

**Accelerating Youth-led Enterprises for Employment Generation and Local Economic
Development in Nepal**

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CHAPTER I: INTRODUCTION

1.1 Background of the Study

Nepal is currently facing a severe youth employment crisis, Despite the rising number of educated and skilled young individuals, unemployment and underemployment remain widespread. This lack of opportunity at home has compelled thousands of youths to seek employment abroad, often in difficult and exploitative conditions, especially in Gulf countries and Malaysia (Paudel & Pyakurel, 2018). According to the National Population and Housing Census 2021, the literacy rate in Nepal is 76.2% overall, with 83.6% of males and 69.4% of females categorized as literate.

Nepal Labour Migration Report 2022 reveals that more than 1.1 million labor approvals were issued between 2019/20 and 2021/22. At the same time, over 2.1 million Nepalis about 7.4% of the national population are currently living abroad, primarily for employment, with men comprising over 80% of this migrant group. The Department of Foreign Employment and Ministry of Education data also reveal that over 416,000 No Objection Certificates (NOCs) were issued to students pursuing education abroad from 2008 to 2021. This stark migration trend reflects the deep-rooted issue of limited opportunities at home. Youth are not only leaving for jobs, often in exploitative and precarious conditions in Gulf countries and Malaysia, but also abandoning their academic pursuits in hopes of a better future elsewhere (Nepal Labor Migration Report, 2022)

Youth unemployment in Nepal poses a significant threat to national economic growth and social stability. It leads not only to the erosion of individual skills and long-term productivity losses but also contributes to rising financial dependency, frustration, and mental health challenges among young people (Sharma & Paudel, 2023). According to the International Labour Organization (ILO, 2022), youth unemployment is a critical global challenge, particularly in developing countries like Nepal, where job creation has not kept pace with the growing labor force. Systemic issues such as skills mismatches, limited access to finance, and economic stagnation further complicate the school-to-work transition for many young people.

The outmigration of youth continues to accelerate. Social and cultural expectations often place financial responsibility on young people, compelling them to seek income-generating opportunities abroad (Chen, 2018,; as cited in Basnet et al., 2023). Additionally, studies have found that education levels, social networks, and limited domestic opportunities significantly shape youth migration decisions (Basnet et al., 2023; Dhungel, 2019; Dahal et al., 2023). Nepal's net migration rate 4.144 per 1,000 people in 2024 remains alarmingly high, although it has declined slightly from previous years (Macrotrends, 2024).

While these social and economic factors are significant, recent evidence also highlights the impact of environmental shocks on migration decisions. Shakya, Basnet, and Paudel (2022), in their study on the 2015 Gorkha earthquake, found that how environmental shocks influence labor migration decisions in developing countries. For instance, Shakya et al. (2022) use a difference-in-differences approach to examine the effects of the 2015 Gorkha earthquake in Nepal and find

that severely affected districts experienced a significant drop around 38% in international work permits issued. The reduction was even more pronounced among men, with a nearly 49% decrease, while the impact on women was statistically insignificant. These findings suggest that natural disasters can disrupt migration patterns, potentially due to infrastructure damage, increased domestic caregiving responsibilities, or altered labor supply dynamics. "Complementing the evidence on labor migration disruptions due to environmental shocks, Kamble, Paudel, and Mishra (2024) examine the impact of the 2017 severe floods in Nepal on agricultural labor market outcomes. Using a difference-in-differences approach with panel data, they find that floods caused a significant 9–10% decline in daily cash wages for agricultural laborers in flood-affected districts, while in-kind wages increased substantially as a compensatory mechanism. This shift reflects a cash crunch in the local economy post-disaster, leading employers to substitute cash payments with in-kind compensation to maintain labor supply and household utility. Importantly, the study finds no significant change in labor supply on the extensive margin, suggesting that wage adjustments rather than labor migration or withdrawal were the primary labor market response in the short term. These findings highlight how environmental shocks can disrupt local labor markets and income streams, which may indirectly influence migration decisions and the viability of youth-led enterprises dependent on stable labor availability and wages (from page 1 to page 17)." Moreover, economic impacts of migration are not limited to outflows; refugee inflows can also significantly reshape local labor markets in host countries. Ryu and Paudel (2024) examine the effects of the Venezuelan refugee crisis on labor market outcomes in Brazil. Their findings indicate that the influx of Venezuelan refugees led to a decline in labor force participation and employment, especially among less-educated individuals and women working in informal or self-employed sectors. Interestingly, hourly wages remained largely unaffected, suggesting that employment displacement occurred more through job losses rather than wage competition. This trend reflects the prevailing "*Desh Chhodne*" (leaving the country) mindset among youth, driven by economic insecurity, poor governance, and perceptions of better opportunities abroad. Similarly, Educated youth are increasingly attracted to destinations with higher living standards, political stability, and more inclusive policies (Joshi & Dahal, 2024). Therefore, entrepreneurship is important to reduce foreign migration.

Hoppe, M. (2016) explains that the concept of entrepreneurship has changed over time and is now used in many fields, including education. It is no longer just about starting businesses, but

also about taking initiative, being creative, and acting on opportunities. In schools, entrepreneurship is used as a way to encourage students to learn by doing and to develop important life skills.

An entrepreneur is someone who assumes the financial risk of beginning and managing a new venture. The venture can be based on totally new idea, new way of doing things, a new location, or attempting something no one else has done before. In other words, an entrepreneur is seen as a person who detects a previously untapped opportunity to make substantial profits (either by lowering the cost of producing existing goods/services or by creating brand new product) (Shuaibu et al., 2021) Entrepreneurs create new businesses, and new businesses in turn create jobs, intensify competition, and may even increase productivity through technological change. High measured levels of entrepreneurship will thus translate directly into high levels of economic growth. (Acs, n.d, 2006) It is important for middle-income countries should focus on increasing human capital, upgrading technology availability and promoting enterprise development. (Z. J. Acs & Szerb, 2007). Meanwhile it is important to expand entrepreneurship education for its growth.

The success and growth of entrepreneurs depend on entrepreneurship education. It plays a crucial role in fostering economic growth and competitiveness by providing individuals with the skills and knowledge necessary for success and innovation. Addressing educational needs, particularly in underserved regions, can significantly enhance entrepreneurial outcomes and contribute to broader economic development. Government policies and regulations profoundly impact business operations, competitiveness, and growth. (Mishra, A. K. 2024)

In response, Nepal has begun to shift policy focus toward domestic employment generation through entrepreneurship. Entrepreneurial development is being positioned not only as a means of self-reliance but also as a strategy to reduce youth migration and stimulate local economies. Particularly, growth-oriented entrepreneurship, which prioritizes scalable, job-creating enterprises, holds the potential to significantly contribute to employment generation.

Increasing the number of high growth firms (HGFs) is now a major focus for industry policy in developed countries. However, existing approaches are proving ineffective. Simply creating supportive framework conditions is insufficient. Creating favourable environments for business start-ups is not leading to the creation of more HGFs. And transactional forms of support

for HGFs (e.g. financial assistance) are proving to have limited effectiveness, at least post-start-up. The entrepreneurship ecosystem approach has emerged as a response. It recognizes that HGFs flourish in distinctive types of supportive environment. Distinguishing features of entrepreneurial ecosystems include the following: a core of large established businesses, including some that have been entrepreneur-led (entrepreneurial blockbusters); entrepreneurial recycling – whereby successful cashed out entrepreneurs reinvest their time, money and expertise in supporting new entrepreneurial activity; and an information-rich environment in which this information is both accessible and shared. Likewise, term entrepreneurial growth means organization plans to achieve its objective to grow and expand a business by its quality, quantity, and turnover. Entrepreneurial growth can be in terms of innovators, business developers, radicals, expanders, customers etc. An entrepreneur who undertakes the risks, and effort to grow the business will certainly have entrepreneurial growth whereas the person who is not willing fails to achieve objectives. (Florica Tomos, 2019)

As to what constitutes a “high-growth firm”, Audretsch offered several definitions. For example, the 2007 OECD-Eurostat Manual on Business Demography Statistics defined the term to include: “All enterprises with average annualized growth greater than twenty percent per annum, over a three-year period, and with ten or more employees at the beginning of the observation period. Growth is thus measured by the number of employees and by turnover.” The same source explained “gazelle firms” to be “[a]ll enterprises up to five years old with average annualized growth greater than twenty percent per annum over a three-year period, and with ten or more employees at the beginning of the observation period.” When Delta Economics surveyed “growth oriented” entrepreneurs in BRICSA countries, the US and Europe, it limited its survey to entrepreneurs running relatively young businesses (between 2 and 10 years old) that had turned over a minimum of \$300,000 after the second year of trading and found that “growth oriented” businesses shared several common features: high growth rate in turnover; average employment of around 25 people and expectations of doubling the size of the workforce within three years; high likelihood that initial financing came from self-investment, usually from savings; some level of innovation in the way in which they approached their markets.(Gutterman, 2022)

Meanwhile, The Parliamentarian Honourable Gagan Thapa has recently initiated Mission Rojgari 2025, a national campaign aiming to make enabling environment to create jobs through

innovation, enterprise development, and public-private collaboration. This aligns with global recognition that youth-led enterprises can be engines of inclusive growth, innovation, and sustainable livelihoods. Hence, this research is grounded in the Growth, Entrepreneurship, and Employment creation model and seeks to explore how youth entrepreneurship in Nepal can be supported and scaled as a viable alternative to labor migration and employment generation for local economic development in Nepal. By identifying enablers, challenges, and policy gaps, the study aims to contribute actionable insights for strengthening youth-led employment generation efforts in Nepal.

1.2 Statement of the Problem and Research Questions

Nepal is at a turning point. Every year thousands of young people leave the country to find work abroad, mainly in the Gulf countries and Malaysia because they don't see enough opportunities at home. Nepal's high level of migration for long-term contract work in other countries, especially to Malaysia and Gulf countries, are linked to the migration drivers that are rooted in present political-economic situation like conflict, climate change, disasters, and global forces that make local livelihood opportunities like farming precarious. (Rajan, 2023). The 2015 Gorkha earthquake in Nepal had a substantial impact on international labor migration, particularly in districts that were severely affected. Using a difference-in-differences methodology, Shakya et al. (2022) found that these districts experienced an approximate 38% decline in the issuance of international work permits. This decline was especially significant among men, with a reduction nearing 49%, while the effect on women's migration was found to be statistically negligible. These results indicate that natural disasters can disrupt migration flows, likely due to factors such as damage to infrastructure, increased caregiving demands at home, and shifts in labor supply dynamics. This disruption presents challenges for labor mobility and economic recovery in disaster-affected regions. This framing highlights the problem of how natural disasters affect migration and labor market outcomes. Meanwhile, Nepal is developing in terms of science and technology. The government should focus on the development of science and technology as this development would enhance entrepreneurial growth, which also meet SDGs goal of innovation, education, science and technology and development. (Ojha et al., 2022). Even though more youth today are educated and skilled, they still struggle to find decent jobs. This ongoing unemployment, less paid, unpaid, skilled relevant jobs market and payment not only

creates frustration among the youth but also pushes them into risky foreign employment, draining the country's talent and energy. Nepalese youth are drawn to foreign employment due limited job opportunities and lack of financial rewards for education. (Rai etl., 2024). The Government of Nepal, through its National Youth Policy (2072) and the Ministry of Youth and Sports, has been trying to tackle this issue by promoting entrepreneurship. However, most of these efforts are focused on helping individuals sustain their own livelihood, what we call *nirbhar-mukhi udhyamsilta* (self-reliant entrepreneurship). While this is a good start, it's not enough to solve the larger unemployment crisis. Similarly, Nepal is preparing to graduate from Least Developed Country (LDC) status by 2026. As we move toward this goal, it's more important than ever to build a strong economy at home. This means we need to go beyond small-scale, survival-based entrepreneurship and support '*briddhi-mukhi udhyamsilta*' growth-oriented enterprises that can create jobs for others, not just for the entrepreneur. New national campaigns like Mission Rojgari 2025 are promising steps forward. But there are still gaps in understanding what really helps youth-led enterprises grow and create employment. This research aims to explore those gaps what's working, what's missing, and how Nepal can better support young entrepreneurs who want to stay, grow, and contribute to their own communities.

1.3 Research Objectives:

This study aims to explore how youth-led enterprises can be accelerated to generate employment and foster local economic development in Nepal.

1.4 Research Questions

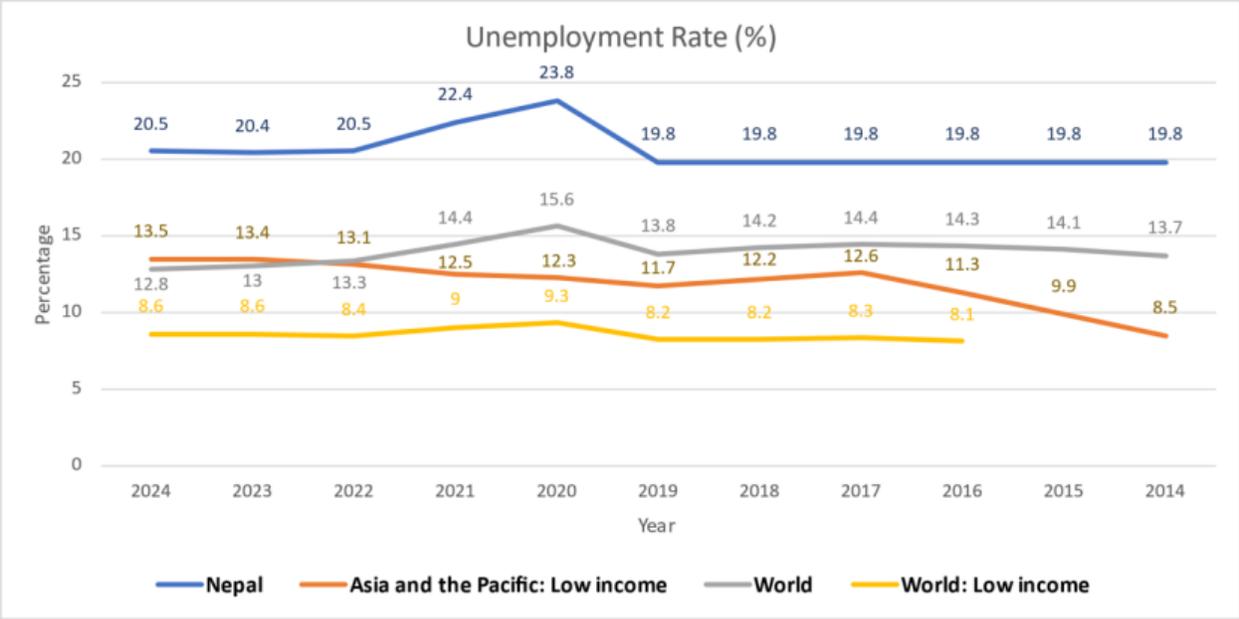
1. What are the key success factors, discouraging elements, and policy gaps within Nepal's entrepreneurial ecosystem that influence the growth of youth-led enterprises and youth employment generation?
2. How do existing local-level policies, annual plans, budgets, and enterprise-related programs (facilitated by employment and enterprise sections at the palika level) support or hinder this growth?
3. What additional interventions are needed to strengthen youth-led enterprises for employment generation and local economic development under the Mission Rojgari campaign?

