

**The Role of Microfinance Institutions Towards Achieving Millennium Development Goals
The Case of PRIDE Tanzania**

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Tanzania, as other developing countries, has been struggling to reduce poverty. The Government of Tanzania recognizes the role of the private sector in poverty reduction. Improved access and efficient provision of savings and credit facilities can enable the poor to smoothen their consumption, gradually build their asset base, develop their micro enterprises and enhance their income earning capacity. This study aimed at finding out the roles of Microfinance Institutions (MFIs) towards achieving Millennium Development Goals, specifically poverty reduction, by 2015. A cross-sectional descriptive study was carried out in Moshi urban, at PRIDE Tanzania Limited, Questionnaires containing both open and closed-ended questions were used to collect demographic and data related to PRIDE services and accrued benefits from loans obtained from the MFI. In-depth interviews were done to PRIDE officials and document review was done to assess the functioning of PRIDE. Data was summarized using narration, frequency distributions and charts. The study found that PRIDE was serving the poor dealing with ongoing micro businesses, mainly retailing and their loan conditions were affordable by the clients. The impact of MFI services is yet to be realized by clients because of, inter alia, the short period they have circulated their loans (mostly less than 8 years). It is recommended that MFIs can be instrumental in poverty reduction if they use loans as a stepping stone to the establishment of Savings and Credit Cooperative Societies (SACCOs) for their members. Where they could access larger loans rather than creating a situation of loan dependency.