

**Assessment of the operation, management and performance of  
SME-credit guarantee Scheme in Tanzania  
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The research was primarily concerned with the assessment of the operation, management and performance of SME Credit Guarantee Scheme with particular reference to Tanzania economy. The motive was to provide empirical support for policy formulation, implementation and rectification with regard to government avowed commitment to SMEs development whilst contributing to the limited body of knowledge on Credit Guarantee Schemes in Tanzania perspective and Africa in general. The parties involved in the study include: Bank of Tanzania, Participating Financial Institutions, SIDO, SMEs, TCCIA, Ministry of Finance and Economic Affairs, and Ministry of Industry, Trade and Marketing. The study employed questionnaires, interviews, content analysis and the use of various documents as the major instruments for gathering data. Data were analyzed using Microsoft Word and Excel Applications and SPSS package version 11.5, qualitative data were categorically organized. The findings from the analysis of data confers that SME-CGS is an appropriate way to facilitate and improve SMEs' access to finance in Tanzania but the scheme is not performing to expectations, it is placking up slowly. Several issues that need to be addressed are recommended. Recommendations are thereof given on how to ensure effective operation, management and performance of the SME CGS in Tanzania. Each stakeholder to the schemes has apart to play. Cleary, the main objective of the SME CGS should be to facilitate hassle free credit to the SMEs and encourage banks to shift from security based lending to merit based lending.