

## **CAN MICROFINANCE INSTITUTIONS REACH THE POOREST OF THE POOR AND ACCOMPLISH FINANCIAL SUSTAINABILITY AT THE SAME TIME?**

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### **ABSTRACT**

Microfinance can be simply termed as the institution that offers poor people basic financial services. It has expanded itself and has come up with approaches and offers that comprises of providing basic financial services such as loans to the range of diversified activity such as the providence of microinsurance to the people. It is the services and assistance of MFIs that must be available to the poor in the long term, to achieve financial sustainability, the assessment of factors that have a direct and indirect influence on reaching the poor and at the same time, reaching the sustainability is essential. The prolonged continuation of the Microfinance program after the activities of the projects has been ceased is referred to as sustainability. The researcher has used the deductive approach in this study. The reason for using deductive approach is that theories of microfinance are already available in the literature but its specific relation with poor and sustainable financing was missing. The results showed that most of the MFIs are working in developed countries because most of the account holders belong to these countries. The findings showed that the poorest borrowers were 110 million, which increased to 114 million by the end of 2014. It implies that the scope and priorities of MFIs were towards the poorest. For MFIs that meet the needs and objectives of now and also of the future generation, it is sustainability. Sustainability comes to the fore as a measure of the efficiency with which the poor operates and serves at the same time.

**Keywords:** Microfinance Institutions, financial, sustainability.