



# Draft National Savings Groups Coordination Strategy (2025–2030)

“Empowering Communities for Financial Resilience”

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# What is a Saving Group

“Empowering Communities for Financial Resilience”

**According to the Strategy:** A saving group is a formal or informal group of individuals , typically 5 to 30 members, come together to save, borrow, and manage their finances collectively.

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# Key Features of Savings Groups

## Voluntary & community-based

Members form the group by choice, often based on trust and mutual goals.

## Regular contributions

Members save weekly, biweekly, or monthly.

## Interest & dividends

**Profit-sharing:** Interest from loans is distributed among members, usually at the end of a savings cycle.

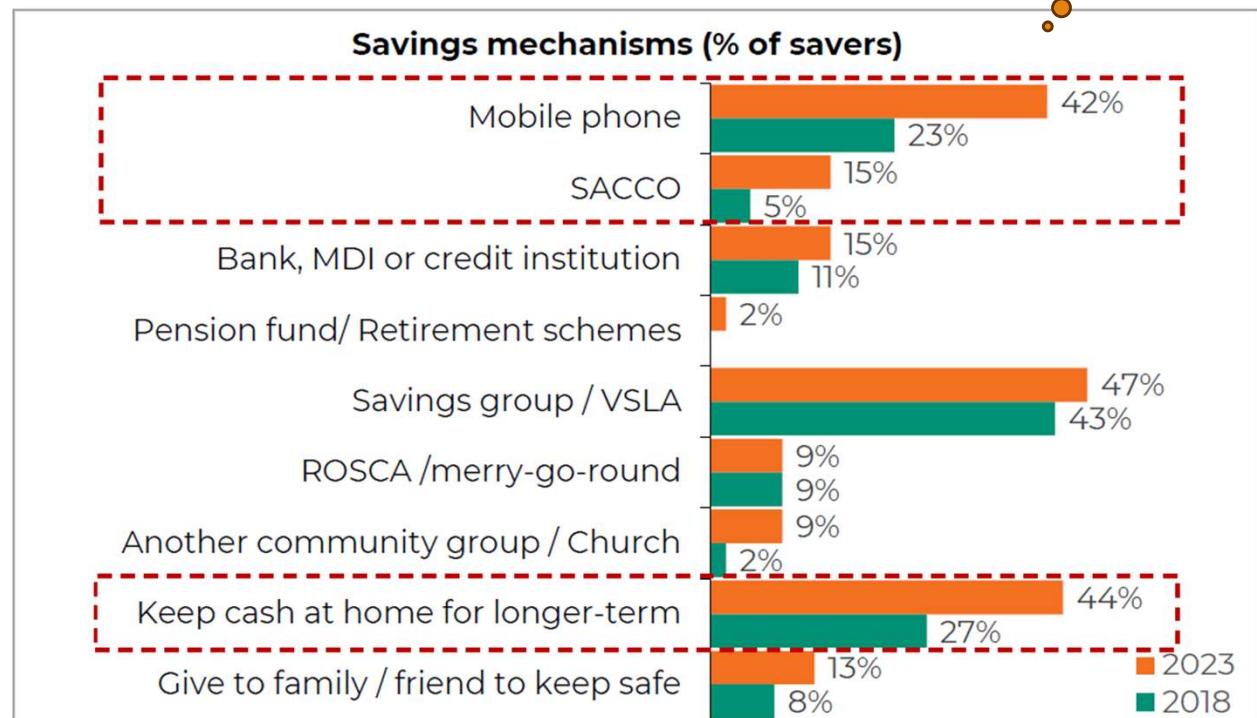
**Mutual support system:** SGs often serve social and emotional needs, beyond financial.

# SAVINGS MECHANISMS

## Informal savings mechanisms still dominate

65%

- SACCOs and Mobile Money have registered the highest increases in adoption since 2018 with the proportion of Ugandans utilizing them more than doubling.
- The proportion of Ugandans keeping their money at home has also more than doubled which could be a sign of lack of confidence in any form of financial service provider whether formal or informal.
- Despite the increase in overall saving among Ugandans, little is done digitally. Only 2 out of every 10 Ugandans claim to have ever saved electronically.



