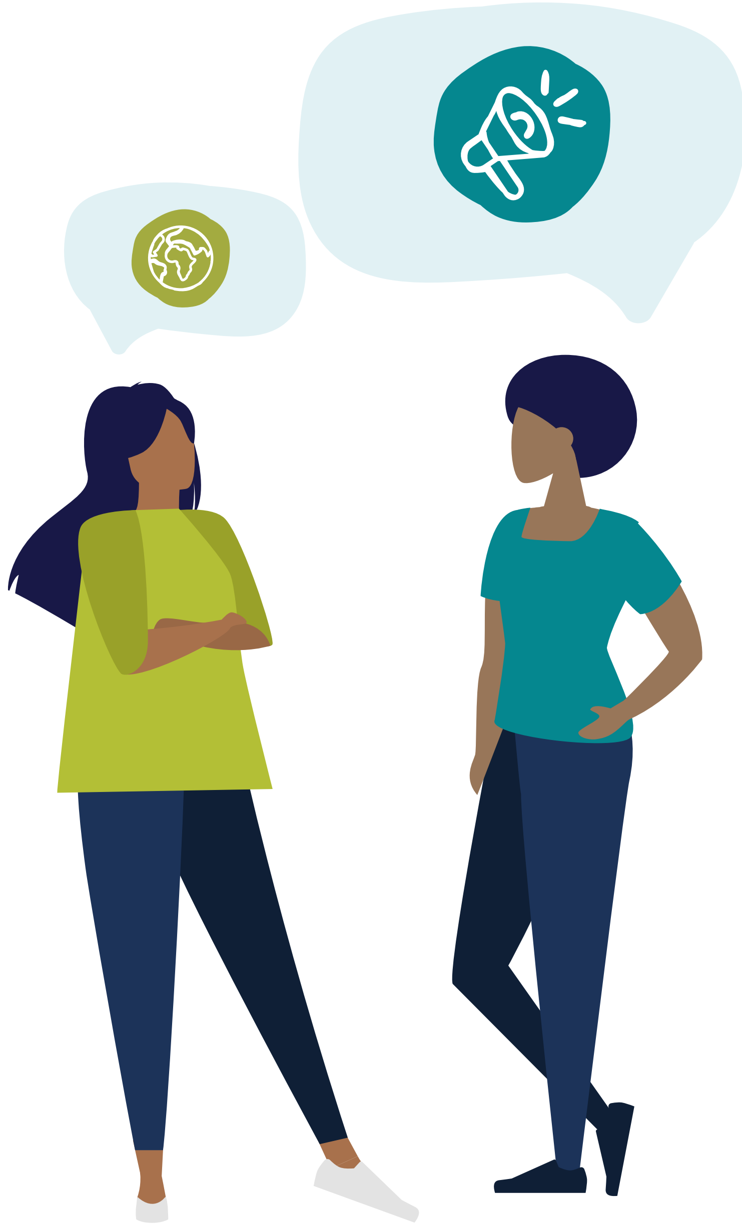
Youth-led enterprises are increasingly concentrated in high-growth sectors such as technology, creative industries, the green economy, and social entrepreneurship. These sectors attract young entrepreneurs due to their innovation potential and social impact but also pose significant challenges. They often require substantial upfront investment, specialized infrastructure, and compliance with regulatory or certification standards. Despite their potential, traditional financial institutions frequently overlook these industries due to perceived volatility and risk.

Additionally, many youth-led enterprises in low- and middle-income countries operate in the informal economy, which comprises a significant portion of employment in regions like sub-Saharan Africa.

According to the International Labour Organization (ILO),

85% of employment in sub-Saharan Africa is informal.

In sectors such as the green economy and social entrepreneurship, additional certification requirements further increase both financial and administrative burdens on young entrepreneurs. For example, businesses aiming to address climate change through innovative solutions may need to comply with specific environmental standards and obtain relevant certifications, adding to their operational challenges.



