JOURNAL OF ADVANCED ACADEMIC RESEARCH (JAAR)

Navigating Barriers and Prospects: Microfinance in Nepal's Underserved Karnali Region

Suraj Raj Bhandari[1], Vinitendra Pratap Singh[2]
[1]Research Scholar, School of Management, Babu Banarasi Das University, Lucknow, India
[2]Professor and PhD Programme coordinator, School of management, Babu Banarasi Das University, Lucknow, India
Corresponding Author, Suraj Raj Bhandari, bhandarisuraj148@gmail.com
Received 10 June 2026, Accepted 25 June 2026, Published 30 June 2026

ABSTRACT

This study aims to explore the issues and potential of the entrepreneurship microfinance in the financially deprived region of Karnali, Nepal, with the goal of evaluating the effectiveness of microfinance in poverty eradication and economic development in the study area. The research design was mixed methods (quantitative survey and qualitative interviews). A total number of 445 clients of microfinance were targeted for this survey, from which 207 valid responses were analysed. Purposive sampling was used to interview selected stakeholders, including local leaders and representatives from microfinance institutions. Descriptive statistics were applied to analyse quantitative data and thematic analysis was applied to analyse qualitative data. The results point to a number of recurring issues, such as low financial literacy, geographic isolation, service outreach, high operational costs, and institutional sustainability challenges. Concurrently, the report highlights key areas of opportunity for enhancing the effectiveness and efficiency of microfinance, including community-based approaches, digital financial services, local financial products, and policy support. The results highlight the need for adapting microfinance approaches to be context-specific and to reflect the socio-economic and geographical characteristics of the Karnali region. The study offers practical suggestions to policy makers and microfinance institutions for boosting financial inclusion, improving institutional resilience and fostering sustainable economic development in rural communities in the margins.

KEYWORDS

High cost of capital, financial discipline, infrastructure, economic development, poverty alleviation.

INTRODUCTION

As an important means of alleviating poverty and providing social and economic development mechanisms, microfinance has developed rapidly throughout countries like Nepal (Karki et al., 2021). In a region like Karnali, which is characterized by limited road infrastructure, supplies few telecommunication facilities, and very high poverty levels are very high, microfinance presents a real possibility for bridging this gap between marginalized populations and financial services (Gautam, 2023). The concept of microfinance, defined as the provision of small-scale financial services to people who cannot obtain them from formal financial institutions- is known to have improved the economic well-being of underprivileged communities (Balaji & Zama, 2024). In Nepal, microfinance institutions (MFIs) have helped the rural poor, particularly women, to gain access to financial services, providing basic financial services, fostered businesses and job growth, and made loans available to those who might not otherwise have access to them in times of need (Karn, 2018).

Table 1: Microfinance Outreach in Nepal.

Indicator	2020	2021	2022
Total Number of Districts	77	77	77
Total Number of Branches	3946	4621	5062
Total Number of Members	4,686,609	5,191,363	5,859,530
Total Loan Outstanding (million)	262,732.25	365,554.02	391,746.60
Total Savings (million)	106,150.20	130,425.41	159,022.78

Source: Nepal Rastra Bank (2022), Microfinance Sector Report

The year-on-year growth of Nepal's microfinance sector is shown in Table 1. Microfinance institutions (MFIs) have developed their services in all 77 of the country's districts, benefiting more than 5.8 million families. The number of branches increased from 3,946 in 2020 to 5,062 in 2022, and the cumulative loan amount outstanding went up from Rs. 262.73 billion to Rs 391.75 billion This growth funds small and medium-scale enterprises, particularly through group borrowing. Solidarity groups enable MFIs to create 24,000 jobs and provide active support for developing local resources, thus contributing to economic growth overall.

Although microfinance has been established across other parts of the country far and wide, it still cannot overcome some handicaps of the Karnali district (Lamichhane & Lama, 2023). These challenges include geographic remoteness, limited financial literacy among low-income people, lack of a comprehensive approach to microfinance by MFIs, and underpinning issues regarding sustainability and institutional viability (Yadav, 2024). Furthermore, the rugged terrain and poor road networks of Karnali make it difficult for many microfinance institutions to reach their most remote clients (Gautam, 2023). Additionally, poor financial literacy limits the ability of many locals to manage loans and savings effectively, thus rendering microfinance interventions unhelpful (Lamichhane & Lama, 2023).

A fair review of the literature identifies several major barriers to effective microfinance implementation in rural and lagging regions of Nepal. Many studies outline the important role of microfinance in empowering women and reducing poverty in the household (Lamichhane & Lama, 2023). At the same time, scholars such as Kayastha (2013) have pointed out that microfinance institutions operating in Nepal often encounter problems with operation efficiency, incorrect skepticism of poor peoples' circumstances, and urgent difficulties for survival. The study found that despite the great potential of microfinance in reducing poverty, obstacles to its implementation abound, such as high operations costs, political instability, and the topography of villages and rural areas without roads (Karn, 2018).