CHAPTER II: LITERATURE REVIEW

2.1 Youth Unemployment in Nepal

In Nepal, youth unemployment is a pressing issue that reflects broader structural challenges within the economy. The youth unemployment rate in Nepal, recorded at 20.36% in 2023, is significantly higher than the national average of 12.6%, indicating substantial difficulties for young people entering the labor market (Central Bureau of Statistics, 2023). The causes of youth unemployment in Nepal are multifaceted, including a mismatch between the skills provided by the education system and the demands of the labor market. Research by Karki and Singh (2020) demonstrates that many young graduates in Nepal are inadequately prepared for the job market, leading to high levels of underemployment and joblessness. Additionally, the high degree of informality in the labor market, where approximately 92% of employed youth are engaged, exacerbates the problem by offering low wages, job insecurity, and limited opportunities for career advancement (Adhikari, 2021).

Figure 1: Comparing Youth Unemployment rates (2015-2024) of Nepal



Source: Statista and World Bank

Ali et al. (2023) revealed varied relationships between perceptions of cognitive, economic, and social recognition across genders. Both male and female respondents’ entrepreneurial probabilities were significantly influenced by factors like self-efficacy, knowledge about entrepreneurs, fear of failure, perceived opportunity, career choice, and social recognition. Addressing these factors could contribute to a more inclusive and supportive entrepreneurial ecosystem in India. (Chalise et al., n.d.) study concludes that education and training positively impact access to finance for young entrepreneurs, while innovativeness significantly contributes to overall entrepreneurship development.

Youth unemployment remains a significant challenge in Nepal. In 2024, approximately one in five young people aged 15–24 were unemployed, with the youth unemployment rate estimated at 20.82% (Macrotrends LLC, 2024). This estimate is consistent with data modeled by the International Labour Organization (ILO) and reported via the Federal Reserve Bank of St. Louis, which recorded a similar rate of 20.819% for the same year (World Bank, 2024). These figures highlight persistent barriers for Nepalese youth in accessing the labor market and underscore the importance of targeted employment and skill development interventions.

2.2 National Youth Policy for Youth Unemployment and Under employments

Youth migration is mounting and Nepal is facing one of the most critical phases of development in its history (Acharya 2011). Government of Nepal (2009) reports, every year approximately 350,000 youths enter the job market whereas only 10% of them are absorbed in the domestic market. More than 100,000 of these leave the country in search of jobs. 'Nepal Labor Force Survey 2008' shows 46% of youth are underemployed, an increase of two times that of last decade. The Ministry of Youth and Sports established in 2008 is designated to formulate, implement, monitor and evaluate policies and programs for youth in Nepal. Moreover, 'The national youth policy' stresses on developing entrepreneurship and massive youth employment generation. Similarly, national youth policy (2010) states, self-employment and vocational training programs will be beneficial for both educated and uneducated youth. The government is willing to provide adequate employment opportunities by providing 200,000 rupees per person collateral free periodic loans at nominal interest rate. The emphasis is given to the marginalized and socially excluded youth groups. Similarly, this policy prioritizes self-employment packages such as farming, agriculture, and operation of rickshaw, carts services, traditional indigenous skills, and skill based programs (Piotrowski, Ghimire & Rindfuss 2013). High emphasis is laid on the coordination and collaboration among government, private sector, financial institutions and civil society organizations.

Whereas Indian Youth Policy, introduced in 2003 had declared training and employment as the key sectors of immediate intervention and fixed sidewise necessary resources and implementation mechanisms. Mazumdar (2003) analyzed that program was very successful to generate employment prospectus; however, Nepal lacks a serious commitment from the political parties, government and civil society organization to make the policy effective. Likewise, even after three years of implementation, thousands of youth continue to flee to other countries for petty jobs and remittance still contributes to almost 30% of the GDP (Piotrowski, Ghimire & Rindfuss 2013). Industrial development requires a competent labour force, which in turn, stresses excellent education infrastructure and effective planning to produce not only skilled workers but also sought after workers.

Consequently, the self-employment programs need to ensure suitability of the program for the youth living in the rural and geographically isolated areas. The government, donors, private sectors and civil society groups should assemble in a serious discussion and form an independent committee to investigate the impact of existing policy before disbursing more funds for self-employment schemes. Similarly, there should be realistic strategies to inspire young people in the local community to learn and succeed through enterprise to promote a culture of entrepreneurship as a viable career. Likewise, for those who already received the fund, post training support and linkage with market need to be addressed so that the deserving youths will be benefited who are likely to contribute for the development of their societies. Finally, for harnessing the youth potential, there- should be ample room for public-private partnership, since the private sector could play a significant supporting role particularly in terms of capacity building and employment generation. (Neupane, 2015)

2.3 Youth Employment and Entrepreneurship in Nepal

Micro, small, and medium enterprises (MSMEs) are critical drivers of Nepal's economy, contributing around 22% of GDP and employing over 2.8 million people, or about 13.5% of the workforce (Kharel & Dahal, 2020). Despite their importance, MSMEs face persistent challenges that limit growth and quality job creation. Financial constraints restrict investment in technology, while limited familiarity with modern tools and a shortage of skilled labor hinder innovation. Many MSMEs also struggle with business strategy and marketing knowledge. Access to finance and markets remains a major hurdle, as high interest rates, strict collateral requirements, limited institutional support, and cumbersome registration processes restrict formalization, legal protections, and market reach (Kharel & Dahal, 2020; International Labour Organization, 2023).

Nepal's youth population constitutes a significant portion of the labor force, though definitions vary. Internationally, youth is defined as those aged 15–24, numbering approximately 5.76 million in 2024, or 19.5% of the population (Statistics Times, 2024). Nationally, the Government of Nepal considers youth to include individuals aged 16–40, totaling around 12.4 million, or 42.5% of the population (Rising Nepal, 2021; UNFPA Nepal, n.d.). High youth unemployment remains a pressing concern, with 19.2% of young people without work (Nepal Labour Force Survey, 2022), and many seeking opportunities abroad. Over 1,700 young people

leave daily for foreign employment, more than 80% of whom are under 35, representing roughly 5–6% of the youth population annually (Department of Foreign Employment, 2023).

Education and skills development are critical to addressing these challenges. The University Grants Commission (UGC) and Department of Education (DoE) provide data on graduation and school completion rates, which inform workforce readiness and labor market strategies (UGC, 2023; DoE, 2023). Migration trends are also linked to education and employment outcomes, as reported by the International Organization for Migration (IOM) and World Bank studies, highlighting the need for policies that integrate skills development, enterprise support, and youth employment programs (IOM Nepal, 2023; World Bank, 2023).

Recognizing these interlinked challenges, the FY 2025–26 budget of NPR 1.964 trillion emphasizes youth-led entrepreneurship and private sector engagement, signaling a strategic effort to generate jobs, strengthen MSMEs, and stimulate local economic growth (Government of Nepal, 2025). These measures provide a critical policy foundation for enhancing employment opportunities, reducing youth migration pressures, and fostering a vibrant entrepreneurial ecosystem in Nepal.

2.4 Entrepreneurship in Nepal

There is no common global definition for MSMEs. Many countries use three criteria: assets, employment and annual turnover, whereas others use only two of these or a single criterion. For example, India, Philippines, Rwanda, Thailand, Bolivia, and Mozambique use a single criterion, such as annual turnover in the case of India or employment in the other countries. In the case of Nepal, the Industrial Enterprises Act of 2020 defines micro enterprises using four criteria (capital investment, employment, annual turnover, and energy consumption) while it uses the single criterion of capital investment to define SMEs. The Act also includes the category of cottage industries. The definitions of micro, cottage, small, medium and large enterprises are as follows:

- i) Micro industries are enterprises that meet the following conditions: a) have a fixed capital not exceeding NPR 2 million (USD 18,000) apart from land and buildings, b) are run by the proprietor himself, c) work at the local level and utilize local raw materials, d) have an annual turnover of up to NPR 10 million (USD 89,000), e) employ not more than nine workers, and f) consume less than 20 kilowatts of electrical power when they run in full capacity.

- ii) Cottage industries are enterprises that use local workers and raw materials, are engaged in traditional labor-intensive industries that reflect the country's indigenous art and culture and consume less than 50 kilowatts of electrical power when they run in full capacity.
- iii) Small scale industries (SSI) are enterprises other than micro and cottage industries with fixed capital not exceeding NPR 150 million (USD 1.3 million).
Medium industries are enterprises with fixed capital between NPR 150 million and NPR 500 million (USD 4.4 million).
- iv) Large industries are enterprises that have over NPR 500 million in fixed capital.
(United Nations Economic and Social Commission for Asia and the Pacific, 2020)

According to the Economic Census conducted between April and June 2018, the country had 923,356 establishments. With regards to the geographic distribution of the establishments, Bagmati Province which includes Kathmandu has the highest share with 30.6 per cent of all establishments based here., Meanwhile, Nepal's largest and least populated province, Karnali Province, is home to the least number of MSMEs, with only 4.6 per cent of the national total.

Nepal's establishments employed 3,228,457 people, with Bagmati Province employing the highest share of more than 1.2 million (Table 1). The table also shows the percentage of unregistered establishments per province, which is highest in Province 2.

Table 1 Distribution of establishments, employment and unregistered enterprises by province

Name of the Province	Establishments		Employment		Unregistered Establishments (percentage)
	Number	Percentage	Persons	Percentage	
Province 1	168,518	18.3	544,079	16.9	46.5
Province 2	117,670	12.7	354,994	11.0	64.7
Bagmati Province	282,920	30.6	1,218,497	37.7	49.9
Gandaki Province	100,684	10.9	332,472	10.3	44.6
Province 5	147,789	16.0	474,264	14.7	47.7
Kamali Province	42,807	4.6	118,951	3.7	51.2
Sudurpashchim Province	62,968	6.8	185,200	5.7	44.9
Total	923,356	100.0	3,228,457	100.0	49.9

Source: Nepal, CBS, National Economic Census 2018.

Since the 2018 National Economic Census didn't include all the details needed to classify businesses according to the size definitions in Nepal's 2020 Industrial Enterprises Act, the following analysis instead uses a simpler approach grouping enterprises by the number of people they employ. Based on this method, the vast majority about 95.4% are micro enterprises. Small enterprises make up 4.2%, while medium-sized ones account for only 0.24%, and large enterprises just 0.19% (see Table 2).

Table 2 Registered and non-registered establishments by establishment size

Establishment size	Establishments		Registered	Unregistered		Unregistered / Total
	Number	Percentage	Number	Number	Percentage	Percentage
Micro	880,254	95.37	421,996	458,258	99.53	52.1
Small	38,737	4.20	36,705	2,032	0.44	5.2
Medium	2,253	0.24	2,165	88	0.02	3.9
Large	1,783	0.19	1,739	44	0.01	2.5
Total	923,027	100.00	462,605	460,422	100.00	49.9

Source: Nepal, CBS, National Economic Census 2018.

Note: The table excludes 329 establishments that lack information on number of persons engaged.

Almost all unregistered businesses in Nepal 99.53% of them are micro enterprises. In fact, more than half of all micro enterprises (52%) operate without formal registration. By

comparison, only 5.2% of small enterprises, 3.9% of medium-sized enterprises, and 2.5% of large enterprises remain unregistered.

Table 3

Number of Banks and Financial Institutions

Financial institution	2013	2014	2015	2016	2017	2018	Aug 2019
Commercial Banks	32	31	30	30	28	28	28
Development Banks	88	86	84	76	67	40	28
Finance companies	70	59	53	48	42	28	22
Micro Finance Institutions	24	31	33	38	42	53	89
Infrastructure Development Bank	0	0	0	0	0	0	1
NRB Licensed Cooperative with Limited Banking Transactions	16	16	15	15	15	14	NA

Source: NRB, *Banking and Financial Statistics* (October 2019)

With regards to access to credit, the 2018 National Economic Census found that only 35.5% of the MSMEs have access to credit. This percentage is lowest for small enterprises (32.5 per cent), followed by micro enterprises (35.6 per cent) and medium-sized enterprises (52.9 per cent).

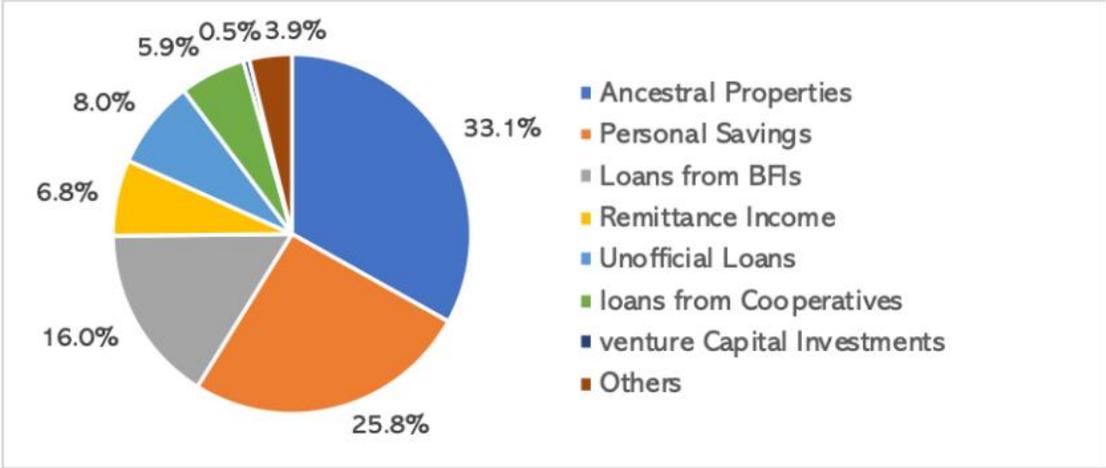
Table 4 Distribution of sources of credit among MSMEs that have access to credit

Source	Micro-enterprises	Small enterprises	Medium-sized enterprises	MSMEs
Banks	33.4	72.0	88.6	35.2
Cooperatives	33.2	11.9	4.6	32.2
Personal loans	14.6	8.0	3.8	14.3
Finance companies	8.1	4.8	1.4	7.9
Microfinance institutions	8.1	0.8	0.4	7.8
Other	2.6	2.5	1.2	2.6
Memo item: Access to finance	35.6	32.5	52.9	35.5

Source: Nepal, CBS, *National Economic Census 2018*.

Banks are the primary source of finance for medium-sized enterprises (88.6%) and small enterprises (72.0%), but only a third of micro-enterprises (33.4%). Cooperatives are almost equally important for micro-enterprises (33.2%) but play a smaller role for small (11.9%) and medium (4.6%) enterprises. Personal loans are more common for micro-enterprises (14.6%) compared to small (8.0%) and medium (3.8%) ones. Access to finance overall is highest for medium-sized enterprises (52.9%), followed by micro (35.6%) and small (32.5%).

Figure 2: Sources of Capital to Finance for Start-up SMEs



Source: NRB, SME Financing Study Report 2019

Sources of Capital to Finance Start-up SMEs in Nepal elucidates, this distribution underscores that start-up entrepreneurs in Nepal primarily rely on family support and personal savings, while formal financing and venture capital are still limited. These patterns highlight potential areas for policy intervention to improve SME financing accessibility and diversify capital sources for new enterprises.

More recently, the World Bank has revealed that globally MSMEs account for as much as 90% of businesses, more than 50% of employment, and up to 40% of national gross domestic product (GDP) in developing economies. In Nepal, MSMEs contribute to around 22% of the national GDP with more than 1.7 million employment opportunities. (Policy Research Institute, 2024).