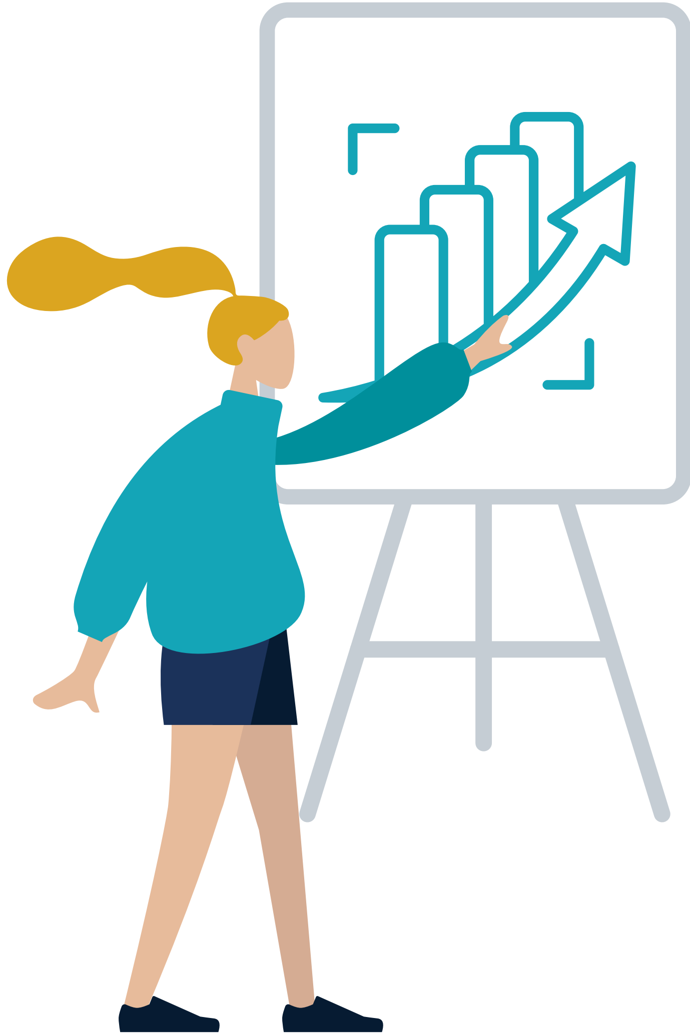
Re-defining high-growth potential businesses

The first step to unlocking the growth potential of the "missing middle" is to re-define which businesses are classified as 'high-growth'.

Historically, 'high-growth' businesses have been equated with tech startups and sectors like SaaS, fintech, or biotech, demonstrating rapid, exponential growth with quick returns. This narrow lens often overlooks businesses in less flashy sectors with steady, sustainable growth trajectories, particularly in traditional sectors, that are creating jobs and driving inclusive economic development. A World Bank report found that high-growth businesses exist in all sectors, not just in tech, and across all locations. High-growth support is often concentrated in capital cities or major urban centres. A broader definition could open access to businesses in rural areas, second-tier cities, and low-income countries—where growth has transformative community impact.

Moreover, the narrative of innovation tends to be narrowly defined, often focusing on disruptive technologies. This perspective undervalues incremental or process innovations in traditional sectors. Such innovations can lead to significant improvements in efficiency and productivity, contributing to sustainable economic growth. Recognising and supporting these forms of innovation is crucial for fostering a more inclusive and comprehensive understanding of economic development.

Finally, investors may have unconscious biases favouring certain demographics. For example, women are often viewed as more risk averse and less likely to scale their business, despite evidence suggesting the contrary. Research by the Boston Consulting Group found that on average, women-founded start-ups generate 78 cents of revenue per dollar invested—more than double that of male-founded businesses.



Despite this, it is estimated that 400 million women entrepreneurs around the world have $1.7 trillion in unmet financing needs, limiting their business growth potential. In the UK, a report by the British Business Bank found that for every £100 of equity funding in the country, less than 2% goes to women-founded businesses. In Africa, women-led businesses receive less than 10% of total investment capital, according to a report by the Bill and Melinda Gates Foundation, despite comprising 26% of entrepreneurs.

Unlocking the growth potential of the missing middle requires a shift in how we define and support high-growth businesses. Expanding the definition beyond tech and urban-centric models to include diverse sectors, geographies, and forms of innovation—while actively addressing systemic biases in investment—will enable more inclusive and equitable economic development. By broadening our lens, we can better recognise and invest in the businesses and entrepreneurs that are driving meaningful, sustainable growth in communities around the world.

It is estimated that 400 million women entrepreneurs around the world have $1.7 trillion in unmet financing needs

Unlocking business growth for the "missing middle"

To address the structural and support gaps facing youth-led businesses stuck in the "missing middle", YBI has developed the Excellence in Youth Entrepreneurship (EYE) model—a global standard for inclusive, effective, and high-quality youth entrepreneurship support.

Drawing on over two decades of collective experience across YBI's global network, the EYE model is built on three core pillars:

- Personal development
- Business development
- Environment facilitation

These pillars ensure that young entrepreneurs receive comprehensive support—from building entrepreneurial mindsets and leadership skills, to acquiring technical knowledge and accessing finance, markets, and mentorship.

Personal Development

The personal development pillar builds entrepreneurial competencies and attitudes.

It includes:

- Mentor Support: Mentors help young people problem solve and reflect
- Growth and Performance Skills Training: Helps entrepreneurs build positive attitudes and mindsets
- Leadership Capabilities: Enable young people to become leaders as entrepreneurs and in their communities

Business Development

Business development skills help young people to identify and capitalise on available opportunities.

- Opportunity: Identify available opportunities and resources to start a business
- Technical skills: Equip young entrepreneurs with technical skills ranging from marketing to accounting
- Alumni support: Organisations support young entrepreneurs long after training has concluded

Environment Facilitation

Young people need access to the finance, markets, and services to start or scale their business.

