

IMPACT OF POVERTY ALLEVIATION FUND IN SHIKHARPURVDC OF BAITADI DISTRICT

A Thesis

Submitted to the Central Department of Economics

Faculty of Humanities and Social Science, Tribhuvan University

in Partial Fulfillment of the Requirements for the Degree of

Master of Arts

In

Economics

Submitted By

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September 2016

RECOMMENDATION LETTER

This thesis entitled **Impact of Poverty Alleviation Fund in ShikharpurVDC of Baitadi District** has been prepared by **Ram DattAwasthi** under my supervision. I hereby recommended that this thesis for examination by the thesis Committee as partial fulfillment of the requirements for the Degree of Masters of arts in Economics.

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ACKNOWLEDGEMENTS

My deepest gratitude goes to my thesis supervisor Associate Professor Tara Prasad Bhusal, Central Department of Economics, Kirtipur, Kathmandu, for this continued guidance, encouragement, motivation and support at each step of the study. I am grateful to Prof. Dr. Ram Prasad Gyanwaly, Head; Central Department of Economics, University Campus, Kirtipur, Kathmandu for giving me chance to conduct this study.

I would also like to extend thanks to all helpful community leaders at Shikharpur VDC of Baitadi District for their support and kind cooperation during the data collection. I would like to extend my sincere thanks to all the respondents of the study area who helped me by supplying answer and providing the valuable time in the process of data collection. It is obvious that without their assistance this work would not have been completed. I am grateful to all my respondents who helped me in each and every step of the study and for their kind cooperation.

I am indebted to my parents for their encouragement and Continuous support to accomplish this work. Likewise my special thanks go to all my best friends who always supported and encourage me during my study for their support in different ways.

Ram Datt Awasthi

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ABBREVIATIONS/ACCRONOMYS

ADB	-	Asian Development Bank
CBS	-	Central Bureau of Statistics
CEDA	-	Centre for Economic Development and Administration
CIA	-	Central Intelligence Agency
CO	-	Community Organization
CPRC	-	Chronic Poverty Research Centre
DDC	-	District Development Committee
HDI	-	Human Development Index
IFAD	-	International Fund for Agricultural Development
IG	-	Income Generation
MDGs	-	Millennium Development Goals
MDI	-	Multidimensional Poverty Index
MHP	-	Micro-Hydro Project
NGOs	-	Non Government Organizations
NLSS	-	Nepal Living Standard Survey
NPC	-	National Planning Commission
PAF	-	Poverty Alleviation Fund
PO	-	Participatory Organization
PRSP	-	Poverty Reduction Strategy Paper
RF	-	Revolving Fund
UN	-	United Nations
UNDP	-	United Nations Development Program
VDC	-	Village Development Committee
WB	-	World Bank

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Poverty, in general is scarcity or the dearth of ones who lacks of certain amounts of materials or money. Absolute poverty refers to the deprivation of basic human needs, which commonly includes food, water, sanitation, clothing, shelter, healthcare and education. Relative Poverty refers to economic inequality in the location or society in which people live. The Oxford Advanced Learner's Dictionary defines, "Poverty as not having and not able to get necessities of life." In short poverty is the lack of physical necessities, assets and income. It is more than being income poor. Poverty remains deep and widespread in developing countries and even rampant in some cases. Due to this high prevalence of poverty and the pronounced deprivation in developing countries, issue of poverty and inequality are the forefront of the Global Agenda (Chauhan, 2006). Nepal, being no exception is getting huge amount of foreign aid to meet the goal of poverty alleviation since the start of its planned development.

Poverty means the state of one who lacks a usual or socially acceptable amount of money or material possessions. Poverty is said to exist when people lack the means to satisfy their basic needs. In this context, the identification of poor people first requires a determination of what constitutes basic needs. These may be defined as narrowly as "those necessary for survival" or as broadly as "those reflecting the prevailing standard of living in the community." Poverty has been associated, for example, with poor health, low levels of education or skills, an inability or an unwillingness to work, high rates of disruptive or disorderly behavior, and improvidence. While these attributes have often been found to exist with poverty, their inclusion in a definition of poverty would tend to obscure the relation between them and the inability to provide for one's basic needs. Whatever definition one uses, authorities and laypersons alike commonly assume that the effects of poverty are harmful to both individuals and society. Although poverty is a phenomenon as old as human history, its significance has changed over time. Under traditional (i.e. non-industrialized) modes of economic production, widespread poverty had been accepted as inevitable. The total output of goods and services, even if equally distributed, would still have

been insufficient to give the entire population a comfortable standard of living by prevailing standards. With the economic productivity that resulted from industrialization, however, this ceased to be the case especially in the world's most industrialized countries, where national outputs were sufficient to raise the entire population to a comfortable level if the necessary redistribution could be arranged without adversely affecting output. Health can be defined as a state of complete physical, mental and social well-being and merely the absence of disease improving. That man is healthy person who possesses the balance of body humours actual functioning of all the body elements about and sense organs. Nowadays, poverty is considered as the main unbalancing element of the human being and nature. It is therefore truly said, 'poverty anywhere is threat to everywhere'. Its effect is becoming at an alarming rate day by day. Not only the developing countries but also the developed ones cannot protect themselves from the negative effect of neighboring countries facing the problem of poverty and their own citizens who won't like to do work especially hippies, addict, street person etc. All the evils i.e. dissatisfaction, desperation, anger, anxiety, diseases, hunger etc. are the consequences of poverty.

Poverty is a major problem in Nepal. A staggering 23.8% of the total population lives below the poverty line and health expenditure is low and basic facilities, as such, safe drinking water, sanitation, doctors, nurses and beds continued to be inadequate. Poverty is deeper and more intense and more severe in rural areas and even more so in the hills and mountains and in western and far western region. Even within rural areas the poorer of the segments of the population have less access to fertile land, irrigation, modern inputs of agriculture, credit and market facility, road infrastructure and execution in every level of decision- making. The rural areas are badly under served in terms of quality and coverage of basic needs, education, health care, drinking water and roads and access to other infrastructure and market. Poverty is also closely related to the degree of social, political, and economic inclusion/exclusion, women and ethnic groups by large are out of the mainstream of development because they lack voices, empowerment, representative and access to economic opportunity and resources. Thus they are serious, included in vicious cycle of poverty(NPC,2015).

The World Bank defines poverty as the inability of people to attain the minimum standard of living. The measures of living standard for an individual in real income of expenditure, The magnitude and extent of poverty depends upon the average level of

income and the degree of inequality in its distribution. Poverty is a multidimensional and complex problem. The causes of poverty by analyzing different aspect of income and human poverty are not but also social and technological backwardness too.

Poverty in Nepal can be viewed from micro and Marco angles. In micro level it is identified in terms of low caloric intake, lack of basic health facilities, illiteracy, high infant, mortality inadequate shelter, low purchasing power and high rural to urban migration. In macro level it can be expressed in term of high rate of growth of population, lack of marketing facilities, unemployment, technological activities and Administrative, inefficiencies. Several factors are responsible for the incidence of severe poverty in rural areas of Nepal. High population growth, unemployment; food shortage, lack of resources , low productivity, acute income inequality, excess use of alcohol, laziness, excessive expenditure on unproductive rituals natural calamities are among some factors generating the poverty.

In the rural areas of Nepal, the people or households who own a good amount of land and other material properties have good income in contrast, to those who have no land or have small amount of land and other material properties have low income. The people having good source of income earn more and become richer day by day .Other people having no sources of income cannot meet their daily expenses, as a result, they borrow money from the local money leaders at a high value of interest. Consequently, they become proper with the passage of time. In rural Nepal, the income structure is like a pyramid with a few families at the top and the majority at the bottom. Similarly, poverty is so widespread and deep that thousands of people go to bed with half a meal or without meal and thousands of children die before reaching the age of five and majority of these deaths is due to malnutrition.

In rural areas there is a lack of employment opportunities all through the year. As a result, the rural labor force is not any particular job. It has to engage a numbers of jobs in different parts of the year. According to their skill and capacity, for example, they do agricultural work in the agricultural season and in the slack season do a verity of jobssuch as construction work, animal husbandry, petty retail shop, business, sewing and knitting work and work related to cottage and village industries. Thus, the members of a majority of the rural household do various jobs and service and earn limited income from various sources during the year.

Poverty alleviation has been the priority of the government in the last decade and in the latter part of it the rural communities are the focus of poverty alleviation program at the grassroots level. Rural communities are made the primary group for micro-credit program and saving-credit activities. However, the women poverty is deeply widening further. Furthermore, Government interventions are mainly based on the conventional approaches of utilizing specially women's spare time for the economic benefit of the family.

1.2 Introduction of Poverty Alleviation Fund (PAF)

The Poverty Alleviation Fund Ordinance 2003 has recognized PAF as an autonomous organization with inalienable authority. It is a professional organization sensitive to the poor with its executive office located in Kathmandu. PAF Board is chaired by the Prime Minister. The PAF Ordinance reflects the conviction, support and commitment of the highest echelon of Nepal Government to the programmes and objectives of the Fund. The Executive Director of PAF works as the Secretary of the PAF Board. Poverty Alleviation Fund (PAF) is a targeted programme initiative to support the third pillar of the Tenth Plan, which is targeted programme. Broad-based and sustainable economic development, social development and good governance have been enunciated as the other three major pillars of the Plan, which is also known as Poverty Reduction Strategy Paper (PRSP).

The PAF starts with the realization by NoG that ad-hoc efforts to assist the marginalized groups in the past did not become sufficiently effective, and that government institution face inherent difficulties in allocating limited resources to those who have the least political voice. So the main issues before PAF are: (1) Reaching out to the poor and excluded communities, (2) Plan implement demand-driven programme to improve access to income generation and community infrastructure for the groups that have been excluded by reasons of gender, ethnicity and caste as well as for the poorest groups in rural communities through their own organizations, and (3) Finance directly to community organizations on cost sharing basis to implement and manage their programmes by the poor themselves. The main challenge is to empower the poorest people with more resources and bring them into the centre of development (PAF, 2004/05). Initially, in the FY 2004/05, PAF started programme implementation in six districts (Siraha, Ramechhap, Pyuthan, Darchula,

Kapilvastu and Mugu). Based on the experience gained in these six pilot districts, PAF has expanded programme coverage to all districts respectively.

1.2.1 The Strategy of Poverty Alleviation Fund (PAF)

To implement the programme, PAF envisages the following strategies:

Enable poor people through social mobilization and capacity building to organize and obtain quality basic services in cost-effective and sustainable manner with their direct involvement in identification, planning, designing, executing and managing, operating and maintaining the schemes/programme.

Use Partner Organizations (POs) to help facilitate poor vulnerable people and their community Groups or Organizations to implement the programme components, and they include local bodies, NGOs/CBOs and private sector organizations.

Build partnership with various organizations working in its areas of operation at the village, district and national level in order to ensure holistic development intervention to bring discernible impact on poverty reduction and scaling up the programmes in considerably less time.

Build PAF an independent, autonomous and a professional organization sensitive to the needs and aspirations of the poor, expected to comprise a lean and thin structure with a core professional staff only as act as facilitator.

1.2.2 Guiding Principles of Poverty Alleviation Fund (PAF)

Six basic guiding principles are followed in the operation of PAF activities.

Targeted to poor: Seeking the prosperity of poor and disadvantaged at the lowest end of economic ladder. The last is the first for PAF. PAF follows bottom-up approach rather than top-down approach.

Social Inclusion: Seeking the participation of *Dalit*, *Janajati*, Women and other disadvantaged groups below poverty level.

Transparency: All the activities of PAF are transparent. Every Community organization displays its activities on a board in their community.

Demand Driven: Programmes are designed based on the needs and demands of the targeted people.

Direct Funding: Funding is made directly in the account of community organization to implement the programme. Every CO has opened a bank account in the nearest bank office as per the rule of PAF. This provides both empowerment and confidence in them.

