

**ECONOMIC IMPACT OF MICRO FINANCE ON URBAN POOR  
UNDER RURAL URBAN PARTNERSHIP PROGRAMME (RUPP):  
(A CASE STUDY OF PUTALIBAZAR, SYANGJA)**

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*A Thesis Submitted to:*

Office of the Dean

Faculty of Management

Tribhuvan University

*In partial fulfillment of the requirements for the degree of  
**Master of Business Studies (M.B.S.)***

Pokhara.

December, 2012

**Faculty of Management**

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**"Economic Impact of Micro Finance on Urban Poor Under Rural Urban  
Partnership Program (RUPP): A Case Study of Putalibazar, Syangja",**

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## **ACKNOWLEDGEMENT**

The word "Poverty" is basically related with economic development. Micro Finance is important tool to uplift the economic status of poor in developing country like Nepal. Several micro finance institutions have been mobilized in Nepal, Micro Finance on Urban Poor Under Rural Urban Partnership Program(RUPP) in Putalibazar Municipality, Syangja is also one of them.

This study gives the information of how the RUPP has been launched and its learning to the researcher, students and others. I selected this program to write thesis of Master's Degree. Basically, primary data have been used and qualitative and quantitative data analysis have presented for completion this thesis.

In this situation, I got great help from some personalities. Firstly, I pay greet to head of the research department Associate Prof. Dr. Puspa Raj Sharma P.N. campus Pokhara, for approval my dissertation and best supervision, who is also my supervisor. Secondly, to Mr. Kapil Giri, RUPP manager of Putalibazaar Municipality, for materials and informations support .

I am also grateful to Mr. Bhawani Prasad Parajuli of Sugam Computer Sewa, Bagar, Pokhara for setting and binding this thesis.

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Date: 5<sup>th</sup>December, 2012

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## **LIST OF ABBREVIATIONS/ACRONYMS**

GON	= Government of Nepal.
MF	= Micro finance.
MFIs	= Micro Finance Institutions
MIDBs	= Micro Finance Development Banks
MLD	= Ministry of Local Government.
NPC	= National Planning Commission.
PM	= Putalibazar Municipality.
PRP	= Poverty Reduction Program.
RUPP	= Rural Urban Partnership Program.
SAPAP	= South Asian Poverty Alleviation Program.
SFCL	= Small Farmer Co- Operative Limited.
SM	= Social Mobilization.
SMCS	=States of Micro Credit Summit.
TLOs	=Tole Lane Organizations.
UNDP	= United Nations Development Program.
USM	=Urban Social Mobilization.
USMP	=Urban Social Mobilization Program.
VDC	=Village development committee.
WB	=World Bank.



## ABSTRACT

This dissertation has been prepared to study and analyze the Economic Impact of Micro Finance on Urban Poor Under Rural Urban Partnership Program(RUPP) in Syangja. Micro Finance is most important tool to uplift the economic status of people especially to poor in developing country like Nepal. Several micro finance program are launched in Nepal, Micro Finance on Urban Poor Under Rural Urban Partnership Program(RUPP) in Putalibazaar Municipality is also one of them. This study gives the information how the program has been launched there. The general objective of the study are to explore the saving and credit status of tole lane organizations (TLOs) members under (RUPP),to analyze the economic up liftmen of (TLOs) members,to find out the major problems of launching the program and TLOs members.

It is found that RUPP has been launched from 2060 B.S. and loan issue program from 2063/64. There are organized five sample teams out of 14,they are Nilkamal, Melmilap, Sitala, Namuna(A) and Jagiti. Out of total 140 members, the team-wise members are 40,35,30,20 and 15 in per sample teams respectively. Among the total numbers of all teams, 24 members are entrepreneurs and 116 are other community members. Loan is issued in different years from 2063/64 to 2066/67.Total Rs. 750000 loan is distributed in different sectors such as poultry farm, livestock, vegetable product and beekeeping.

Some problems are created at operation level of program like chicken and goats die, ruing vegetables, program launched disorderly, tradition entrepreneur launching, lengthy process of loan disbursement, small scale of loan amount, etc.

So, some of the suggestions and recommendations are referred . Without the provision of specific vocational training, loan should not be granted. Only repayment is not the success of RUPP, there should be generation of good income by investing that loan. RUPP should establish the program of exchange of skillful members of same territory. They possess the different skill like expertise in cash crops, pig husbandry, poultry farming, beautician, PCO, tailoring etc.

Loan should be granted to single member also, if he/she has willingness and skill to do something. If the borrowers did not repay the loan in time, they should be motivated to repay in time by adopting different mechanism. Field visits showed that the landlord and avoid businessman also got the loans who were not the targeted groups. Actually such miss use of loan should be prohibited. Small amount of loan cannot enough to promote the large occupation in starting so Loan amount should to be increased as much as rising of price highs in market. Lengthy process for a loan disbursement make the poor difficult for receiving the loan in time so, fast and shortcut method should be launched further motivation. Lack of awareness of repayment the loan repayment can't launched timely so awareness program should to be launched effectively. Ignorance about the medicine use, time, Quantity and other take care activities on the live stock and vegetable product occupation, chicken and goat are dead and vegetable could not development as much as need. There should be coordination among the groups of TLO entrepreneurs and other community members on regulation and management for sharing of best practice of program each other from RUPP to ensure its effectiveness. RUPP should enlarge microfinance program massively. Least number of entrepreneurs have been got loan receive opportunity. By far percentage of entrepreneurs out of rich from this opportunity. It cannot uplift the economic condition of the poor. Loan duration should to be long, at least 3 years. Loan repayment is based on benefit after living expenditure so it is difficult to return loan in time with in this short period of 2 years.