- Access to Finance: Support young people to access appropriate financial services
- Access to Markets: Create links to new partners and markets
- Supporting High Growth: Facilitating specific growth services for businesses that have potential to scale.

Strategies to de-risk youth entrepreneurship and unlock business growth

Partnerships and collaboration between ESOs, financial institutions, and policymakers

ESOs must take on an active role in building strong relationships with governments and financial institutions to shape a more inclusive and youth-responsive entrepreneurial ecosystem. This involves advocating for policy reforms that reduce regulatory complexity and remove age-based restrictions, while also partnering with financial actors to co-design products and services that reflect the realities of young entrepreneurs—such as limited collateral, short credit histories, and diverse financing needs. ESOs act as a vital conduit, amplifying the voice of young entrepreneurs in policy and product development processes, and ensuring their needs are central to decision-making.

How this strategy helps unlock business growth:

This relationship-building strategy helps unlock business growth by creating a more enabling environment in which youth-led enterprises can access the formal financial system and operate within supportive regulatory frameworks. By influencing the design of tailored financial products and reducing institutional barriers, ESOs help young entrepreneurs secure the capital they need to invest in infrastructure, scale operations, and access new markets.

Financial literacy training

Targeted training, coaching, and mentoring to strengthen the financial literacy and business management skills of young entrepreneurs is key. This includes support in key areas such as budgeting, cash flow management, record keeping, pricing, and preparing financing plans, as well as guidance on building viable business cases and navigating loan and investment processes. The guideline also emphasises the importance of boosting entrepreneurs' understanding of financing options and improving their confidence when engaging with financial institutions. ESOs are positioned to address these gaps through one-on-one mentoring and practical training tailored to the specific stage and needs of each business.

How this strategy helps unlock business growth:

This strategy helps unlock business growth by improving young entrepreneurs' financial readiness and credibility with lenders and investors. With stronger financial skills and better-prepared business cases, youth-led enterprises are more likely to access appropriate forms of capital, manage that capital effectively, and make informed decisions about expansion. By building these foundational capabilities, young entrepreneurs are better equipped to scale their businesses, seize market opportunities, and transition from early-stage survival to long-term, sustainable growth.

Facilitating growth and networking for young entrepreneurs

Another strategy to support high-potential young entrepreneurs and de-risk their growth trajectory is high-growth bootcamps—regional and global convenings designed to bring together selected youth-led businesses from diverse sectors and geographies for intensive peer-to-peer learning, cross-cultural exchange, and collaborative problem-solving. These bootcamps serve as immersive, short-term, high-impact accelerators that blend practical business development workshops with leadership coaching and networking opportunities. The experience can be enhanced by ongoing post-bootcamp alumni engagement, peer coaching groups, and facilitated introductions to investors, mentors, and market partners.

By leveraging the power of community and shared experience, bootcamps create a dynamic space for young founders to build lasting professional relationships, challenge assumptions, and gain insight from different cultural and business contexts. Entrepreneurs learn not only from expert facilitators but also from one another—exchanging growth strategies, navigating sector-specific barriers, and exploring potential cross-border collaborations.

How this strategy helps unlock business growth:

High-growth bootcamps unlock business growth by addressing two critical gaps facing youth-led enterprises in the missing middle: isolation and limited exposure. Many young entrepreneurs operate in silos, without access to high-calibre peers or growth-stage resources. Bootcamps combat this by building an international network of support and co-learning that continues well beyond the event.

This fosters strategic partnerships, boosts entrepreneurial confidence, and accelerates business innovation.

In addition, bootcamps can de-risk youth entrepreneurship by connecting young people to global perspectives, financing channels, and mentoring networks tailored to their stage of growth. Through shared learning and intentional community-building, they become equipped not only with practical skills but also with the social capital and mindset needed to scale resilient, impactful enterprises.

Tailored personal and business development support

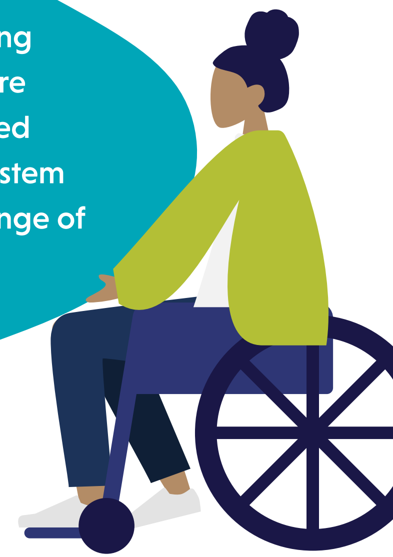
Tailored training and knowledge-building programmes that address both the personal and business development needs of young, high-growth entrepreneurs are vital to support business growth. YBI has developed a structured approach that begins with assessing entrepreneurs' learning needs and preferences, followed by the design of flexible, context-specific training that combines personal development—such as leadership and confidence-building—with essential business skills like financial management, market analysis, and strategic planning. Training delivery is adapted to suit different learning styles and environments, ranging from group workshops and one-on-one coaching to digital and blended formats. It is also important to select and support capable trainers and link training to wider ecosystem services such as finance, mentorship, and digital tools.

