FACTORS THAT IMPACT MICROFINANCE INSTITUTIONS
PERFORMANCES IN SUDAN

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DEDICATION

This thesis is dedicated to my divine father Kheder Ahmed and to the soul of my mother Altayah Mohamed thanks for your unconditional love and support; my beloved wife Nassrin and my gorgeous kids Ahmed, Dania, Abdulrahman and Momin for being supportive and patient during my research work; my supportive and durable brother Babikir and sister Widad; and my all other lovely own brothers and sisters for their encouragement.
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Microfinance has attained a universal avowal as a vital tool for poverty alleviation. Microfinance Institutions (MFIs) provide financial services to the poor people who are deprived by mainstream commercial banks. MFIs face unique and unparalleled challenges of financial sustainability and outreach; therefore, a debate arises of whether microfinance worthwhile or worthless? Moreover, there are gaps in the existing literature of MFIs in less developed countries and Islamic MFIs. Consequently, this research studies the factors that influence the performances of microfinance sector in Sudan. The first three objectives of this research are to pursue an understanding of how microfinance interventions are implemented and how the mechanisms of the involvement namely; interest rate, client protection, financing method, microinsurance and institutional characteristic affect MFI’s performance from financial sustainability and outreach perspectives. The fourth objective is to assess the impacts of microfinance loans on the clients. This study deployed mixed methods, in the quantitative study 123 MFIs and 228 clients participated in two separate survey questionnaires and in qualitative study 18 managers from MFIs participated in the semi-structured interview. Smart PLS-SEM, Descriptive, and Chi-square techniques of analysis, were used to analyse the data collected. While comparing the results of qualitative data integrated along with quantitative results, it was found that predictors of interest rate, client protection, and lending method have significant and positive relationship with the performance of MFIs from financial sustainability and outreach perspectives, however, the predictor microinsurance shown no relationship with the performances of MFIs. Moreover, results of the structural analysis provided sufficient support that the institutional characteristics of client type, the type of organization and the years of establishment of MFIs have an effect on the performances of MFIs. On the other hand, results from client’s survey stated that microfinance loan has positive impact on MFI clients. This study contributes to the literature of microfinance industry by determining the factors that have impact in the performance of MFIs. In addition, the results proved that microfinance loans have significant effect on clients and provided social and economic security. This study contributed also to MFIs by proposing, as a future work, a theoretical Performance Measurement Frameworks (PMF), that is recognized by Consultative Group to Assist the Poor (CGAP). One of the recommendations for policy makers is that; encouraging institutional diversification, making MFIs a tax-free income, revising microinsurance policies, client-oriented regulations, and enforcing a positive interest rate ceiling, can assist MFIs in achieving their core objectives. Moreover, Government should not politicize microfinance programs.
ABSTRAK

