

**Assessment of Financial Capacity of SACCOs in Meeting Members Financial Needs
A Case of Wazalendo SACCOs and Samekaya SACCOs in Kilimanjaro Region**

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The general objective of this study was to find out the root causes of inefficiency of SACCOs as financial service providers in meeting members' financial needs. Specifically, the study provides a critical analysis of SACCOs' sources of funding, assess the impact of the loan default and loan repayment delays on the performance of SACCOs, examining the management process and procedures used in resource mobilization alternatives in order to meet up members' loan demand. Two SACCOs namely Kaya Same and Wazalendo which are located in Kilimanjaro region were studied and 122 respondents who were purposely and randomly selected participated in the study. Criterion- group research design was employed during the study and it was effected through the use of both qualitative and quantitative research approaches. Data collection methods employed included interviews, observations and documentary review which were effected through the use of research instruments such as interview questions, observation as well as documentary review materials. Questionnaires were also used to gather data which were not collected through the use of other research instruments. Content analysis was used during data analysis. Findings indicated that availability of enough sources of funds and the ability of the committee members now Board of Directors to mobilize funds enabled both Samekaya and Wazalendo SACCOs to be effective in providing loans to members. Furthermore, proper procedures employed during mobilization of funds from different sources increased capital in these SACCOs which were used to provide loans to members. It was also revealed from the study that, there were proper procedures to be followed during application of loans. Those procedures ensured easiness in making follow-up on the objective which money was borrowed for. In connection to the findings of the study, it is important for SACCOs to have enough sources of funds to enable them to effectively provide loans to members. To meet this, procedures for provision and collection of loans are important in determining financial capacity of the given SACCOs. Recommendation for immediate action included extension of types or loans to emergent financial needs.