How this strategy helps unlock business growth:

This strategy helps unlock business growth by ensuring young entrepreneurs acquire the skills, confidence, and knowledge necessary to make informed decisions and manage their businesses effectively. By aligning training with each entrepreneur's stage of growth and providing access to peer learning and expert guidance, ESOs help young founders overcome barriers to scaling—such as poor record-keeping, limited financial literacy, and lack of strategic planning. As a result, entrepreneurs are better equipped to access finance, enter new markets, build sustainable operations, and grow their businesses successfully.

Importantly, this approach also ensures that growth opportunities are not limited to a narrow set of 'trendy' sectors such as tech or digital media. By providing sector-agnostic support that meets entrepreneurs where they are, this strategy enables businesses in traditional industries—such as agriculture, manufacturing, retail, and services—to access the same quality of growth support. These businesses often form the backbone of local economies and play a critical role in job creation and economic stability, particularly in underserved or rural areas.

Supporting the "missing middle" ensures a more inclusive and diversified entrepreneurial ecosystem that reflects the full range of economic potential.



Structured Mentoring Programmes

YBI's mentoring model provides a structured, holistic framework for supporting youth entrepreneurs through high-quality, developmental relationships. The model centres on a non-directive, mentee-led approach where trust and mutual learning are key. It includes clear components such as programme planning, targeted mentor recruitment, structured induction and training, tailored matching based on learning needs, and well-managed exit strategies. Mentors are selected not just for their technical expertise, but for their ability to listen, challenge, and support mentees as they navigate their entrepreneurial journey. Rather than offering direct advice, mentors guide reflection and personal growth—creating a safe, empowering environment for decision-making.

How this strategy helps unlock business growth:

This mentoring approach directly addresses the psychological and structural barriers that often inhibit the growth of youth-led enterprises—such as low confidence, fear of failure, and limited access to professional networks. Through consistent engagement with experienced mentors, young entrepreneurs gain critical soft skills, emotional resilience, and exposure to new ways of thinking. They are better equipped to take strategic risks, identify growth opportunities, and access markets and partnerships that may have previously seemed out of reach. By helping entrepreneurs build both the mindset and the network required for success, the mentoring model plays a vital role in moving youth-led businesses from survival to scalable, sustainable growth.

Spotlight: Habitat Association's FutureLab project in Türkiye

In Türkiye, youth-led businesses significantly contribute to economic vitality, yet they face considerable barriers to scaling beyond initial growth stages.

With a youth unemployment rate of 17.4% in 2023, according to the Turkish Statistical Institute, and a notably high NEET (Not in Employment, Education, or Training) rate of 22.4% in the same year, according to the World Bank, young entrepreneurs encounter systemic challenges such as inadequate access to finance, limited business support structures, and insufficient mentorship opportunities.

Gender inequality compounds these issues, as the female employment rate is less than half that of males, according to the TurkStat 2023 Household Labour Force Survey – limiting the entrepreneurial potential of young women.

Moreover, recent socio-economic disruptions, such as the devastating February 2023 earthquake, have exacerbated existing vulnerabilities, demanding urgent and tailored interventions to support the critical segment known as the "missing middle".

Habitat Association's 30-year legacy of fostering sustainable and inclusive development actively addresses these challenges through targeted projects such as Future Lab, which is part of YBI's *Empower and Elevate – Enabling Inclusive Futures* programme, funded by Standard Chartered Foundation as part of Futuremakers by Standard Chartered. The Future Lab project is specifically designed to cultivate a dynamic ecosystem of socially conscious young entrepreneurs by providing essential skills, mentorship, networking opportunities, and resources crucial for scaling businesses.

Between January 2024 and March 2025, the project has empowered 816 young entrepreneurs, reaching a remarkable 73% female participation rate.