Moreover, the literature looks at how client targeting and the design of microfinance products can enable or hinder the success of those initiatives. Researchers such as Karn (2018) argue that microfinance institutions need reform to focus their clientele on marginalized or impoverished groups. In areas such as Karnali, underserved populations need specific financial products and services (Ghising & Modi, 2004), which is relevant to this reform. Furthermore, researchers emphasize the need to remain faithful to the core tenets of microfinance—poverty alleviation and sustainability of the organization (Lopatta et al., 2017). But there is a disturbing phenomenon of 'mission drift' in Nepali microfinance some of these prioritized profit-maximization over their social mission and thus weaken the effectiveness of serving the poor and the most marginalized people (Ghising, 2023).

At the same time, some opportunities to address the issues of microfinance institutions in Karnali are mentioned in the literature (Bhatta, 2007). The use of modern technology including the use of mobile banking and digital financial services enhances the provision of financial services in remote areas (Bhuiyan et al., 2020). Technology helps MFIs connect with clients that might not otherwise have access to financial services, which increases access and affordability. Financial literacy is seen as an important extra value of the microfinance programs in rural area and is promoted by the community-based programs with grassroots leadership (Ghising & Modi, 2004).

The original idea for microfinance was first introduced in Bangladesh by Grameen Bank, which has been adopted extensively in Nepal. The model has been adapted to the local environment by the foreign institutions (Rajbanshi et al., 2015). As the Nepal Rastra Bank (NRB) pointed out in this report, every year new microfinance institutions are springing up in Nepal. This year, there are more than 4.6 million families in these same districts receiving treatment from these institutions worth a million dollars (Karn, 2018). However, the challenges facing MFIs in underserved regions like the region of Karnali in meeting people's needs is not reflected in their successes, due to socio-economic barriers and infrastructure limitations in such regions that hinder MFIs from providing services (Beg, 2019).

METHODOLOGY

The mixed method design is used in this research to analyze the problems and potentials of microfinance in the Karnali region of Nepal (Karn, 2018). The study is qualitative and quantitative, with the aim of getting the bigger picture of how microfinance operates in this largely untouched space (Lamichhane & Lama, 2023). These hybrid methods enable the gathering of vast quantities of statistical information and qualitative field reports by people directly working with microfinance institutions (MFIs) (Ghising, 2023).

The research used a descriptive research design, which are useful when researchers are interested in describing the actual situation of the microfinance in Karnali (Sharma et al., 2023). This design enables researchers to see the difficulties MFIs confront in getting to and providing services for local residents, and it offers suggestions for solving these problems (Almalki, 2016). Descriptive research is often used when the goal is to present a clear picture of a specific phenomenon–in this case, the implementation and impact of microfinance in a rural capacity such as Karnali (Bryers et al., 2014).

Data gathered in this study were quantitative and qualitative. For the quantitative part, 445 clients of microfinance organizations were selected in different districts of Karnali region, through purposive sampling technique. Out of 445 questionnaires distributed, 207 questionnaires were returned and 46.5% of these were valid questionnaires used in the final analysis. The survey gathered data on the access to financial services, utilization of loans, repayment practices, financial literacy, and difficulties faced by households in accessing microfinance services (Chowdhury et al., 2020; Ashraf et al., 2024). The quantitative data provided insights into loan default, financial literacy and constraints to access microfinance services in the region (Balaji & Zama R, 2024).

Semi-structured interviews were used to gather qualitative data from selected stakeholders in the Karnali region (Ashraf et al., 2024). That is, locally elected leaders, representatives of MFIs, and the clients of the microfinance programs (Hietalahti & Lindén, 2006). Microfinance has a macro context, which is provided by the leaders who are elected at the community level. Microfinance today's perception of community members is given by the leaders who are elected at the community level (Singye, 2021). The representatives of MFI confirm their operational difficulties and opportunities for the provision of future services of the microfinance in this region (Hietalahti & Lindén, 2006). An in-depth interview with the microfinance clients provides personal stories of the positive and negative experiences they have had with microfinance (Alias, 2024). These qualitative learning insights, grounded in personal experience, provide a more nuanced view of the issues and potential of microfinance, and help to frame potential changes in how it can be implemented (Beck et al., 2018).

The purposive sampling method was used to choose participants with direct experiences regarding the microfinance services in the study area in Karnali (Honohan, 2005). The study aimed to reach the quantitative component of 445 clients of microfinance organization in different microfinance organizations from Karnali Province. The questionnaires were sent to 445 people and 207 were returned, resulting in a response rate of 46.5% that was used in the final analysis. Respondents came from different occupations such as agriculture, small business and women's businesses and included a broad spectrum of experiences of the use of microfinance services

(Tiwari, 2023). In addition, purposive sampling was used to identify key stakeholders involved in microfinance operations and the problems and opportunities in the region's service delivery, such as local government representatives, officials of the microfinance institutions and the microfinance clients themselves, for the qualitative component of the study (Guvaju et al., 2020). The quantitative results of this study are represented by the 207 valid responses received from the survey and the qualitative results are obtained from the semi-structured interviews conducted with the purposively selected stakeholders.

