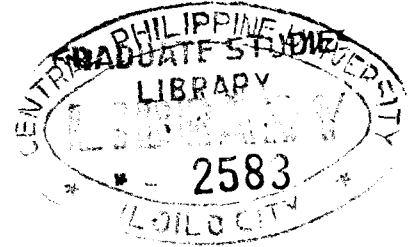


**SUSTAINABILITY AND OPERATIONAL EFFICIENCY OF
MICROFINANCE INSTITUTIONS (MFIS) IN THE
PROVINCE OF GUIMARAS**



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SUSTAINABILITY AND OPERATIONAL EFFICIENCY OF MICROFINANCE INSTITUTIONS (MFIS) IN THE PROVINCE OF GUIMARAS

by

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ABSTRACT

A study on the level of sustainability and operational efficiency of Microfinance Institutions (MFIs) in the Province of Guimaras was undertaken using a one-shot survey design. The subject of the study were five MFIs with their Administrative Officers as the respondents of the study and 41 clients of the MFIs. A researcher prepared questionnaire was used. The statistical tools employed were the frequency count, the percentage, and mean.

The findings disclosed a relatively large sized MFIs with membership of more than 25. The level of sustainability was high considering the length of operation of 13 years or more and the capitalization of from 30M to 110M Php. The clients of the MFIs also perceived a high sustainability of their MFIs considering that they trust the institution to support them in their project financial needs. The operational efficiency of the project was high considering the ratio of the number of projects funded to the proposed number. There were no significant relationship between the MFIs size and type and their level of sustainability. Likewise, no significant relationship was noted between size and type of the MFIs and their operational efficiency. The MFIs operational

efficiency was independent of their level of sustainability. In consideration of the findings, the researcher recommend: limiting the type of project to be funded in a given area to avoid competition among the clienteles which may redound to project failure. Sari-sari store for example should be accordingly distributed in a given area so that they do not operate in close proximity with each other; introduction of innovations in the nature of projects to be funded to avoid saturation effect which is detrimental to business progress; similar study of this nature, should include loan repayment as one of the indicators of operational efficiency; and a similar study is suggested to be done with more MFIs to be focused on to avoid sampling bias.