# The Challenge

## Lack of coordination has resulted in:

-  Fragmented implementation.
-  Overlapping efforts
-  Limited integration of SGs into the formal financial system.

## Why SGs Matter

-  Over **65%** of Ugandans save through VSLAs (up from 54% in 2018).
-  SGs are pivotal in programs like PDM, UWEP, and YLP.
-  SGs serve marginalized, unbanked communities and facilitate women's empowerment.

## Digital Transformation Potential

-  Adoption of tools like **Chomoka**, **Wendi**, and **PDMIS** is changing how SGs operate.
-  Technology expands **reach, transparency, and linkage to formal finance**.



# Why a National SG Strategy?

“Empowering Communities for Financial Resilience”

- Financial inclusion is central to achieving the **Sustainable Development Goals (SDGs)**.
- Uganda's financial inclusion rate (formal & informal) is at **81%** (2023).
- **SGs are key for rural and underserved populations**, especially women and youth.

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# Vision, Mission & Goal



## Vision

*"Financially resilient, inclusive, and well-coordinated formal and informal savings groups that accelerate socio-economic transformation."*



## Mission

*"To strengthen the coordination, capacity, and sustainability of savings groups through enhancing stakeholder collaboration, and expanding inclusive financial services."*



## Goal

*"To promote effective and efficient formal and informal groups that engage in financial services to drive socio-economic transformation in Uganda."*



# Strategy Development Process

*Built through Data, Participation & Global Benchmarking*

## Participatory Approach

Developed between **August–September 2025**.

Led by Ministry of Finance, Planning & Economic Development (MoFPED).

Co-created with:

- ▶ Ministry of Gender, Labour & Social Development (MoGLSD)
- ▶ Local governments
- ▶ Academic institutions (e.g., **MUBS**)
- ▶ Development partners like **CARE Uganda**

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# Strategy Development Process

*Built through Data, Participation & Global Benchmarking*

## Global Benchmarking

**Benchmarked with India's Self-Help Group model.**

- ▶ Incorporated global best practices to adapt to Uganda's socio-economic context.



# Strategy Development Process

*Built through Data, Participation & Global Benchmarking*

## Evidence-Based Design

- ▶ Informed by a **2022 nationwide assessment** of SGs.
- ▶ Supported by Gates Foundation; CARE Uganda & MUBS.
- ▶ Included:
  - Field data on group formation, governance, savings behavior, digital usage.
  - Legal and regulatory landscape analysis.



## Strategy Development Process

*Built through Data, Participation & Global Benchmarking*

### Integrated with National Priorities

Aligned with:

- ▶ Parish Development Model (PDM)
- ▶ National Financial Inclusion Strategy II (NFIS II)
- ▶ Tier IV Microfinance Institutions and Money lenders Act (2016)



# Landscape of Savings Groups in Uganda

*A Growing but Fragmented Sub-Sector*

## Widespread Reach

- Over 65% of Ugandans save through VSLAs (2023, up from 54% in 2018).
- Typical SG size: **10–30 members**, with **70% women** participation.
- SGs used for: **school fees, unity, poverty reduction, and livelihoods.**

## Types of SG Models

- Village Savings and Loan Associations (VSLAs)**
- Savings and Internal Lending Communities (SILCs)**
- Rotating Savings and Credit Associations (ROSCAs)**  
Promoted by CARE, CRS, PLAN Uganda, and WX, VF, MercyCorps, etc. UMRA,

## Government-Supported Programs

- Parish Development Model (PDM):** UGX 2.114 trillion (\$590M) disbursed to 2.18 million beneficiaries.
- Emyooga:** 7,100 SACCOs formed; UGX 308B (\$87M) disbursed.
- Youth Livelihood Programme (YLP)** and UWEP empower youth & women through SG-based structures.

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# Landscape of Savings Groups in Uganda

*A Growing but Fragmented Sub-Sector*

## Digital Innovations

- ▶ **Chomoka App:** by CARE & Ensibuuko – digital record keeping and transparency.
- ▶ **Wendi Wallet:** Government-backed platform for PDM groups – savings, disbursement & loan recovery by PostBank Uganda
- ▶ Digital uptake still low due to infrastructure and literacy barriers.