Pembiayaan Mikro telah mendapat pengakuan universal sebagai alat penting untuk membasmi kemiskinan. Institusi Pembiayaan Mikro (MFIs) menyediakan perkhidmatan kewangan kepada orang miskin yang dinafikan oleh bank-bank perdagangan arus perdana. MFIs menghadapi cabaran yang unik dan hebat daripada segi kemampuan kewangan dan jangkauan; maka, timbul suatu perbahasan sama ada pembiayaan mikro ini berfaedah atau tidak bernilai? Selain itu, terdapat jurang dalam literatur MFIs sedia ada di negara-negara kurang maju dan MFIs Islam. Oleh itu, kajian ini mengkaji faktor-faktor yang memberi kesan kepada prestasi sektor pembiayaan mikro di Sudan. Tiga objektif pertama kajian ini adalah untuk memahami bagaimana campur tangan pembiayaan mikro kepada pelanggan. Kajian ini menggunakan kaedah campuran, dalam kajian kuantitatif 123 MFIs dan 228 pelanggan mengambil bahagian dalam dua borang soal selidik yang sejumlah, dan dalam kajian kualitatif 18 pengurus dari MFIs telah mengambil bahagian dalam temu bual separa berstruktur. Teknik analisis seramai Smart PLS-SEM, Deskriptif dan Chi-square telah digunakan untuk menganalisis data yang dikumpul. Semasa membandingkan keputusan data kualitatif bersepadu bersama-sama dengan keputusan kuantitatif, didapati bahawa faktor-faktor kadar faedah, perlindungan pelanggan dan kaedah pembiayaan mempunyai hubungan signifikan dan positif dengan prestasi MFIs dari sudut kemampuan kewangan dan jangkauan. Tetapi, insurans mikro menunjukkan tiada hubungan dengan prestasi MFIs. Tambahan pula, dapanatan analisis struktur menunjukkan bukti yang cukup bahawa ciri-ciri institusi mengenai jenis pelanggan, jenis organisasi dan tempoh penubuhan MFIs mempunyai kesan ke atas prestasi MFIs. Sebaliknya, keputusan kajian ini menyatakan bahawa pinjaman pembiayaan mikro mempunyai kesan positif kepada pelanggan MFIs. Kajian ini menyumbang kepada literatur industri pembiayaan mikro dengan menentukan faktor-faktor yang memberi kesan terhadap prestasi MFIs. Di samping itu, keputusan membuktikan bahawa pinjaman kewangan mikro mempunyai kesan besar kepada pelanggan dan jaminan sosial dan ekonomi yang disediakan. Kajian ini juga menyumbang kepada MFIs dengan mencadangkan, sebagai kajian masa depan, satu teori Rangka Kerja Pengukuran Prestasi (PMF), yang diiktiraf oleh Kumpulan Perundingan bagi Membantu Golongan Miskin (CGAP). Satu daripada cadangan kepada pembuat dasar ialah menggalakkan kepelbagaian institusi yang menjadikan MFIs pendapatan bebas cukai, menyemula polisi insurans mikro, peraturan-peraturan yang berorientasi sosial, dan menguatkuasakan kadar faedah siling yang positif, yang boleh membantu MFIs dalam mencapai objektif teras mereka. Selain itu, kerajaan tidak sepatutnya mempolitikkan program pembiayaan mikro.
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CHAPTER 1

INTRODUCTION

1.1 Overview

Microfinance has attained a universal avowal as a vital tool for poverty alleviation in many developing countries and alleged as an important tool towards reducing poverty and hunger (Johnson and Rogaly, 1997; Gibbons and Meehan, 2002; Armendariz de Aghion and Morduch, 2005; Bakhtiari, 2011; Hudon and Sandberg, 2013; Shu and Oney, 2014; Ammar and Ahmed, 2016). Microfinance Institutions (MFIs) face unique and unparalleled challenges of dual objectives of financial sustainability (the ability to cover all operational and finance expenses with revenue plus produce a surplus) and outreach (providing financial services to the poor).

There are major gaps in the existing literature of MFIs in less developed countries as well as Islamic MFIs (Kasim and Shamsir, 2012; Ismail and Possumah, 2013). Consequently, this research studies the performance of microfinance sector in North Africa, particularly in Sudan as a proxy for least developed country that implementing an Islamic microfinance system. This research intended to provide contribution to the body of knowledge and empirical (managerial) contribution.

The remaining of this chapter is divided into eight sections that introduce this study by outlining the background of the study, problem statement, research
objectives, research questions, the significance and contribution of the research, the scope of the research, outline of this thesis, and operational definition.

1.2 Background of the Study

Microfinance is perceived as a vital dynamic mechanism towards attaining the millennium target of reducing poverty and hunger (Simanowitz and Walter, 2002; Fernando, 2004). The beginning of modern microfinance industry was in 1976 by a Bangladeshi Professor Muhammed Yunus (founder of Grameen Bank), when he used his own money to make loans to village women. The sector has since developed to include more than 10,000 organizations with about USD 70 billion assets serving about 150 million clients worldwide (Augustine, 2012).

Microfinance in Sudan has started in 1990 when the Central Bank of Sudan (CBOS) implemented the policy of financing craftsmen. CBOS have been requested banks to allocate 12 percent of their financing resources to microfinance programs. In 2006, CBOS formulated a strategy for the development of the Microfinance sector and an independent unit was established in 2007 and has been granted a full administrative and controlling role under the direct supervision of the CBOS Governor.