Community Institutional Development: It is regarded as a crux for the sustainability of community organizations. Community institutionalization is exclusively done for the legal identity to the community organizations so that they can self-propel by delivering services to the target poor even after the phase out of PAF intervention. Multi-purpose co-operatives for single function and federation of COs are formed as per communities need.

1.2.3 Pillars of Poverty Alleviation Fund (PAF)

Four pillars of PAF are social mobilization, income generation, small community infrastructure development and capacity building (PAF, 2014/15).

1.2.3.1 Social Mobilization/Empowerment

The target communities, particularly poor women, *Dalits* and *Janajatis* are sensitized, mobilized and encouraged to be organized into community organizations/groups by the Partner Organizations. Rigorous social mobilization process including participatory social assessment ensures grouping of individual households of a settlement into hardcore poor, medium poor, poor and non-poor. Community organization is formed from among the hard core poor, medium poor and poor households excluding the households from the non-poor category.

1.2.3.2 Income Generation/Self-employment

The CO members are encouraged to undertake income generation activities that fetch additional income to improve their livelihoods. Income generation may cover different types of activities based on local potential, interest, confidence and experience of an individual member of a CO. An individual CO member may take up any type of income generation activity-agriculture or non-agriculture-based, such as production enhancement, technology transfer, processing and marketing including service sector, best suited for their operating environment.

1.2.3.3 Community Infrastructure

PAF promotes access to the target communities by empowering and helping them to develop social and economic community infrastructures. Such infrastructures are

implemented, managed and maintained by the beneficiaries themselves. Community infrastructures are linked with target communities livelihood improvement, and include rural roads, trails, mule tracks, culverts, suspension bridges, truss bridges, short distance gravity cable ways, river bed land reclamation, drinking water systems including sanitation, water management- plastic tanks, sprinkler/drip systems, and farmer-managed small irrigation systems, collection centers, rural energy technology and market management infrastructure.

1.2.3.4 Capacity Building

PAF emphasize on capacity building, skill enhancement and empowerment of target communities through trainings, exposure visits and technical assistance to enhance the capacity of communities implement community sub-project in a sustainable manner. It also includes capacity building of POs, local bodies and micro-finance intermediaries, among others.

1.2.4 Operation Modality of Poverty Alleviation Fund (PAF)

1.2.4.1 Selection of District and VDC

District selection is done on the basis of district level poverty monitoring indicators developed by the Central Bureau of Statistics of the National Planning Commission. CBS has categorized all 75 districts of Nepal into three groups, each group consisting of 25 districts, based on value of overall composite indices computed considering 28 relevant socio-economic indicators. PAF works in all 25 districts belonging to Group C-categorized as most deprived districts. VDCs prioritization follows the district social assessment and vulnerable community mapping. Prior consultation is done with District Development Committee and different stakeholders at district level for VDC selection.

1.2.4.2 Selection and Partnership with POs

Based on the eligibility criteria, PAF first selects Partner Organizations (PO) working in its working districts. CBOs, NGOs, PSOs, DDC, VDC, and Municipality are the potential POs for PAF. PO helps in social mobilization, facilitation, capacity building and technical assistance to CO. They facilitate COs to identify, plan, design, execute, operate and maintain the community sub-projects. It also provides necessary technical support for successful completion of the sub-project, and carries out monitoring of the sub-projects.

1.2.4.3 Selection of Households/Settlements

PO is assigned in one or more VDCs to identify the settlements with higher concentration of PAF's target communities. Participatory social assessment is done at selected settlement. All households of a settlement are categorized into hardcore poor, poor and non-poor based on participatory well-being ranking.

1.2.4.4 Formation of Community Organization (CO)

Community Organization (CO) is formed with membership from the defined household during social assessment. Only hardcore poor, middle poor and poor are organized into CO to ensure "poor take decision" for them. At least, 80 percent of the CO members are to be poor, women, *Dalits* and *Janajati*. It is also mandatory that 50 percent members of a CO should be women, and key position-chairman, treasurer and secretary- must be fulfilled by poor, women, *Dalits* and *Janajati*.

1.2.4.5 Community Sub-Project Preparation and Funding

CO with active participation of each member enlists problems, interest, needs and aspiration. After acquiring necessary and relevant information, CO identifies prioritized community sub-projects based on informed choice through a participatory manner. CO also seeks necessary help and facilitation from PO for technical assistance, particularly in survey, design, market study, pre-feasibility and feasibility studies. Economically, socially and environmentally viable community sub-projects, prepared with participatory Community Action Planning (CAP) process, are selected and developed into the community people.

1.2.4.6 Community Sub-Project Implementation

CO or beneficiary community is wholly responsible for implementation of an agreed community sub-project. If required, CO revises community action plan and ensures community contribution by developing community contribution plan, purchasing plan and revised implementation schedule.

1.2.4.7 Monitoring of the Programme

Participatory monitoring and supervision is adopted to monitor PAF activities and ensure and valuable implementation of the community sub-projects. PAF monitoring system monitors frequently and periodically at COs, POs and PAF levels. It adopts participatory planning, monitoring and evaluation system.

1.3 Statement of the Problem

Nepal is one of the poorest countries in the world. According to CBS 2011, 23.8 percent people are living below the poverty line. It indicates that Nepal has poverty ridden economy due to high population pressure, inequitable ownership and low literacy rate, traditional technique of production etc. Larger population is involved in the substance agriculture. In general, lack of proper income generating activities and lack of entrepreneurship huge amount of foreign aid is not being used properly and this trend is going on.

UN claims that PAF could address the issues of the poor communities. PAF was also agreed to do for the poor communities. However, the experience showed that most of the poverty focuses programme and communities; organization has been used in favor of the local elites and well of people. Hence, this study has to find out that the PAF is used for the betterment of the rural poor.

The study will seek to find out the answers to the following problems:

- (i) What is the impact of income generation activities conducted by PAF in the study area?
- (ii) What is the impact of infrastructure development conducted by PAF the in the study area?

1.4 Objective of the Study

Access the overall objectives of the present study is to evaluate PAF program held in ShikharpurVDC of Baitadi district. More especially this study focused on the following issues:

- (i) To analyze the income generation activities conducted by PAF and its impact in the study area.
- (ii) To analyze the impact of infrastructure development activities conducted by PAF in ShikharpurVDC.

1.5 Significance of the Study

Nepal's commitment to meet Millennium Development Goals [MDGs] is to reduce the poverty level to 10 percent in 20 years. To meet this goal, Poverty Alleviation Fund is one of the major projects. Though, poverty alleviation is given major priority

since fifth five year plan, the poverty rate has been declining in slow rate and proper increment in income generation is not seen.

The economic benefit and impact of income generation and community infrastructural development under PAF can be very large. The benefits are direct benefit and as well as indirect benefits. Such as increase in income, increase in productivity, social inclusion, and increase in women empowerment through social mobilization. The strategy of PAF, such as social mobilization and capacity building and by raising their excess to quantity basic survives in cost effective and sustainable manner with their direct involvement, which can raise income level and can be incentives of development.

A few studies related to PAF are available. This study will analyze households Income Generation activities, its impact in income generation activities and women empowerment in the local level. Further the major socio-economic determinants that increase in women participation in Community Organizations. It is expected that this study will provide guideline for project implementation and further research.

Poverty reduction is a major goal and issue for many international organizations, such as, The United Nations and The World Bank etc. UN and the World Bank claim that PAF could address the issue of poor communities. However, the experience showed that most of the poverty focused and community organization has been used in favor of local elites and well off people. Thus, this study has to find out that the PAF is used for the betterment of the poor people.

1.6 Limitations of the Study

This study has following limitations:

- (i) This study mainly based on information collection from ShikharpurVDC of Baitadidistrict.
- (ii) This study is only the case study of ShikharpurVDC of Baitadi. So it may not be generalized for the entire PAF program.
- (iii) Thisstudy covers only the condition after implementation of PAF.

1.7 Organization of the Study

The study is divided into five chapters. The first chapter includes introduction of related topics, introduction of PAF, statement of the problem, objective of the study

and scope of the study. The second chapter represents an extensive review of related topics which is categorized into two portions i.e. theoretical review and review of related topics. The third chapter deals with the method of research design nature and source of data, selection of study area, population and sample method of data analysis etc. The fourth chapter highlights the existing socio-economic status of the Shikharpur VDC and impact of PAF programme in the study area. The fifth chapter mentions the summary, major findings and recommendations.

CHAPTER-II

LITERATURE REVIEW

Many more literatures are found in the field of poverty. Some of them are reviewed here to make our subject matter more relevant and relative. The study of different article and literature has been as following:

2.1 Theoretical Concept

Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness lack of representation and freedom (World Bank, 2008).

Poverty has originated from socio cultural execution, discrimination and weak political structure. It varies immensely with geographical location, gender, caste, religion; political power lies in the hand of some rich and international elites. More than 24% of the population lives on less than US\$1 per day(World Bank, 2012).

Chronic poverty tends to be especially concerned rather than evenly spread. Most national households survey data shows a significant region dimension to the induced of poverty with greater proportion of poor household in remote, unflavored weekly integrated or conflict affected areas. The high incidence of chronic poverty because of number of people affected. Two-third of the 1.8 billion people estimated to be living in the rural areas of developing countries are in less favored and low potential areas and evidence suggests that they are at greater risk of being poor in poverty for a long time (CPRC, 2004).

Poverty is a situation where a population or sector of population is able to meet only its base subsistence essential of food, clothing and shelter in order to maintain minimum level of living. He further added the international poverty line an arbitrary international real income measures usually in a constant dollars(e.g.50\$) used for a basic for estimating the portion of the world's population that exist at base level of subsistence those income fell down this poverty line (Todaro,1998).

The dependency theorists advocated that under development of the third world countries was due to the exploitation of their resources by developing countries. The process of development in rural areas may be compared with the core periphery

model, the cores are recently locating areas, which draw resources from periphery in the way, and rural areas are too much potential by urban area. To alleviate rural poverty, rural development process should be effective, but it does not work so. Therefore weaker sectors are poor, one of the important aspect of rural poverty. This is due to extraction of surplus of production, which caused by colonialism, neocolonialism and internal capitalism. Similarly it is affected by uneven changes between third world and developed countries, rural and urban areas. In the same way, the other factors affecting poverty are identified as pre modern social structure, health and poor nutrition, poor environment, natural disorder, shortage of resources, distribution of resource, war and destruction, rapid population growth, degradation of environment, inappropriate development policies, biasness in policies against rural sector, inefficient government and lack of education (Lipton,1983).

Development is multidimensional process involving change in the structures, attitudes and situations as well as acceleration of economic growth, the reduction of inequality and eradication of absolute poverty. The failure of development and governance in Nepal created pre-conditional poverty, inequality, social discrimination, and lack of social justice and democracy for widespread discontent, elected bodies disappearance, which were major fundamental activists for the development of rural areas, are not in active participation due to unstable political situation in Nepal. Discriminatory practice and the social execution of women and disadvantaged groups have also been the source of frustration and conflict with local communities. The government has been ineffective in addressing the needs of poor, marginalized, disabled and vulnerable is practiced as working against the interests of ordinary people and is falling to address the underlying causes of internal conflict (Bhandari, 2010).

Poverty causes suffering from among millions of people, many of the poor cannot buy the food shelter, clothing and medical care that they need. Neediness causes malnutrition and poor health. It also produces feeling of frustration, hopelessness and a loss of dignity and self-respect. Government and private sector organizations have tried to reduce or eliminate poverty. But it remains a wide spread and serious world problem. The different definitions of poverty from country to country make it difficult to determine how many people are poor. It is estimated that more than one billion people, about a fifth of the world population are so poor that their health and lives are endangered. The most widespread and sever poverty occurs in nations with

few resources. These nations sometimes called developing nations with few resources. Article will deal mainly with poverty in the United State and other highly industrialized countries (World Bank, 2010).

According to the Britannia Encyclopedia; poverty is the condition that is said to exist when people lack the means to satisfy their basic needs. Those may be defined as narrowly as those necessary for survival of as broadly as those reflecting the prevailing standard of living of the community. The first criteria would cover only those people near the border of the line of starvation. The second would extend to people whose nutrition, housing and clothing through adequate to preserve life ensure up to those of the population on the whole.