The World Bank estimates Nepal's untapped export potential or "missing" exports at around USD 9.2 billion, this estimate is 12 times higher than Nepal's actual annual merchandise exports. If this export potential is realized, it also creates an estimated 220,000 new jobs within Nepal, and this can have significant implications for national productivity growth. Promotion of MSMEs and SUBs specifically in the agriculture and ICT sectors can contribute towards filling the export gap. Moreover, there were no exact data on start-ups in Nepal. The Department of Cottage and Small Industries keeps records of newly registered firms, but it was still hard to get the integrated data that meets the common concept of start-ups. (Policy Research Institute, 2024)

CHAPTER III: RESEARCH METHODOLOGY

This study employs a qualitative research design, with a strong emphasis on policy relevance and practical outcomes. The research aims to strengthen youth entrepreneurship for employment generation and local economic development in Nepal, contributing evidence-based recommendations to inform parliamentary discussions, particularly in support of *Mission Rojgari* initiative.

3.1 Study Design:

The study is qualitative in nature, using in-depth field inquiry methods to capture the experiences, perceptions, and challenges of youth-led enterprises, as well as to examine the role of local-level policies and programs in promoting employment generation.

3.2 Study Sites

The research was carried out in five local levels (Palikas) of Sunsari District:

- 1) Ramdhuni Municipality
- 2) Itahari Sub-Metropolitan City
- 3) Inaruwa Municipality (district headquarters)
- 4) Baraha Municipality (Chakarghatti, Sunsari)
- 5) Koshi Rural Municipality

This study explored how youth-led enterprises can be accelerated to generate employment and foster local economic development. It adopted a qualitative, policy-focused design across five

local governments in Sunsari District: Itahari Sub-Metropolitan City, Inaruwa, Ramdhuni, Barahakshetra Municipality, and Koshi Rural Municipality.

3.3 Data Collection Methods:

Key Informant Interviews (KIIs): KIIs were conducted with municipal officials, representatives of the employment and enterprise sections, ENSSURE (Enhanced Skills for Sustainable and Rewarding Employment), Speak Up Nepal, and other relevant stakeholders across the five Local

Levels through field visit. These interviews provided insights into policy frameworks, program implementation, and institutional support for youth entrepreneurship. Local government representatives (mayors, deputy mayors, employment coordinators), MEDPA (Micro-Enterprise Development for Poverty Alleviation) officers, Sami and Remi Project Coordinator.

To situate local findings within the national ecosystem, additional consultations were conducted with phone interviews with entrepreneurship coordinators, employment coordinators, and social enterprises in Bagmati, Gandaki, Lumbini and Karnali Provinces and Chief of Small and Medium Industries Section. To get the depth information data were collected through following research tools;

- 25 Key Informant Interviews with municipal officials and stakeholders
- 10 In-depth Interviews with youth entrepreneurs
- 2 Focus Group Discussions with youth and community members
- 3 Case studies of promising initiatives
- Review of municipal policies, budgets, and programs

3.4 Sampling: This study, a combination of probability and non-probability sampling techniques was applied. The study area was purposely selected to cover diverse local government units, municipality, rural municipality, and sub-metropolitan city in Sunsari district.

Entrepreneurs were identified based on different sectors of enterprise development. Initially, convenience sampling was used to reach accessible respondents, followed by snowball sampling to expand the pool of entrepreneurs through referrals. In addition, stakeholders

provided recommendations to connect with successful entrepreneurs who could offer rich insights.

This approach ensured inclusion of diverse perspectives and experiences, while also capturing examples of relatively successful enterprises with the help of following research methods;

3.1.1 In-depth Interviews (IDIs): 10 IDIs were conducted with young entrepreneurs to understand their entrepreneurial journeys, challenges, opportunities, and experiences in relation to local support mechanisms. Entrepreneurs (returnee migrants, youth-led enterprises, women entrepreneurs) Community leaders and training providers.

3.1.2 Focus Group Discussions (FGDs): 2 FGDs were organized, each involving around 15 participants, to capture diverse perspectives from women youth groups, local entrepreneurs, and community representatives on employment generation and enterprise development.

3.1.3 Policy and Program Review: Local-level policies, Annual plans, budgets, and programs related to enterprise promotion and youth employment were reviewed in all five Palikas to identify policy gaps, priorities, and opportunities for strengthening support to youth-led enterprises.

3.1.3 Case Studies: As part of the methodology, three case studies were included to capture in-depth practices and sectoral insights. The first case study focused on SpeakUp Nepal, which highlights youth-led initiatives and entrepreneurship practices. The second case study examined the Creation Project team lead who have experience of working in plastic recycling enterprises as a model of climate-friendly entrepreneurship and sustainable business practices. The third case study explored the Aflatoun Program in Dailekh, implemented by SOSEC Nepal in coordination with Samunat Nepal, which provides entrepreneurship education, business plan development, and enterprise support at the school level. Together, these case studies provided practical examples that complemented the field research and illustrated diverse approaches to fostering entrepreneurship in Nepal.

3.5 Limitation:

This study was primarily focused on Koshi Province, with field research conducted in five local levels of Sunsari district. Due to time limitations, the research could not cover other

provinces, so the findings may not represent the national picture. To gain a complete scenario, future research phases should cover additional regions across the country.

To complement the fieldwork, a few additional KIIs were included to capture sectoral insights. KII and Case Studies was conducted with an ICT-focused organization in Lalitpur, another with a climate expert working on plastic recycling enterprises under the Creation Project, and a phone interview with the Aflatoun project team in Dailekh district (implemented by SOSEC Nepal in coordination with Samunat Nepal). The latter provided information on business plan development and entrepreneurship support at the school level. Also the phone interview has carried with Lumbini, Gandaki, Karnali and Bagmati province stakeholders.

The study used a mix of qualitative methods. Demographic information and entrepreneur profiles are presented through pie charts and tables, while thematic analysis was used to interpret interviews and discussions.

3.6 Data Analysis:

All qualitative data were thematically analyzed. Responses from KIIs, IDIs, Casework and FGDs were coded and categorized to identify recurring themes, success factors, challenges, and policy gaps. Findings from the policy and program review were triangulated with field data to ensure validity and comprehensiveness.

CHAPTER IV: FINDINGS & ANALYSIS

This chapter presents the major findings from Key Informant Interviews (KIIs) conducted across Koshi, Inaruwa, BarahaChetra(Chakarghatti), Ramdhuni, and Itahari Municipalities. The analysis highlights the current state of youth-led enterprises, challenges, policy responses, and opportunities for local economic development and employment generation. Finding was presented and analyzed by two methods including KII with Stakeholders and In-depth Interview with Entrepreneurs.

4.1 Demographic Information of entrepreneurs

The demographic representations were presented below;

Figure 3: Age of the entrepreneurs

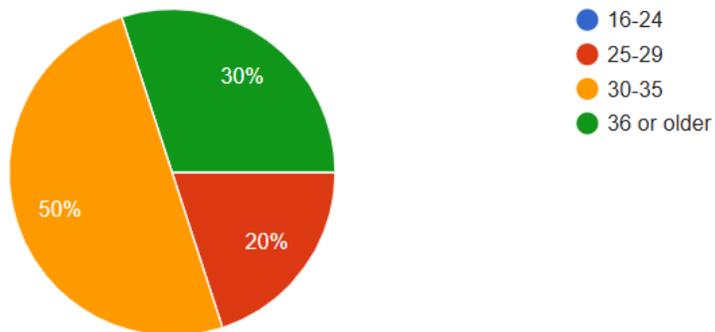


Figure 3 shows the age categories of entrepreneurs. Among the 10 people who responded, nobody was in the youngest group of 16 to 24 years old. 20% were aged 25 to 29, half (50%) were between 30 and 35 years old, and the remaining 30% were 36 years to 40 (Older)

Figure 4: Gender ration of the entrepreneurs

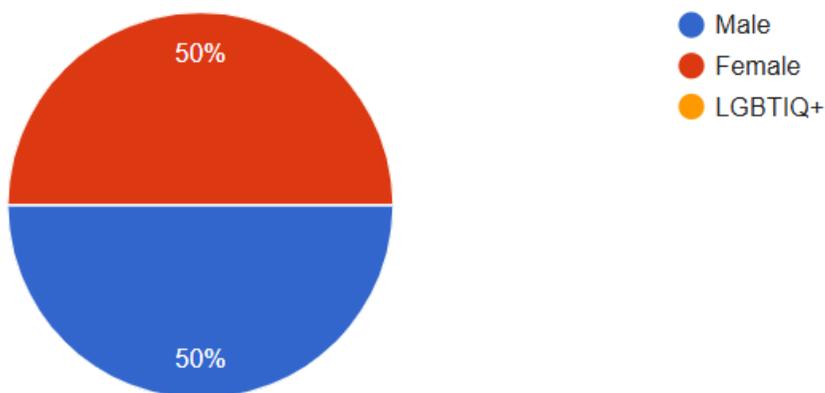


Figure 4 shows the gender participation of entrepreneurs. Out of the 10 respondents, 5 (50%) identified as male and 5 (50%) identified as female. There were no respondents identifying as LGBTIQ+.

Figure 5: Education Background of entrepreneurs of different sectors

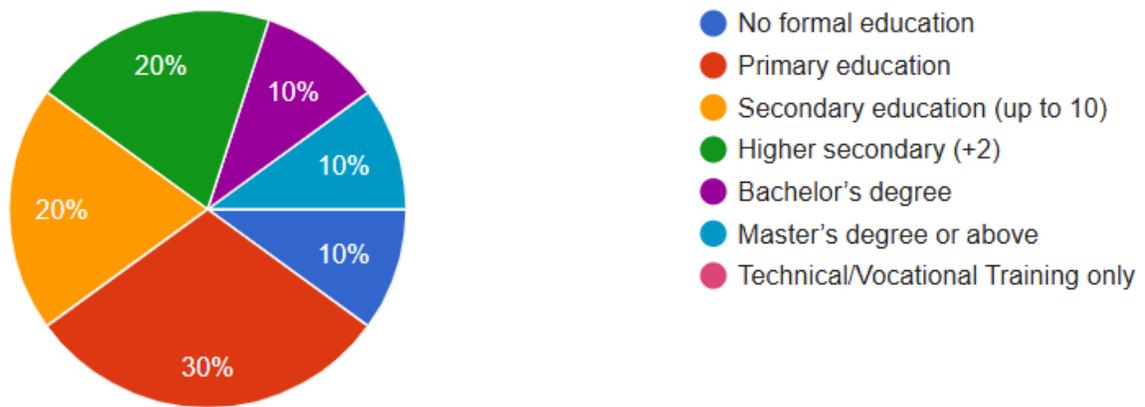


Figure 5 shows the education background of entrepreneurs of different sectors. According to the figure, half of the entrepreneurs had school level education, and half of the entrepreneurs had higher level education. As can be seen, about 30% and 20% of them had education in primary and secondary levels. In addition, those who achieved Bachelor's and Master's degree shared 10% each in the figure, double than this, 20% had only higher secondary level education. On the contrary, as can be seen, 10% had no formal education, and nobody had skills based degree. This scenario clearly indicates that almost all entrepreneurs from different sectors had formal education, and the implications of this finding are entrepreneurs are more likely to be systematic, planned, goal directed, teamed and coordinated, and risk assessed and futuristic.

Among the 10 respondents, one person (about 10%) had no formal education. Three respondents (around 30%) completed primary education, while two people (20%) had finished secondary education up to grade 10. One respondent each (about 10%) had completed higher secondary education (+2), a bachelor's degree, and a master's degree or higher. Nobody reported having only technical or vocational training.

4.2 Enterprises Information

Table 5: Years of Establishment and Operation of Enterprises

A total of 10 enterprises provided information on how long they have been in operation. The data shows a wide variation, ranging from recently established businesses to those running for more than two decades.

Years in Operation	Number of Enterprises	Examples/Notes
0–3 years	4	Established in 2020, 2023, and others
4–10 years	2	Around 6 years of operation
11–20 years	2	Including one with 15 years of operation
More than 20 years	2	One enterprise dates back to 2044 B.S. (1987 A.D.) and another with 22 years of operation

The majority of enterprises are relatively young, with nearly half (4 out of 10) operating for less than three years. However, there is also a presence of long-standing enterprises (over 20 years), which indicates both new entrepreneurial activity and sustained business continuity in the area.

Table 6: Sector of Enterprises:

Sector	Number of Enterprises
Agriculture / Agro-processing	2
Retail / Trade	1

Tourism / Hospitality	2
Technology / IT	0
Manufacturing / Production	2
Real Estate	1
Handicraft	2

The table shows research covered various sectors: Agriculture/Agro-processing (2 enterprises), Retail/Trade (1), Tourism/Hospitality (2), Manufacturing/Production (2), Real Estate (1), and Handicraft (2). Notably, there were no enterprises in the Technology/IT sector.

Figure 6: Type of enterprises:

Figure 6 demonstrates the type of enterprises, the majority of youth-led enterprises were sole proprietorships (70%), followed by partnerships (20%), while 10% operated as informal or home-based businesses. No enterprises were registered as cooperatives or companies. This indicates a strong preference for simple, individually managed business structures, while also reflecting limited formalization likely due to barriers such as lack of awareness, resources, or access to legal and institutional support.

Figure 7: Current Size of Business (number of workers including owner):

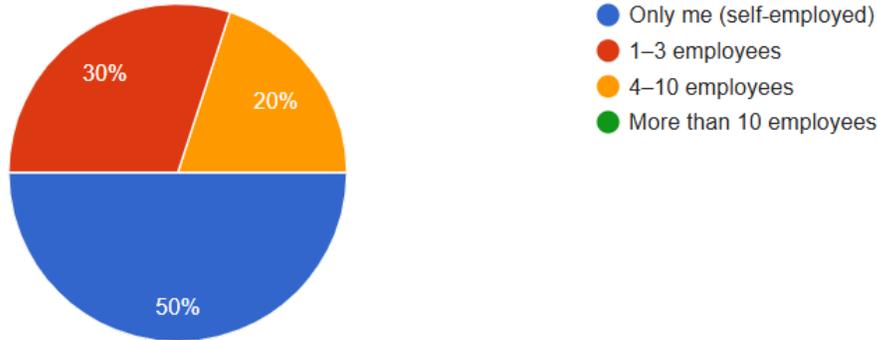


Figure 7 shows the current size of business were half of the youth-led enterprises surveyed were run by individuals as self-employed (50%), indicating a high rate of single-person operations. 30% employed 1–3 people, while 20% had 4–10 employees. No enterprises had more than 10 employees. This shows that most youth enterprises are micro in scale, with limited job creation capacity, highlighting the need for targeted support to help them expand and generate more employment.

Table : 7 Motivation to Start Enterprises :

A total of 10 respondents shared what motivated them to start their enterprises. The responses reveal a combination of economic, personal, and socio-cultural reasons.

Motivation Theme	Illustrative Responses- Anecdotes
Income Generation and Self-reliance	An entrepreneur reported that “To earn income and agriculture is what I have done in my life.” / “Earning income.” / “Can earn money from home and also get customers.”

