

**ROLE OF MICROFINANCE IN POVERTY REDUCTION IN
ROLPA DISTRICT**

A Thesis

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CERTIFICATION OF AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

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Moti lal Giri

May, 2018

RECOMMENDATION LETTER

It is certified that this thesis entitled **Role of Microfinance in Poverty Reduction in Rolpa District** submitted by Moti Lal Giri is an original piece of research work carried out by the candidate under my supervision. Literary presentation is satisfactory and the thesis is in a form suitable for publication. Work evinces the capacity of the candidate for critical examination and independent judgment. Candidate has put in at least 60 days after registering the proposal. The thesis is forwarded for examination.

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APPROVAL SHEET

We the undersigned have examined the thesis entitled **Role of Microfinance in Poverty Reduction in Rolpa District** presented by Moti Lal Giri, a candidate for the degree of Master of Business Studied (MBS) and conducted the viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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ABSTRACT

This research gives the details information about the Role of Microfinance in poverty reduction in Rolpa District. One of the common solutions to resolve poverty, a big issue in both Nepal and in the World, is national programs that have given small credit for the poor. The propose of this research to analyze the impact of MF in health and sanitation facility of the MF beneficiary of Rolpa District, to analyze impact of MF in the Facility of loan of beneficiary of Rolpa District, to analyze impact of Microfinance in income level of beneficiary of the Rolpa District and to analyze impact of the MF help to invest in Business to customer of Rolpa district. This research focuses on quantitative impact of microfinance program on participating women of Rolpa district. This research is using descriptive research methodology for the finding research objective. Using primary data to collect questionnaire survey. 120 respondent to response the questionnaire related with role of microfinance in poverty reduction in Rolpa district.

The findings were the importance of maintaining Women Savings and Credit Groups; the vulnerability context of the poor; the process of accumulation and interaction among livelihood assets of members' households; the combination of livelihood activities and the use of livelihood assets for maximizing income and minimizing vulnerability in order to reduce poverty. The study also shows emerging constraints of the process of MF in poverty reduction and perspectives of different stakeholders relating to MF. The thesis further finds that MF is a dynamic tool to intervene in the accumulation and interactions among social, human, financial, natural and physical capital of poor women. However, MF has been a small scale and subsidized by donors so the outreach of it needs interplay among formal credit institutions, extension, local organizations, MF researchers and appropriate policies.

Based on the findings, it shows that majority of MF Customer are active in participation in MF program, but they didn't have proper knowledge about the MF policies and function. Most of the MF have rejected male to participate in MF program only female people can participate in MF program. in this context we can see discrimination with male and female to involve in MF program. Most of the Nepalese investor are unknown about the rules and regulation of MF program.

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ACRONYMS/ABBREVIATIONS

| | | |
|---------|---|---|
| SFDP | = | Small farmers development program |
| SFCLs | = | Small farmers co-operative limited |
| PCRW | = | Production Credit for Rural Women |
| MCPW | = | Micro-Credit Project for Women |
| GBBs | = | Gramin Bikas Bank |
| PAPWT | = | Poverty Alleviation Project in Western Terai |
| TLDP | = | Third Livestock Development Project |
| RMP | = | Rural microfinance program |
| CGISP | = | Community Ground Water Irrigation Sector Project |
| RMDC | = | Rural microfinance development center |
| SKBBL | = | Sana Kisan bikas bank ltd |
| BAFIA | = | Bank and financial institution act |
| FINGOs | = | Financial Intermediation as Small Savings, Group |
| MFDB | = | Microfinance development banks |
| CAR | = | Capital adequacy Ratio |
| GOV | = | Government |
| NGO | = | Non- government Organization |
| SACCOs | = | Savings and Credit Co-operatives |
| FINGOs | = | Financial Intermediary Non-government Organizations |
| NRB | = | Nepal Rastra Bank |
| RSRF | = | Rural Self-Reliance Fund |
| FY | = | Fiscal Year |
| MFI | = | Microfinance Institution |
| DSMCP | = | Donor Sponsored Micro-Credit Programmes |
| STI | = | Second Tier Institution |
| GHI | = | Global Hunger Index |
| CSR | = | Corporate social Responsibility |
| INGO | = | International Non Government organization |
| TISVA | = | Turkish Foundation for Waste Reduction |
| TUP | = | These Ultra Poor |
| IsMFI's | = | Islamic microfinance Institution |
| SLBBL | = | Swabalamban Lagubitta Bikas Bank Ltd |