Poverty is not simply a question of economic deprivation and social disorganization, but generated the way of life with its own feature of strategy and order. The culture of poverty was particularly developed in a situation of rapid social change, urbanization, conquest and colonization, but once in existence it acquires a considerable stability as it was passed on by family from generation to generation. The culture of poverty is composed of a mixture of economic, social and socio-psychological factors. Some of the principle features that Lewis identified are, the lack of participation of poor in major social institution, their distinctive attitudes towards their situations and failure possibilities (Lewis, 1966).

Poverty is low standard of living that lasts long enough to undermine the health, moral, and self-respect of an individual or group of individuals. The term is relates to the general standard of living in the society, the distribution of wealth, the state of system and social expectations (William, 1999).

Nepal's rural area have an abundance of project created and project dependent beneficiary groups but a shortage of profitable enterprises that create income for owners/members and employment for the poor. Many dependent partners including IFAD, contributing this situation based on broadly occupied paradigm at the time that targets beneficiaries need to be organized in groups for the distribution of project service goods and money. Nepal's agribusiness and agro-industries are at an infant stage, but rapid urbanization and neighboring markets offer opportunities for introducing a new approach in which the focuses would be on developing a new approach in which the focus would be on developing profitable enterprises of

economic scale, engaged in various simple and more advanced technology (packaging, processing of agriculture products). Such enterprises will generate employment for landless people who will not be able to escape poverty without off-farm income (IFAD, 2012).

“Road to Poverty Alleviation” is an article written by Shrestha in *The Rising Nepal*. Shrestha has expressed views regarding poverty reduction through the improvement in economic field. Economic development leads to the rising of the people from the poverty line. Also, many Nepalese poor people live in rural areas. Local bodies have a vital role in poverty reduction. The current plan has taken them as one of the pillars of development. Local enterprise should be increased and directed towards rural poverty alleviation. Poverty in Nepal is acute covering around 31% of the people below the poverty line. Only 62 years of life expectancy and around 50% of adult literacy. The poverty is concentrated mainly in rural areas of mountain and hilly region covering women, dalit, janajatis. In the present world, local government is considered to play a major role in solving different problems including rural poverty reduction.

Decentralization experts have expressed their views that decentralization through intervention on allocation of resources can alleviate poverty. People can be empowered by providing them basic services and such actions can reduce poverty. In Nepal decentralization has been exercised and such action can reduce poverty. However it has not been possible to reduce poverty substantially. The pattern of local government expenditure is basically not poverty alleviation oriented. If central government wants to engage local bodies in alleviating poverty, it should be reoriented in future. In this case local bodies can be helpful in poverty alleviation. All the allocated functions should be developed to local bodies and the expenditure should be designed considering the poverty status in the district (Shrestha, 2007).

The Book “*The Himalayan Poverty: Prosperity through Rural Development*” written by Kunwar, (2003) pointed out causes of poverty. Kunwar said that mainly throughout the world the following prime factors are responsible for poverty: (a) Over population (b) Imbalance distribution of resources of global economic (c) Living standard not matching with the income (d) Insufficient education and low opportunities for employment (e) Environmental degradation, (f) Individual irresponsibility and dependency. Other causes are indebtedness, unemployment, loss

of jobs and litigation. In addition, bad habit, over expenditure, laziness and reluctance in utilizing labor as capital, are also responsible factors that cause the poverty.

A poverty trap is “any self-reinforcing mechanism which creates poverty to persist from generation to generation, the trap begins to reinforce itself, if steps are not taken to break the cycle. In the developing world, many factors can contribute to a poverty trap including limited access to credit and capital market, extreme environmental degeneration (which depletes agricultural production potential), corrupt governance, capital flight, poor education system, disease ecology, lack of public healthcare, war and poor infrastructure.

Jeffery (2005) has discussed the poverty trap and prescribes a set of policy initiatives intended to the end of the poverty trap. He recommended that aid agencies behave as venture capitalists funding startup companies. Sachs points out that the extreme poor lack of six major capitals: human capital, business capital, infrastructure capital, natural capital, public institutional capital and knowledge capital. He then details poverty trap: the poor starts with a very low level of capital per person and then finds themselves trapped in poverty because the ratio of capital per person falls from generation to generation. The amount of capital per person declines when the population is growing g faster than capital is being accumulated.... The question for growth in per capita income is whether the net capital accumulation is large enough to keep up with population growth.

Sachs argues that sufficient foreign aid can make up the lack of capital formation in poor countries, maintaining that “if the foreign assistance is substantial enough and lasts long enough, the capital stock rises sufficiently to lift household above substance.”

2.2 Review of Related Studies

Asian Development Bank (ADB) has expressed the views regarding progress and achievement made by Nepal in the context of recent political and social developments. It stated that Nepal has made significant progress in poverty reduction and poverty incidence has declined from 42% in 1996 to 31% in 2004. However, poverty levels are unevenly distributed among various castes, ethnic groups and by region. For example, poverty in rural areas remain much higher than in urban areas. Despite the decade long conflict, Nepal has made progress on some Minimum

Development Goal (MDGs), such as, those related to poverty, gender equality, tuberculosis and child mortality. Although, some improvement has also been made in primary education, maternal health and HIV/AIDS. The corresponding MDG Targets in these are unlikely to be met by 2015. However with the end of conflict and peace process is in progress, development spaces has increased considerably in Nepal and the country has opportunity to accelerate progress on poverty reduction and achievement of MDGs (ADB, 2012/13).

NLSS I, II and III (1995/96, 2003/04 and 2010/11) have studied for the purpose of examining the effect of remittance on households consumption and poverty, a household level, analysis of migration, choice estimated jointly with household consumption in each of the status using simultaneous switching regression model, a panel analysis of 72 districts of Nepal and a gross country model relating growth poverty and remittance. Household receiving remittance increased to 55% from 31.9 percent reported in NLSS 2010/11, or this income 79% is used for daily consumption, while only 2.4% is invested for capital formation.

Nepal has considerable scope of exploiting its resource in area such as hydropower and tourism, but a lack of political will, weak implementation of state policies, and the government's failure to maintain law and order have sustainably curbed the growth of the economic sector. Although the country has attracted the interest of foreign investors in the recent years, lack of security and unnecessary interference by workers and trade unions are continuously diminishing any such perspectives. Similarly the country's small economy and its technological backwardness, remoteness and susceptibility to natural disaster also restrict the perspective of foreign trade. The preliminary estimate of per capita gross domestic product (GDP) at current price stands at Nepalese rupees 41,851 for 2009-2010. As measured by GDP, the economic growth of the country was 3.4 percent in 2009/10 against the target of 4.5 percent, due to slow growth rate in non-agricultural sector. Nearly one-fourth of population lives below the poverty line and two percent of the population in Nepal is unemployed. Agriculture is the major occupation, with 76% of households involved in agricultural activities. Remittance has become one of the foremost. Source of income in Nepal, with nearly 56% of household receiving some sort of remittance (NLSS, 2011b).

Nepal is one of the poorest countries in the world with a per capita income of \$ 387 per annum and weak human Development indicators. Access to basic social services is generally poor for large section of the population. Nevertheless, despite, More than 10 years of armed conflict within the country, Nepal has made significant progress in poverty reduction and human development during the past decade. Income poverty has been reduced from 42% in 1996 to 31% in 2004, but the reductions are unevenly spread among ethnic groups and geographical regions, significant inequalities remains Nepal Including those related to income poverty, gender equality, incidence of tuberculosis, and child mortality also widely exist in Nepal. Although, progress have been made the MDG in primary education, maternal health and HIV/AIDS are not likely to be met (Heytens, 2007).

Prasad(2010) in his article “Multidimensional Poverty Index (MDI) A way ...” Points out that “There are wide variation in poverty level based on rural-urban divide, geography, gender, ethnic group and occupational caste. The Mid and Far Western regions are characteristics by high level of poverty. It is estimated that 95 percent of poor live in rural areas . Out o these four fifth are either self-employed in agriculture or agriculture laborers. The average land holding of poor farmer is much less than that of non-poor’s. It is higher among women, Dalits, tribes and female-headed households .

44 percent of the population are still under the poverty line. The HDI is based on multidimensional poverty measurement system. The system is an alternatives to income-based on poverty estimates. According to HDI-2013, “the population living in poverty in Nepal is higher, compared to other countries in the same region.” Nepal is unlikely to reach the Millennium Development Goals targeted by 2015 of “Achieving full and productive employment and decent work for all, including women and young people.” The lack of in-country employment opportunities leads many Nepalese to seek employment outside their homeland. The unemployment of Nepal’s trade and industry, the low volume of exports, low agricultural productivity , access to affordable credit and the week low and other situations, all situations to the good employment opportunity and the relative weaknesses of Nepal’s economy (HDI,2013).

World Bank: For the poorest developing country in the world the Banks problem are based on poverty reduction strategies by combining a cross-section of local groups

with an extensive analysis of the country's financial and economic situation. The World Bank developed a strategy pertaining inequality to the country in question. The government then identifies the country's priority and targets for the education of poverty and the World Bank aligns its aid efforts correspondently.

CIA World Fact book describes Nepal as a poorest country and least developed country in the world. About one quarter of its population living below the poverty line. Agriculture is the main base of the economy, providing livelihood for the three-fourth of the population and one third of the total GDP. Industrial activities mainly involves in processing of agricultural products, including pulses, jute, sugarcane, tobacco and grain. Nepal has considerable scope in hydropower with an estimated 42,000 MW of feasible capacity but political instability hampers foreign investment. Additional changes to Nepal's growth include its landlocked geographic location, civil strike and labor unions(CIA, Nepal Economy, 2014).

In the Year 2000, all United Nations Member states including Nepal, have decelerated the Millennium Development Goals (MDGs), which has become a universal framework for development and means of development and means for developing countries and their development partner to work together in pursuit of a shared future for all. The goals the Millennium Declaration and International Development Goals have been merged under the destination of MDGs.

Millennium Development Goals- 2000 are as follows:

- i. Goal 1: Eradicate Extreme Poverty and Hunger.
- ii. Goal 2: Achieve Universal Primary Education.
- iii. Goal 3: Promote Gender Equality and promote Women Empowerment.
- iv. Goal 4: Reduce Child Mortality.
- v. Goal 5: Improve Maternal Health.
- vi. Goal 6: Combat HIV/AIDS, Malaria & other Disease.
- vii. Goal 7: Ensure Environmental Sustainability.
- viii. Goal 8: Develop a global Partnership for Development.

As per the Millennium Development Goals Report, the United Nations (UN) has overviewed the progress at the MDGs of the mid-point of the 15 Years (2000-2015). It also outlined peace, security and development concerns, including the areas of

environment, human rights and governance. The proportion of people living in extremely poverty fell from nearly a third to less than one fifth between 1990 to 2004. If the trend is sustained, the MDGs poverty reduction target will be met for the world as a whole and for the most regions. In most developing countries, the average income of those living on less than US\$1 a day has increased. Similarly, the poverty gap ratio has fallen to 6.7% in 2004, where it was 11% in 1990. This region the poverty gap ratio, which reflects the depth of poverty as well as its incidence, has declared in this particular region (MDG,2007).

To achieve the goal of MDGs the country is in urgent need of a quality growth and an inclusive development. Thus, to reach the MDGs needs: (i) Policy change that facilitates increased mobilization of domestic resources and foreign assistance; and (ii) enabling policies and institutional environment that will ensure that the resources are used efficiently and effectively. In this front, a concerted effort of the other constitutions of Nepalese society, including UN, Non-Government organization (NGOs), donor agencies, Civil Society and communities it large is also the need of the day.