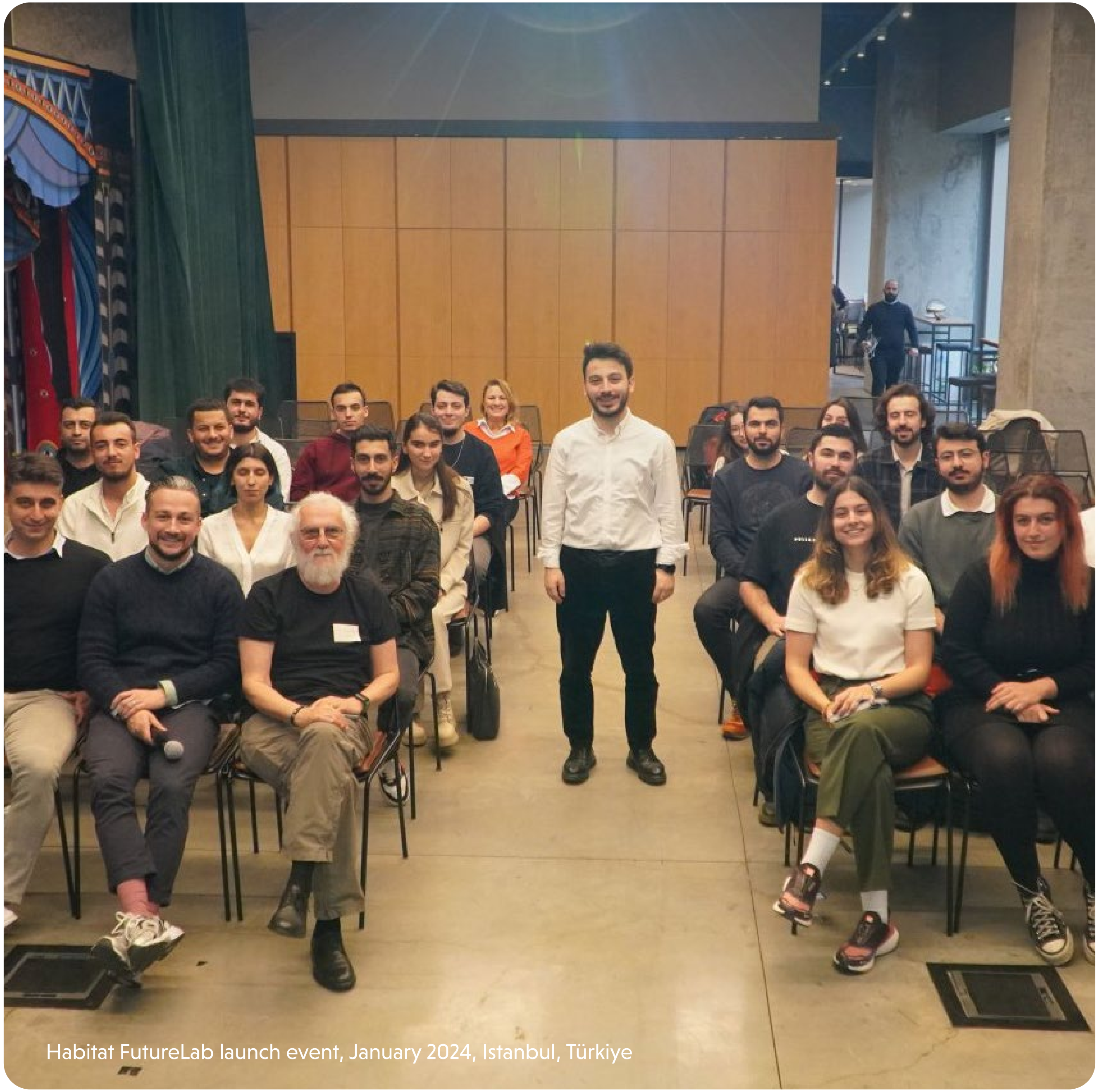
Key project activities to de-risk youth entrepreneurship and unlock business growth included:

- **Entrepreneurship Training Programme:** Delivered 30 hours of online training to 816 participants, covering design thinking, intellectual property rights, business idea presentation, minimum viable product (MVP) development, brand and story design, and company/ trademark registration. This directly supports the development entrepreneurial skills and capabilities by equipping young founders with foundational knowledge and practical tools to navigate early-stage business development.
- **Ideathon Events:** Conducted three interactive events, with 54 teams (90 participants) offering mentorship, training, and business development support. This contributes to enhancing the business support ecosystem and fostering inclusive innovation by creating collaborative spaces for ideation, mentorship, and peer learning—critical for early validation and risk reduction.
- **Accelerator Programme:** Launched three cohorts totalling 46 start-up teams, providing tailored mentorship and intensive support with a strong focus on sustainability, inclusivity, and social impact. This addresses multiple de-risking strategies by strengthening the support ecosystem, offering intensive capacity building, and embedding inclusive and impact-driven business practices that may make ventures more resilient and attractive to investors.
- **Demo Day:** Hosted two Demo Days, where six start-ups were awarded grants totalling $30,000 ($5,000 each). These events significantly enhanced start-ups' visibility, networking, and investment opportunities. This supports the expansion of access to finance and strengthens market linkages by connecting entrepreneurs with funders and stakeholders, providing both capital and crucial exposure to growth opportunities.

