

**ABSTRACT**

The main purpose of this study was to assess the obstacles to Small and Medium Enterprise (SMEs) access to finance. The study was carried out in Themti, Oloirien, Lemara, Kimandolu and Central Business Center within Arusha Municipality. Sample size of eighty (80) respondents participated in the study. Sixty five (65) consisted owners of SMEs and fifteen (15) micro finance institutions and research institutions. Both quantitative and qualitative methods of data collection were used. Also the questionnaires and in-depth interviews were employed as tools for data collection.

The study findings revealed that the most common constrains hindering SMEs access of finance in Arusha Municipality were lack of securities and poor business plan. Others include inadequate information exposures, inadequate business entrepreneurial skills, and Inability of SMEs business entrepreneurs to use research information.

It was also recommended that the governments and other stakeholders should join hands in supporting the efforts to stimulate the access of finance for SMEs