## Key Gaps

- ▶ Many SGs unregistered, informal, or fragile.
- ▶ Weak linkages to markets and financial institutions.
- ▶ Low financial & digital literacy.
- ▶ High average interest rates (84% p.a.) due to low capital and poor governance.

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# Key Challenges Identified

*Barriers Undermining SG Growth, Resilience & Inclusion*

1

## Limited Access to Financial Services

Weak coordination among stakeholders.

Low adoption of digital tools due to cost, infrastructure, and digital literacy gaps.

SGs often excluded from formal financial systems – link this to DDT4C project by CARE in Uganda.

2

## Low Savings Within Groups

Weak savings culture; internal mismanagement.

Financial literacy is low; income sources are limited.

Climate shocks & market access limitations reduce member contributions.

# Key Challenges Identified

*Barriers Undermining SG Growth, Resilience & Inclusion*

3

## Limited Growth & Continuity

Lack of clustering or federations

Poor succession planning; over-reliance on founding members.

Few income-generating activities linked to SGs.

4

## Inadequate Supervision

Weak governance and poor record keeping.

Inconsistent reporting and monitoring.

Many SGs unaware of legal frameworks.

# Key Challenges Identified

*Barriers Undermining SG Growth, Resilience & Inclusion*

5

## Capacity Gaps

Weak governance and poor recordkeeping.

Inconsistent reporting and monitoring.

Many SGs unaware of legal frameworks.

6

## High Interest Rates & Instability

Average annual interest rate in SGs: 84%.

Low capital base = loan limits, dropouts, member vulnerability.

Up to 50% of SGs collapse before maturity.

# Strategic Objectives & Activities



## Increase Access to Financial Services

- Form SG committees at national, regional, district levels
- Stakeholder mapping & accreditation
- Rollout sensitization campaigns on available services



## Increase Savings Within Groups

- Training in financial literacy & governance
- Promote savings-linked IGAs
- Encourage digital savings tools (e.g., Chomoka, Wendi)



## Promote Growth & Continuity

- SG census & digital registration rollout
- Encourage federations/clusters
- Promote succession planning & best practices



## Strengthen Supervision of SGs

- Develop digital reporting platforms
- Train CDOs, promoters, SG leaders
- Publish annual SG performance reports



## Build SG & Promoter Capacity

- Create model SGs per parish
- Standardize training manuals & IEC tools
- Conduct evaluations & peer learning

# Enabling Pillars

*What Will Make the Strategy Work?*

1



## Public & Private Sector Partnerships

- ▶ Leverages strengths of Government institutions, Development partners, I/NGOs, Financial institutions & fintechs.
- ▶ Ensures coordination & alignment with national priorities (e.g., PDM, Emyooga)

2



## Enabling Legal & Regulatory Environment

- ▶ Review and strengthen: Tier IV Microfinance Law (2016), Cooperative Societies Act (2020), SG-specific guidelines - MRD
- ▶ Enhance consumer protection, transparency, and light-touch regulation.

3



## Digital Infrastructure & Technology Adoption

- ▶ Expand access to: Internet & electricity (especially rural), National ID systems & digital registries
- ▶ Promote secure platforms like **Chomoka**, **Wendi**, and digital SG MIS – SHGMIS by MRD
- ▶ Enforce cybersecurity & data protection.

4



## Structural Graduation Models

- ▶ Foster federations, clusters, and peer mentoring models.
- ▶ Promote self-reliance and sustainability through structured pathways.