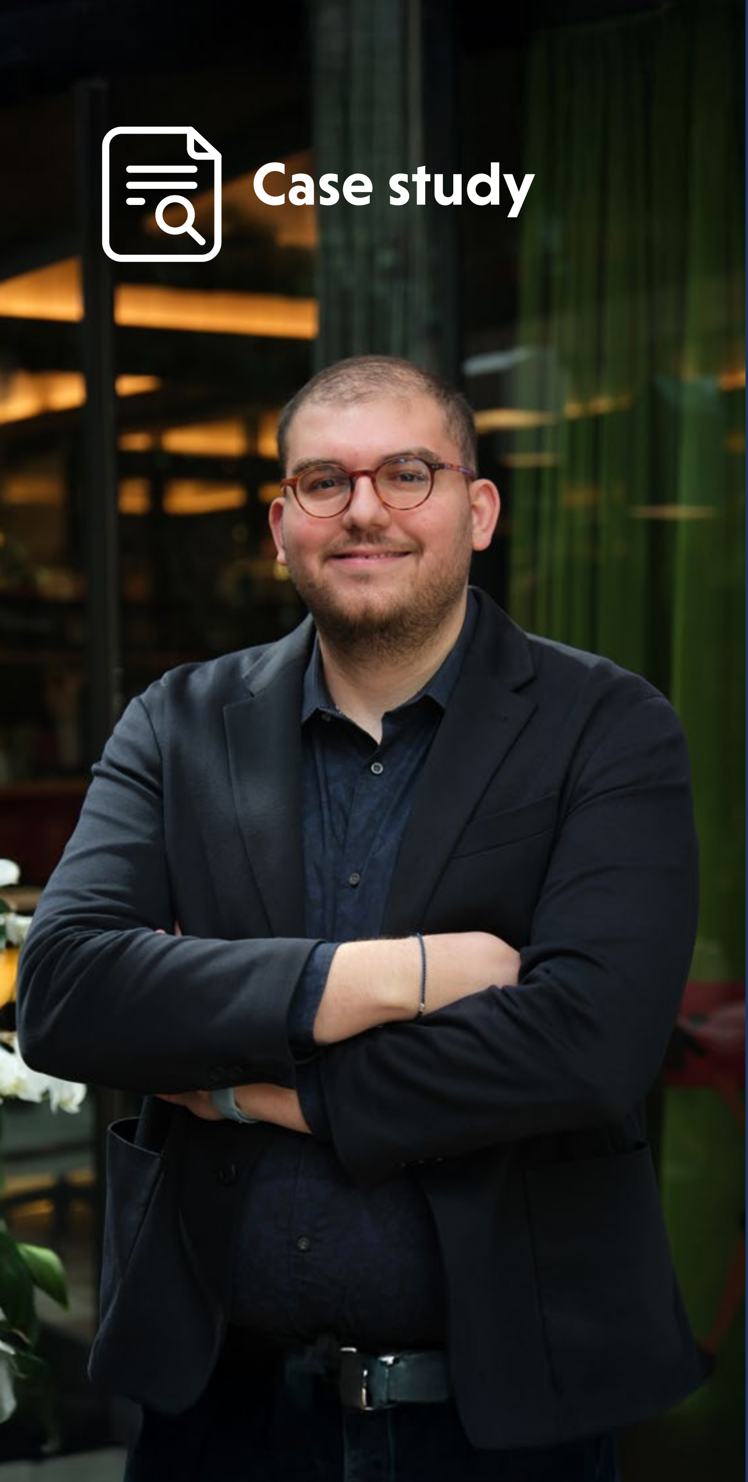
- **Podcasts and Inspiration Meetings:** Published 13 podcasts and organized three inspiration meetings, facilitating connections between entrepreneurs, industry leaders, and investors. This promotes inclusive ecosystems and visibility by sharing success stories, offering role models, and building networks that help de-risk youth entrepreneurship through increased social capital and credibility.

The Future Lab project has delivered strong social value, achieving a Social Return on Investment (SROI) of 5.4 TL for every 1 TL invested. It has supported the development of sustainable business models that contribute to meaningful job creation, while also enabling startups such as Fire-Stopper, Fish Grammer, and Blueit to attract a combined $810,000 in investment.

Additionally, the programme created part-time or internship roles for 30 individuals and significantly strengthened the entrepreneurial skills of participants, with 86.1% reporting notable improvements as a direct result of the training received.



Habitat FutureLab launch event, January 2024, Istanbul, Türkiye



Case study

Okan Dursun, 28, Co-Founder & CEO, Carbon Gate

Co-founded by 28-year-old entrepreneur Okan Dursun, Carbon Gate is an AI-driven sustainability start-up offering carbon management solutions to companies navigating growing environmental regulations. Amid rising demand for carbon reporting—both domestically and from international markets—Carbon Gate scaled rapidly, increasing its client base sixfold within six months.

Yet like many youth-led businesses in emerging sectors, Carbon Gate faced critical "missing middle" barriers. These included a lack of sector-specific talent, high competition from low-cost entrants, and challenges in articulating value in a market where sustainability literacy remains limited.

To address these challenges, Carbon Gate joined Habitat's FutureLab accelerator.