Agriculture as a Tradition and Opportunity	“Nepal is also an agricultural country.” / “Nepal is an agricultural country and to run a family, look after family and contribute in society.”
Experience and Business Opportunity	“Earlier I started a retail shop but it did not give profit, so when I saw others doing hotel business, I felt I could also earn and attract domestic tourists.”
Returnee Migrant Motivation	“To earn money in my own home country, I am a returnee migrant.”
Family Influence and Responsibility	“To earn money and look after my family .”
Skill and Sector Interest	“To earn money with the operation of furniture production enterprises.”

The primary motivation for starting enterprises was income generation, expressed by almost all respondents. Agriculture emerged as a natural choice due to its strong cultural and economic relevance in Nepal. Some entrepreneurs were inspired by observing successful ventures around them, while others were driven by necessity such as returning from foreign employment or taking over family responsibilities. Notably, personal hardship (e.g., the case of a widow continuing her husband’s dream) and family influence also played a crucial role. This reflects how youth-led enterprises are shaped not only by economic opportunities but also by personal circumstances and community context.

Table 8: Plans for Enterprise Expansion:

Respondents were asked whether they plan to expand their enterprises. Their answers reveal mixed views, with many citing significant challenges.

Response Category	Illustrative Responses
Yes (Willing to Expand)	“Yes, to make the enterprise more efficient and to generate more revenue.”
No (Market-Related Challenges)	“Not now, because market price is not fixed and the market is dominated by Indian products, making it hard to sell.” / “No, because there is no marketization, Indian products dominate the market.”
No (Competition from Imports)	“Wood furniture is being replaced by cheaper Chinese products, while wood-based items are costly. People prefer Chinese products. High taxes and low income make it difficult to continue.”
No (Financial Constraints)	“No, lack of capital, hard to earn and too much effort.” / “No, lack of capital.”
Not Decided Yet	“Not decided yet.”

Table 8 illustrates the plans of entrepreneurs for expanding the enterprises. Out of the 10 respondents, only a small portion expressed interest in expanding their enterprises, primarily to improve efficiency and increase revenue. The majority indicated no plans for expansion, citing a combination of factors:

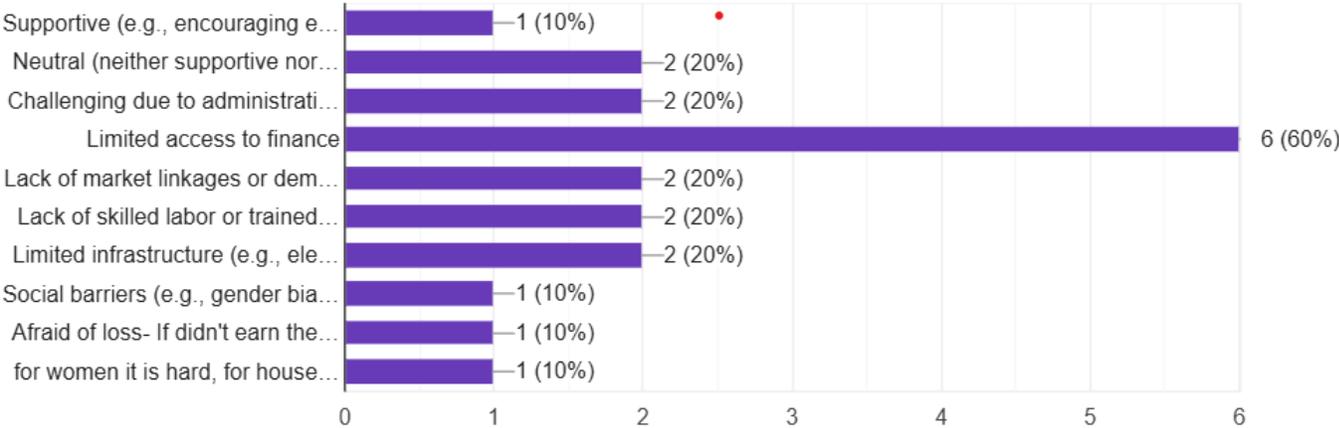
Market-related issues such as dominance of Indian imports and lack of local marketization.

Competition from cheaper foreign products (e.g., Chinese furniture replacing locally produced wooden items). Financial barriers, including lack of capital and high taxation on production and transport.

A few respondents remain undecided, reflecting uncertainty about the feasibility of expansion under current conditions. Overall, the findings highlight that while some entrepreneurs aspire to grow, most face structural challenges that limit expansion opportunities.

4.3 Section: Local Entrepreneurial Ecosystem

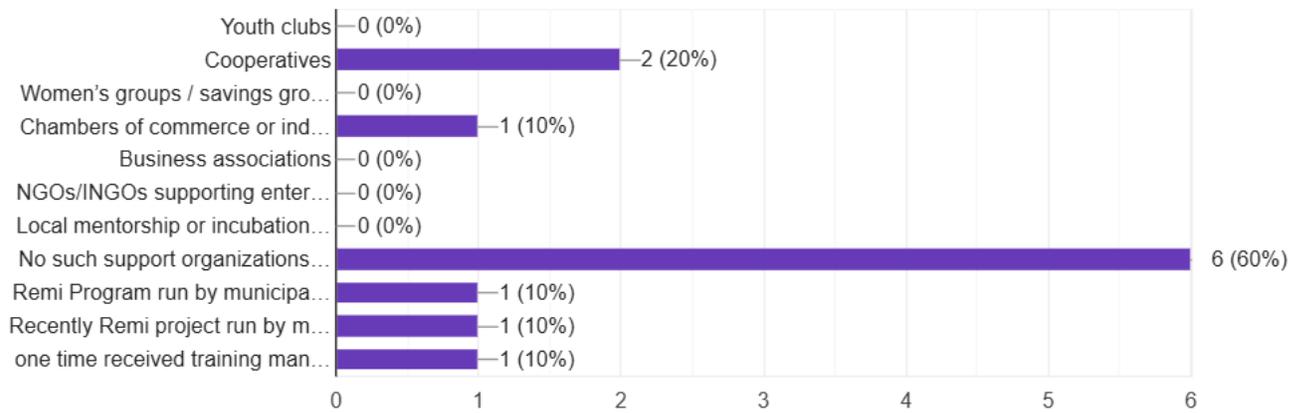
Figure 8: Business Environment in the Community:



Note: Respondents could select more than one option; therefore, the total percentage exceeds 100%.

Figure 8 shows the respondents elucidate that business environment in the community. Respondents shared varied perceptions regarding the local business environment. While a small number (10%) viewed it as supportive, several others highlighted significant challenges. Two respondents pointed out that administrative procedures pose considerable obstacles to business operations. The majority, representing 60% of those interviewed, emphasized limited access to finance as a major constraint for enterprise growth. Additionally, one respondent identified a lack of effective market linkages, further restricting business opportunities. Overall, these insights reveal a mixed but predominantly constrained environment for local entrepreneurs

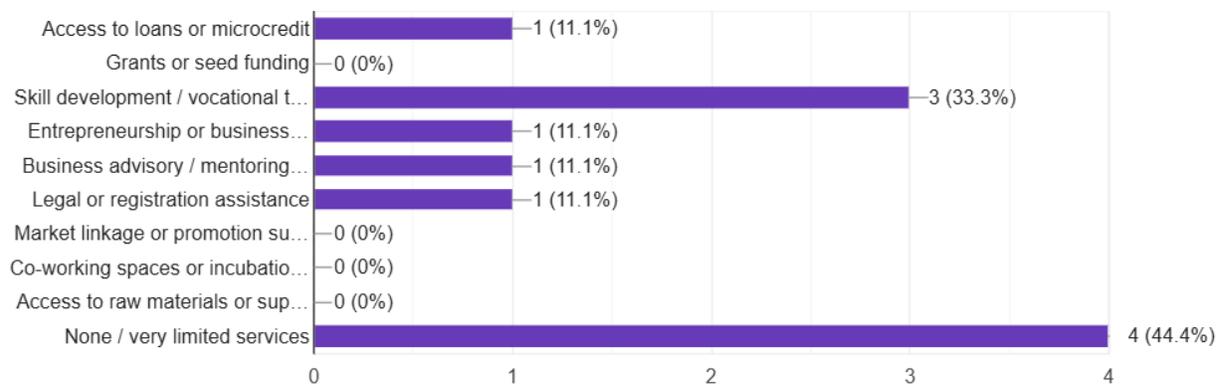
Figure 9 : Entrepreneurial Support from Local Organizations and Networks



Note: Respondents could select more than one option; therefore, the total percentage exceeds 100%.

Figure 9 shows Entrepreneurial Support from Local Organizations and Networks. When asked about entrepreneurial support from local organizations and networks, many respondents initially indicated limited awareness or engagement. Several shared that before the REMI project, they were largely unaware of such support structures. However, following the project's introduction, some participants have joined groups facilitated by REMI and connected through a mobile app designed to improve networking and communication among entrepreneurs. Most respondents actively engage in employment sessions organized by the local government, which has increased their exposure to available support. Nevertheless, a significant portion of respondents still remain unaware of local entrepreneurial support networks and resources.

Figure 10 : Availability of Enterprise-Related Services in the Community



Note: Respondents could select more than one option; therefore, the total percentage exceeds 100%.

Figure 10 Availability of Enterprise-Related Services in the Community. The availability of various enterprise-related services in the community as reported by respondents, a significant portion of respondents (44.4%) indicated that there are none or very limited services accessible to entrepreneurs, highlighting a major gap in support infrastructure.

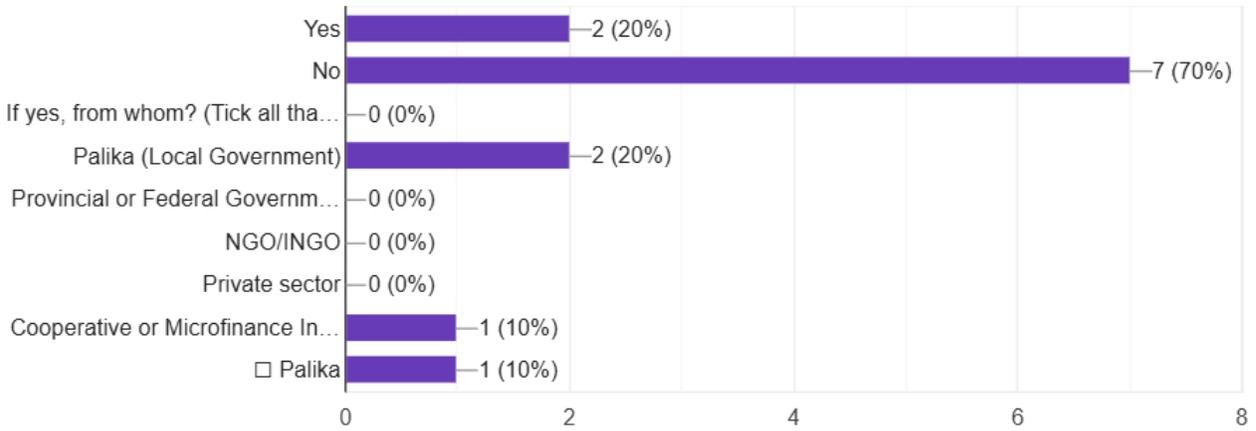
Among the specific services available, skill development and vocational training was the most commonly accessible service, with 33.3% of respondents reporting its availability. Other services such as access to loans or microcredit, entrepreneurship or business training, business advisory or mentoring, and legal or registration assistance were each available to a small portion (11.1%) of respondents.

Notably, some critical services including grants or seed funding, market linkage or promotion support, co-working spaces or incubation facilities, and access to raw materials or suppliers were reported as unavailable by all respondents.

Overall, the data suggests that while some basic skill development services are available, most enterprise-related support services remain scarce in the community, posing challenges for local entrepreneurs seeking comprehensive support.

4.4 Section: Support and Opportunity

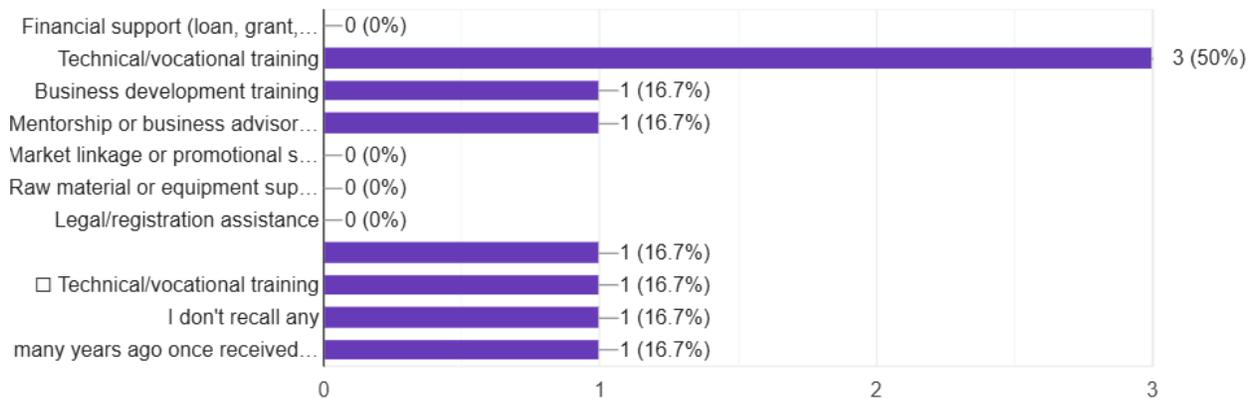
Figure 11: Support Received from Palika, NGOs, and Other Institutions



Note: Respondents could select more than one option; therefore, the total percentage exceeds 100%.

Figure 11 shows Support Received from Palika, NGOs, and Other Institutions. Most respondents (70%) reported not receiving any support from Palika, NGOs, or other institutions. Among those who did, support primarily came from the Palika (Local Government) with 20%, followed by minor support from cooperatives or microfinance institutions (10%) and from Remi. No support was reported from provincial or federal government, NGOs/INGOs, or the private sector.

Figure 12 : Types of Support Received by Entrepreneurs

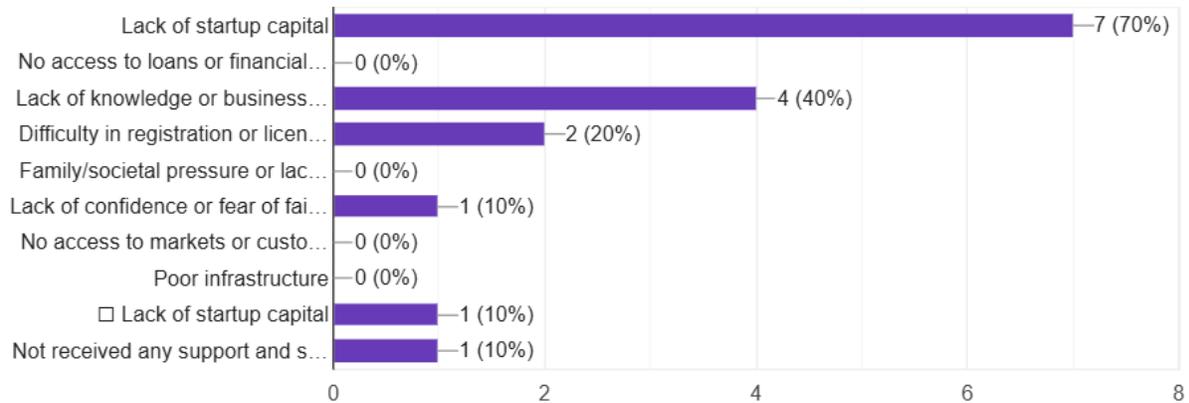


Note: Respondents could select more than one option; therefore, the total percentage exceeds 100%.