Poverty Alleviation Fund was established in 2004 as a special and targeted program to bring to excluded community in mainstream of development. Between FY 2004/05 and FY 2011/12 a total grant of Rs. 10.62 billion has been provided to community organizations (Cos) that are running Income Generation programs, small infrastructure and new program under PAF in 49 districts. 9.52 billion has been provided by World Bank, 0.69 billion from Trust fund Grant and 0.4089 billion provided by government of Nepal. As per the effectiveness assessment study conducted by CEDA under the Tribhuvan University in 2010, positive result are seen in the consumption capacity of the poor, food security situation income, social development, school going trend among the children and women empowerment. Likewise, the study revealed that the beneficiaries' consumption capacity has gone up by 31 percent at actual price while the consumption capacity of those households financial support from 0 to19 months has increased by 44 percent. The study has also shown that the food availability to the poor rose by 70 percent. Likewise another social analysis study showed 62.5 percent growth in average income of beneficiary household (MoF,2013).

For the first time PAF begun its programmes in pilot six districts such as Siraha, Ramechhap, Kapilbastu, Pyuthan, Mugu and Darchula in 2004/5. The pilot district has covered mountain, hill and terai regions. PAF doesn't work itself and it works with partner organizations. So, POs facilitation to COs in capacity building, income generation, infrastructure and social mobilization. The pilot districts where programmes became very effectively run and achieved targeted results during the visit team of World Bank. After the completion of visit, the team recommended to PAF for extension of its 2nd phase programmes in 19 districts and accordingly PAF launched its programmes in Humla, Jumla, Dolpa, Jajarkot, Kalikot, Doti, Achham, Rukum, Ropla, Bajhang, Bajura, Sindhuli, Rasuwa, Mahaottari, Dailekh, Baitadi, Sarlahi and Rautahat in 2005/6 which is belonging to the category of most deprived districts in Nepal. Now, again programmes have launched in 15 Districts since 2008/9. Those third phase programme districts are Okhaldhunga, Sindhupalchok, Solukhumbu, Saptari, Bara, Parsa, Udayapur, Bardiya, Salyan, Khotang, Panchthar, Terathum, Taplejung and Dhanusha (PAF, 2010).

All of the PAF's activities (sub-organizations) show that it has changed the targeted people, aspect and various places such as; community development, people's participation, social mobilization, employment opportunities, self-employed, empowerment of women, disable, lower caste children and disadvantage groups. It includes the inclusive community and people without biasness. It has also encouraged local communities in various places. To sum up, it has changed the socio-economic status, socio-cultural change in the rural society of Nepal.

Poverty is the state of lack of capacity to fulfill basic human needs, such as clean water, nutrition; health care, education, clothing and shelter. It emendates largely from the inability to afford for them. In Nepal low economic growth and agricultural productivity, poor social and economic infrastructure and the lack of non-agriculture employment are contributing to poverty. The poor live predominantly in rural areas and engage in traditional and substance farming on small plots of low quality land, and limited access to credit infrastructure, markets and basic social services, often because of remoteness, and rely heavily on seasonal migration and remittance. In certain cases, ethnic groups, women and those living in remote areas are socially excluded and seriously behind in terms of income, assets, and most human development indicators (PAF, 2012).

PAFs converse have already resulted in the formation of over 23,488 community organization (Cos) spread over 49 districts. Nearly 663,151 households are direct beneficiaries of the PAF program. Of which 75 percent are women and 65 percent are ultra-poor (hardcore poor: food sufficiency less than three months, as per the criteria fixed by community), 25.6 percent fall under poor category (food sufficiency more than three months but less than six months), nine percent fall under poor category (food sufficiency more than but less than a year), and 0.2 percent fall under non-poor category. The important achievement made by PAF is that it has demonstrate that even modest amount of resources extended to community led development program, that can help many poor families get on a sustainable path to get out of poverty. PAF has been successful in reaching out to over 663,000 poor households supporting different income generating activities and community infrastructure projects. Out of the total investment of total investment of Rs. 13,118 million, 67.2 percent of PAF investment went to income generation activities, followed by 27.7 percent to community infrastructure development projects, 3.2 percent to community capacity development and remaining 1.9 percent to community organization management and maintaining activities. A wide range of income generating activities has been demanded and supported based on the potential of communities and opportunities available to local level, including availability of raw materials, resources, access to market skill and traditional occupation among others. Income generating activities can be grouped into different sectors like agriculture, livestock service, trading, manufacturing and others (PAF, 2014).

An independent impact evaluation, 'The Follow-up Survey 2014 ', showed that the overall welfare of PAF assisted households improved by 13-49 per cent depending on when they received PAF support. The estimated net impact on per capita consumption (in real terms) growth is 13 per cent for households that took part in PAF Income Generating (IG) Programme, 28 per cent for households that received some monetary support from PAF and 49 per cent for beneficiaries who received monetary support from PAF for at least six months. The net impact in per capita consumption growth is even higher among *Dalits and Janajatis*. Among PAF beneficiary caste/ethnic groups, real per capita consumption growth stood at 34 per cent, as against 28 per cent in general. Due to programmes of PAF, school enrolment rate among six- to 15-year-old children went up by seven percentage points among

households participating in IG activities, nine percentage points among PAF money recipient households, and 12 percentage points among those receiving monetary support from PAF for at least six months. In child malnutrition measured in terms of underweight, the results were not as impressive as in other sectors. Nevertheless, incidence of underweight among children below five years of age is estimated to have declined by five to 10 percentage points. The programme has also helped raise access to services such as agriculture centers, community forest groups and farmer groups, and is positively supporting women's empowerment (PAF, 2015).

CHAPTER- III

RESEARCH METHODOLOGY

3.1 Introduction

Research methods applying to collect information about the rural people living in the ShikharpurVDC of Baitadi district described in this chapter. The required data were collected from both primary and secondary sources

3.2 Rationale of the Selection of the Study Area

The study area ShikharpurVDC is located in hilly district. The Poverty Alleviation Fund (PAF) in Shikharpur is relatively old started in 2006. This study area is suitable to find out the effect of PAF upon the rural poor communities. The previous studies mostly were confined on hilly areas of the country. The present work will be helpful to understand the dynamic of PAF in the hilly region.

3.3 Research Design

Descriptive research design has been applied in the study. This design helps to understand the process of PAF in Shikharpur. This study is based on descriptive as well as exploratory research designs. Descriptive research design has been used to gather round qualitative information about the research area and exploratory design is used for collecting information about respondent's views and ideas about the programs, their problems, their participation, etc.

3.4 Sampling Procedures

The sampling universe is the total number of COs of this VDC. The members of COs and a team of staff of SamarthanSamaj organization from this VDC had been selected by lottery in this study.

A Purposive Sampling technique has been employed for the selection of the study population. But members of COs and a team of staff of SamarthanSamaj organization have been used for as respondents. Similarly, observation of community in vegetable farming, animal husbandry, kirana shop, entrepreneurship, hotel business, tailoring, leadership, gender participation, enrollment of children, fruit cultivation, revolving fund management, regular meeting, saving and credit status, management of leaders, group, hard core poor and women, use of toilet, fruit trees growing,

environmental sanitation, gender equity, practice of food habit etc. are a must for observation in visit communities.

A total 80 respondents whereas 75 members from 32 COs and 5 from a team of staff of SamarthanSamaj organization. Similarly, 25 households have been taken for the observation of infrastructure development.

3.5 Nature and Sources of Data

The nature of the study is descriptive as well as analytical. The primary data is collected by questionnaire and field survey. Similarly the secondary data is collected from following source:

- (i) Economic survey and budget speech, Ministry of Finance, Government of Nepal,
- (ii) Annual Reports and Progress Reports of PAF,
- (iii) Published documents of Central Bureau of Statistics,
- (iv) Dissertation available at Central Library and library of Central department of economics,
- (v) Newspaper and various articles, District profile and VDC profile,
- (vi) E-Mail and Internet, etc.

3.6 Data Collection Techniques

On the process of data collection tools and techniques are important. The collection of primary data had been generated, the structured questionnaire, semi or unstructured interviews; and observation as well as focus group discussion methods have been applied.

3.6.1 Interview Schedule

To collected essential quantitative data for the study, a format was developed and for sampling households. The format was developed by including several questions and inquires such as the demographic structure of the household and land ownership, the questionnaire covered the socio-economic status of the households, landholding, profession, decision making systems of the households and so on. These in formations were taken to discuss with the head of the family either women or men, whoever was available.

3.6.2 Key Informant Interview

A lot of methods, the primary data has been collected from key informants using the interview guide with semi or unstructured questions. The interview had been taken as cross checking for data obtained from questionnaire.

The informant has been interviewed on the impact of community forestry on local activities, like development, living standard, income of user groups. In this process information had been taken from PAF members, local people, politician, VDC secretary, and chairperson of user groups, local teachers, and social workers and so on.

3.6.3 Field Visit Observation

Eighty persons which were selected by purposive sampling has been visited and socio-economic change and impact of PAF activities has been observed in various sectors with the help of observation guide. And it has been recorded in file. This was very useful to know that what was recently happening in the study area. It also helped to prove the Quotations made by the respondents during interview schedule.

3.6.4 Focus Group Discussion

The focus group discussion has been located in the renowned place of VDC with active participation of all man, women, ethnic groups, *Dalit*, Children, Youths and Old persons using checklist. The discussion was started focusing the poverty related organizations activities in local area and its impact on developmental activities and on more issues.

3.6.5 Data Processing and Analysis

The quantitative data were analyzed in descriptive way. Most of the quantitative data such as the demographic structure of the study area, age, sex, literacy and education composition of the population, ethnic distribution are presented in tabular form and were analyzed. The qualitative information was put into them and interpretations were made.

3.6.6 Limitations of Study

This study is intended to explore current socio-economic status of rural communities before and after PAF program apply inhabitant of ShikharpurVDC. The study is based on the information available in ShikharpurVDC of Baitadi district. As such, the findings of the study cannot be generalized. Further, the study is limited to the study

of those people, which are identified as very poor by Committee for uplift of Depressed Communities. However, the specific situation could be different in different parts of hilly region but the general trend of the problem or situation will be same. So this study may be a reference material for them who have interest to research or work with rural people of Nepal.

Limitations of the study are mentioned below:

1. This study was considered those people who are living in ShikharpurVDC of Baitadi district.
2. It may or may not be applicable to other communities of Nepal.
3. The study is based on the sample size of 80 households of ShikharpurVDC.

CHAPTER-IV

PRESENTATION AND ANALYSIS OF THE DATA

4.1 Overview of Baitadi District and Study Area

Baitadi is hilly one of the least developed districts of Mahakali zone of Far-Western Development Region of Nepal. It ranks 62 in the terms of Overall Composite Index of Development. The district lies between 29°19' to 29°41' longitude and 80°15' to 80°54' Latitude. Politically, the district is divided into 62 VDCs and 1 Municipality. Poverty Alleviation Fund (PAF) launched its activities in the Baitadi District in 2006. PAF program presently covers all 62 VDCs and one municipality. Among them Shikharpur is one of the effective VDC. There are many Dalits and poor community in this VDC. There is inter-relation between poverty and socio-economic condition. As any poverty alleviation program should first identify the nature of poverty. Though, there are several views towards the study on nature of poverty but the conclusion is same. Poverty is arise due to socio-economic composition which causes less income like, small land holding, large family size, illiteracy, low level of education, unemployment.

This chapter attempts to describe these conditions faced by the people of Shikharpur VDC, based on information generated from the sampled households.

4.1.1 Distribution of Population of the Sampled Households

The distribution of population within 80 sampled households in the study area is presented in table 4.1

Table 4.1: Population Compositions of Sampled Households

Sex	Population	Percent
Male	312	52.2
Female	302	47.8
Total	614	100.0

Source: Field Survey, 2016

According to field survey, above table reveals that the population of male (312) is higher than the female of population (302). This table shows that there is 52.2 per cent of male population which is higher than female population that is 47.8 per cent. The selective household has the total population of 614.

4.1.2 Distribution of Population by Caste

There are various ethnic groups in the study area such as Brahmin, Chhetries, Lohar/Kami etc. most of the social and economic opportunities from central to village level are still in the hands of some particular ethnic group. It is found that the lower caste group possesses a very small land area and they are the most deprived section of the society. The below table shows the ethnic composition of the respondents.

