

### **Concept Note**

As a way to invest and save most people in Kenya are in Chamas. Chamas offer reliable, easy, and convenient ways of saving and getting credit to the majority of Kenyans without formal employment. In 2018 Financial Sector Deepening (FSD) reported 41 percent of Kenyan adults use Chamas as a way to make money work by pooling the small amounts owned by the individuals and availing it to the one in need (Johnson, 2018).

Chamas are not without challenges. As Johnson reports, there is a risk of loss of funds and/or collapse of the Chamas through mismanagement, defaults of loan repayment and contributions, dropouts of members before end of period, and interpersonal conflicts (Johnson, 2018). However, despite all these, Chamas have stood the test of time and are still the most popular financial institutions.

ChamaFY proposes to curb the limitations of our Chamas all the while maintaining their simple, convenient and flexible structure. Our structure will do away with the management flaws by automating all features and will also strip away interpersonal relations. Moreover, individual users will have the autonomy on amount of contributions, number of available slots, and duration of viability of any Chama they join.