The research was conducted using both quantitative and qualitative techniques. Of the 207 questionnaires received, only 207 were complete and consistent with the nature of the study and were used in the quantitative analysis. The quantitative data gathered from the questionnaires was analyzed using descriptive statistics namely frequencies, average and percentages (Thapa & Chowdhary, 2022). Such results reveal trends and characteristics like differences in repayment rates across groups, financial literacy of clients, and access to microfinance services (Basnet, 2023). The quantitative analysis results provide a broad picture of the situation of microfinance in Karnali today. In qualitative studies, thematic analysis is used to recognize, analyze, and describe patterns or themes in the text data (Tiwari et al., 2024). Thematic analysis enables the researcher to delve into what are typically well-investigated questions, including: What are the factors relating to socio-economic factors influencing access to microfinance? What problems do MFIs face, and where? The degree to which microfinance has impacted women in our communities affects development and social welfare (Tiwari et al., 2024). This approach aims to uncover inherent sources of difficulties faced by microfinance institutions in the area and provide information about prospects for change (Qureshi et al., 2012).

Ethics is the priority of this research. All participants were given an informed consent form, ensuring they comprehend the study's purpose, their role in the project and any possible health risks (Regmi et al., 2017). Participants were guaranteed that their responses would be kept confidential and that their names would never appear in the published or unpublished reports (Ghimire, 2021). Ethical guidelines are followed to ensure that participants' rights are protected, and if they choose to withdraw from the study at any time, this will not incur punishment (Nakkash et al., 2017). The normalized ethical norms of academic institutions and research institutions are guaranteed in this study (Nakkash et al., 2009).

However, this study has limitations. Using purposive, non-random selection – even if it ensures picking the most appropriate interviewees for each group – may restrict generalizing findings to a wider population (Ghimire et al., 2024). Nevertheless, the data collected from survey research and interviews are from self-reports, potentially introducing biases such as social desirability or recall bias (Janssens et al., 2012). Still, another constraint of this report is that it is not always possible to reach the most outlying areas of Karnali, which may mean certain groups whose lives could be improved by microfinance services are not sufficiently represented (Chowdhury, 2021).

RESULTS AND DISCUSSION

This study provides some significant insights for the challenging situation of microfinance in Karnali (Karn, 2018). Both the quantitative survey and qualitative interviews yield a complicated account of the microfinance work on the ground there, underlining constant obstacles and finding some novel solutions that can multiply microfinance's impact in this deprived backwater (Lamichhane & Lama, 2023).

The head of task in a study is the isolation of Karnali nature. The sprawling land and lack of infrastructure will increase the costs of running a bank out there (Tiwari & Bisht, 2024). Many customers have to travel for miles to reach microfinance service outlets. This increases the cost of such services and decreases their take-up rate. Moreover, there are no safe and reliable means for people to get in and out (Karki et al., 2021).

Another key challenge is that local people are far from good at financial management. A survey by our authors discovered that many microfinance customers in Karnali contend with such basic problems as budgetary control, savings and borrowing. Such a lack of understanding affects people's effective use of microfinance products (Panthi & Chalise, 2022). Many clients are in arrears with their loan repayments, and the default rate is high, which not only harms the financial viability of members but also threatens the very existence of microfinance institutions (Gautam, 2023). Ignorance of financial rules can also contribute to the exploitation of credit: again, some clients' money is used for non-productive activities, which further aggravates the problem of loan delinquency (Risal, 2018).

Furthermore, the study reveals that in Karnali: "For them who have access to it" (Tiwari & Bisht, 2024). There are logistical challenges that specific to the MFIs which make it not as inclusive as it could be and should be. There are regions with no services and others with very rudimentary financial services (Parikh, 2006). This narrow outreach reduces the potential for microfinance to be an effective means of poverty alleviation (Sharma et al., 2009). The study reveals that there are many areas of non-participation in financial services. In MFIs, the demand was especially high in the most remote areas of Karnali where MFIs do not have branches or agents (Parikh, 2006).

In addition to geographic and logistical barriers, one of the major issues that microfinance institutions (MFIs) in the region have to deal with is institutional sustainability (Thapa & Chowdhary, 2022). Many MFIs, unlike the traditional banks, have high operating costs as they need a large number of field staff, handling and infrastructure development to extend their services to remote areas of the country (Sharma, 2009). These high costs, combined with relatively few clients, make it hard for MFIs to be profitable and sustainable (Duwal, 2012). Thus, several products in Karnali decline without any possibility of competing products being brought in the market. If not careful with their finances, MFIs in this region will be likely to also disappear. If no one can sustain financially, who wants to do business? (Bogan et al., 2007).