5



## Clear Dissemination Plan

- ▶ Use platforms like the Microfinance Forum for communication
- ▶ Roll out strategy via:
  - Regional workshops
  - Stakeholder engagements
  - Joint learning sessions

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# Implementation Framework

*Making the Strategy Operational & Accountable*

## National Implementation Structure

1

- ▶ Strategy will be led by the **Ministry of Finance, Planning and Economic Development (MoFPED)**.
- ▶ Coordination through a **National Savings Group Steering Committee**.
  - Supported by:
    - MoGLSD Ministry of Local Government
    - Apex bodies (e.g., AMFIU, UCA, UCSCU)

## Multi-Level Coordination

2

- ▶ **District, Regional, and National SG Committees** will be established.
- ▶ Local governments (CDOs, technical officers) will:
  - Register SGs
  - Monitor performance
  - Report upward to MoFPED

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# Implementation Framework

*Making the Strategy Operational & Accountable*

## Key Roles of Lead Institutions

3

- ▶ **MoFPED**: Resource mobilization, legal framework, national coordination, digital systems.
- ▶ **MoGLSD**: Capacity building, inclusion (gender, youth, PWDs), training content.
- ▶ **Local Governments**: Registration, monitoring, community sensitization.
- ▶ **Financial Sector Actors**: Digital tool development, credit provision, product design.

Source: NSGCS Section 4.2 Stakeholder Roles

## Implementation Timeline

4

- ▶ The strategy spans **2025–2030**.
- ▶ Action plan includes short-, medium-, and long-term milestones (detailed in the annex).

Source: NSGCS Section 4.2 Stakeholder Roles

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# Expected Outcomes by 2030

*Transformative Impact at Scale*

 <b>Outcome Area</b>	<b>Target by 2030</b>
 <b>Interest Rates</b>	Decrease from 84% → 33.6% per annum
 <b>Capital Accumulation</b>	Increase savings & capital by 60%
 <b>SG Sustainability</b>	Raise survival rate from 50% → 80%
 <b>Economic Vulnerability</b>	Reduce vulnerability from 68% → 40% of SG members
 <b>Loss of Assets</b>	Decrease member property loss from 10% → 3%
 <b>Loss of Access</b>	Increase access to sufficient loan capital by 45%
 <b>Investment in Productive Ventures</b>	Grow from 20% → 50% of SGs
 <b>Adoption of innovation</b>	Uptake of digital tools & gender-inclusive leadership from 15% → 55%

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# Link to Forum Themes

*How the Ugandan SG Strategy Aligns with “Building Pathways” Objectives*

Outcome Area	NSGCS Alignment
<b>1. SG–Bank Linkages</b>	Strategic Objective 1 focuses on linking SGs to formal financial services through committees, stakeholder accreditation, and sensitization.
<b>2. Technology &amp; Digitization</b>	NSGCS promotes adoption of Chomoka, Wendi, digital registration/reporting platforms, and capacity building for tech use.
<b>3. Inclusive Financial Products</b>	Strategy pushes for tailored savings and loan products, links to income-generating activities, and market access.
<b>4. Supportive Regulation</b>	Builds on existing laws (Tier IV Act, Cooperative Societies Act) and proposes new SG-specific operational guidelines.

# Link to Forum Themes

*How the Ugandan SG Strategy Aligns with “Building Pathways” Objectives*

<b>5. Monitoring &amp; Learning</b>	Establishes national M&E framework, SG performance reporting, and digital data systems.
<b>6. Multi-Stakeholder Collaboration</b>	National Steering Committee, District SG Committees, involvement of MoFPED, MoGLSD, BoU, NGOs, fintechs.
<b>7. Gender &amp; Youth Inclusion</b>	Promotes inclusive leadership, targets women, youth, PWDs through MoGLSD and program design.

# Conclusion & Call to Action

*Turning Vision into Reality – Together*

- ▶ The National Savings Groups Coordination Strategy (NSGCS) offers a structured, inclusive, and data-driven blueprint.
- ▶ It aligns with national priorities, international best practices, and forum goals.

## What's at Stake

- ▶ Without coordination: duplication, group failure, exploitation, and lost opportunity.
- ▶ With this strategy: increased resilience, financial access, economic empowerment.

## Why It Matters to You

- ▶ Government, funders, NGOs, FSPs, fintechs, regulators — all have a role.
- ▶ Your investment, tools, or policy input can **amplify impact** at national scale.



## Call to Action

“Join us to implement, innovate, and scale Uganda’s SG transformation journey. Let’s make savings groups a foundation of inclusive finance — not an afterthought.”

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# Thank you

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