Through the programme, Carbon Gate has received:

- Tailored business mentorship focused on sustainability-oriented business modelling, branding, and market positioning to enable the start-up to refine its strategy and differentiate from competitors.
- Access to a trusted ecosystem, including networking sessions with potential partners and sustainability consultants, which helped the team build credibility and identify growth opportunities.
- Visibility support through Demo Day events and media exposure such as podcasts to elevate their profile with investors and corporate clients.
- $5,000 in grant funding to provide operational flexibility and reduce short-term financial risk.
- Peer learning opportunities that allow the founders to exchange insights with others in the field to boost confidence and sharpen their leadership capabilities.
- This combination of financial, strategic, and relational support directly addresses the structural challenges Carbon Gate is facing – demonstrating how integrated support systems can enable youth-led enterprises in high-potential but underserved sectors to scale effectively.

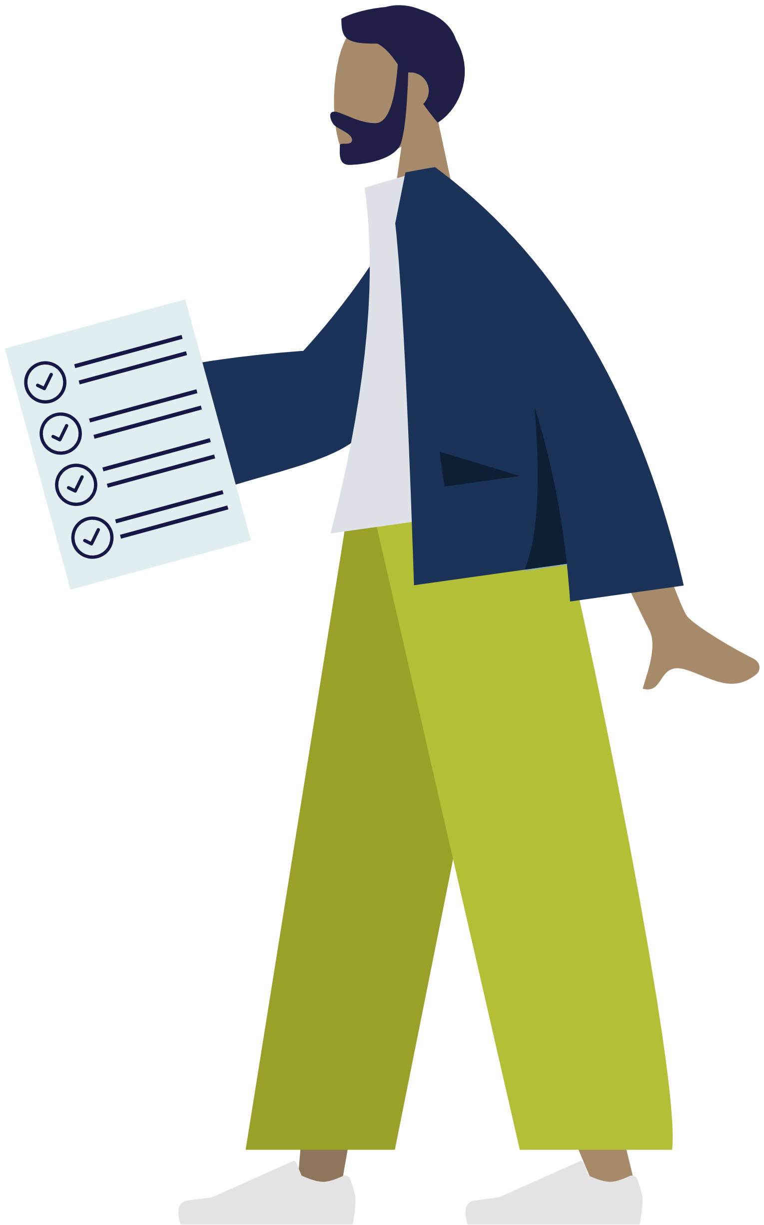
Policy Recommendations

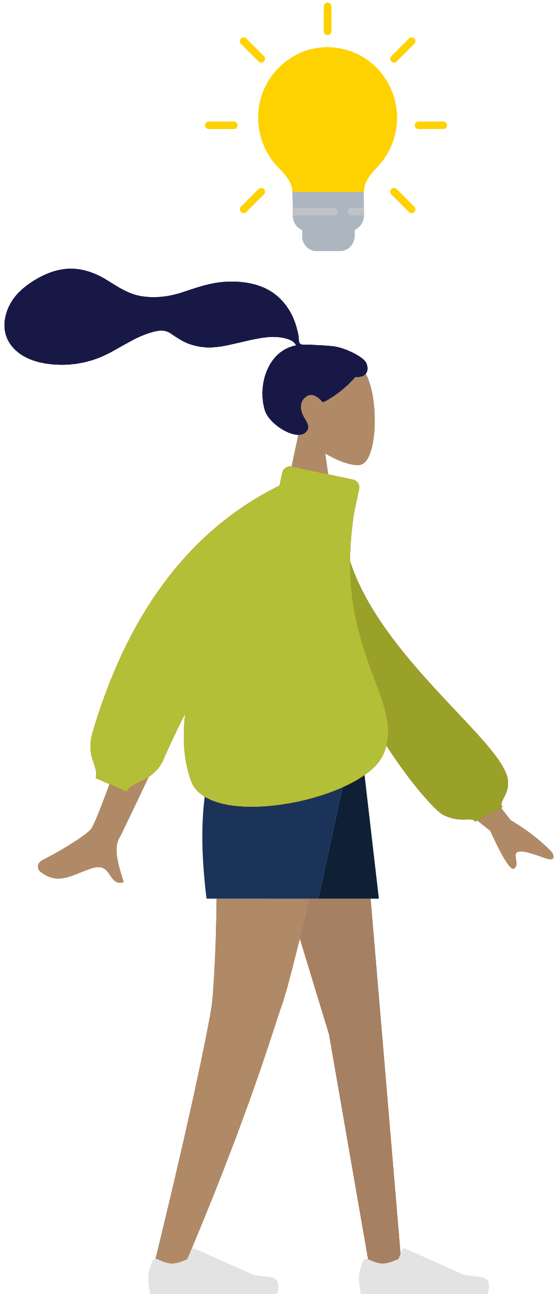
1. **Co-design financial products for young entrepreneurs**
Financial institutions collaborate with enterprise support organisations (ESOs) to develop tailored loan and investment products that reflect the realities of youth-led enterprises—low collateral, limited credit history, and non-linear growth paths. This includes exploring adaptive financing solutions such as uncollateralized loans, milestone-based funding, and the use of alternative forms of collateral like movable assets.

2. **Promote inclusive policy reform**
Governments simplify regulatory procedures, eliminate age-based restrictions, and support youth-friendly procurement policies to reduce legal barriers to scaling.

3. **Invest in high-quality financial literacy programmes**
Increase targeted funding to support ESOs to deliver targeted training on budgeting, pricing, record-keeping, and financing plans to improve young entrepreneurs' financial readiness and investment credibility.

4. **Fund peer-to-peer growth initiatives such as high-growth bootcamps**
Scale up bootcamp models that connect young entrepreneurs across sectors and regions for shared learning, strategic partnerships, and exposure to new markets and financing opportunities.





5 **Expand access to structured mentoring models**
Increase public-private investment in mentoring programmes that provide high-quality, non-directive guidance and emotional support to help young entrepreneurs navigate risks and make informed growth decisions.

6 **Build sector-agnostic development pathways**
Ensure support is accessible to entrepreneurs in both high-tech and traditional sectors by offering flexible, needs-based training and advisory services that reflect the diverse nature of youth-led businesses.

7 **Support market access and cross-border collaboration**