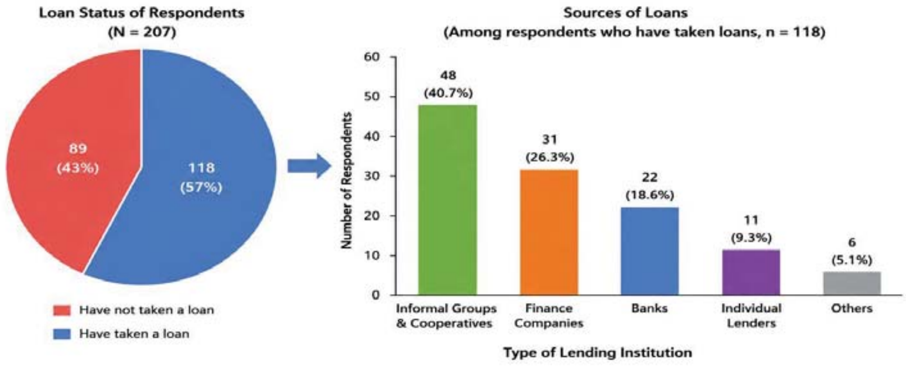
Table 2: Challenges Faced by Microfinance in Karnali

Challenge	Description
Geographic Isolation	Poor road connectivity and rough terrain limit service access in remote areas.
Low Financial Literacy	Clients struggle to manage loans and savings due to insufficient financial education.
Limited Service Outreach	Inadequate number of branches and agents in remote regions.
High Operational Costs	High fieldwork and logistical costs make microfinance unsustainable in some areas.
Loan Misuse and Default	Loans are often misused for non-productive purposes, leading to high defaults.

Source: Author’s field survey (2025)

The table provides an overview of five key issues that are likely to be experienced by the microfinance institutions (MFIs) in the Karnali region of Nepal. Geographic isolation as a result of bad roads and rough terrain prevents locals from living in areas remote from services. Which, in turn, does them a double disservice: Low financial literacy among the clients is the reason that they are not managing their loans well, and service outreach is insufficient – there are not as many branches or agents as needed to serve the many and benefit from microfinance. This high operational cost, due to heavy fieldwork and the logistical difficulties of reaching remote locations, is a threat to the very existence of MFIs. Moreover, loan abuse (using money for non-productive purposes) and the very serious problems posed by high default rates impinge on financial institutions' very source of income which makes it even more difficult for these institutions to be effective in microfinancing.

Figure 1: Loan Status and Source of Loans(N=207)



Source: Author's own compilation based on primary survey data (2026).

Figure 1 shows the responses for the 207 valid survey responses that were included in the quantitative analysis. Of these, 89 (43%) said they had not borrowed, and 118 (57%) had borrowed from the various lending institutions. It is also seen that loans from informal groups and cooperatives were the largest source of loan followed by finance companies, banks and individual lenders. The findings show that the informal lending institutions are still dominant in the Karnali region and formal banking institutions are still underutilized. This underscores the importance of enhancing access to formal financial services and boost financial inclusion in the underserved communities.

From these challenges, however, the report also identified several opportunities for improving microfinance in Karnali (Adhikari et al., 2024). The most promising of these is a community-driven initiative. Studies have indicated that when local communities come to manage microfinance projects, they show greater trust and participation (Ayayi & Sene, 2010). Community-driven initiatives can remove barriers such as low financial literacy because they provide tailored financial education programs that are culturally appropriate and more easily accepted by the population (Adhikari et al., 2024). By involving local leaders and clubs, MFIs can better understand the population's needs and design products that are more suited to local customs.

Moreover, the current technological advances provide a significant chance to better address the logistics issues that MFIS confronts in Karnali (Purohit & Saravanan, 2018). Mobile banking and new financial services offer an alternative means to deliver microfinance on a small scale that costs less regarding geography (Thapa & Chowdhary,2022). Mobile banking platforms can offer a cost-effective way for MFIs to expand their operations to remote areas where they cannot establish physical branches. In effect, digital platforms will also improve loan monitoring and repayment collection mechanisms; indeed, client communication. These advantages mean that the work of MFIs in remote areas is cheaper than it used to be, so meaningful strides can now be made toward a much larger proportion of clients being reached by MFIs.

Table 3: Opportunities for Microfinance in Karnali

Opportunity	Potential Impact
Community-Driven Initiatives	Increased trust and participation in microfinance programs, improved financial literacy.

