We Make the Road By Walking: Using a Systems Approach for Savings Groups Program Design

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SMDP/Plan International Webinar Series
Savings Groups and Beyond Inclusion, Equity and Transformation
Who are we?

1. What is your experience with savings groups?
   – Senior or Middle Management- direct practice
   – Technical Support/ Facilitating Agency
   – Donor (funding agency) Policy maker (government, central bank)
   – Researcher/ Consultant

2. Where is your main area of work?
   – Sub-Saharan Africa
   – South Asia & Pacific, East Asia
   – North America including Mexico
   – Central and Latin America
   – Europe
# Systems Thinking

<table>
<thead>
<tr>
<th>Conventional Thinking</th>
<th>Systems Thinking</th>
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<tbody>
<tr>
<td>Causal connections, parts</td>
<td>Many connected systems, players</td>
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<tr>
<td>Change is predictable, replicable</td>
<td>Change is historical, contextual, emergent</td>
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<tr>
<td>Get the methodology right</td>
<td>Try, monitor, adapt</td>
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<tr>
<td>Goals and results</td>
<td>Vision and strategy</td>
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<tr>
<td>Focus on best practices</td>
<td>Focus on what works here and now</td>
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Systems Analysis in Practice

• Where have we seen wide scale impact of savings groups?
• What methodologies were used?
• What was the contextual reality? Systems at play there?
• What might need to be considered in adapting these successes?
## Outreach in Kenya
*(FSD Kenya Study, 2015)*

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<tr>
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<th>CRS</th>
<th>CARE</th>
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<tbody>
<tr>
<td>Scale/Breadth</td>
<td>185,133</td>
<td>301,827</td>
</tr>
<tr>
<td>Cost of outreach during project</td>
<td>$USD 18 per member</td>
<td>$USD 6.1- 8.4 per member</td>
</tr>
<tr>
<td>Returns</td>
<td>Save more; more likely meet weekly; Smaller groups (22)</td>
<td>Borrow more; more likely to meet monthly; Larger groups (25-31)</td>
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<tr>
<td>Risk Mgt.</td>
<td>0.8% losses Less likely to have multiple memberships</td>
<td>7.7%/3.4% losses Multiple memberships</td>
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<tr>
<td>Depth/Poverty</td>
<td>No major difference</td>
<td>No major difference</td>
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Context of Kenya

- Reaching the poor but not the poorest
- Half of SGs already existed in some group
- 20% are saving with a bank; 58% secret hiding places.
- 51% have used mobile phones to save money
- SG groups are different than ROSCAs/ASCAs
  - Project formed groups smaller, better attendance, save & lend more, larger share-outs, more likely to have social funds, lower % lost money
- 1/3 groups are formed by nearby members or groups
- 29% of Community Trainer’s income ($220)
- Women strongly represented in group leadership except as Chair
- 63% knew savings balance
Systems – Contextual Analysis

• 100 feet and 30,000 feet at the same time
• What are the levers of scale? (100 feet)
• What is important about the Kenyan context to understand in terms of these levers? (30,000 feet)
What would it take to SCALE SGs in Zambia?

**Four Scenarios**

1. **Adapt + Streamline**
   - Crack the technology nut
   - Banking, training, monitoring
   - Efficiency was losing quality

2. **Capture Youth**
   - Go to Pop<35 yrs
   - 58.9 Excluded
   - Stuck in the mud
   - Snail along

3. **Lame Duck**

4. **Popcorn!**
Systems Thinking - Back to our Contexts

• What was contextually key about SG scaling in Kenya?
• What, from that experience, is applicable to your context?
• What might need to be adapted/considered to scale SGs in your context?
Thank you

• doingdevelopmentdifferently.com
• https://carseyschoolofpublicpolicy.com