



**Smallholders
Credit Guarantee
Scheme (SCGS)**

TADB

Tanzania Agricultural
Development Bank

"The Farmers' Bank"

The Smallholder Credit Guarantee Scheme

The Government of Tanzania through the Prime Minister's Office was implementing the Marketing Infrastructure, Value Addition and Rural Finance Support Program (MIVARF) in the country. The implementation of the program called for the establishment of a Guarantee fund to support smallholder farmers to access financial services from the banking sector. As a national Apex bank for Agriculture, TADB was appointed as the Administrator to manage the guarantee scheme on behalf of the Government.

The Smallholder Farmers Credit Guarantee Scheme (SCGS) was officially launched in February 2018. The scheme provide guarantees to Partner Financial Institutions to support lending to the Agriculture sector. The SCGS provide up to 50% cash cover to partner banks to guarantee Agriculture loans under the scheme.

The main objectives for the establishment of the

SCGS is to catalyze financial sector lending to the Agriculture sector especially to smallholder farmers in the rural areas. The scheme aims at transforming smallholder farmers from subsistence farming to commercial farming by encouraging the adaptation of modern technology/techniques, which ultimately create employments and promote food security.



In collaboration with IFAD, the government has provided a total funding of USD 20 million of which 5.7% is for technical assistance to support smallholder farmers and partner banks under the scheme. It is expected that the scheme will enable partner banks to extend more than TZS 90billion loans to the Agriculture sector.



USD 20 Million

Total approved amount from IFAD for SCGS



TZS 40.82 Billion

Disbursed for SCGS (Smallholder credit guarantee scheme)



6,259

Direct beneficiaries

1,011 - Women
5,136 - Men below 35years.



Partners - 8 FI's

5 Commercial banks,
3 Community/Microfinance banks

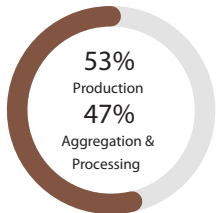


TZS 6.4 million

Average loan size per each SHF

100,000

- Indirect beneficiaries



Loans per nature of activity

The TADB is dedicated to contributing significantly to development of agriculture in Tanzania with the average provided per person is around TZS 6.4 mil farmers directly benefiting 6,259 smallholders across the country with a significant portion of the loan on production.

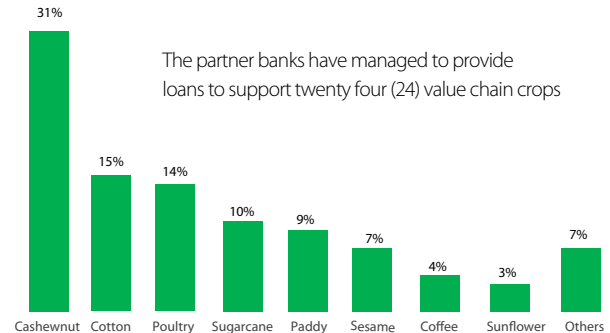


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Regions

Loans distribution per region

19% Mtwara, 21% Morogoro, 12% Simiyu, 8% Kilimanjaro, 7% Lindi, 5% Dar Es Salaam, 5% Shinyanga, 5% Coast, 4%, Mbeya, 3% Ruvuma and 24% from other regions



The partner banks have managed to provide loans to support twenty four (24) value chain crops





SCGS Impact



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