Table 4.2: Distribution of Population by Caste

Caste	No. of Households	Percent
Brahmin	6	7.5
Chhetries	52	65.0
Dalit	22	27.5
Total	80	100.0

Source: Field Survey, 2016

Table reveals that there is a high proportion in Chhetricaste with 65 percent. Then after, Dalits and Brahmins takes the Second position with 27.5 per cent. There is a lowest per cent has been found in Brahmins caste in the study area.

4.1.3 Distribution of Population by Religion

Nepal is a multi-languages and multi ethnical country, whereas most of the people are devoted in Hindu religion. The distribution of population by religion can be presented as follows.

Table 4.3: Distribution of Population by Religion

Religion	Number of Households	Percent
Hinduism	80	100.0
Total	80	100.0

Source: Field survey, 2016.

Most of the Brahmin and Chhetri people are devoted in Hinduism. All of the people of the villages follow Hinduism.

4.1.4 Distribution of Population by Family Size

Family size is another factor which determines the income level or the living standard of the family. If all the family members are skilled and employed there is a good income otherwise there is a high dependency ratio. There are mainly two types of family found in ShikharpurVDC such joint family and nuclear family. Mainly joint families are extension in the study area. The table 4.4 shows the family size of the sampled households

Table 4.4: Distribution of Household by Family Size

Family	No. of Households	Percent
Joint	55	68.5
Nuclear	25	11.5
Total	80	100.0

Source: Field survey, 2016

It is clear that most of the households have joint family. Out of the total households 55 are joint family and 25 are nuclear family.

4.1.5 Distribution of Sample Households According to House Type

The people of ShikharpurVDC have made various types of houses like made by mud, hut small cottage and made by cement. Many of the sample household built their houses by mud but very few houses are made by cement in this study area. The distribution of sample households according to house can be seen in table 4.7

Table 4.5: Distribution of Sample Households according to House

Types of House	No. of Households	Percent
Made by mud	78	97.5
Made by cement	2	2.5
Total	80	100.0

Source: Field survey, 2016

Table: 4.5 shows that 97.5 per cent household respondents have made their houses by using mud and only 2.5 per cent households have made their household by using cement in the study area.

4.1.6 Land Ownership

Land is the prime asset in rural areas that determines an individual's standard of living and social status.. According to collected information, land ownership status of respondents is as follows:

Table 4.6: Distributions of Respondents on The Basis of Landholding

Total Areas of Land	No. of Respondents
0.5 Ropani to 5 Ropani	6
6 Ropani to 10 Ropani	9
11 Ropani to 15 Ropani	17
16 Ropani to 20 Ropani	17
21 Ropani to 25 Ropani	18
26 Ropani to 30 Ropani	10
31 Ropani to 35 Ropani	3
Total Respondents	80

Source: Field Survey, 2016

Out of the total respondents, none of them are landless and more than 80 percent respondents have more than 10 Ropani 20 percent respondents have the land less than ten Ropani, most of them who have less lands are mainly from Dalit communities. These landless households are totally dependent on sources of cash income to maintain their lives.. When PAF was implemented it was found that land-holding capacity of the community people has been increased satisfactorily.

4.2 Impact of Poverty Alleviation Fund in Shikharpur

4.2.1 Major Income Generating Activities

To raise the income generating level of the communities, PAF had supported them to operate various income generating activities. Among the various programs income generating activities program is one of the most effective program to alleviate rural poverty. It provides financial support and technical advice to the CO. In order to sustain its saving and credit activities, PAF has introduced a system for managing operating Revolving Fund. Income Generating Activities that are demand locally have the advantages of utilizing local resources. Their scope varies depending upon the accessibility of road and market.

The project had identified and supported various potential Income Generating Activities in working area. Some of the incomes generating activities found in the study areas are explained briefly as:

4.2.1.1 Goat Farming

Goat farming is well accepted income generating activities for the poor farmers. Most of the rural farmers are influenced by goat farming. Goat farming had not taken commercial structure at pre-program situation. But after the PAF intervention, commercial goat farming has increased comparatively. Out of the 80 households 24 households have engaged in goat farming. PAF had provided Rs.4000 per goat and four goats per households.

4.2.1.2 Buffalo Farming

Buffalo Farming in Nepal is a profitable business. It has good potentials for generating income and employment in community. Based on Economy of Nepal, depends on agriculture there are lots of possibilities in buffalo farming. It is a best source to improve the economic status of rural farmers.

Buffalo farming had not taken commercial structure before the program intervention. After the intervention of PAF, buffalo farming has increased comparatively. Out of the 80 households 18 households had kept the buffalo. PAF have provided loan Rs. 25000 each family to support buffalo farming.

4.2.1.3 Cow Farming

Cow farming in Nepal is an ancient farming system and still practiced traditionally. Cow farming is a main source of income generating in Nepal. People used to sell the milk on market maximize benefits and survive their lives.

Before intervention of PAF program cow farming is not in practice commercially. After involvement of PAF, farmers have started commercial cow farming. PAF have provided loan Rs. 15000 to each households who engaged in cow farming.

4.2.1.4 Poultry Farming

Poultry is fast growing meat business sector. Because of the high demand, Chicken Farming in Nepal is very popular in urban as well as in rural areas. Chicken farming is best source to maximize the income level for villagers.

After intervention of PAF program in the study area many households have engaged in poultry farming. PAF had provided Rs.10, 000 each family for poultry farming in the form of loan.

4.2.1.5 Vegetable Farming

Vegetable farming is the growing of vegetables for human consumption. Vegetable Farming is important to raise the economic condition. Raising demand of the green vegetables create many opportunities in vegetable farming.

4.2.1.6 Small Business

Small business or micro shops are also the main income generating activities. PAF had provided Rs. 25,000 to start the business.

4.2.2 Food Sufficiency

The main agriculture production in the study area was rice, potato, crown, maize and vegetables etc. Among the sampled HHs most of was found to be completely dependent in agriculture and had insufficient production for their livelihood. After implementation of PAF level of food sufficiency has been increasing satisfactorily.

According to collected information at past, 31.25 percent of respondents are Hardcore poor (food sufficiency less than three months), 37.5 percent of respondents are middle poor (food sufficiency less than six months), 18.5 percent are poor (food sufficiency

less than nine month), and only 12.5 percent are relatively non poor in terms of food sufficiency.

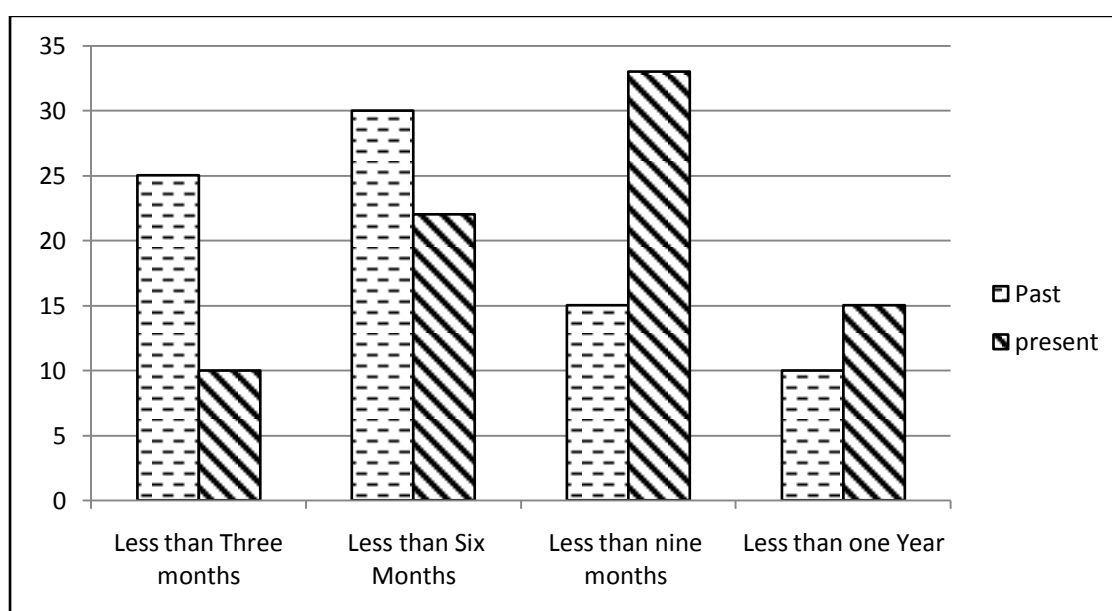
Table 4.7: Status of Food Sufficiency

S.N.	Food Sufficiency	Before PAF		After PAF	
		No. of Respondents	Percent	No of Respondent	Percent
1.	Less than Three months	25	31.25	10	12.5
2.	Less than Six Months	30	37.5	22	27.5
3.	Less than nine months	15	18.75	33	41.5
4.	Less than one Year	10	12.5	15	18.75
Total Respondent		80	100	80	100

Source: Baseline Survey(2006)/Field Survey (2016)

After the PAF implemented, it has been found that food sufficiency level of the community has been increased. After intervention of PAF only 12.5 percent respondents are Hardcore Poor, 27.5 percent respondents are middle poor, 41.5 percent respondents are poor and 18.5 percent respondents are non-poor in terms of food sufficiency.

Figure 4.1: Status of Food Sufficiency at Present and past



This figure 5.3 shows the comparison between past and present status of food sufficiency.

4.2.3 Livestock

According to collected information at past there were five different types of domesticated animals were usually raised in the study area of these communities. Among the respondents, 30 percent raised goat and 22.5 percent raised buffalo. Just over 12.5 percent raised cow. It would be a great source of cash, but these animals are also not raised in a large commercial quantity because of financial problem.

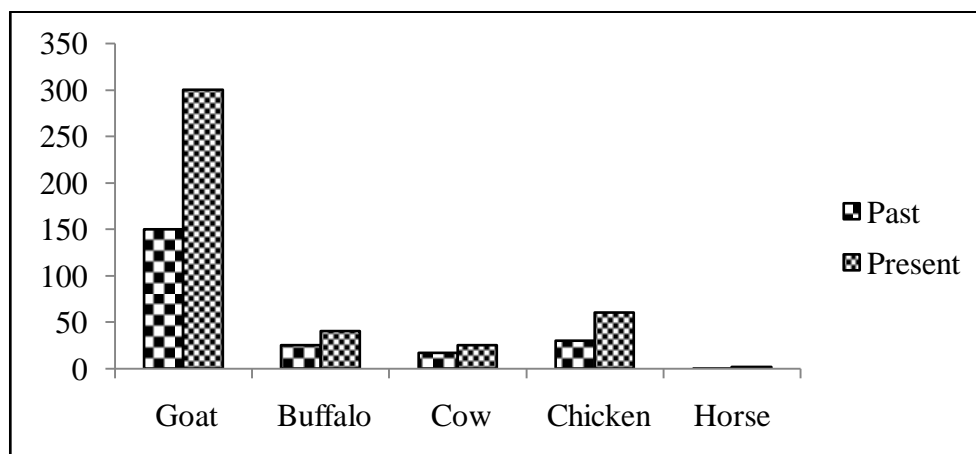
Table 4.8 Distribution of Livestock in Respondents Households Comparison between Past and Present

	Description of livestock	Before PAF		After PAF	
		HHs	No of livestock	HHs	No of livestock
1	Goat	20	150	24	300
2	Buffalo	15	25	18	40
3	Cow	10	17	10	25
4	Chicken	2	30	2	60
5	Horse	1	1	1	2

Source: Baseline Survey (2006)/ Field Survey 2016

After the PAF implemented the study has found that investment of community in livestock has been increased. The chart below shows that distribution of cows, buffalo and goat has been increased. The above table shows that they number of households involved in cow farming has increased, and the numbers of cows also increased, On the same way the number of household involved in buffalo farming and poultry farming is also increased. This shows that the commercial livestock farming increases and the income level of such households also increase

Figure 4.2: Distribution of Livestock in Respondent Households



4.2.4 Occupation Level

According to collected information before the PAF implementation the high frequency occurs in the wage labor, which was a major occupation. This is followed by agriculture, which covered more than 62% of the respondents. Majority of them have to supplement it with either caste-based occupational work or wage-lab our or both. Neither agriculture, nor caste-based occupation can provide most respondents full time employment. It is also apparent that wage labor, is the main source of livelihood for a majority of the respondents. It is most likely that the wages are also of the most minimal remuneration because of the unskilled nature of labor.