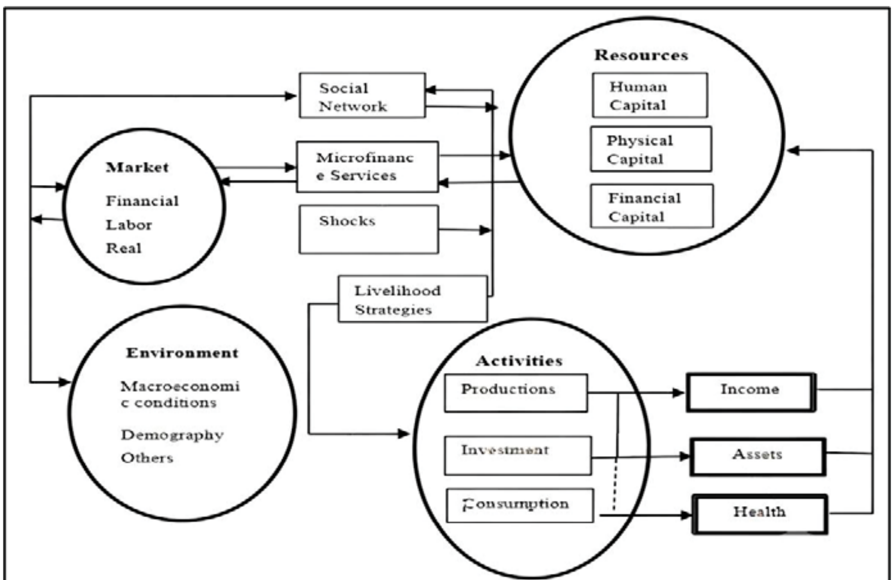
Localized Financial Products	tailoring products to local needs.
Policy Reforms	Improved infrastructure, better access to capital, and regulatory support for MFIs.

Source: Author's analysis based on field survey data (2025)

This table lists the main opportunities identified by the research. It provides a blueprint for improvement in the services offered and extends financial inclusion, with examples of how each opportunity could help address some or all of the issues of microfinance in Karnali (see below).

The study also highlights the importance of designing financial products which are contextualized to the local environment of the population of Karnali (Weber et al., 2014). Agriculture is the main source of income for many people living in the region, and seasonal variations in income are an important aspect that shapes, whether people are able to repay their loans (Raghunathan et al., 2011). Tailoring financial functions to the agriculture calendar (loans that can be repaid at harvest time) could enhance repayment levels and benefit the impact of microfinance in Karnali (Christen et al., 2005). Loan products that prioritize income generating activities related to agriculture like small-scale farming, livestock rearing, or agro-based businesses, could support clients in crafting more sustainable livelihoods as well (Weber & Musshoff, 2013).

Figure 2: Proposed Framework for Improving Microfinance in Karnali



Source: Nghiem (2005), Zeller (1995), Scoones (1998), and AIMS (2001)

The Image depicts a framework image representing which components link microfinance to rural livelihoods in terms of market access, environmental factors, resources and activities. It illustrates the financial, labor, and real markets as the ultimate providers of resources to individuals, and microfinance services as a means to gain entry to the latter by providing microloans to meet capital needs. Environmental factors, like macroeconomic conditions and demographics, affect microfinance success.

productive activities. These productive, investment and consumption processes affect income, assets and health, all of which are important outcomes of microfinance interventions. The framework links all these together, showing how microfinance helps people to live their lives by facilitating access to resources and helping to support their livelihoods. In fact, this schematic is a helpful way of understanding what the role of microfinance in rural development is, and in regions like Karnali.

The research indicates there is a need for a more tolerant environment for microfinance that would mandate changes to the regulatory regime (Christen & Anderson, 2013). The study revealed that many of the challenges of MFIs in Karnali are due to general problems such as poor infrastructure, credit access and execution environment. By introducing policies conducive to the development of microfinance, such as creating good road systems in rural areas, encouraging MFIs to work in remote zones or Nr pal, and promoting approved lenders so that they can finance themselves over a large portion of their funds, the government can help make microfinance more stable and effective over time (Beaman et al., 2020).

The study results suggest the need to develop specific strategies for microfinance in Karnali (Jones & Pasricha, 2007). Actually, although microfinance has been seen to be a poverty reduction instrument in other parts of Nepal, it seems to be limited by the particular context of Karnali in both economic and social terms discussed by Lamichhane & Lama (2023), in so far as it is sited economically and socially a d apart only because of its geographical location. Based on this research, many concrete implications come up for the microfinance practitioners: they need to address the specific needs of cross cutting families in Karnali, make financial services available, suitable and sustainable (Karn, 2018).

This paper also suggests that improving financial literacy is of particular concern for MFIs in Karnali. Training and support for financial management, usage of loans and creating a repayment plan could substantially reduce the risk of default on the part of the clients, which in turn will impact the overall performance of the microcredit programs (Dhakal, 2007). Three things have been reported from fieldwork stations that are different from the education programs designed in the communities, and are likely to be more effective in causing clients to be more aware of the money in their pocket are: local leadership, cultural conditions, and the fact that the education programs are designed in the communities (Karki et al.,2021).

CPNCLUSION

Finally, microfinance is crucial in promoting financial inclusion, particularly in Karnali region of Nepal. Despite geographic isolation, financial literacy, and limited infrastructure, microfinance institutions have been able to successfully penetrate millions of families and offer basic financial services. Despite this, there are a number of systemic challenges to accessing the region, such as limited access in isolated areas, costs of operations, and a lack of financial literacy and repayment problems. It is essential to overcome these challenges through targeted solutions to bring maximum impact of microfinance. There are opportunities for making microfinance more effective, through technological innovations, like mobile banking. These community-led initiatives to raise the awareness of financial literacy and the creation of local financial products for the distinctive economy of Karnali could further bolster the success and payback of these loans. This can be done by developing context-specific microfinance strategies or initiatives which address the specific socio-economic context in the region, empowering the microfinance sector to contribute to sustainable development and poverty reduction in Nepal and ultimately to a stronger rural economy.