MFIs have dual objectives of financial sustainability and outreach (CGAP, 2009; Shu and Oney, 2014; Ammar and Ahmed, 2016). The establishment of MFIs aims to achieve their primary challenging objectives of sustainability and outreach to the poor who are not served by the conventional financial institutions. This has been a prime component of the development strategy of many developing countries. However, the majority of MFIs are not "sustainable," where sustainability is associated in microfinance literature with financial self-sufficiency (financial sustainability and financial self-sufficiency will be used interchangeably) (Brau and Woller, 2004; Waweru and Spraakman, 2012; Hudon and Sandberg, 2013).
From a best practice perspective, Morduch (2000) stated that only MFIs that pursue best practices or principles of good banking can achieve both poverty alleviation and financial sustainability. However, Waweru and Spraakman (2012) mentioned those best practices are still unclear, and therefore more work is needed to determine how MFIs can provide loans to the poor while attaining financial sustainability.

The foremost concerning about sustainability is how MFIs manage the relationship with their clients (small size borrowers) as well as their staff productivity in providing efficient and effective loans. A sound management of lender-borrower link hooked on the capability of the MFI to cope the related agency problems of moral hazard as well as adverse selection. Consequently, this improves MFIs performance by gaining more returns from loans, weans them from subsidy and earns more income. Hence, effective management of agency problem substantially impacts the sustainability of MFIs (Aveh, 2011). In other words, the reason for examining the dynamics that manage the agency problem is credit provision by MFIs and loan repayment problems in addition to high dependency on subsidies and donations.

Outreach, on the other hand, is MFI’s financial services to the poor particularly in rural areas and this has been an important issue in microfinance. Unfortunately, microfinance reaches only a small fraction of the world’s poor (Robinson, 2001; Christen, 2004). The present outreach of microfinance in Sudan (the country of this study) is only 1% to 3% of the needs of the potential target group (CBOS, 2013). This indicates that discussion or research on outreach is vital.

In management accounting terms, data that managers use to successfully monitor an MFI is called performance measurements. Performance measurement is a crucial mechanism for management of MFIs and is essential for sustainability and outreach. Measuring the performance of an MFI is about evaluating its development in achieving goals. Since microfinance have dual features of financial performance and social performance aspects, the quantifiable conventional measures of profitability do not report the degree of sustainability and outreach of MFIs. As Nietoa et al. (2005) stated, the techniques used to measure the performance of
conventional banking institutions may not be appropriate within microfinance context. Funders, sponsor and practitioners encourage and promote assessment of impact of MFIs, so they can see what is being achieved and consequently provide their support (Hulme, 2000; Obaidullah, 2008).

Obaidullah (2008) revealed that Islamic MFIs are similar to traditional MFIs; they use group financing method as a substitute for collateral and their goal is alleviation of poverty. Islamic MFIs experience wide-ranging discrepancies in the operational mechanisms, models, and instruments. While, in terms of reach, saturation and financial competency, Islamic MFIs are way behind their conventional colleagues, thus this study aim to verify factors that enhance MFIs performance in Islamic financing system (Bhuiyan et al., 2011).

Moreover, few studies are made in the context of North Africa and particularly Sudan - as a proxy of Least Developed Country- have investigated the factors that have effects on the sustainability and outreach of MFIs from the perspectives of interest rate, client protection practicing, microinsurance, financing methods, and institutional characteristics as well as assessing the impact of microfinance loan on MFI clients.

### 1.3 Problem Statement

The first problem to highlight is that MFIs face unique and unmatched core objectives since it must attain a double bottom line of sustainability and outreach. (SEEP Network, 2005; CGAP, 2006; Hudon and Traca, 2011; Shu and Oney, 2014; Ammar and Ahmed, 2016). Encouraging MFIs in attaining financial sustainability may adversely affect the mission of social outreach i.e. a sign of mission drift (Osotimehin and Akinlabi, 2011; Quayes, 2012). There is an increasing divergence between the advocates of social performance and financial performance; there is a trade-off between financial self-sufficiency and outreach. The Department for International Development (DFID) in the United Kingdom has commissioned an organized appraisal of microfinance impact and recommended further research
Hence this encourages research on the significant factors that have influence on sustainability and outreach of MFIs.

The majority of MFIs are claimed not to be financially sustainable; more than 95% of MFIs still require subsidies to cover their costs and to finance their loans (Morduch, 2000; Brau and Woller, 2004; Perilleux et al., 2012). Morduch (2000) is also doubtful of the optimistic of microfinance being able to be financial self-sustainable and in same time to ensure depth of outreach and alleviation of poverty (Aveh, 2011; Quayes, 2012). Recent research indicates a number of financial challenges for the more poverty-oriented MFIs (Hudon and Sandberg, 2013). Consequently, there is an issue of financial sustainability of MFIs that need to be considered; accordingly, this study will examine the factors that affect financial sustainability.