Figure 12 shows the types of Support Received by Entrepreneurs and most support received was vocational and technical support, also business development training under Remi project, some say they didn't received any and one said years ago once

4.5 Section: Challenges and Constraints

Figure 13: Primary Difficulties Encountered at Business Startup



All figures in this section are based on multiple-response questions; therefore, total percentages may exceed 100%.

Figure 13 shows the primary Difficulties Encountered at Business Startup. The Challenges faced to business startup, major said lack of startup capital, while staring lack of knowledge for business too, difficulty in registration, MEDPA program was operating for marginalized group and for registration they don't have own property and also registration process is also not easy, some start without receiving support.

Figure 14 : Ongoing Obstacles to Business Growth and Sustainability

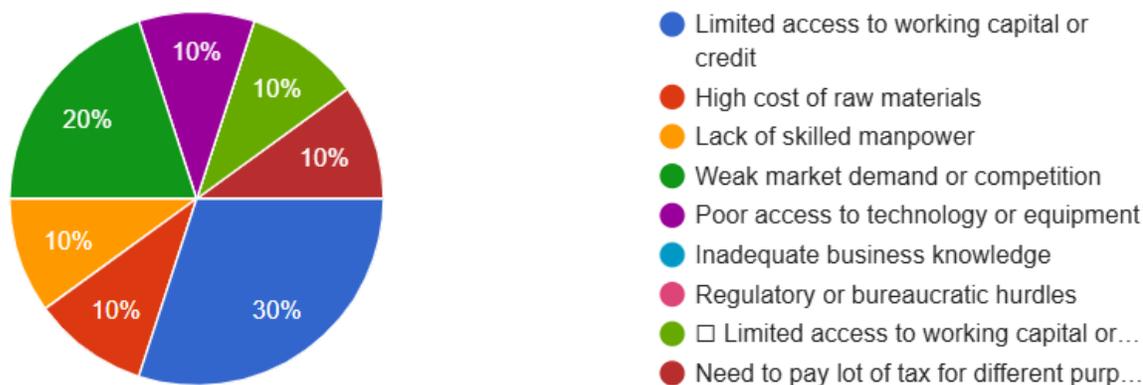


Figure 14 shows Ongoing Obstacles to Business Growth and Sustainability. The most commonly reported challenge among youth-led enterprises was limited access to working capital or credit (30%), highlighting financial constraints as a major barrier to growth. Other key challenges, each cited by 10–20% of respondents, included weak market demand or competition (20%), high cost of raw materials, lack of skilled manpower, poor access to technology, inadequate business knowledge, regulatory hurdles, and tax burdens. These findings reflect the multifaceted difficulties youth entrepreneurs face, requiring coordinated policy and institutional support for

4.6 Biggest Challenges in Scaling Up Businesses:

The biggest challenges faced while attempting to scale up their businesses, most respondents highlighted financial and market-related constraints as the key obstacles. A recurring theme was the lack of capital, which many entrepreneurs mentioned as the primary barrier preventing them from investing in expansion or upgrading their operations.

Several respondents pointed to market competition, especially from imported goods. For instance, one entrepreneur engaged in the vegetable sector shared that demand was low because the market was dominated by cheaper Indian products. Similarly, a furniture business owner explained how traditional wood-related furniture had lost its market due to the influx of low-cost Chinese alternatives. These imported products, although of lower quality, were more affordable, leading to reduced demand for locally made items. The respondent also emphasized the multiple

layers of taxation , from cutting trees to transportation, manufacturing, and selling which further discouraged scaling up, as the business was already running at a loss.

Another challenge noted was the uncertainty and fear of failure, with one respondent admitting that the idea their business might fail discouraged them from taking risks to expand. In addition, a few mentioned low sales as a significant demotivating factor, explaining that with limited customer demand, expansion seemed neither practical nor sustainable.

Beyond financial and market-related issues, one entrepreneur cited a lack of technical skills as a barrier, noting that without proper expertise and knowledge, scaling up was difficult to pursue.

4.7 Employment Creation and Local Impact:

Figure 15: Role of Youth-Led Enterprises in Local Economic Development

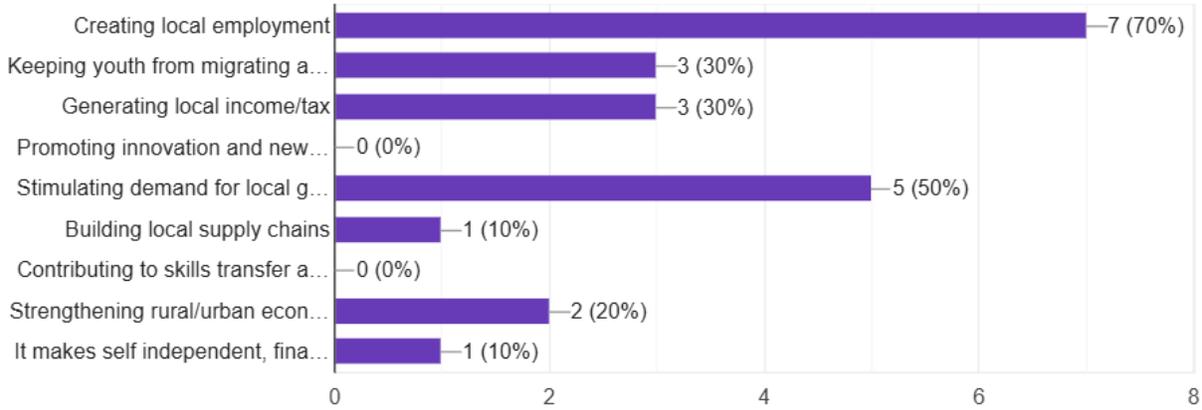
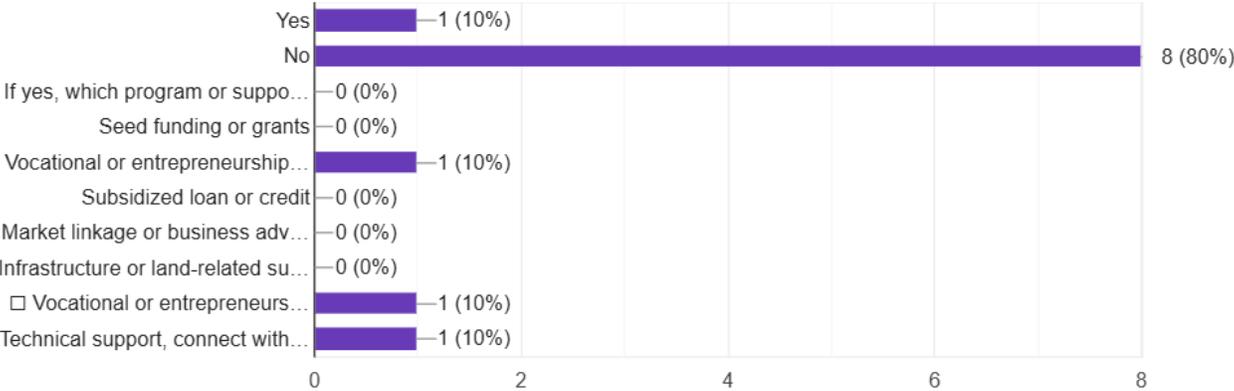


Figure 15 shows the perceived role of youth-led enterprises in driving local economic development. The majority of respondents (70 percent) highlighted that the most significant contribution of these enterprises is in creating local employment, which directly addresses the challenge of job scarcity in communities. Similarly, half of the respondents (50 percent) pointed out that youth-led enterprises play a vital role in stimulating demand for local goods and services, thereby strengthening the local market system. Around one-third (30 percent) also recognized their importance in keeping youth from migrating abroad and generating local income or tax revenue. A smaller proportion emphasized contributions such as strengthening

rural–urban economies (20 percent), building local supply chains (10 percent), and fostering self-independence and financial security (10 percent). Interestingly, none of the respondents associated youth-led enterprises with promoting innovation or skills transfer, suggesting that these aspects are either less visible or remain untapped potential. Overall, the findings indicate that youth-led enterprises are strongly valued for their immediate role in job creation and market stimulation, while their transformative role in innovation and skills development has yet to be realized.

Figure 16: Policy Awareness and Engagement:



The figure 16 shows the level of policy awareness and engagement among youth-led enterprises. The majority of respondents (80 percent) indicated that they were not aware of or had not engaged with any government or local programs designed to support youth entrepreneurship. Only a small fraction (10 percent) reported some level of awareness or participation, mainly through vocational or entrepreneurship-related training and limited technical support. None of the respondents mentioned receiving seed funding, subsidized loans, market linkages, infrastructure support, or business advisory services. This highlights a significant gap between available policies or programs and the awareness or access among young entrepreneurs at the local level. The findings suggest that while policies may exist, they are either not effectively communicated, not reaching the target group, or not practically accessible to the majority of youth-led enterprises. Strengthening outreach, simplifying access mechanisms, and ensuring practical support could therefore be key to improving youth engagement with policy-driven entrepreneurship initiatives.

4.8. Section: Suggestions and Final Reflections

The support or changes needed from local government and partners to help youth-led enterprises grow, respondents highlighted several key areas. Many emphasized the need for simplifying policies and reducing bureaucratic hurdles, noting that complicated registration processes and multiple layers of taxation create unnecessary burdens. Some suggested a system where only one consolidated tax is required instead of paying at every stage, such as cutting, transporting, and selling (Furniture Enterprises).

Access to finance emerged as another major priority. Respondents expressed the need for concessional loans (sahuliyat dar ko rin), start-up grants, and partial financial support to reduce the risks of investment. Alongside this, they stressed the importance of technical and skill-based training tailored to the entrepreneur's interests and needs, highlighting that current training opportunities are limited or often inaccessible due to quota restrictions.

Several entrepreneurs also called for better infrastructure and agricultural support, such as reliable irrigation facilities, fertilizers, seeds, machinery, and continuous electricity to run factories. They also suggested that local governments should take a more proactive role in business planning, such as ensuring balanced permission for mills and factories to avoid oversaturation in one area.

Additionally, respondents noted the lack of effective communication regarding available programs and support. They urged municipalities to keep youth informed about opportunities and to conduct field visits to understand real needs and support genuine entrepreneurs.

In summary, youth entrepreneurs are seeking for Simplified policies and reduced bureaucracy, Access to finance through concessional loans and start-up support, Skill-based and need-driven training programs, Agricultural and infrastructure support (irrigation, electricity, machinery, seeds, fertilizers), Better planning and regulation to avoid market overcrowding and Improved communication and outreach from local governments.

4.9 Descriptive Analysis of Local Entrepreneurship and Agricultural Innovation regarding Suggestions from Entrepreneurs to Young Aspirants

Local entrepreneurship, particularly in agriculture, holds significant potential for economic growth and employment generation. Training farmers on proper farming techniques, including the best planting times for various vegetables and fruits and methods to increase production, can enhance productivity and sustainability. Encouraging families to engage collectively in these ventures fosters community development and self-reliance.

However, entrepreneurs face challenges such as complex registration processes and intense competition from imported products, mainly from China and India. Local products like reusable wood goods provide a sustainable alternative but require greater government support and promotion.

Despite the opportunities within the country, many educated youth consider foreign employment due to a lack of suitable local jobs. Simplifying policy frameworks and providing targeted support can help retain talent, stimulate innovation, and reduce migration, ultimately contributing to balanced local and national development.

4.10 Descriptive Analysis: Experiences of Young Entrepreneurs in Agriculture

Young entrepreneurs recognize significant potential in agriculture due to fertile land and diverse crop production, including wheat, rice, maize, bitter melon, lemon, banana, mango, and moringa. Many believe farming can be a reliable source of income if adequate support and fair pricing mechanisms are established.

However, challenges persist. The open border with India results in dominant competition from Indian vegetables and fruits, often undermining local producers. Respondents emphasized the need for government intervention to regulate imports and stabilize prices, which would encourage farmers and improve profitability.

Limited access to modern farming techniques and lack of awareness hinder the adoption of innovative agricultural practices. Additionally, the presence of middlemen complicates market dynamics and reduces direct benefits to farmers.

Despite these obstacles, many entrepreneurs value the opportunity to work locally and maintain family life, even if earnings are modest compared to foreign employment. Social and familial expectations for profit add pressure, and failure to earn sufficient income can be discouraging.

Overall, young entrepreneurs see agriculture as a promising sector that requires stronger policy support, market regulation, and capacity building to thrive sustainably.

4.11 Thematic Analysis from the Finding of Key Informant Interview:

4.1.1 Training and Skill Development:

Table 9: Summary of thematic analysis of training and skills development

Categories	Thematic analysis
High Theme	Training and Skill Development
Initial Coding	Training services, short-term training, different sectoral trainings, statutory agency-based trainings, business-initiated
Axial Coding / Sub-Themes	Accessibility & Diversity of Trainings Effectiveness & Outcomes Post-training Follow-up, Linkage to Entrepreneurship & Employment, Gaps & Challenges
Theme Categories	Training Provision and Impact, Entrepreneurial Impact, Systemic Barriers
Supporting Quotes from KIIs	“In Inaruwa Municipality, 100 youth received training, and around 30 started new enterprises after completion.” “Koshi maintains training records but does not track how many youth became self-reliant.” “Across municipalities, trainings are short,

	<p>lack advanced modules, and rarely have structured follow-up.”</p> <p>Barahachetra is planning turmeric and mushroom processing centers to create more employment opportunities.” “Ramdhuni introduced diploma-level courses for returnee migrants, supported by the provincial government.”</p> <p>“Fragmented trainings without market linkage or financial support fail to transform youth into entrepreneurs.” “Of 25 garment trainees in Itahari, only two became self-employed.”</p>
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All municipalities reported conducting multiple skill-based training such as sewing, pickle making, mobile repair, plumbing, beautician services, agriculture, and animal husbandry. In Koshi Rural Municipality, approximately 200 youth are engaged in vegetable farming, while Inaruwa and Itahari municipalities provide short-term technical training (e.g., garment fabrication, mushroom farming, cooking). Trainings provided in cooking, fashion design, and pickle making. In Inaruwa Municipality 100 youth received training from the support of the municipality and other organizations too. Around 30–35 youth participated, with about 30 starting new enterprises post-training. And Identified there is need for more employment-generating training (e.g., electrician, plumber, modern agricultural technologies). Moreover, BarahaChetra emphasized agriculture and livestock, with plans for turmeric and mushroom processing centers. Ramdhuni has introduced diploma-level courses supported by the provincial government for returnee migrants.

However, a common gap across all palikas is the absence of systematic post-training follow-up. For example, Koshi maintains training records but does not track how many youth became self-reliant or generated employment. Similarly, Itahari reported that out of 25 garment

trainees, only two became self-employed, suggesting poor conversion of training into enterprise creation.

Analysis

While training provision is widespread, its “short duration”, “lack of advanced modules”, and “absence of structured follow-up” undermine long-term impact. KIIs stressed that fragmented training without market linkage or financial support fails to transform youth into entrepreneurs. This reflects a systemic challenge where skill acquisition is not matched by enabling conditions such as finance, technology, and market access.