REFERENCES

Adhikari, M., Sapkota, A., Parajuli, D., & Bhattarai, G. (2024). Determinants of financial sustainability in microfinance institutions: A panel data study. *Financial Markets, Institutions and Risks, 8*(4), 78-95. https://doi.org/10.61093/fmir.8(4).78-95.2024

Alias, N. A. L. (2024). The contribution of microfinance institutions to personal financial management. *Social Science Research Network*. https://doi.org/10.2139/ssrn.4845831

Almalki, S. (2016). Integrating quantitative and qualitative data in mixed methods research—Challenges and benefits. *Journal of Education and Learning, 5*(3), 288. https://doi.org/10.5539/JEL.V5N3P288

Ashraf, A., Mustaeen, B., Ayoob, M., & Zulfiqar, N. (2024). Study on role of microfinancing on women's empowerment and poverty alleviation. *International Research Journal of Modernization in Engineering Technology and Science, 7*(4). https://doi.org/10.56726/irjmets51360

Asia and the Pacific Division, International Fund for Agricultural Development (IFAD). (2006). Sustainability and governance of microfinance institutions: Recent experiences and some lessons for Southeast Asia. *Asian Journal of Agriculture and Development, 3*(1-2), 2-19. https://ageconsearch.umn.edu/record/165786/files/AJAD_2006_3_1_2_2Thapa.pdf

Ayayi, A. G., & Sene, M. (2010). What drives microfinance institution's financial sustainability? *The Journal of Developing Areas, 44*(1), 303-324. https://doi.org/10.1353/JDA.0.0093

Balaji, K., & Zama, R. (2024). Empowering the underserved: The role of microfinance in poverty alleviation and economic empowerment. *International Journal For Multidisciplinary Research, 6*(6), 31232. https://doi.org/10.36948/ijfmr.2024.v06i06.31232

Basnet, S. (2023). Impact of microfinance on women empowerment. *KMC Journal, 5*(2), 58238. https://www.nepjol.info/index.php/kmcj/article/download/58238/43489

Beaman, L., Karlan, D. S., & Tomaselli, N. (2020). Agricultural Microfinance Evaluation in Mali. *Journal of Development Economics*, 151, 102-114.

Beck, E., Aguilera, M. B., & Schintz, J. (2018). Who Benefits? The Interactional Determinants of Microfinance's Varied Effects. *Journal of Development Studies*, *54*(2), 235–255. https://doi.org/10.1080/00220388.2017.1296570

Beg, K. (2019). A review of existing literature on sustainability, mission drift, and loan defaults. *International Journal of Science and Management Studies, 2*(5), 7-16. https://doi.org/10.51386/25815946/ijsms-v2i5p102

Bhatta, D. D. (2024). Microfinance as a Catalyst for Employment Generation in Kailali District: Unlocking Opportunities in Agriculture and Small Industries. *Deleted Journal*, *2*(2), 11–31. https://doi.org/10.3126/sudurpaschim.v2i2.80412

Bhuiyan, A. B., Kassim, A. A., Ali, M. J., Saad, M. S., & Rus, A. M. (2020). Microfinance institution's sustainability and mission drift: An empirical review. *International Journal of Academic Research in Accounting, Finance and Management Sciences, 10*(3), 145-158. https://doi.org/10.6007/IJARAFMS/V10-I3/7873

Bogan, V., Johnson, W. A., & Mhlanga, N. (2007). Does capital structure affect the financial sustainability of microfinance institutions? *The Journal of Developing Areas, 44*(1), 303-324. https://doi.org/10.1353/jda.0.0093

Bryers, H., VanTeijlingen, E., & Pitchforth, E. (2014). Advocating mixed-methods approaches in health research. *Nepal Journal of Epidemiology, 4*(5), 417-422. https://doi.org/10.3126/NJE.V4I5.12018

Chowdhury, M. S. (2021). Conducting field work with microfinance programs' participants in a non-Western setting: A reflexive account. *The Qualitative Report*. https://nsuworks.nova.edu/cgi/viewcontent.cgi?article=4778&context=tqr

Chowdhury, S., Ahmmed, F., & Hossain, M. I. (2020). Methodological dilemma in microfinance research: Applicability of a qualitative case study design. *The Qualitative Report*. https://doi.org/10.46743/2160-3715/2020.3962

Christen, R., Anderson, J. (2013). Segmentation of smallholder households: Meeting the range of financial needs in agricultural families. *Agricultural Finance Review*, 73(2), 255-271. https://doi.org/10.1108/AFR-09-2012-0050

Christen, R., Ayee, G., Pearce, D., Brar, A., de Vletter, F., Acevedo, J. P., Reinsch, M., & Rubio, F. (2005). Managing risks and designing products for agricultural microfinance: Features of an emerging model. *Agricultural Microfinance*, 1-10.

