

**Socio-Economic Impact of Poverty Alleviation Fund
Programme**

(A Study of Sukajor VDC, Ramechhap District)

A Thesis

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Recommendation Letter

It is my great pleasure to recommend that the Thesis entitled *“Socio-economic Impact of Poverty Alleviation Fund Program A study of Sukajor VDC of Ramechap District”* prepared by Dil Bahadur Basnet. Significantly my best known supervision and guidance, I am honorably extended to recommend this thesis to the Examination committee for its final acceptance.

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It is to certify that the thesis entitled “*Socio-economic Impact of Poverty Alleviation Fund Program A study of Sukajor VDC of Ramechhap District*” Written and prepared by Dil Bahadur Basnet. Has been approved by this department in prescribed format of Humanities and social science. The evaluation committee has approved this thesis.

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ABSTRACT

Nepal is known as one of the poorest country. More than 30% of people are below the poverty line. For eradication of poverty different kinds of programme have been implemented. Before knowing the definition of development it is important to know the history of development. The history of planned development in Nepal goes back to 1950s. Tribhuvan Gram Bikash was established for this purpose in 1952. The concept of community development slowly emerged in our society. It means as socially a village self help programme, in which people themselves, through their own village leaders, organizations and institutions are to have the opportunity of working together to improve all aspects of village life. The central and the state government are only to assist the progress.

Poverty is a multi-dimensional and complex problem. The causes of poverty by analyzing different aspects of income and human poverty are not only economic but also social and technological backwardness too. One of the main causes of poverty is low economic growth rate. The stock taking of economic achievement of last three decades shows a lower economic growth rate of approximately 4 percent while annual population growth rate was about 2.5 percent. The per capita income growth rate at a very low level could not contribute to mitigate poverty significantly.

The economic growth rate in Nepal is not only very low but its annual variation is also very high. The main reason behind such variation of high degree has been the dependence on agriculture. Still agriculture in Nepal depends on monsoon. Though agriculture productivity has increased, it is increasing at insignificantly low rate. The concentration of poverty is high in rural areas where the main economic base is agriculture. There is significant contribution of non agriculture sector in the growth rate of GDP, but its impact is limited to urban areas but it has not affected the rural areas where majority of poor live.

The failure of past efforts to reorganize the situation of the lower strata of the society living below the poverty line is well known. With this fact in view, the poverty alleviation fund (PAF) envisages to develop and implement programmes that address the issues and problems of the lower rung of the society, by involving the poor and the disadvantaged groups themselves as partners in such efforts.

PAF is aimed to empower the socially excluded and disadvantaged poor households. It provides them the avenues for changing from "dependency" to "independency" and to "interdependent" level in relationship with traditionally dominant elite of the society and thus empower the poor to become part of the mainstream of development. PAF has followed five

principles: namely (a) Targeted to Poor (Antyodaya) (b) Social Inclusion (Samabesi) (c) Demand Driven Approach (Maag Anusar) (d) Transparency (Paradarsita) and (e) Direct Payment to Community Organization of Poor (Prataksha Bhuktani). PAF is ultimately concerned with socio-economic transformation of the poor. While the short-run objective of PAF is to improve the economic condition of poor households through the income generation activities but in the long-term it aims for transformation of society, where poor could equally find their due share and become full partner in the development process

This research is done in the contemporary issue related to the PAF. Impact of PAF programme in Sukajor VDC, of Ramechhap District. In various parts of the country PAF has been working as a close partnership for the local peoples. It is trying to develop the disadvantage, disable, women, Janajati empowerment, income generation, social mobilization and capacity building. This study focuses in the developmental process, affecting factors relation to socio-cultural activities done by PAF in Sukajor VDC. The main objectives of this study were to know the impact of PAF in local development process. However, other specific objectives are;

- To analyze the socio-economic condition of Sukajor VDC, Ramechhap district.*
- To find out the impact of PAF in study area.*
- To know the socio-cultural change in study area.*

On the process of study out of 706 HHs only 65 HHs were selected with purposive sampling. At the end of the research it was found that PAF is the main kindness of the rural area which was seen in Sukajor VDC. PAF and its role in local development process are going increased in the study area. The following developmental activities had done by PAF in the local level. Self dependent for Disable, women and marginalized people, Transportation and Communication facilities, It ended the selfishness, It provided the awareness for local poor, it has made various schools, Changed the traditional agriculture irrigation system, Helped to establish Poultry form, and capacity development, Drinking water, Entrepreneur Loan, Participation and social-mobilization, Livestock farming etc respectively. The study shows that the Socio-Economic impact of PAF programmes in the study area was quite satisfactory.

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ABBREVIATION/ACRONYMS

AEPC	-	Alternative Energy Promotion Center
CAP	-	Community Action Plan
CBS	-	Central Bureau of Statistics
CO	-	Community Organization
CBOs	-	Community Based Organizations
DDC	-	District Development Committee
EIA	-	Environmental Impact Assessment
FMR	-	Financial Management Report
GOs	-	Governmental Organizations
GTZ	-	German Technical Cooperation
GON	-	Government of Nepal
IG	-	Income Generation
IDA	-	International Development Agency
LDO	-	Local Development Officer
LDF	-	Local Development Fund
MDGs	-	Millennium Development Goals
MIS	-	Management Information System
NGOs	-	Non Governmental Organizations
NPC	-	National Planning Commission
NOA	-	Non Operating Account
OA	-	Operating Account
PAF	-	Poverty Alleviation Fund
PO	-	Partner Organization
PM	-	Portfolio Manager
INFRA	-	Infrastructure Development
RBB	-	Rastriya Banijya Bank
SM	-	Social Mobilization
CDS	-	Community Development Society
TAC	-	Technical Appraisal Committee
VDC	-	Village Development Committee
VCDP	-	Vulnerable Community Development Plan
WB	-	World Bank