Outreach to the poor is another major problem in microfinance industry. Microfinance financial services reach only a fraction of the world’s poor particularly in rural areas; outreach problem (Robinson, 2001). For example, only about 133 million people are estimated to be served by the MFIs, compared to the 900 million poor people (in the Asia Pacific region) (Osotimehin and Akinlabi, 2011). The present outreach of microfinance in Sudan (the country of this study) is still very low, as it is generally considered that it covers only 1% to 3% of the needs of the potential target group (CBOS, 2013). This issue needs to be addressed by investigating the factors that have effects on outreach.

A critical issue to Sudan is that microfinance is still underdeveloped. Most commercial banks are reluctant to engage in microfinance because they consider it to be unprofitable and unsustainable due to the strong prevailing “charity” culture in Sudanese microfinance and they are wary to invest in a business that they do not master. Most MFIs are small, with weak processes and poor management information systems. As a consequence, there are doubts on whether Sudanese microfinance providers are capable of playing a leading role in any microfinance initiative (Khojali and Hansen, 2010).
Another problem in microfinance industry, particularly in Sudan, is that MFIs are imposing excessively interest rate on loans to the MFI clients: if MFIs charge too high interest rates, they may lead the poor to be in a deeper problem rather than to help themselves to pull out of poverty (Brau and Woller, 2004; Ammar and Ahmed, 2016). In contrast, for the purpose of achieving financial sustainability, MFIs have to charge interest rates relatively high enough to cover its operational and finance cost that are high due to small microfinance and the little economies of scale exists in the financing process to cover fixed costs (Dehejia et al., 2012). Consequently, this study examines the relationship between imposing high interest rate and financial sustainability and outreach.

Recently in microfinance industry there is a criticism on ethical issues such as relying on exploitative financing methods, practicing coerce loan recovery, and making clients fall into "debt traps" rather than pulling them out (Harper, 2005; Hulme and Arun, 2011; Kamani, 2011). Moreover, the risk of over-indebting clients is the most crucial challenge facing MFIs but research focusing on financing method is underexplored creating a significant gap in the literature (Lascelles and Mendelson, 2012). Therefore, this study examines these ethical issues from client protection point of view, whether financing methods can affect financial sustainability and outreach.

As stated by Central Bank of Sudan, there is a problem in implementation of microinsurance by insurance providers in Sudanese MFIs (CBOS, 2016). On the other hand, there is limited academic research on the microinsurance markets that discusses the agricultural insurance; this has called for further research (Schmit et al., 2014). Consequently, it is timely that this study examines the impact of microinsurance on the performance of MFIs.

There are some studies criticized and documented subsidized microfinance programs (Adams, 1984; Morduch, 2000; Robinson, 2001; Suraya Hanim, 2011). Some studies subsidized microfinance programs led to non-poor MFI clients. Conversely, some scholars also alleged that subsidies will aid MFIs reaching more poor people (Zeller and Meyer, 2002). Such beliefs made a conflict over the objective of subsidies and how MFIs should finance them. In contrast, those who
receives donations and subsidy focus in social performance, consequently result in conflicts (Shu and Oney, 2014; Wulandari and Kassim 2016). Thus, knowledge about the impact of microfinance on the MFI clients is partial and need further studies.

Based in the problem stated above, this study attempts to examine the effectiveness of the subsidised system of microfinance implemented by Sudan, which is not well documented, by assessing the impacts of microfinance loans on the MFI clients. The topic is significant, mainly in Africa where poverty predominant and where MFIs plays a vital part in assisting programs in poverty reduction/alleviation

1.4 Research Questions

The overall questions of this research are developed based on the discussion on the problems. The main research questions that have been identified to provide direction for this research are:

1. Is there a relationship between interest rate, client protection principles, financing method, and microinsurance and the financial sustainability of MFIs?
2. Is there a relationship between interest rate, client protection principles, financing method, and microinsurance and the outreach of MFIs?
3. What is the difference, if any; exist on the performance of MFIs based on institutional characteristic in terms of (a) ownership type (b) years of MFI establishment (c) client type?
4. Do microfinance loans have impact on the MFI clients’ business, household and individual for one of MFIs in Sudan?
1.5 Research Objectives