Dhakal, N. (2007). Emerging issues in Nepalese microfinance sector. *Socio-Economic Development Panorama*, 1(2), 35-46.

Dhungana, B. R., Chapagain, R., & Ashta, A. (2023). Alternative strategies of for-profit, not-for-profit, and state-owned Nepalese microfinance institutions for poverty alleviation and women empowerment. *Cogent Economics & Finance*. https://www.tandfonline.com/doi/pdf/10.1080/23322039.2023.2233778?needAccess=true&role=button

Duwal, B. (2012). Comparative analysis of financial sustainability of Nepalese microfinance institutions. *Economic Journal of Nepal, 35*(3), 75-88.

Gautam, J. (2023). Evolution of microfinance and its relevance in Nepal. *International Research Journal of Parroha Multiple Campus, 2*(1), 004. https://doi.org/10.61916/prmn.2023.v02i01.004

Ghimire, N. (2021). Review on ethical issues in ethnographic study: Some reflections. *Contemporary Research: An Interdisciplinary Academic Journal, 5*(1), 40485. https://www.nepjol.info/index.php/craiaj/article/download/40485/30897

Ghimire, N., Pandey, S., Joshi, P., & Adhikari, R. K. (2024). Ethical approval in Nepal: Barriers or facilitators? *Journal of Nepal Health Research Council, 22*(3), 5057. https://doi.org/10.33314/jnhrc.v22i03.5057

Ghising, T. (2023). Concepts and measures of outreach and sustainability in microfinance institutions. *Nepal Journal of Multidisciplinary Research, 6*(4), 148-160. https://doi.org/10.3126/njmr.v6i4.62039

Ghising, T., & Modi, D. K. (2024). Social objectives of microfinance institutions and evaluating its implementation: A systematic review. *International Research Journal of MMC, 5*(3), 47-55. https://doi.org/10.3126/irjmmc.v5i3.68473

Guvaju, S., & Sherpa, D. (2020). A study of impact of microfinance on women empowerment in Nepal. *Unpublished manuscript*.

Hietalahti, J., & Lindén, M. (2006). Socio-economic impacts of microfinance and repayment performance: A case study of the Small Enterprise Foundation, South Africa. *Unpublished manuscript*. https://doi.org/10.1191/1464993406ps138oa

Honohan, P. (2005). Measuring microfinance access: Building on existing cross-country data. *SSRN Electronic Journal*. https://openknowledge.worldbank.org/bitstreams/04b04075-b900-55cd-a629-e849be4d7539/download

International Fund for Agricultural Development (IFAD). (2006). Sustainability and governance of microfinance institutions: Recent experiences and some lessons for Southeast Asia. *Asian Journal of Agriculture and Development*, 3(1-2), 2-20. https://ageconsearch.umn.edu/record/165786/files/AJAD_2006_3_1_2_2Thapa.pdf

Janssens, A. C. J., & Kraft, P. (2012). Research conducted using data obtained through online communities: Ethical implications of methodological limitations. *PLoS Medicine, 9*(3).

https://journals.plos.org/plosmedicine/article/file?id=10.1371/journal.pmed.1001328&type=printable

Jones, L., & Pasricha, N. (2007). Reducing borrower and lender risk in Tajikistan through context-sensitive product and portfolio design. *Enterprise Development & Microfinance*, 18(2), 126-142. https://doi.org/10.3362/1755-1986.2007.015

Karki, K. K., Dhungana, N., & Budhathoki, B. B. (2021). Breaking the wall of poverty: Microfinance as social and economic safety net for financially excluded people in Nepal. *Molung Educational Frontier*, 11, 26-53. https://doi.org/10.3126/mef.v11i0.37835

Karn, S. K. (2018). Challenges and opportunities of microfinance in Nepal. *International Journal of Social Science and Management, 5*(3), 72-75. https://doi.org/10.3126/IJSSM.V5I3.20612

Kayastha, R. (2013). *Current Issues of Microfinance in Nepal*. Kathmandu, Nepal.

Lamichhane, B. D., & Lama, P. B. (2023). Challenges and prospects of Nepalese microfinance program: A mini review. *Nepalese Journal of Management Research, 3*(1), 41-49. http://dx.doi.org/10.3126/njmgtres.v3i1.57914

Lopatta, K., Tchikov, M., Jaeschke, R., & Lodhia, S. (2017). Sustainable development and microfinance: The effect of outreach and profitability on microfinance institutions' development mission. *Sustainable Development, 25*(5), 386-399. https://doi.org/10.1002/sd.1663

Nakkash, R., Makhoul, J., & Afifi, R. (2009). Obtaining informed consent: Observations from community research with refugee and impoverished youth. *Journal of Medical Ethics, 35*(10), 638-643. https://doi.org/10.1136/jme.2008.028936

Nakkash, R., Qutteina, Y., Nasrallah, C., Wright, K., El-Alti, L., Makhoul, J., & Al-Ali, K. (2017). The practice of research ethics in Lebanon and Qatar: Perspectives of researchers on informed consent. *Journal of Empirical Research on Human Research Ethics, 12*(5), 352-362. https://doi.org/10.1177/1556264617730643

NRB Report (2021). Nepal Rastra Bank Report: Microfinance Sector Development. Kathmandu, Nepal.