Table 4.9: Previous Occupations of Respondents

S. No.	Nature of Occupations	No of Respondent	Percent
1	Traditional Farming	25	31.25
2	Livestock	10	12.5
3	Labor (India)	20	25
4	Labor	25	31.5
	Total	80	100

Source: Field Survey/2016

Among the total respondents, less than 31.25% prefer their own traditional work. The cumulative reasons for this preference, expressed are the lack of other skills and the

lack of opportunity for jobs. The traditional occupation provided only Partial support. From their traditional occupation, they get less income and unable to manage their daily life. Therefore, they are forced to supplement their living from the daily market. 25% of the respondents used to go India as labor for hand to mouth purpose.

Table 4.10: Present Occupations of Respondents

S. No.	Nature of Occupation	No. of Respondent	Percent
1	Farming	60	75
2	Business	20	25
Total		80	100

Source: Field Survey, 2016

After PAF implemented it was found that involvement of community in agriculture and business has been increased which 75% and 25% respectively. It shows that intervention of PAF program has encouraged them in different micro-enterprise development.

4.2.5 Income Level

At past before the implemented of the PAF project the income level of people was very low .They did not have any finance to investment in anywhere. Only they earned money from labor or someone earned from agriculture by their less land.

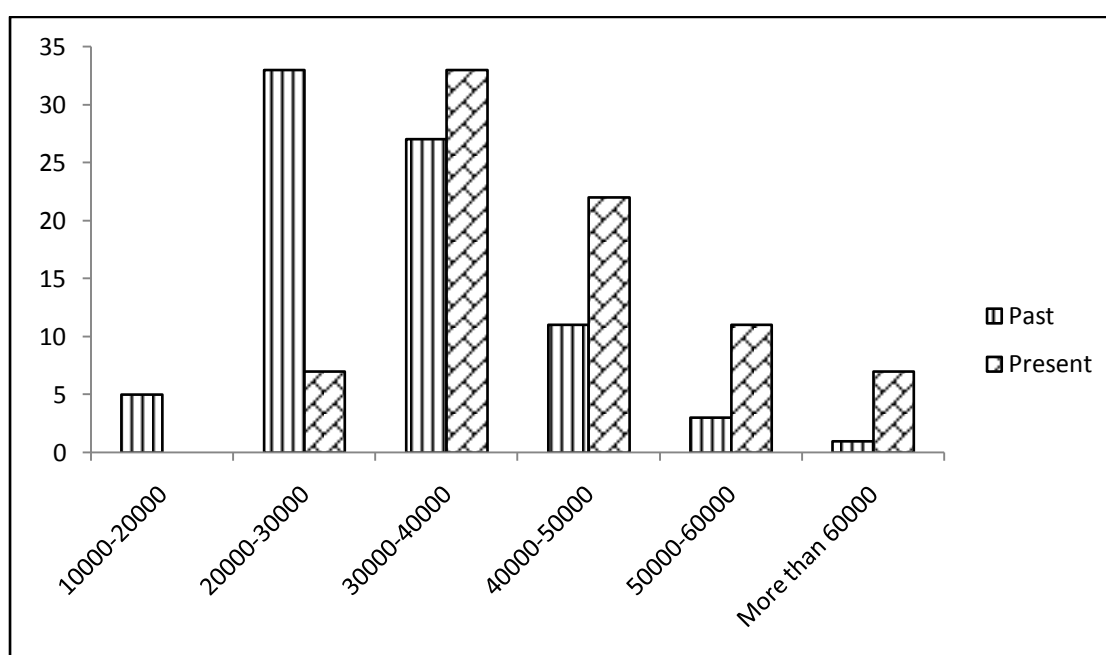
Table 4.11: Annual incomeLevel(before and after PAF)

SN	Income Level	Before PAF		After PAF	
		Respondents	Percentage	Respondents	Percentage
1.	10000-20000	5	6.25	0	0
2.	20000-30000	33	41.5	7	8.75
3.	30000-40000	27	33.80	33	41.5
4.	40000-50000	11	13.5	22	27.5
5.	50000-60000	3	3.75	11	13.75
6.	More than 60000	1	1.25	7	8.75
Total		80	100	80	100

Source: Baseline Survey, (2006)/ Field Survey, (2016)

After the intervention of PAF program, the income level of the poor people has been increased. They are engaged in agriculture and non-agriculture based microenterprise activities. The study shows that their annual household income has increased. Before implementation of PAF more than 47% respondents' family income was less than Rs. 30000. After implementation of PAF 91% respondents' annual family income is more than 30000. Out of them more than 22% respondent's family income is more than 50000. This shows that positive change has shown in the sector of increase in income level.

Figure 4.3: Annual Level of Income between Past&Present



4.2.6 Awareness Level

According to collected information and story before the PAF implemented women were very backward. They could not speak with others. They were always in cover of clothes. They were dominated with their husband, mother in law and upper class caste. They could not find out that what their status in society was. They had a lack of awareness.

But when the PAF program was intervened, the awareness level of the people has been found to be increased. The women community who were shy in speaking to people of community is able to give speech in the community gathering. They are able to table their demands, problems in the mass meetings. They are aware that

monthly saving of money can upgrade their life. They are more sensitive on health and hygiene condition. Regular cleaning campaign is being held under the leadership of women of the community.

4.2.7 Saving System Level

According to collected information before the PAF project they had no idea about saving system. They did not think about their future. From collected information 100 percent of respondents were not saved the money. But when the PAF program implemented there the program had given them classes of awareness program and also give them classes of saving. They knew from classes and they were aware of future and started to save the money. They called those types of money Revolving Fund (RF). Under the saving system CO member are collect money for Revolving Fund (RF). Revolving Fund is utilized to provide loan for income generation activities to them In Community, the Revolving Fund is called **GhumtiKosh**. In a community anyone can used that fund that have to need.

Table 4.12: Distribution of IG in Respondents at Previous

S. No.	Name of Activities	No. of Respondent	Percent
1	Small Shop	5	6.25
2	Agriculture Based Activity	20	25.0
3	Livestock Farming	35	43.75
4	Abroad (India)	20	25.0
Total		80	100.0

Source: Baseline Survey(2006), SamarthanSamaj, Baitadi

This table shows there were only No. of 5 family had small shop, 20 family had agriculture based activities 35 family had livestock raising, 25 percent respondent used to go India for work.

According to collected information, after the PAF implemented there was found Community Organizations (COs) are implementing livestock raising programs such as buffalo, cow, and goat raising service businesses like repair and maintenance

works, tailor and small retail shops. Agriculture based activities such as vegetable farming, nurseries are also run under IG sub-projects.

Table 4.13: Distribution of IG in Respondents at Present

S.N.	Name of Activity	No. of Respondent	Percent
1	Tailors & Small Shops	16	20.0
2	Agriculture Based Activity	10	12.5
3	Livestock Farming	50	62.5
4	Repair and Maintenance	4	5.0
	Total	80	100.0

Source: Field Survey, 2016.

This table shows above 62 percent of respondents are raising livestock, 5 percent respondents are doing repairing and maintenance works and 20 percent have their own tailor & small retail shop, and more than 12 percent of respondents are doing agriculture based activity.

4.3 Impact of Infrastructure Development

Surnaya-IV Micro Hydro Project is one of the Infrastructure Development build by PAF program. PAF has invested Rs. 304000 for installation of Surnaya-IV Micro Hydro Project in which there is 20% of the total investment is community based investment. Among the 9 wards of the VDC Micro hydro project covers two wards where 134 households are directly benefited from it.

Before installation of MHP there is backwardness of many kinds. Before this project people compelled to live under kerosene lamp light and use *jharro* to read and work at night, which produces a lot of smoke and causes of many respiratory disease. MHP is best source of rural electrification. Thousands of rivers falling from hill to terai, micro hydro project is easily implanted in low and reasonable costs in needed areas. Hence it is easy and effective way to provide electricity in Nepal.

MHP effects on villagers in multidimensional ways like light, education, income, sanitation, health, employment, communication, and technological improvement. Most of people use it for the purpose of lightening which makes their night life easier. People get easy communication access through the use of many electronic instruments and improve children's reading habit.

4.3.1 Electricity Consumption for Various Purposes

The micro-hydro project have vital role on the improvement of education of the children as well as adults. With the availability of light children can study additional time hour in healthy environment which may improve their performance in school and health condition too. People are aware of improve education because the use of TV Radio and other sources.

4.3.2 Effect on Children's Study Habits after MHP

After implantation of MHP the study of habits of children have raised. Most households agreed that the performances of the children has improved in the school than before. In the rural areas,

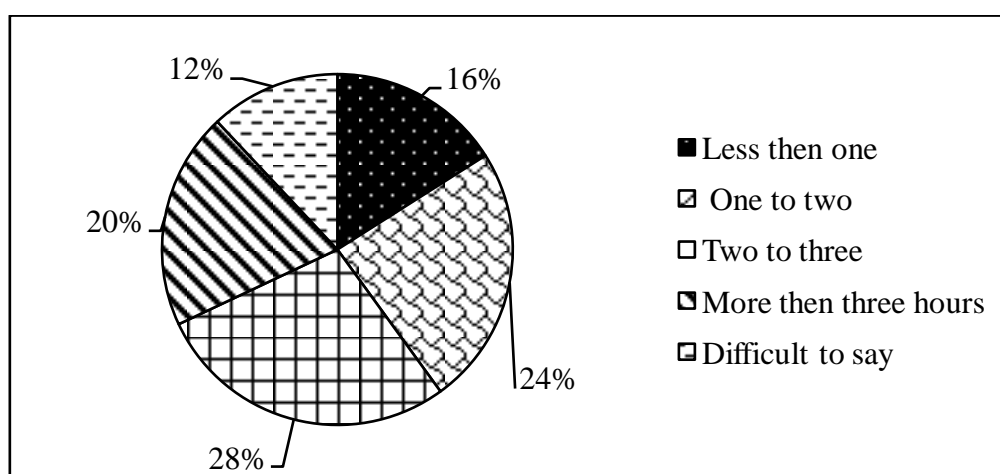
In the absence of electricity the student are obliged to use kerosene lamp while studying in evening and night time.

Table 4.14: MHP Effect on Children's Study

S.N	Increased Study Hours (in a day)	Households	Percentage
1	Less than one	4	16
2	One to two	6	24
3	Two to three	7	24
4	More than three hours	5	20
5	Difficult to say	3	12
Total		25	100

Source:Field Survey, 2016

Figure 4.4: MHP Effect on Children's Study



The above table and figure shows that out of total 25 sampled houses 4(16%) households children raised their study time less than one hours., 6(28%) of the households children raised their study hour 1 to 2 house, 7(24%) household children's study hours are increased by 2 to 3 hours. Similarly 5(20%) household children's study hour increase more than 3 hours. Hence most of the guardians of the schooling children their children have been studying at night time using electricity.

4.3.3 Impact on Health and Sanitation

MHP has multidimensional impacts; it helps to uplift the living standards of village. Smoke from fire wood and kerosene had made the health condition poorer. Staying in front of firewood for a long time caused the housekeepers health condition worse and children's health also damaged by kerosene and *jharro* used as the means of light to read. Indoor air pollution could lead the serious health problem such as respiratory disease asthma etc.