The main purpose of this research is to pursue the understanding of how microfinance involvements are implemented and how the numerous factors of the involvement impact financial sustainability and outreach. Also, this study aims to examine the impact of microfinance loan on the clients of MFIs. In this context, the objectives of this study are;

1. To investigate the relationship between interest rate, client protection principles, financing method, and microinsurance and the financial sustainability of MFIs.
2. To investigate the relationship between interest rate, client protection principles, financing method, and microinsurance and the outreach of MFIs.
3. To examine the effect of institutional characteristics on the financial sustainability of MFIs.
4. To investigate the impact of microfinance loans on the client’s business, household and individual on a MFI in Sudan.

1.6 Significance / Contributions of the Study

The research is significant in bridging the gap in literature since there is insufficient evidence and missing link in the existing literature. The first gap is that most of the empirical studies on the performance of MFIs - especially sustainability and outreach - have been in Asian countries and South American and very few studies focus particularly in Africa and the majority of the empirical work has been in the area of social impact analysis (Aveh, 2011). There are very limited studies in the context of North Africa and particularly Sudan - as a proxy of Least Developed Country- that have investigated the factors that impact the sustainability and outreach of MFIs (Aveh, 2011). In addition, according to the interview with CBOS (microfinance unit), there is no study which empirically tested the factor that affects
the performance of MFIs from financial sustainability and outreach in Sudan. Hence, this study investigates the factors affect the performance of MFIs.

The second literature gap is on the scarce cases of successful MFIs that implement Islamic financing system; these institutions are not incorporated into the formal financial systems, except Indonesia. Islamic MFIs experience wide-ranging discrepancies in the operational mechanisms, models, and instruments. While, in terms of reach, saturation and financial competency, Islamic MFIs are way behind their conventional colleagues (Bhuiyan et al., 2011). Additionally, there is a gap in the existing literature of Islamic microfinance (Kasim and Shamsir, 2012; Ismail and Possumah, 2013). Microfinance sector largely has been neglected in the critical literature (Hudon and Sandberg, 2013). Consequently, this research examines these factors to prove or disprove contradicting evidence. The above stated existing literature gaps are expected to be bridged by this study.

Furthermore, El-Komi and Croson (2012) stated that very little previous research has examined the relationship between conventional and Islamic microfinance (macro). Also they stated a big proportion of the poor are practicing Muslims; thus they are unable to take advantage of conventional microfinance contracts which involve the payment of interest. Consequently, this study focuses on microfinance in Muslim countries in North Africa and particularly in Sudan that adopting Islamic financing system.

Generally, this study contributes empirically in determining the role and importance of interest rate, client protection, financing method, microinsurance, and institutional characteristics to develop a sustainable competitive advantage for MFIs. Such contribution provides some acumen for the relationship between these factors and MFIs’ performance that has been a focal and equivocal point of researches particularly in the case of Sudan.

Additionally, this study contributes in demonstrating empirically the current impact of microfinance loan on MFI clients which partially identified to assist in decision making by microfinance stakeholders. On the other hand, this study
contributes in mitigating the debate of whether microfinance is worthwhile or worthless by testing empirically the impact of microfinance loan on clients.

This study contributes to the practice, management, stakeholders, and policy makers of the microfinance industry by providing practical recommendations and implications of the study. Besides, this study contributes to MFIs by proposing a Performance Measurement Framework that addresses the shortcoming of all pervious PMFs and integrates five milestone stones in one framework. This is the first multifaceted, integrated and balanced PMF that proposed particularly to MFIs.

Furthermore, this study provides social and economic contributions by making recommendations to MFIs which in turn will further improve the financial sustainability and outreach of MFIs and consequently contributes in reducing poverty and hunger in addition to the development and empowerment of the poor, particularly women.