Facilitate programmes that connect young entrepreneurs to domestic and international markets through trade networks, supply chains, and digital marketplaces—especially for those operating in overlooked regions or industries.

8 **Recognise diverse forms of innovation**
Encourage investors and ecosystem actors to broaden their definition of innovation to include incremental and process improvements in traditional industries, not just disruptive technologies.

About Youth Business International (YBI)

Youth Business International (YBI) is the global leader in youth entrepreneurship. For over 25 years we've combined global influence with local knowledge and experience.

Young entrepreneurs have the power to boost employment and drive economic growth, their fresh perspectives and bold ideas also have the potential to reshape industries and societies for the better. But for too many young people starting a business feels out of reach and they need the right support to succeed.

At YBI, we support aspiring young entrepreneurs around the world to start, scale and sustain their businesses. We develop and scale the most effective solutions to help young entrepreneurs succeed, from developing business skills, driving innovation and nurturing talent to unlocking finance and access to markets.

Join us to unleash the potential of young entrepreneurs to drive a generation for change.

About Habitat Association

Habitat Association is a civil society organisation based in Türkiye, founded in 1997 to promote sustainable development by empowering individuals and communities. Emerging from the UN Habitat II Conference in Istanbul, Habitat transformed from a youth volunteer initiative into a recognised professional organisation over its 30-year journey. We implement inclusive programmes focusing on digital transformation, entrepreneurship, and sustainable development through partnerships with public institutions, the private sector, civil society organisations, and UN agencies.

Operating throughout Türkiye and expanding internationally, Habitat embraces the principle of "development through partnership". We design scalable, community-centred programmes that support youth, women, and underserved groups. We run the secretariat of GEN Türkiye, linking local actors to the Global Entrepreneurship Network and fostering innovation-driven entrepreneurship. As an active member of several networks, including YBI, we contribute to global entrepreneurship efforts. Our commitment extends to delivering coding and AI training in rural areas, providing entrepreneurship support programmes, and developing projects focused on sustainability to ensure progress is accessible and continuous for all.

Habitat remains committed to building inclusive and resilient ecosystems where youth and communities can shape their sustainable futures as we adapt to a changing environment.

Youth Business International

www.youthbusiness.org

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