4.1.2 Post-Training Employment and Establishment of Enterprises

Table 10: Summary of thematic analysis of Post-Training Employment and Establishment of Enterprises

Categories	Thematic analysis
High Theme	Post-Training Employment and Establishment of Enterprises
Initial Coding	Youth participation in skill-based training (tailoring, agriculture, livestock, beauty services, mobile repair, etc.) - Training provided by statutory agencies and municipalities - Aim: entrepreneurship, local GDP growth, reduced migration - Gaps in follow-up support - Limited access to seed capital and market linkage - Success cases of returnee migrants creating jobs
Axial Coding / Sub-Themes	Skill training leads to some enterprise creation, but sustainability is hindered by structural gaps (finance, market, competition, follow-up)

Theme Categories	Training & Skills for Local Economic Development
Supporting Quotes from KIIs	Our youth have skills, but without market access and capital, many go abroad.” (Municipal Officer, Inaruwa) “Training is useful, but unless we help them after the course, they return to the Gulf.” (Program Implementer, Ramdhuni) “I started my poultry and fish farm after returning; now 8 people work here.” (Returnee Migrant, Ramdhuni)

From the interpretive inquiries, it was found that most local youth had actively participated in skill development programs delivered by Nepal government statutory agencies and supported by municipal initiatives such as those in Ramdhuni, Inaruwa, BarahaChetra(Chakargati), Itahari and Koshi Rural Municipality. These training programs ranging from agriculture, livestock, and beauty services to technical skills such as plumbing, mobile repair, and garment fabrication were designed to enhance youth competencies for entrepreneurship and local employment creation.

The main implications of skill transfer and training go beyond individual capacity-building; they contribute to broader goals of local GDP growth, job creation, and economic diversification. Nepal’s policy frameworks, including the *Youth Vision 2025*, the *Local Government Operation Act*, and the *Industrial Enterprises Act 2020*, emphasize entrepreneurship as a key pathway to addressing youth unemployment. In the global context, these initiatives align with livelihood promotion and employment generation strategies adopted in many developing economies, where state and local governments play a pivotal role in enabling youth-led enterprises through training, finance, and market access.

Despite the implementation of various skill development and enterprise promotion programs, many trained youths remain unemployed or opt for foreign employment, particularly in Koshi. In Inaruwa, although support from the MEDPA program exists,

youth often migrate or discontinue entrepreneurial efforts due to challenges such as lack of seed capital and limited market access. However, there has been notable progress, with around 60 new youth-led enterprises established in the last fiscal year, primarily in agriculture, small-scale businesses, beauty parlors, pickle making, and cooking-related ventures. In BarahaChetra, over 1,000 youth received training, yet only about less than half are currently active in enterprises, reflecting a gap between training and sustainable enterprise engagement. Similarly, in Ramdhuni, the ReMi project observed that many returnee migrants initiated small-scale poultry or goat farming but struggled to scale up due to limited capital and competition from cheaper Indian imports. On a more positive note, one returnee in Ramdhuni successfully established a poultry and fish farm, creating employment for over eight others, demonstrating the potential of targeted support and reintegration of returnee migrants into local economies.

Analysis

The findings reveal a low conversion rate of training into sustainable enterprises. Migration remains a more attractive option for many youth due to immediate earning prospects abroad. Local entrepreneurship is hindered by weak institutional mechanisms for follow-up support, limited access to finance, and competition from Indian goods. Without integrated post-training support, covering finance, market linkage, and technology adoption, most training programs risk producing skills that remain underutilized in the local economy.

4.1.3 Policy and Institutional Framework

The policy and institutional framework for promoting youth-led enterprises varies across municipalities, reflecting both progress and persistent challenges. In Koshi, the “Yuwa Sworojgar Niti” has been partially implemented under the vision of “Surakshit Yuwa, Sundar Koshi,” indicating a commitment to safe and prosperous youth livelihoods. BarahaChetra Municipality has introduced tax incentives for firms registered in the name of women, along with technical support to encourage commercial farming and tourism promotion. In Inaruwa, budgetary provisions have been made for youth self-employment, including seed funding for selected entrepreneurs but it is limited. The municipality has incorporated an Employment Promotion Policy into its annual Niti tatha Karyakram and published a Red Book detailing its initiatives. Notably, it allocated NPR 35 lakh for small enterprise development, focusing on material and technological support.

Stakeholder coordination exists with NGOs, the Prime Minister Employment Program (PMEP), the Youth Employment Transformation Initiative (YETI), and cooperatives, but follow-up and scale-up mechanisms remain weak. Many youth-led enterprises show promise but lack the sustained institutional support required for growth. In Itahari, the local employment section has transitioned from short-term 100-day employment schemes to more sustainable skill-based programs; however, a drastic budget cut from NPR 85 lakh (Last Year Budget- Financial Year 2081/2082) to NPR 13 lakh has significantly hindered progress. Across all municipalities, Mission Rojgari was frequently mentioned, yet stakeholders expressed uncertainty about its funding mechanisms and implementation strategies.

Analysis

Policies exist and reflect ambitious visions, but their implementation is fragmented and underfunded. Budget allocations are inconsistent, while subsidy and loan programs remain inaccessible to the most vulnerable youth due to collateral requirements and bureaucratic barriers. Coordination between local, provincial, and federal levels remains weak, limiting the potential of flagship programs like Mission Rojgari.

4.1.4 Challenges in Local Youth Entrepreneurship

Market Access & Competition

Locally produced goods (e.g., pickles, milk, vegetables) face difficulties competing with cheaper Indian imports. Farmers often sell products at lower prices (e.g., milk at NPR 60/litre, resold at NPR 100 in Dharan), leading to demotivation. Regarding Market Access and Business Challenges, Major barriers include lack of market access, challenges in market management, and difficulty obtaining raw materials. Competition from Indian agricultural products due to the open border further discourages local producers. The presence of middlemen reduces profits for entrepreneurs.

Finance and Capital Access

Collateral requirements for loans, limited subsidies, and small training budgets prevent youth from scaling enterprises. Even when seed money is provided, it is insufficient to sustain

businesses. However, seed money is not available except Inaruwa municipality have given money once to promote enterprises.

Social & Cultural Barriers

Stigma around certain jobs (hairdressing, chatpate selling) and caste-based discrimination hinder some youth from engaging in trades despite demand. Addiction among youth was also reported as a significant barrier, particularly in BarahaChetra.

Technical and Institutional Gaps

Short-term and outdated training fails to meet modern labor market demands (e.g., garment trainees in Itahari lacked exposure to advanced machinery). There are also weak data management municipalities that lack records on the employment status of trained youth.

Analysis

The challenges highlight systemic bottlenecks: weak financial ecosystems, poor market integration, outdated training curricula, and persistent social barriers. These factors collectively limit the potential of youth-led enterprises in contributing to employment generation.

4.1.5 Theme: Returnee Migrants in Local Economy:

SAMI Project is being implemented as a local employment initiative in 4 Local levels among 12 Local levels in Sunsari Districts and recently after Financial year 2082 Asadh, it is going to expand in all local levels and the Remi project is implemented only in Ramdhuni currently. Remittance mobilization supported through a financial management program and staff recruitment. Returning migrants' skills are seen as valuable for local economic development if effectively harnessed.

4.1.6 Good Practices and Emerging Opportunities

- Patiyar Products in Koshi: Women-led initiatives in making gundri, muda, and purses have contributed to household incomes.
- Agriculture & Livestock in BarahaChetra and Ramdhuni: Turmeric, mushroom, goat, and poultry farming show promise for large-scale employment if processing and marketing

centers are established. The women empowerment program under Upa Mayor program is also to boost women through training of local and folk musical instruments played by women of Ramdhuni, the duration of the training was one month and they perform it while promoting tourism and also promote women by enhancing their skills.

- Tourism Linkages: Koshi Tappu eco-tourism, Ramdhuni's homestay initiatives, and BarahaChetra's religious tourism offer potential synergies with local products.
- School-Level Entrepreneurship Programs in Ramdhuni: Career labs and seed funding for student enterprises (e.g., khaja ghar, cosmetics stalls) have motivated early youth engagement with coordination with the ENSSURE project which provides technical support to running the program.
- Returnee Success Cases: Returnees in Ramdhuni have successfully transitioned into poultry and fish farming when linked with markets such as Bhatbhateni.

Analysis

These practices suggest that integrated approaches , combining training, finance, and market linkages can produce sustainable youth enterprises. Tourism, agro-processing, and IT-based enterprises are promising emerging sectors. Early entrepreneurship education at the school level and cooperative/group-based enterprise promotion appear particularly effective.

4.1.7 Cross-Cutting Insights

1. Training alone is insufficient, success depends on post-training support, capital, and market access.
2. Migration remains a dominant livelihood strategy, reducing local entrepreneurial engagement.
3. Institutional capacity gaps (e.g., weak data systems, limited budgets) limit local levels ability to measure impact and scale programs.
4. Cultural stigma and social barriers continue to undermine youth participation in local enterprises.
5. Integrated models (skills + finance + market linkage + follow-up) yield the best outcomes, as seen in select cases from Ramdhuni and Koshi.

4.12 MEDPA Program Support for Enterprise Development in Inaruwa Municipality (2021–2024)

Between 2021 and 2024, under the MEDPA program, a total of 313 beneficiaries in Inaruwa Municipality have received support aimed at establishing and growing micro-enterprises. The program data covers activities recorded from 2022 through 2025.

4.2.1 Supported Sectors and Enterprise Types

The supported enterprises operate across diverse sectors, including:

1. Agro- and Forest-based Enterprises: Poultry farming, livestock rearing, vegetable production and marketing, and food processing.
2. Service-based Enterprises: Repair and maintenance services, tailoring.
3. Production-based Enterprises: Footwear production.

These enterprises fall under three broad categories: agro- and forest-based, service-based, and production-based.

4.2.2 Financial Support Provided

1. Equity Support: Beneficiaries received equity grants ranging from NPR 5,000 to NPR 15,000 to initiate or expand their businesses.
2. Loans: Some beneficiaries accessed loans between NPR 6,000 and NPR 14,000 for further growth and operational scaling.

4.2.3 Beneficiary Profile

1. Many enterprises are currently in their first to third year of operation and are spread across various wards of Inaruwa Municipality.
2. A significant proportion of beneficiaries are housewives, along with some students, labor workers, and individuals living below the poverty line, including those categorized as hard-core poor and non-hard-core poor.
3. The program has included both men and women from diverse ethnic backgrounds, with special focus on marginalized communities such as the Musahar, Baantar, Tamar, Hajam, and other Terai Dalit groups.

4.2.3 Capacity Building and Group Formation

Beyond financial aid, the MEDPA program has delivered targeted entrepreneurship and skill development training to enhance beneficiaries' capacity in managing their enterprises, thereby contributing to improved local income generation.

Beneficiaries are organized into several active groups, including:

- Makhamali Laghu Udhyami Samuha
- The Royal Dream
- Rangashala Laghu Udhyami Samuha
- Pathibhara Laghu Udhyami Samuha
- Radhakrishna Laghu Udhyami Samuha
- Mahila Samuha
- Hamro Laghu Udhyami Samuha

These groups foster peer support and collective growth among local entrepreneurs.

4.2.4 Findings and Analysis:

Under the MEDPA program, a total of 313 beneficiaries in Inaruwa Municipality have received support for enterprise establishment and growth between 2021 and 2024 (with program data recorded from 2022 to 2025). The supported enterprises span diverse sectors, including poultry farming, livestock rearing, repair and maintenance, tailoring, footwear production, vegetable production and marketing, and food processing, categorized into agro- and forest-based enterprises, service-based enterprises, and production-based enterprises. Beneficiaries received equity support ranging from NPR 5,000 to NPR 15,000, while some accessed loans between NPR 6,000 and NPR 14,000 to expand their operations. Many of these enterprises are in their first, second, or third year of operation across various wards of Inaruwa. A significant proportion of beneficiaries are housewives, few are students, labor workers and individuals living below the poverty line, including those categorized as hard-core poor and non-hard-core poor. The program has reached both men and women from diverse ethnic groups, including marginalized communities such as the Musahar, Baantar, Tamar, Hajam and others (Tarai Dalits). In addition to financial and material support, the program has provided targeted

entrepreneurship and skill development training, enabling beneficiaries to improve their enterprise management capacity and contribute to local income generation. They are in group including Makhamali Laghu Udhyami Samuha, The royal Dream, Rangashala Laghu Udhyami Samuha, Pathibhara Laghu Udhyami Samuha, Rdhakrishna Laghu Udami samuha, Mahila and Hamro laghu Udhyami Samuha.

4.13 Comparative Summary of Employment, Enterprise & Skills Policies and Programs of Local Government; Sunsari District

Table 11 : Policy Review of Local Level Government

Policy/Program Area	Barahachetra	Inaruwa	Itahari	Koshi RM	Ramdhuri
Policy: Youth Skill Development	Technical support in agriculture and tourism; incentives for women entrepreneurs	Skill training through MEDPA; targeted youth programs	Short-term technical training (garment, mushroom farming, cooking)	Training for vegetable farming (~200 youth)	Skill training for marginalized groups
Program: Enterprise Creation & Promotion	Tax incentives for women-owned enterprises; promotion of agriculture and tourism	Seed money for selected youth entrepreneurs	Support for small and medium enterprises; beauty parlors, food businesses	Support for agriculture-based and small enterprises	Promotion of cottage industries; entrepreneurship based on innovation
Policy: Youth Self-Employment	—	Youth self-employment budget allocations	Support for youth entrepreneurs	Youth enterprises supported by MEDPA	Employment programs for poor and Dalit groups; employment forums

Policy/Program Area	Barahachetra	Inaruwa	Itahari	Koshi RM	Ramdhuni
Program: Support for Returnee Migrants	–	Some enterprise support (not explicitly targeted at returnees)	–	–	Foreign employment orientation programs (no direct reintegration)- REMI Project
Policy: Access to Finance	–	Seed money provided via municipal budget	–	–	Concessional loans for youth entrepreneurs
Program: Market Linkage	–	–	Local promotion of SMEs	–	–
Policy: Strategic Planning	–	–	–	–	Enterprise development strategic plan
Program: Employment Information Systems	–	–	Employment registration, job matching, online vacancy sharing	–	Employment registration, job matching, online vacancy sharing

The policy and program review of five municipalities in Sunsari; Barahachetra, Inaruwa, Itahari, Koshi, and Ramdhuni, reveals varied approaches toward promoting youth employment, skill development, and youth-led enterprise creation.

1. Skill Development and Training:

All municipalities emphasize skill development as a cornerstone for employment promotion, primarily focusing on agriculture-related and technical vocational training. Urban municipalities like Itahari offer diversified short-term technical courses (e.g., garment fabrication, mushroom farming, cooking), while rural areas such as Koshi prioritize agricultural skills. Ramdhuni uniquely targets marginalized and disadvantaged groups, providing skill training aimed at social inclusion.

2. Enterprise Promotion and Financial Support:

Support for youth entrepreneurship exists across all palikas (Local Government) but varies in scope and focus. Inaruwa and Ramdhuni stand out by providing seed money or concessional loans, facilitating initial capital access for youth enterprises. Barahachetra promotes women-led enterprises through tax incentives, whereas Ramdhuni adopts a strategic plan to systematically develop entrepreneurship. Market linkage support, however, remains weak throughout the district, posing a challenge for enterprise sustainability.