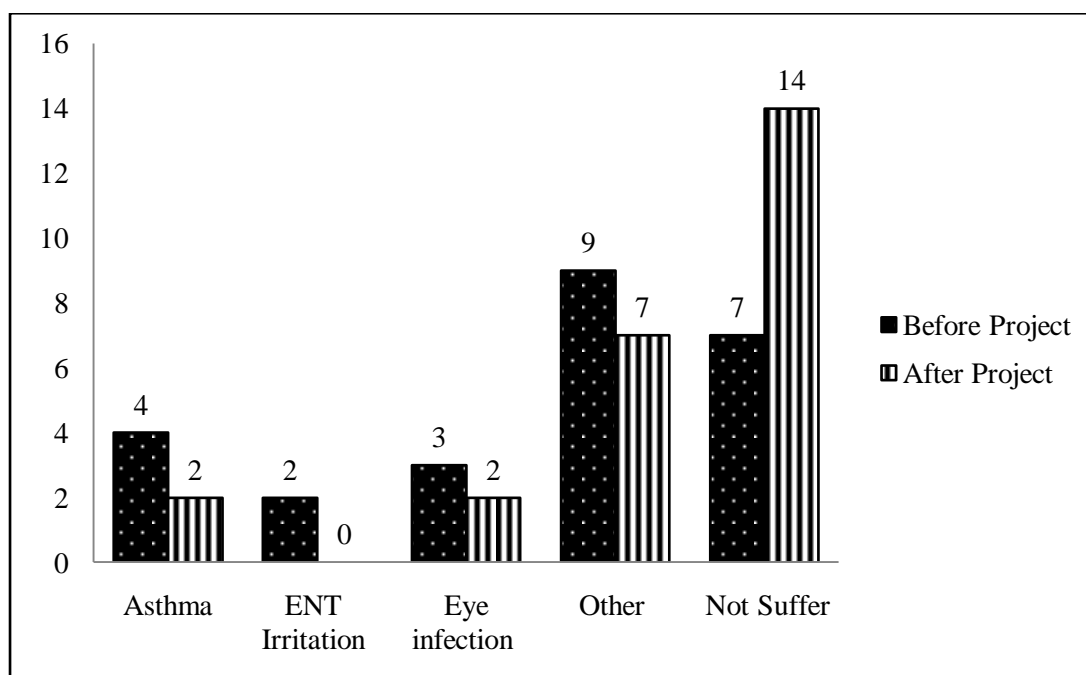
To Estimate the impact of Surnaya-IV micro hydro project installed PAF program each individual of household was asked whether they had suffered from disease from diseases such as Asthma ENT irritation Eye infection and other disease after and before the project. A list of these disease with the percentage before and after the project installed have been presented in the following table and chart below.

Table 4.15: Impact on Health and Sanitation

SN	Disease	Before Project Suffered Individuals	%	After Project Suffered Individuals	%
1.	Asthma	4	16.0	2	8.0
2.	ENT Irritation	2	8.0	0	0.0
3.	Eye infection	3	12.0	2	8.0
4.	Other	9	36.0	7	28.0
5.	Not Suffer	7	28.0	14	56.0
Total		25	100.0	25	100.0

Source: Field Survey, 2016

Figure 4.5: Impact on Health and Sanitation



The above table and figure depict that, the impact of Surnaya-IV Micro-hydro project on health of the people of study area. After the launch of the program, the ratio of suffering from any types of disease was decreased. Out of sampled HHs, 16% suffered from Asthma, 12% from Eye infection, 8% from ENT irritation, and 28% suffered from other diseases. After the MHP implementation, the suffering ratio from any kinds of disease was decreased. The above table shows that after the project, only 2(8%), 0(0%), 2(8%), 7 (28%) were suffered from Asthma, ENT irritation, Eye Infection, and other diseases respectively.

4.3.4 Impact on Entrepreneurship and Employment

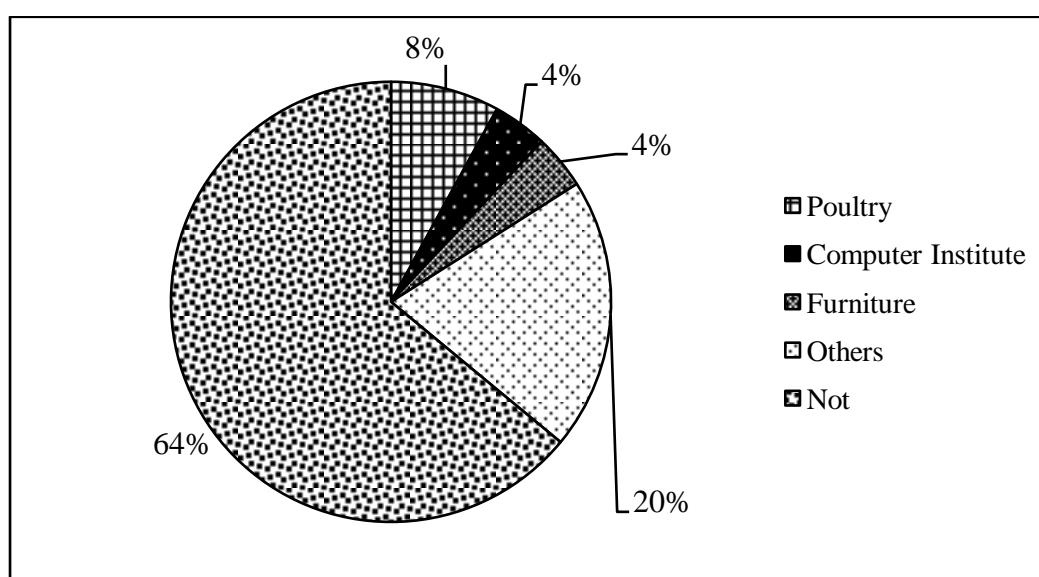
After the construction of the micro hydropower project, people involved in different kinds of business. Before the MHP project, there was a lack of any kinds of electronic and electrical shops. After the construction of the micro hydro project by PAF, two operators and one electricity consumption charge collector are employed in this project. By installing the micro industries and running business in the village, the people are able to create jobs.

Table 4.16: Kinds of Business after MHP

SN	Kinds of business or firm	Observation HHs	Percentage
1	Poultry	2	8.0
2	Computer Institute	1	4.0
3	Furniture	1	4.0
4	Others	5	20.0
5	Not	16	64.0
Total		25	100.0

Source: Field Survey 2016

Figure 4.6: Percentage of Different Kind of Business after MHP



The table and figure illustrates that, the impact of MHP on entrepreneurship. Out of total Sample 2(8%) households involved in poultry, 1(4%) HHS involved in Computer Institute, 1(4%) household involved in furniture and 5(20%) households involved in other business activities.

4.3.5 Household Consumption of Electrical Goods before and after MHP

Before electrification, the people in the study area are used few electrical instrument like Radio Tape using battery for limited hours. After electrification, the possession of the electrical instrument has raised significantly. People have now access of different entertaining and information varieties,. The table shows that the sample household consume different electrical goods such as radio /TV , computer, Laptop, iron bulb and other after the project.

Table 4.17: Various Electrical Goods Owned by Sample Household before and after MHP

S. N.	Electronic Goods	Possession of Electronic Goods (Among 25 HHs)		Change
		Before Project	After Project	
1	Radio / Tape Recorder	20	40	+20
2.	TV	0	20	+20
3	Computers/ Laptop	0	10	+10
4.	Iron	2	15	+13
5.	Mobile Phones	5	60	+55

Source: Field Survey, 2016

Figure 4.8: Various Electrical Goods Owned by Sampled Household before and after MHP

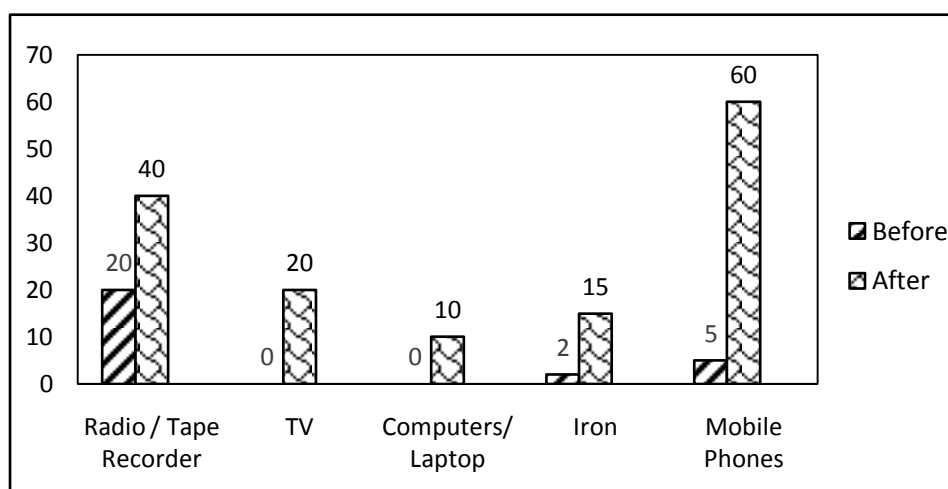


Table 4.17 shows that the sample household possesses electrical goods before and after the MHP project install. The table shows that there were 20 radio/ tape recorder among the sampled households after installation of the project the number of radio increased. Before MHP, there is no TV in the community. After the MHP installation, large no of households, who owned TV is there. Out of 25 HHs 20 HHs have TV. The table shows that there is no computer/ laptop before installation of MHP. After installation of MHP the no. of laptop/ computer is 10,. Further there is few numbers of mobile phone before installation of MHP but nowadays the numbers of mobile phones are heavily increased through the community. Though increasing mobile

phone is widespread, there is some impact of MHP too. Thus we can conclude that after the project number of electronic goods and user households are were increased than before due to the MHP project help to provide electricity at lower cost in comparing to other sources of energy.

4.3.6 Benefits of MHP Project

Micro-Hydro is boon for people because it provides electricity to run electrical equipment such as TV, Radio Mobile Phones, Computer laptop, and other. Impact of MHP project on access to information been assessed through the ownership of communication devices , radio listening , TV watching habits , using trend of internet services.

Survey found that all the sample households feel relaxed are enjoyed using MHP system for lightening. All of them agree that they are influenced by its various advantages like improvement health, time saving easy to work at night, increased reading habits, which is shown in the table below.

Table 4.18: Advantages of MHP

SN	Advantages of MHP	Agreed Household (Out of 25 Sampled HHs)	Percentage
1	Improvement Health	15	60.0
2	Time Saving	20	80.0
3	Easy to do work at night	25	100.0
4	Increased reading habit	20	80.0

Source: Field Survey, 2016

Table predicts that the advantages of MHP project ion the sampled households. Out of sampled household 60% of the respondent agreed that their health condition improved. Similarly 80% household agreed that they saved their time after installation of MHP. Almost 100% respondent agreed that they feel easy to do work at nighttime. 80% household’s children agreed that they have increased their study time and 40% households agreed that they are able to increase their agriculture production.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study focuses on the socio-economic analysis of Poverty Alleviation fund . This study is based on the primary as well as secondary data. Primary data were collected through the field survey and secondary data were collected from different sources like annual report and progress report of PAF, economic survey and budget speech, partner organization of PAF, VDC profile, DDC profile, etc. this is expected that the result from this study will provide valuable information. The main objectives of the study are to analyze the impact of income generation activities and to examine the impact of infrastructure development in this study areas. This chapter is the concluding chapter of the present study. By the first part summarize the finding from the study., the second part draws some conclusion and the third part lists some recommendation that can be from the study.

5.1 Summary

Nepal is one of the poorest countries in the world. 23.8 percent people are living below the poverty line (NPC, 2015).The main occupation of the sampled participant is agriculture and livestock. Among the sampled household more than 90% of the people involved in the agriculture. Among the sample households the average agricultural landholdings was 10-12 ropanis and most of the land is almost unproductive. So, many of them(41%) households were survived only for 3-6 months from agricultural production. So they need to secondary service for their livelihood. Among the households Chhetri represents the largest population of 65%, Dalits represents 27.5% and Brahmins represents 7.5%. In the study area PAF has been conducting its program since 2006. Few numbers of respondents gave the negative attitude to the PAF but mass respondents told the positive attitudes and works done by PAF in the study areas, nevertheless the condition after PAF is being increased and number of benefits have been gifted to socio-economic changes of Shikharpur VDC' households and local environments. .After the emergence of PAF, total development outcomes achieved by local communities were as social, economic development, infrastructure development and capacity building respectively. According to the baseline survey 31.5% of the sampled households are hardcore poor. But after implementation of PAF the percentage of hardcore poor reduced to 12.5%.