1.7 Scope of the Study

This research studies the factors that have an impact on sustainability and outreach of MFIs, as well as the impact of microfinance loans on the clients (or borrowers). The research was carried out in Sudan as a proxy for least developed country that implementing an Islamic financing system. Mixed-mode method was adopted involving qualitative and quantitative approaches to develop a research design which fits the research questions and objectives. The respondents of this research comprise of two separate groups; managers of MFIs and clients (borrowers) of MFIs. Two sets of questionnaire were used; to collect data from general manager (or similar position) and from clients. Semi-structured interviews were used to collect data from the MFIs. Smart PLS and one-way ANOVA were used for quantitative data analysis using SPSS 21.0 and Smart PLS (SEM) statistic software while content analysis was used to analyse the interview data.
1.8 Key Terms of Operational Definition

(a) **Financial sustainability**

Financial sustainability is defined as the ability to cover all expenses with revenue plus produce a surplus of revenue over expenses to finance future growth (Ayayi and Sene, 2011).

(b) **Outreach**

Outreach refers to the ability of MFIs to provide microfinance financial services to the poor, particularly in rural areas (Robinson, 2001; CBOS, 2013).

(c) **Subsidies in microfinance**

Subsidies in microfinance means MFIs are financed by the government or others in the form of subsidies and donations. Microfinance is a costly inefficient business due to high transaction costs that incurred form small scale loan (Suraya Hanim, 2011).

(d) **Interest rate**

The interest rate is the price of money. Where for-profit financial institutions set their interest rates by the rate that will maximize shareholder wealth, MFIs face unique matters in determining an appropriate level of interest rate (Aveh, 2011).

(e) **Client Protection**

Client Protection Principles are designed to aid MFIs in practicing good ethics and successful business. These principles represent the least required standards that microfinance clients are entitled to receive MFIs. Recently, microfinance industry is criticism on ethical issues such as imposing excessive interest rate and making clients fall into more debts rather than pull them out (Harper, 2005; Hulme and Arun, 2011; Kamani, 2011).

(f) **Microinsurance**

Microinsurance is a non-traditional insurance created for the protection of poor and vulnerable people against specific risk (perils) in exchange for payment of
premium. Unlike banks, which demanded collateral, in order to get a loan from
MFIs, borrowers have to provide some other sort of collateral such as insurance etc.  
(Khojali and Hansen, 2010).

(g) **Borrower’s characteristics**

Borrower’s characteristics refer to the characteristics of individual borrower
which have effects on loan repayment, such as age, gender, education etc.  
(Kevane and Wydick (2001).

(h) **Business characteristics**

Business characteristics refer to the type of business which have an influence on
the loan repayment defaults such as agriculture, trading as well as business
training (Kevane and Wydick (2001).

(i) **Financing characteristics**

Loan characteristics refer to the characteristics of program design and
implementation such as effects of loan size, nature of the loan, repayment period,
repayment mode etc.  
(Kevane and Wydick (2001).

(j) **Institutional characteristics**

Institutional characteristics of MFIs have impact in the performance of MFIs
(Zeller and Meyer, 2002).  In the context of this research, the following are used in
representing institutional characteristics:

(i) **Ownership type**

Ownership type refers to the property right of the organization that provides
microfinance services to the poor.  Ownership type has a crucial influence on MFI’s
performance (Jansson and Westley, 2004).  The types of ownership focused by this
study are government organizations, non-profit organizations and for-profit
organizations.

(ii) **Client type**

Client type refers to the client characteristics and the client business.  Client
characteristics, identified by gender type (some MFIs target financing to women
rather than men) and/or identified by poverty targeting (financing to the very poor and poor versus financing to the marginally poor and non-poor) (Aveh, 2011).

(iii) Financing methodology

This refers to financing method used to provide loans to the poor including group financing that made the group members co-signers, thus reducing the chance of default (Jansson and Westley, 2004).

(k) Financial inclusion

Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable (de Aghion et al., 2007). Focus should be on supply and usage of affordable and quality financial services and products to the low-income people who are financially excluded by conventional banks. These financial services and products should be in a simple and appropriate manner that can encounter demand with the necessary consideration to client protection practices.

(l) Microinsurance premium

This refers to the amount paid by microinsurance-policyholder to retain an insurance in effective, usually is paid in installments (CGAP, 2014).

1.9 Outline of this Thesis

Key concepts and objectives of the research were introduced in this chapter. The rest of this thesis is organized as follows: Chapter 2 presents and discusses an overview of the literature relevant to microfinance and the variables of the study. Chapter 3 discusses the research methodology in terms of sample frame, research method, research instrument, data collection procedures, and determining data analysis method. In Chapter 4 an analysis of collected data and evidences with the initial model is presented. Finally, Chapter 5 contains discussion and conclusion of research findings.