3. Youth Employment and Self-Employment Programs:

While all municipalities conduct some form of employment promotion, Ramdhuni exhibits a more organized framework with employment registration, job matching, and employment dialogue forums, contributing to more structured local labor market management. Other palikas primarily focus on general youth self-employment support without such institutional mechanisms.

4. Returnee Migrant Worker Support:

Support for returnee migrant workers is limited across Sunsari's municipalities. Most programs target prospective migrants with pre-departure orientation and safe migration awareness. Only Ramdhuni provides orientation programs related to foreign employment, yet none have formal reintegration or enterprise support programs specifically targeting returnees, indicating a critical policy gap.

The review indicates that while Sunsari's municipalities have made commendable efforts to promote youth employment and enterprise, there remain significant gaps, particularly in coordinated support for returnee migrants, access to finance, market linkages, and systematic

labor market information systems. Ramdhuni's more comprehensive and strategic approach offers a promising model for replication. Future policy interventions should prioritize integrated enterprise development strategies, enhanced financial access, market linkage facilitation, and targeted reintegration programs for returnee youth to fully harness their potential for local economic development.

4.14 A Case Study of ICT and Youth-led Enterprises: Speak Up Nepal :

While the thematic analysis from Koshi Province highlights common challenges and opportunities faced by youth-led enterprises such as limited access to finance, lack of post-training support, and complex administrative procedures, certain sectors remained underexplored during fieldwork. One such area is the Information and Communication Technology (ICT) sector, which plays an increasingly important role in youth entrepreneurship, innovation, and local economic development. To address this gap, an additional KII was conducted in Lalitpur with the CEO of Speak Up Nepal, a youth-led ICT enterprise. The case study below illustrates how ICT-based initiatives contribute to governance, digital innovation, and employment generation, while also facing challenges similar to other sectors.

4.14 ICT and Youth-led Enterprises: Case of Speak Up Nepal

The Information and Communication Technology (ICT) sector is increasingly recognized as an enabler of youth-led entrepreneurship in Nepal, contributing to innovation, governance, and local economic development. To capture perspectives from this sector, a Key Informant Interview (KII) was conducted with the Chief Executive Officer (CEO) of Speak Up Nepal, a youth-led ICT enterprise based in Lalitpur.

Overview of Speak Up Nepal :

Speak Up Nepal, established in 2023, is a social technology enterprise operating as an online petition platform. Its vision is encapsulated in the slogan "*Sadak Aawaj Dekhi Sadan Samma*" (from the street to parliament), aiming to transform citizens' everyday concerns into policy action. The platform allows users to raise issues by submitting petitions online, supported by photo evidence. If a petition gathers at least 250 signatures, it is formally forwarded to the relevant authority for action.

To date, Speak Up Nepal has built a user base of more than 25,000 people, facilitated 500 petitions, of which 10 have been solved, 6 debated in the Federal Parliament, and 21 addressed by government agencies. Issues raised include air pollution, acid attacks, and urban infrastructure problems. This demonstrates the role of ICT-based youth enterprises in promoting digital governance, policy advocacy, and community-level solutions.

The enterprise also collaborates with *Prikshya Digital Tech* to introduce innovative tools such as “Ting Ting AI”, an artificial intelligence-based mass communication system capable of sending simultaneous voice messages to 10,000 recipients with two-way interaction. Speak Up Nepal has also supported the *Digital Nepal Conclave* and provides services in digital marketing and incubation.

4.16 Local Entrepreneurial Ecosystem and ICT: Speak Up Nepal

Speak Up Nepal, established in 2023, is a youth-led ICT enterprise that operates an online petition platform to address community issues and promote evidence-based policymaking. Despite its innovations, the enterprise faced significant ecosystem challenges, including lengthy administrative procedures for company registration, limited access to startup funding, and reliance on informal networks such as students, Rotaract Clubs, and the NRN community. Although recognized with an ICT award, Speak Up Nepal has not participated in formal incubation or entrepreneurship support programs at the local level.

The enterprise also encounters ongoing challenges, including resource constraints that limit expansion, rigid financing mechanisms favoring established firms, policy gaps that fail to accommodate startups, and barriers for returnee migrants wishing to contribute their ICT expertise. Nevertheless, Speak Up Nepal has demonstrated the potential of ICT-driven youth entrepreneurship to contribute to local economic development. Through initiatives like mobilizing petitions for road maintenance near Bal Kanti Hospital, the enterprise improved infrastructure, reduced pollution, and indirectly revitalized nearby businesses. Innovations such as Ting Ting AI further illustrate how digital solutions can integrate governance, civic engagement, and job creation.

Based on these experiences, recommendations include simplifying registration and licensing processes, introducing seed funding for early-stage startups, developing flexible financing and

grant programs tailored to youth-led enterprises, and creating structured platforms to engage returnee migrants and diaspora members with ICT expertise. Additionally, promoting digital governance and civic-tech initiatives as recognized pathways for youth entrepreneurship can expand both social impact and local economic opportunities.

4.17 Case Study: Aflatoun : Social and Financial Literacy for Youth Entrepreneurship in Nepal

Aflatoun International is a global initiative that provides social and financial education to children and youth through curricula such as AflaTot, AflaToun, AflaTeen, and AflaYouth, aiming to build life skills, financial literacy, and entrepreneurial capacities. Evidence from multiple countries shows that integrating social and financial education fosters savings habits, cooperative behaviors, and small-scale enterprise creation.

In Nepal, the program has been implemented in schools and child clubs in districts such as Dailekh and Sunsari. According, a project coordinator interviewed during the KII, the school-based entrepreneurship training included 42 curriculum sessions for students in grades 9–11. Lead students were first trained and then guided their peers, creating both group-based school enterprises and individual home-based ventures. Activities included poultry, vegetable farming, small food production (e.g., sisno ko dhulo, chau chau), and other micro-businesses. So far, around 1,800 students have been trained, with 30 actively running home-based enterprises. The program emphasizes hands-on application, with weekly sessions, business planning, and profit-sharing practices, linking social and financial literacy directly to real-world entrepreneurship.

These experiences show that integrating social and financial literacy into education can develop entrepreneurial skills, financial management capacity, and confidence among youth, enabling both school- and home-based economic activities. Key recommendations include expanding such programs, providing ongoing mentorship, and integrating social-financial education more broadly into school curricula to strengthen youth entrepreneurship and contribute to local economic development.

4.18 Case Study: Youth-Led Plastic Recycling Enterprise in Koshi Province

In Koshi Province, youth-led plastic recycling initiatives are creating tangible economic and environmental benefits. Under the guidance of Team Lead of Creation, youth are trained to collect plastic waste from roadsides, rivers, and community areas, separate it by type (e.g., LDPE, HDPE, PET), and process it for industrial recycling. Workers earn approximately NPR

12,000 per month, while youth groups manage small-scale enterprises such as plastic sorting and recycling operations.

This enterprise not only generates income for youth but also reduces municipal waste management costs, promotes source recovery of 60–70%, and mitigates environmental pollution along major highways and community areas. Collaboration with municipalities, local waste collectors, and community networks enhances both efficiency and reach.

Key lessons from this initiative include the importance of hands-on training, the potential of youth-led environmental entrepreneurship, and the value of integrating practical waste management into local economic development strategies. Recommendations include expanding technical training, supporting youth-led recycling enterprises, and creating municipal partnerships to scale these initiatives sustainably. There are only SOME recycle enterprises established, however more enterprises are necessary for environment friendly practices and creation employment and economic generation in Nepal. So, it should be expanded in every district of Nepal.

Chapter V- RECOMMENDATION AND SUGGESTIONS

5.1 Recommendations, Action Plan, and Responsibility Matrix

(Based on Policy & Program Review – Employment and Entrepreneurship in Sunsari Municipalities)

Table 12 : Suggestions and Recommendations from Policy Review:

Recommendation	Action Plan (Key Activities)	Responsible Stakeholders
1. Strengthen Market Linkages for Youth Enterprises	- Conduct market assessments to identify demand-driven products/services.- Establish municipal-level “Market Linkage Facilitation Units” to connect youth enterprises with buyers, cooperatives, and e-commerce	Municipal Economic Development Sections, Local Chambers of Commerce,

Recommendation	Action Plan (Key Activities)	Responsible Stakeholders
2. Expand Access to Finance for Youth and Returnee Migrants	<p>platforms.- Organize periodic local product fairs and B2B networking events.- Develop branding and packaging training for local products.</p> <p>- Introduce targeted concessional loan schemes with flexible collateral requirements.- Partner with microfinance institutions/cooperatives for enterprise financing.- Provide municipal seed grant competitions for innovative youth-led business ideas.- Include financial literacy training before disbursing funds.</p>	<p>Cooperatives, FNCCI, Provincial Ministry of Industry</p> <p>Municipal Finance Sections, Banks & MFIs, Cooperatives, Provincial Ministry of Finance, MEDPA Program</p>
3. Develop an Integrated Enterprise Development Strategy	<p>- Draft a municipal “Youth Enterprise & Employment Strategy” integrating training, finance, and market linkage support.- Ensure inclusion of marginalized groups and women.- Align with Provincial and Federal economic development plans.</p>	<p>Municipal Planning Section, Provincial Ministry of Social Development, Local Entrepreneurs’ Associations</p>
4. Strengthen Post-Training & Mentorship Support	<p>- Create a pool of local business mentors (experienced entrepreneurs).- Provide six-month post-training follow-up, including business planning support.- Link trained youth to market linkage and finance schemes.</p>	<p>Municipal Training Units, Private Sector Associations, NGOs, Business Incubators</p>
5. Institutionalize Employment Services	<p>- Establish/strengthen Employment Service Centers at municipal level.- Maintain digital and physical employment registries.- Facilitate</p>	<p>Municipal Employment Service Centers, Provincial Employment</p>

Recommendation	Action Plan (Key Activities)	Responsible Stakeholders
	job matching between employers and trained youth.- Hold annual local employment forums.	Directorate, Local Employers
6. Design Targeted Reintegration Programs for Returnee Migrants	- Conduct needs assessment of returnee migrants.- Offer enterprise training tailored to returnees' skills and experience.- Provide start-up capital grants or matching funds.- Facilitate peer networks for returnee entrepreneurs.	Municipal Labour Section, MoLESS, NGOs working on migration, Returnee Migrant Associations
7. Enhance Coordination Among Stakeholders	- Form a "Municipal Youth Employment & Enterprise Coordination Committee" including government, private sector, cooperatives, and NGOs.- Hold quarterly review meetings to track progress.- Share best practices between municipalities (replicating Ramdhuni's model).	Municipal Mayors & Chairs, Provincial Ministry of Industry, NGOs, Private Sector

5.2 Key Suggestions and Recommendations from Respondents(Stakeholder)

- Production-Oriented Employment: Focus on agriculture and processing industries with full value-chain support (seed, production, marketing, and branding).
- Digital Solutions: Develop a mobile application or platform (similar to Kathmandu Job Line) to connect trained youth with employers.
- Comprehensive Training Packages: Move beyond short-term skill training to advanced, market-oriented programs including branding, packaging, and business planning.
- Financial Support Mechanisms: Provide easy access to collateral-free loans and subsidies for youth enterprises.
- Policy Alignment and Coordination: Local policies should align with federal and provincial programs to avoid duplication and ensure funding.
- Remittance Investment: Awareness programs to channel remittances into productive sectors rather than non-productive spending.

- Respect for Agriculture: Change social perceptions so that youth view farming as entrepreneurship rather than subsistence work.
- **MEDPA** (Micro-Enterprise Development for Poverty Alleviation) is already working in Inaruwa to support small enterprises. At the same time, **SaMI** (Skills for Migration program) is also operating separately in the same area with its own budget and approach. Because they are not coordinated under a common framework, both may be training the same target youth group (e.g., on entrepreneurship or skill-building), but with different standards, criteria, and follow-up mechanisms.

This creates duplication because:

1. **Resources are split** (two budgets doing similar work instead of complementing each other).
2. **Beneficiaries may overlap** (some youth might get multiple trainings, while others get none).
3. **No synergy** (one program might focus on training while another could provide financing, but since they don't coordinate, youth don't get a full package of support).

Based on the above mentioned recommendation the explanatory suggestions would be insights gathered, several practical recommendations emerge to strengthen youth-led enterprises and enhance their role in local economic development. First, there is a strong need to promote production-oriented employment, especially in agriculture and processing industries. Developing end-to-end value-chain programs that cover seed supply, modern production techniques, processing, packaging, marketing, and branding would not only create jobs in farming but also open up opportunities in processing and distribution. Supporting agro-processing enterprises such as rice mills, dairy processing, spice grinding, fruit drying, and herbal products can generate value locally, while initiatives like contract farming and cooperative-based production can ensure a stable supply and bulk marketing. This is particularly important because agriculture remains the largest employer in rural municipalities, yet continues to suffer from low productivity and limited market access.

Second, respondents emphasized the need for digital solutions to bridge the gap between youth and available opportunities. A digital job-matching and enterprise support platform accessible via mobile and web could connect trained youth with local employers, contract work, and municipal job postings. Beyond job placement, such a platform could also help market local products, enabling youth-led enterprises to sell directly to consumers or wholesalers. Integrating training records into the platform would further help employers identify candidates with the right skills. This would address one of the biggest challenges today: trained youth remain unaware of local opportunities, while employers struggle to find skilled candidates.

Third, moving beyond short-term skills training is essential. While short trainings provide basic skills, they rarely lead to sustainable self-employment. Youth need comprehensive enterprise development packages that combine advanced technical training with modules on business planning, branding, packaging, quality standards, and marketing. Linking trainees with mentors and providing incubation support after training would increase the chances of business survival and growth.

Fourth, lack of accessible finance continues to be one of the biggest barriers for young entrepreneurs. To address this, municipalities and financial institutions could expand financial support mechanisms such as collateral-free loans through cooperatives and MFIs, municipal-backed guarantee funds, and start-up grants or matching funds for innovative youth enterprises. Financial literacy and bookkeeping training should be integrated alongside funding to ensure proper utilization of resources and long-term sustainability.

Fifth, better policy alignment and inter-governmental coordination are necessary to avoid duplication and ensure maximum impact. A policy coordination committee linking municipal, provincial, and federal agencies could help pool resources and align local youth employment initiatives with national programs such as MEDPA, the Prime Minister's

Employment Program, and Youth Vision 2025. This would reduce inefficiencies and channel resources where they are most effective.

Sixth, channeling remittances into productive sectors is a powerful but underutilized opportunity. Most remittances are currently used for consumption or non-productive assets. Municipalities, cooperatives, and banks could collaborate to create remittance-linked investment products, while offering incentives such as tax breaks or matching grants for returnee migrants who invest in enterprises like agro-processing, tourism, or small-scale manufacturing. Awareness campaigns that highlight these opportunities can encourage families to redirect even a fraction of remittances into productive sectors that create local jobs.

Finally, changing social perceptions around agriculture is critical. Many youth see farming as low-status work, which discourages their participation despite its potential. Campaigns that promote “Farming as a Business,” showcase successful young agro-entrepreneurs, and integrate modern farming technologies and agri-tourism into youth programs can make agriculture more attractive. Schools, youth clubs, and local media can play a vital role in reshaping attitudes by highlighting innovation, profitability, and dignity in farming.