It shows that positive effect is shown in the food sufficiency level. The numbers of livestock are in the few numbers before implementation of PAF. But nowadays many professional firms of livestock such as goat farming, cow farming, poultry and others are increasing and income level of the members of PAF is increasing satisfactorily. Sustainable agriculture activities are decreasing and many income generating activities, such as, tailor and small shops, repair and maintenance service, are increasing. In each COs there is revolving fund and they saved certain amount of money per month. After implementation of PAF the awareness level of female has been found to be increase, Females who could not give speech among the mass, have become CO members holding major position. So, PAF have the major role in the rural communities to uplift the condition of poor.

In the sector infrastructure development PAF has financed in the installation of micro hydro project. PAF financed Rs.304000 to install Surnaya-IV micro hydro. After installation of MHP, significant positive changes appeared in the community. The main sources of energy of the sampled households before MHP are firewood for cooking and kerosene for lightening. Now MHP, Solar and firewood are main source of energy. In which MHP is mainly used all the sampled households for the purpose of lightening. It reduces the over expenditure on traditional energy source after installation of MHP, positive change have seen. Among the sampled households 56% respondents are agreed that MHP helped to improve the health condition. Most of the respondents agreed that the reading habit of school children has increased. 88% respondent said that their children's performance at school improved. After MHP people installed small industries /firms such as Computer institute, agro milling, poultry firms etc. Other business such as medical, photo studio, photocopy centered raise the villagers income level. Possession of various electrical instruments has increased after installation of PAF, which makes villagers life easy and help to change the life. Overall there is positive impact on health, education, communication, skill development, income employment, infrastructure development, technological improvement as well as productive work.

5.2 Conclusion

After the study in this area, following conclusion has been made after this study:

- (i) The program has helped them to introduce different entrepreneurship development activities. Members of the community Organization are engaged in animal farming, retail shop, wood carving and handicraft

activities, vegetable farming. As the project encourages in demand driven activities, members usually prefer the business, which they can conduct without any obstacles. They have achieved full success in the micro-business, which they have adopted.

- (ii) The income level of the community member due to involvement of the family in the PAF program has been increased. Members of targeted poor family are able to save certain amount in a month after being involved in PAF program. Hand to mouth problem of the family has been resolved.
- (iii) Women are aware on right-based activities. Women who were feeling shy to talk to other society or outer environment are able to talk on their right. They are able to give speech in mass on women empowerment and women rights.
- (iv) Inception of the program has helped them to adopt the habit of saving. Monthly saving by community organization has them to get financial assistance in emergency. The community Organization has their own revolving fund after seed money being provided by PAF. By contributing individual saving and paying interest amount they are able to increase the amount of revolving fund. This fund may help them to begin new business for the well-being of community.
- (v) Women are able to discuss on community problems and resolve the problem jointly. Earlier the women were not worried about the problems of their neighbors. But intervention of PAF program has made them to think about their society and neighbors. They conduct regular meetings to discuss on different issues of society.
- (vi) MHP has great potentiality towards reduction in demand in traditional fuels for meeting rural energy in isolated rural areas of the Nepal. The rural villages can enhance their livelihood and style of living. MHP has positive impact on income and employment it helps to rise in income and employment by helping to establishment of new business.
- (vii) Before electricity people have been using maximum firewood as light or cooking lamp has been using as light but when MHP established all respondents' living standard has been changed after MHP. It reduces the expenditure on different energy sources like kerosene, solar, etc.

So it can be less expensive source of energy. Due to the installation of MHP, the health conditions also get improved.

- (viii) Electricity supply has extended the social and recreation activities i.e. purchase of radio, mobile phones, TV, iron, computer, etc. After electricity facility studying hours of the children have been increased. Overall there is positive impact on health, education, communication, skill development. Income, employment, infrastructure development technological improvement as well as productive work.

6.3 Recommendations

Poverty Alleviation Fund has been Started in Nepal since 2004, periodically to meet the Millennium Development Goals determined by United Nations. PAF has invested mainly in two areas: Income Generation and Community Infrastructure Development. We can find completely inclusive investment of PAF in these program addressing the local market demand.

Out of these two areas PAF is successful on Community infrastructure development program, but it seems less successful in income generation program. We find many reasons behind this such as lack of entrepreneurship in locals, corrupted administration and inefficient supervision.

- (i) It is found that PAF has invested more in Income Generation, but less in Community Infrastructure development. Because of lack of market, Income Generation program is not well-successes. It would be better if the program invested much in Community Infrastructure than merely distributing money in the name of income generation program.
- (ii) As the amount of Income Generation Program is insufficient and there is lack of local market demanding the products of that program, priority should be given to community infrastructure development, especially in rural road, to create the market for the goods produced from the program.
- (iii) The amount of Income Generation Program in most of the community organizations found misused. For this, locals should be made concuss about the need of entrepreneurship to get rid of the poverty. Without

the enterprenual capacity development of the locals, PAF can't get expected results.

- (iv) It is needed that PAF has to invest more in community infrastructure development, such as, Drinking Water, Rural Road, Micro Hydro, School Buildings and other social and economic infrastructure because the investment doesn't go in vain instead it will be sustainable. Not only this, proper use of capital will be there.

In conclusion, PAF has worked a lot all over the nation to make the people get rid of poverty and to make the country prosperous. World Bank has funded and Government of Nepal has implemented this program to make the people prosperous.

This program is praiseworthy as provides the fund according to the local market demand to make poverty alleviation campaign successful. This program also aims to unite women for their all-round development to get rid of poverty. If there is inclination towards entrepreneurship in all locals, and if the implementation agencies work well, PAF can achieve its expected success. If it happens, we can see prosperous Nepal soon.

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APPENDIX – I

Questionnaire

Tribhuvan University, Kirtipur

Central department of Economics

Impact of Poverty Alleviation Fund in ShikharpurVDC of Baitadi District

Namaste,

I'm Ram DattAwasthi from Central Department of Economics, TU, Kirtipur and doing research on whether the Poverty Alleviation Fond impact Socio-Economically to the project surrounded area. I need your support and cooperation in the course of interview. All the information collected in this Questionnaire will used for the purpose of survey only.

1. General Information of the Respondent

SN	Question	Answer
1.1	Name of the village	.....
1.2	Ward No	.....
1.3	Name of the household Head	.....
1.4	Name of the respondent	.....
1.5	Gender	.....
1.6	Age	.....
1.7	Cast	.....
1.8	Religion	.....

2. PAF and Income Generation Activities

1. How many family members in your family have?
.....
2. What is the main occupation of your family?
 - a. Agriculture
 - b. Business
 - c. Animal Farming
 - d. Others
3. If your main occupation is agriculture how much land do you have?
.....
4. What types of grain do you grow from your land?
.....
5. How long the grain you grow was sufficient before implementation of PAF?
 - a. Below three Months
 - b. 3- 6 months
 - c. 6-9 months
 - d. Above none months
6. How long the grain you grow is sufficient after implementation of PAF?
 - a. Below three months
 - b. 3-6 Months
 - c. 6-9 Months
 - d. 9-12 months
7. When did the PAF start in your VDC?
.....
8. What is the number of CO in your VDC?
.....
9. What is the number of members in your CO?
.....
10. What is the number of women members in your CO?
.....
11. What do you know About IGProgramme?
.....
12. When did the income generation programme start in your CO?
.....
13. How does PAF consider your family?
 - a. Poor of category 'KA'
 - b. Poor category 'GA'
 - c. Poor category 'KHA'
 - d. Poor category 'GHA'

14. What are the major incomes generating activities conducted by PAF in your community?

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....
- 6.....

15. For what purpose you have demanded loan from the PAF?

- a. Goat Farming c. Cow Farming
- b. Buffalo Farming d. Poultry
- e. Small Business f. Others

16 .How much money the PAF financed in different IGprogrammes?

S.N.	IGProgramme	Investment (in Rs.)
1	Vegetable Faring	.....
2	Cow Farming	.....
3	Buffalo Farming	.....
4	Goat Farming	.....
5	Horse Farming	.....
6	Poultry	.....
7	Others	.....

17. Have you continuing the IG activities till now?

- a. Yes b. No

If yes,

18. How was you income status after implementation of PAF?

- a. Better b. Same c. Worse

If no,

19. Why did not you continue the programme?
 - a. Lack of training
 - b. Lack of further Capital
 - b. Lack of proper benefit
 - d. others
20. Do you have any plan to restart income generation program again?
 - a. No
 - b. yes
21. What do you know about revolving fund?

22. Do you used to borrow loan from revolving fund?
 - a. Yes
 - b. No
23. What is the rate of interest in your Revolving Fund?

24. Have you returned the loan in time borrowed from revolving fund?
 - a. Yes
 - b. No
- b. Do you think the fund of revolving fund is used properly by members?
 - a. Yes
 - b. No
25. Does PAF run further skill development program after conducting the IG program?
 - a. Yes
 - b. No
 If yes,
26. What type of skill Development or Orientation programme conducted by PAF?

3. PAF and infrastructure development

1. What are the major infrastructure development programs in your community?
 - a. Drinking water project
 - b. Micro hydro project
 - c. Cannel
 - d, Others

Micro hydro Group

2. When was micro-hydropower installed?

3. Do you agree Micro Hydropower help in rural electrification?
 - a. Strongly agree
 - b. Agreed.
 - c. Neutral
 - d. Disagree

4. How many hours per day you access to Electricity for the different purpose?

S.N.	Uses of MHP	Used hours
1	Lightening	
2	TV/Radio	
3	Business	
4	Personal Uses	
5	Others	

5. After electrification, does your children study hours have been increased?

- a. Yes b. No

If yes,

6. How much time has been increased the study time after micro hydro installation?

- a. Lessthen one hour c. 2 to 3 hours
b. 1 to 2 hour d. more then 3 hour

7. How many electronic goods or instruments does your family posses before and after micro-hydropower?(write in number)

Goods	Before MHP	After MHP
Radio
Computer/ laptop
Iron
TV

8. What is the benefit you obtain after installation of PAF?

.....

9. Have you implanted any cottage industries after installation of MHP?

- a. Yes b. No

If Yes,

10. What type of farm do you have?

- a. Agro based c. Business
b. Computer institute d. Others

11. Before installation of PAF, what type of electronic instrument do you have?

- a. Radio /Tape recorder c. Laptop/Computer
b. Mobile phones d. iron/ Others

12. After installation of PAF what types of electronic goods do you have?

- a. Radio/Tape
- b. Mobile Phone
- c. Laptop /Computer
- d. Iron/ Others

13. Do you have health problem before installation of micro-hydro?

- a. Yes
- b. No

If yes,

14. Which types of health problem

SN	Name of disease	Answer
1.	Asthma	1. Yes 2. No
2.	ENT Irritation	1. Yes 2. No
3.	Eye Infection	1. Yes 2. No
4.	Other	1. Yes No
5.	No suffer	1. Yes 2. No

15. What is the status of health after installation of Micro hydropower?

SN	Name of disease	Answer
1.	Asthma	1. Yes 2. No
2.	ENT Irritation	1. Yes 2. No
3.	Eye Infection	1. Yes 2. No
4.	Other	1. Yes 2. No
5.	No suffer	3. Yes 4. No

16. Do you have done any productive work by using Micro hydropower?

- a. Computer institute
- b. Furniture mill
- c. Poultry Faming
- d. Other
- e. No

17. What is the main source of energy after micro hydro installed?

- a. Fire-wood
- b. Bio-gas
- c. solar
- d. Electricity

18. After installation of micro hydropower, it helps to save time or not?

- a. Saved
- b. Consumed
- c. To some Context
- d. difficult to say

19. How much time it saved? (in hours)

.....

20. What advantage of micro hydropower attracted you most?

- a. Improvement in health
- b. Time Saving
- c. Easy to work at night
- d. Increased reading habits
- e. increased social status
- f. others(.....)

