

**Challenges Facing Small Businesses in Accessing Financial Services from  
Microfinance Institutions: A case of selected markets in Moshi Municipality,  
Master of Business Management  
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The study focused on assessing the challenges facing small businesses in accessing financial services from microfinance institutions. The research specific objectives were to study the characteristics of small businesses in accessing financial services from microfinance institutions, to examine the factors influencing accessibility of financial services to the small businesses, to analyze challenges to small business in accessing the financial services they need from microfinance institution. The study adopted a cross sectional research design; it involved 120 respondents from Moshi Municipal markets. Data collection methods involved the use of survey, interview, and documentary review. Data were analyzed using statistical package of social science (SPSS) through the use of descriptive statistics. The findings revealed several challenges faced by small businesses in accessing financial services from MFIs, complex procedures and shorter repayment period, unfriendly laws and policies, low amount and compulsory saving, lack record keeping, high rate and costs of financing, physical collateral or security, lack training on loans given, fraud acts by loan officers. The study concludes that small businesses play a very important role in bringing balanced economy and providing a chance for poor people to start, grow and develop health enterprises which provide a lot of advantages to the surrounding community and its people. However, they are associated with some significant challenges. The study recommended the MFI should provide training and education about entrepreneurship to their clients, reduce the terms and conditions, and find other alternatives of lending money to entrepreneurs than depend much on collateral.