5.3 Overall Suggestions and Recommendations (Entrepreneurs and Stakeholders)

Drawing from the analysis, the following recommendations are proposed for strengthening youth-led enterprises and employment generation at the local level:

1. **Strengthen Post-Training Monitoring and Support**

- Establish a digital employment and training database (similar to Kathmandu Job Line) to track trainees’ progress, employment, and enterprise outcomes.
- Institutionalize an annual *Youth Enterprise Progress Report* at the Palika level for accountability and evidence-based planning.
- Provide structured mentorship and follow-up support after training to ensure sustainability of enterprises.

2. **Link Training with Finance and Markets**

- Ensure training programs are tied to concessional, collateral-free loans and startup capital.
- Create collection and processing centers for products (turmeric, milk, vegetables, etc.) to stabilize pricing and reduce middlemen exploitation.
- Develop branding, packaging, and cooperative marketing systems; form clusters with shared cold storage and logistics.
- Institutionalize *Haat Bazaars* and weekend markets to strengthen local demand and continuous sales opportunities.

3. Expand Access to Finance

- Scale collateral-free loans, pilot youth equity funds, project based lending and provide interest subsidies in growth sectors.
- Establish municipal entrepreneurship funds and promote remittance investment in productive enterprises.
- Provide targeted support for women, Dalit, and marginalized youth.

4. Modernize Training and Education

- Extend training duration to a minimum of three months with advanced technical modules.
- Update curricula to match domestic and international market demand (e.g., IT, electricians, beauticians, hospitality).
- Introduce vocational and entrepreneurship education from grades 6–10, with seed funding for school-based enterprises.
- Establish municipal youth hubs/incubation centers for ongoing mentorship and business planning.

5. Simplify Registration and Taxation

- Develop a one-door digital registration system.
- Introduce turnover-based taxation for startups.
- Streamline licensing and reduce hidden costs to encourage enterprise formalization.

6. Address Social and Cultural Barriers

- Run awareness campaigns to promote dignity of labor and entrepreneurship.

- Tackle caste-based discrimination in enterprise participation and product consumption.
- Expand psychosocial counseling and rehabilitation services where needed.
- Celebrate the success of women and Dalit entrepreneurs through media and local events.

7. Strengthen Local Government Capacity and Coordination

- Increase and ring-fence municipal budgets for enterprise and employment initiatives.
- Improve technical capacity of local officials in data systems, market facilitation, and youth engagement.
- Coordinate national, provincial, and local programs (PMEP, MEDPA, REMI, SAMI) through a *one-door* approach to reduce duplication. Similarly, redesign PMEP (Prime Minister’s Employment Program): shift from short-term construction jobs to enterprise apprenticeships. The *100-day employment scheme* should place youth in local enterprises where they can both earn wages and gain entrepreneurial skills, while enterprises benefit from workforce support to scale up.
- Build municipal Youth Enterprise Strategies, labor market information systems, and youth-inclusive monitoring committees.
- Establish municipal Youth Enterprise Strategies, labor market information systems, and youth-inclusive monitoring committees.

8. Promote Integrated Enterprise Models

- Scale cooperative and group-based enterprises to pool resources and strengthen bargaining power.
- Link agriculture with tourism (e.g., homestays serving local products, eco-tourism in Koshi Tappu, religious tourism in BarahaChetra).
- Document and showcase success stories of returnees and youth entrepreneurs to inspire replication and attract investment.

9. Reintegration of Returnee Migrants

- Create tailored reintegration programs with training, grants, peer networks, and a *Returnee Skills Registry*.

- Provide re-skilling or certification for migrants to transition into local enterprises.

10. Leverage Technology and Digital Solutions

- Promote precision agriculture tools (drip irrigation, greenhouse farming, soil testing kits).
- Train youth in digital marketing and e-commerce.
- Upgrade the *Shramsanchar* app into a national employment and enterprise promotion platform.
- Expand digital governance and civic-tech pathways for youth entrepreneurship.

11. Mobilize Remittance for Productive Investment

- Launch awareness campaigns encouraging productive investment of remittances in agriculture, processing, and manufacturing.
- Develop cooperative-based collective remittance investment models for sustainable enterprises.

12. Public–Private Partnerships (PPP) and Investment Promotion

- Use PPP models to develop agro-processing centers, training institutes, and tourism infrastructure.
- Mobilize CSR funds from private companies for youth entrepreneurship initiatives.

13. Integrated Learning Approach and Entrepreneurial Mindsets

- Reform education to blend academic learning with project-based, market-relevant skills.
- Adopt models like Aflatoun to embed social and financial literacy.
- Encourage internships, start-up competitions, and entrepreneurship clubs in schools.
- Introduce skills-based assessments (portfolios, projects) to align certification with real-world competence.

14. Strengthen Market Linkages

- Invest in logistics, storage, branding, and mentorship for stronger supply chain integration.
- Facilitate continuous linkages between producers, cooperatives, and regional/national markets.

15. Comprehensive Enterprise Policy Reform

- Formulate a national SME/Enterprise Act to harmonize fragmented policies.
- Provide production-based grants and targeted subsidies for women and marginalized youth.

16. Support Youth-Led Environmental Enterprises

- Provide training, mentorship, and seed funding for youth-led plastic recycling, waste management, and eco-enterprises.
- Institutionalize municipal partnerships for youth engagement in environmental enterprises.

5.4 Tabular representation of key recommendation with specific actions : lead and supporting actors and rationale are shown as:

Table 13: key recommendation with specific actions

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
1. Strengthen Post-Training Monitoring & Support	<ul style="list-style-type: none"> - Establish a digital employment and training database (similar to Kathmandu Job Line) to track trainees' progress, employment, and enterprise outcomes. - Institutionalize an annual Youth Enterprise Progress Report at the Palika level. 	Lead: Municipal Employment/Training Sections Support: Provincial Ministry of Labour, Local IT firms, NGOs	Ensures skills training leads to real jobs; structured mentorship and data-driven policies improve effectiveness.

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
2. Link Training with Finance & Markets	<ul style="list-style-type: none"> - Provide structured mentorship and six-month follow-up support after training to ensure sustainability of enterprises. - Link trained youth to market linkage and finance schemes. - Ensure training programs are tied to concessional, collateral-free loans and startup capital. - Create collection and processing centers for products (turmeric, milk, vegetables, etc.) to stabilize pricing and reduce middlemen exploitation. - Develop branding, packaging, and cooperative marketing systems; form clusters with shared cold storage and logistics. - Institutionalize Haat Bazaars and weekend markets. - Conduct municipal-level market assessments and organize local product fairs and networking events. 	<p>Lead: Municipal Agriculture/Economic Development Sections Support: Cooperatives, Banks, FNCCI, Private Sector</p>	<p>Youth need both finance and market access for enterprises to be viable and sustainable.</p>
3. Expand Access to Finance	<ul style="list-style-type: none"> - Scale collateral-free loans, pilot youth equity funds, project based landing and provide interest subsidies in growth sectors. - Establish municipal entrepreneurship funds. - Promote remittance investment in productive 	<p>Lead: Municipal Finance/Labour Sections Support: Banks, Cooperatives, NGOs</p>	<p>Ensures that financial barriers do not limit youth entrepreneurship and local economic growth.</p>

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
4. Modernize Training and Education	<p>enterprises.</p> <ul style="list-style-type: none"> - Provide targeted support for women, Dalit, and marginalized youth. - Conduct seed grant competitions for innovative youth-led business ideas. - Include financial literacy training with loan programs. - Extend training duration to a minimum of three months with advanced technical modules. - Update curricula to match domestic and international market demand (e.g., IT, electricians, beauticians, hospitality). - Introduce vocational and entrepreneurship education from grades 6–10, with seed funding for school-based enterprises. - Establish municipal youth hubs/incubation centers for ongoing mentorship and business planning. 	<p>Lead: Municipal Education/Training Sections, CTEVT Support: Private training institutes, NGOs</p>	<p>Market-oriented training ensures job readiness and fosters enterprise growth.</p>
5. Simplify Registration & Taxation	<ul style="list-style-type: none"> - Develop a one-door digital registration system. - Introduce turnover-based taxation for startups. - Streamline licensing and reduce hidden costs to encourage enterprise formalization. 	<p>Lead: Local/Provincial Government Support: Chambers of Commerce, IT Firms</p>	<p>Reduces barriers for youth to formalize enterprises and ensures compliance.</p>

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
6. Address Social & Cultural Barriers	<ul style="list-style-type: none"> - Run awareness campaigns to promote dignity of labor and entrepreneurship. - Tackle caste-based discrimination in enterprise participation and product consumption. - Expand psychosocial counseling and rehabilitation services where needed. - Celebrate the success of women and Dalit entrepreneurs through media and local events. 	<p>Lead: Municipal Social Development Sections Support: NGOs, Youth Clubs, Local Media</p>	<p>Social stigma and exclusion limit youth participation in productive sectors.</p>
7. Strengthen Local Government Capacity & Coordination / PMEP Reform	<ul style="list-style-type: none"> - Increase and ring-fence municipal budgets for enterprise and employment initiatives. - Improve technical capacity of local officials in data systems, market facilitation, and youth engagement. - Coordinate national, provincial, and local programs (PMEP, MEDPA, REMI, SAMI) through a one-door approach. - Redesign PMEP: shift from 100-day temporary construction jobs to enterprise apprenticeships; youth gain entrepreneurial skills while enterprises benefit from workforce support. - Build municipal Youth Enterprise Strategies, labor 	<p>Lead: Municipal Mayors/Chairs, Planning Sections Support: Provincial Ministries, MoLESS, Private Sector, Cooperatives, NGOs</p>	<p>Effective governance and PMEP reform ensures sustainable youth employment, hands-on learning, and enterprise growth.</p>

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
8. Promote Integrated Enterprise Models	<p>market information systems, and youth-inclusive monitoring committees.</p> <ul style="list-style-type: none"> - Establish municipal Youth Employment & Enterprise Coordination Committees; hold quarterly review meetings and share best practices. - Scale cooperative and group-based enterprises to pool resources and strengthen bargaining power. - Link agriculture with tourism (e.g., homestays serving local products, eco-tourism in Koshi Tappu, religious tourism in BarahaChetra). - Document and showcase success stories of returnees and youth entrepreneurs to inspire replication and attract investment. 	<p>Lead: Municipal Economic Development Sections Support: Tourism Boards, Cooperatives, Migrant Associations</p>	<p>Integrated models create economies of scale, reduce risks, and diversify income sources.</p>
9. Reintegration of Returnee Migrants	<ul style="list-style-type: none"> - Create tailored reintegration programs with training, grants, peer networks, and a Returnee Skills Registry. - Provide re-skilling or certification for migrants to transition into local enterprises. - Conduct needs assessment of returnee migrants. - Facilitate peer networks for returnee entrepreneurs. 	<p>Lead: Municipal Labour/Economic Development Sections Support: NGOs, Migrant Associations, Cooperatives</p>	<p>Helps returnees reintegrate, reduces migration dependency, and strengthens local enterprise development.</p>

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
10. Leverage Technology & Digital Solutions	<ul style="list-style-type: none"> - Promote precision agriculture tools (drip irrigation, greenhouse farming, soil testing kits). - Train youth in digital marketing and e-commerce. - Upgrade Shramsanchar app into a national employment and enterprise promotion platform. - Expand digital governance and civic-tech pathways for youth entrepreneurship. 	<p>Lead: Municipal Agriculture & IT Sections</p> <p>Support: Provincial ICT & Agriculture Ministries, Private Tech Firms</p>	<p>Technology enhances productivity, reduces costs, and opens new domestic & export markets.</p>
11. Mobilize Remittance for Productive Investment	<ul style="list-style-type: none"> - Launch awareness campaigns encouraging productive investment of remittances in agriculture, processing, and manufacturing. - Develop cooperative-based collective remittance investment models for sustainable enterprises. 	<p>Lead: Municipal Labour/Finance Sections</p> <p>Support: Banks, Cooperatives, Migration-focused NGOs</p>	<p>Even small shifts of remittances into productive sectors generate local jobs and reduce migration dependency.</p>
12. Public-Private Partnerships & Investment Promotion	<ul style="list-style-type: none"> - Use PPP models to develop agro-processing centers, training institutes, and tourism infrastructure. - Mobilize CSR funds from private companies for youth entrepreneurship initiatives. 	<p>Lead: Municipal Planning Sections, Provincial Investment Boards</p> <p>Support: Private Sector, Development Partners</p>	<p>PPPs bring investment, expertise, and shared risk for large-scale youth employment initiatives.</p>
13. Integrated Learning Approach and	<ul style="list-style-type: none"> - Reform education to blend academic learning with project-based, market-relevant skills. 	<p>Lead: Schools, Local Authorities</p> <p>Support: NGOs,</p>	<p>Builds youth capacity, confidence, and practical</p>

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
Entrepreneurial Mindsets	<ul style="list-style-type: none"> - Adopt models like Aflatoun to embed social and financial literacy. - Encourage internships, start-up competitions, and entrepreneurship clubs in schools. - Introduce skills-based assessments (portfolios, projects) to align certification with real-world competence. - Invest in logistics, storage, branding, and mentorship for stronger supply chain integration. 	Community Organizations	skills to start enterprises and link learning to real economic impact.
14. Strengthen Market Linkages	<ul style="list-style-type: none"> - Facilitate continuous linkages between producers, cooperatives, and regional/national markets. - Establish municipal-level Market Linkage Facilitation Units. 	<p>Lead: Municipal Economic Development & Agriculture Sections</p> <p>Support: Cooperatives, Private Sector, NGOs</p>	Ensures sustainable access to markets and improves competitiveness of youth-led enterprises.
15. Comprehensive Enterprise Policy Reform	<ul style="list-style-type: none"> - Formulate a national SME/Enterprise Act to harmonize fragmented policies. - Provide production-based grants and targeted subsidies for women and marginalized youth. 	<p>Lead: Ministry of Industry, Commerce & SME, Provincial Governments</p> <p>Support: Local Authorities, Development Partners</p>	Harmonizes policies, provides incentives, and ensures targeted support for youth-led enterprises.
16. Support Youth-Led Environmental Enterprises	<ul style="list-style-type: none"> - Provide training, mentorship, and seed funding for youth-led plastic recycling, waste management, and eco- 	Lead: Municipal Environmental/Economic Development Sections	Enables youth to generate income, develop

Key Recommendation	Specific Actions	Lead & Supporting Actors	Rationale
	enterprises. - Institutionalize municipal partnerships for youth engagement in environmental enterprises.	Support: Schools, NGOs, Youth Networks, Community Waste Collectors	technical skills, and contribute to local economic development and environmental management.

These recommendations are informed by the Sunsari Municipalities Policy & Program Review, as well as field findings from youth enterprises, stakeholders interview and returnee migrant engagement.

CHAPTER VI- CONCLUSION

The findings of this study highlight that youth-led enterprises hold significant potential to drive local economic development, particularly by creating employment opportunities and stimulating demand for local goods and services. However, their impact is often constrained by limited access to finance, weak market linkages, inadequate post-training support, and low awareness of government policies and programs. Social barriers and negative perceptions about entrepreneurship and agriculture further discourage youth participation. Despite these challenges, the evidence suggests that with targeted interventions such as integrated training and enterprise development, financial and technical support, stronger policy coordination, and greater use of technology youth-led enterprises can evolve into powerful engines of employment generation and local transformation. Addressing these gaps is not only essential for reducing youth outmigration and unemployment but also for building resilient local economies that harness the energy, creativity, and skills of young people.

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