



Draft National Savings Groups Coordination Strategy (2025–2030)

“Empowering Communities for Financial Resilience”

Presenter: Edward Muhairwe, MoFPED,





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.

Building a competitive economy for National Development

MOFPED#DoingMore



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.

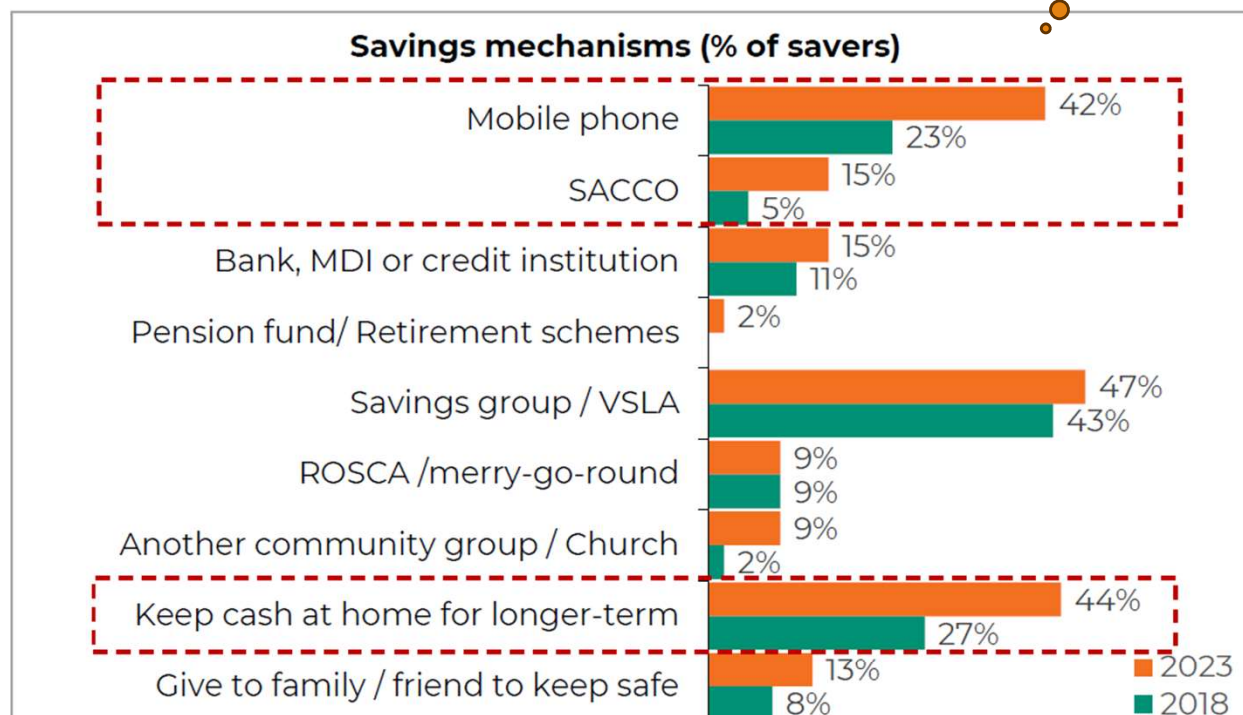
Mutual support system: SGs often serve social and emotional needs, beyond financial.

SAVINGS MECHANISMS

Informal savings mechanisms still dominate




- 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.

65%






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.

Building a competitive economy for National Development

MOFPED#DoingMore

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**

Building a competitive economy for National Development

MOFPED#DoingMore

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)

Building a competitive economy for National Development

MOFPED#DoingMore



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.



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.

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.

Building a competitive economy for National Development

MOFPED#DoingMore

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.

Building a competitive economy for National Development

MOFPED#DoingMore

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.

Building a competitive economy for National Development

MOFPED#DoingMore

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

Building a competitive economy for National Development

MOFPED#DoingMore

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

Building a competitive economy for National Development

MOFPED#DoingMore

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

Building a competitive economy for National Development

MOFPED#DoingMore

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

Expected Outcomes by 2030

Transformative Impact at Scale

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

Building a competitive economy for National Development

MOFPED#DoingMore

Link to Forum Themes

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

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

Building a competitive economy for National Development

MOFPED#DoingMore

Link to Forum Themes

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

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

Building a competitive economy for National Development

MOFPED#DoingMore

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.

Building a competitive economy for National Development

MOFPED#DoingMore



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.”



Thank you

Building a competitive economy for National Development

MOFPED#DoingMore