Panthi, B., & Chalise, A. (2022). Microfinance companies on entrepreneurship development in Nepal. *Nepalese Journal of Management Research, 2*(1), 72-75. https://www.nepjol.info/index.php/njmgtres/article/download/48260/36068

Parikh, T. (2006). Rural microfinance service delivery: Gaps, inefficiencies, and emerging solutions. In *Proceedings of the 2006 International Conference on Information and Communication Technologies and Development* (pp. 223-232). IEEE. https://doi.org/10.1109/ICTD.2006.301861

Purohit, B. C., & Saravanan, S. (2018). Sustainability and efficiency of microfinance institutions in South Asia. *The Journal of Developing Areas, 44*(2), 213-225.

Qureshi, M. I., Saleem, M., Shah, M., Abbas, Z., Qasuria, A. W., & Saadat, U. R. (2012). Ensuring the role and impact: Reaching the poorest while alleviating the poverty by microfinance in Dera Ismail Khan KPK Pakistan. *Unpublished manuscript*.

Raghunathan, U. K., Escalante, C. L., Dorfman, J. H., Ames, G. C. W., & Houston, J. E. (2011). The effect of agriculture on repayment efficiency: A look at MFI borrowing groups. *Agricultural Economics*, 42(4), 465-474.

Rajbanshi, R. D., Huang, M., & Wydick, B. (2015). Measuring Microfinance: Assessing the Conflict between Practitioners and Researchers with Evidence from Nepal. *World Development*, *68*, 30–47. https://doi.org/10.1016/J.WORLDDEV.2014.11.011

Regmi, P., Aryal, N., Kurmi, O., Pant, P., van Teijlingen, E. R., & Wasti, S. (2017). Informed consent in health research: Challenges and barriers in low-and middle-income countries with specific reference to Nepal. *Developing World Bioethics*. https://doi.org/10.1111/dewb.12123

Risal, N. (2018). Microfinance position and indebtedness: Empirical evidence from microfinance institutions in Nepal. *Pravaha, 24*(1), 120-136. https://doi.org/10.3126/PRAVAHA.V24I1.20232

Sharma, L. R., Bidari, S., Bidari, D., Neupane, S., & Sapkota, R. (2023). Exploring the mixed methods research design: Types, purposes, strengths, challenges, and criticisms. *Global Academic Journal of Linguistics and Literature*, *5*(1), 2. https://doi.org/10.36348/gajll.2023.v05i01.002

Sharma, P. R. (2009). Financial sustainability of selected MFIs of Nepal. *Journal of Nepalese Business Studies, 5*(1), 24-36. https://doi.org/10.3126/jnbs.v5i1.2077

Sharma, S. R. (2003). Microfinance against poverty: The Nepalese scenario. *NRB Economic Review*, 15(1), 166-190. https://doi.org/10.3126/nrber.v15i1.54770

Singye, J. (2021). *Micro-finance and Rural Development: Exploring concepts, methods, and impacts*. https://doi.org/10.13140/rg.2.2.34949.27369

Thapa, B., & Chowdhary, S. (2022). Impact of microfinance on the empowerment of women entrepreneurs in Rupandehi district, Nepal. *Journal of Business and Management, 6*(1), 46639. https://www.nepjol.info/index.php/jbm/article/download/46639/34911

Tiwari, N. (2023). Impact of microfinance on women empowerment: A study based upon microfinance institutions of Kanchanpur, Nepal. *Far Western Review, 1*(2), 62156. https://www.nepjol.info/index.php/fwr/article/download/62156/46925

Tiwari, N. B., Bisht, P. S., & Singh, P. (2024). The role of microfinance in women's empowerment in the Himalayan region. *ShodhKosh Journal of Visual and Performing Arts, 5*(5), 3644. https://doi.org/10.29121/shodhkosh.v5.i5.2024.3644

Tiwari, N., & Bisht, P. S. (2024). The role of microfinance in promoting women's economic independence in Kanchanpur district of Nepal. *ShodhKosh Journal of Visual and Performing Arts*, *5*(4), 3628. https://doi.org/10.29121/shodhkosh.v5.i4.2024.3628

Weber, R., Musshoff, O., & Petrick, M. (2014). How flexible repayment schedules affect credit risk in agricultural microfinance. *Agricultural Economics*, 42(4), 465-474. https://doi.org/10.1111/j.1574-0862.2011.00534.x

Yadav, M. (2024). Microfinance in Nepal: An Overview. *Journey for Sustainable Development and Peace*, *2*(2), 114–131. https://doi.org/10.3126/jsdpj.v2i2.69573