



The Republic of Uganda



**NATIONAL FINANCIAL INCLUSION
STRATEGY 2023-2028**
ABRIDGED VERSION

NOVEMBER 2023



TABLE OF CONTENTS

TABLE OF CONTENTS	3
TABLE OF FIGURES	3
TABLE OF TABLES	3
ACKNOWLEDGEMENT	4
ABBREVIATIONS	5
DEFINITIONS	9
FOREWARD	12
1. INTRODUCTION	14
2. NFIS II STRATEGIC FRAMEWORK	15
3. IMPLEMENTATION MECHANISM	17
4. IMPLEMENTATION RISKS	18
5. MONITORING AND EVALUATION SYSTEMS	20
6. IMPLEMENTATION PLAN	25
7. Appendix	31
ACTION PLAN	35

TABLE OF FIGURES

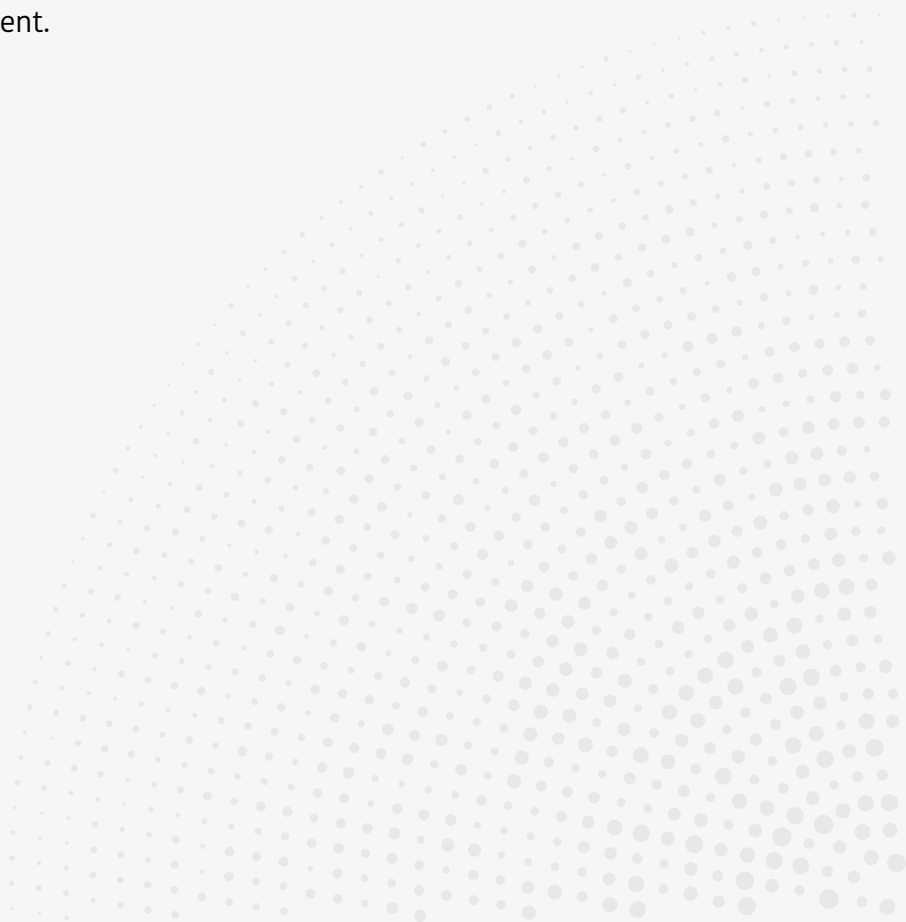
Figure 1: NFIS II Theory of Change II	20
---------------------------------------	----

TABLE OF TABLES

Table 1: Implementation risks and mitigation measures	19
Table 2: NFIS II core performance indicators	22
Table 3: Non-core financial inclusion core indicators	23
Table 4: List of NFIS (2023-2028) Initiatives	25
Table 5: List of specific initiatives	31

ACKNOWLEDGEMENT

The second iteration of the National Financial Inclusion Strategy has been developed through a partnership between the Bank of Uganda and the Ministry of Finance, Planning and Economic Development. We extend our thanks to the Financial Sector Deepening (FSD) Uganda who, with funding from the Bill & Melinda Gates Foundation engaged Genesis Analytics to contribute to the drafting of the strategy. Additionally, we extend our gratitude to Altai Consulting for their contribution in drafting a gender diagnostic that supported the overall financial sector diagnostic conducted by Genesis Analytics; Savannah Advisory and all stakeholders who provided input during the development of the strategy. Finally, we thank the inter-institutional and steering committees on financial inclusion for their guidance and feedback during the strategy development.



ABBREVIATIONS

Acronym	Description
ABC	Agent Banking Company
ACF	Agriculture Credit Facility
AFI	Alliance of Financial Inclusion
AMFIU	Association of Microfinance Institutions Uganda
AML	Anti-Money Laundering
ASCA	Accumulating Savings and Credit Association
ATM	Automated Teller Machine
AUM	Assets Under Management
BoU	Bank of Uganda
CBDC	Central Bank Digital Currency
CRB	Credit Reference Bureau
CIS	Collective Investment Scheme
CMA	Capital Market Authority
DFI	Development Finance Institution
DFS	Digital Financial Services
EAC	East African Community
EGI	eGovernment Infrastructure
ESG	Environmental, Social, and Governance
ESIPPS	Environment Surveys Information, Planning and Policy Systems
ETE	End Term Evaluation
FCEM	Financial Consumer Empowerment Mechanism
FCPG	Financial Consumer Protection Guidelines
FDI	Foreign Direct Investment
FI4R	Financial Inclusion for Refugees
FI	Financial Institutions
FIA	Financial Intelligence Authority
FCS	Financial Capability Survey
FFR	Financing Facility for Remittances
FLAU	Financial Literacy Association Uganda
FSA	Financial Sector Association
FSDS	Financial Sector Development Strategy

FSD Uganda	Financial Sector Deepening Uganda
FSR	Financial Sector Regulator
FSP	Financial Service Provider
GDP	Gross Domestic Product
GoU	Government of Uganda
ICT	Information and Communication Technology
ID	Identification Document
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IICFI	Inter-Institutional Committee on Financial Inclusion
ILO	International Labour Organisation
IRA	Insurance Regulatory Authority
IT	Information Technology
KACITA	Kampala City Traders Association
KII	Key Informant Interview
KPI	Key Performance Indicators
KYC	Know Your Customer
MDA	Ministries, Departments and Agencies
MDI	Microfinance Deposit-taking Institution
MFI	Microfinance Institution
MGLSD	Ministry of Gender, Labour and Social Development
MIWE	Mastercard Index of Women Entrepreneurs
MMSP	Mobile Money Service Provider
MNO	Mobile Network Operator
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
MoICT	Ministry of Information and Communication Technology
MoU	Memorandum of Understanding
MSB	Micro and Small Business
MSE	Micro and Small Enterprise
MSME	Micro, Small and Medium Enterprises

MTIC	Ministry of Trade, Industry and Cooperatives
MTO	Money Transfer Operators
NBFI	Non-Bank Financial Institution
NBI	National Data Transmission Backbone Infrastructure
NCDC	National Curriculum Development Center
NDP	National Development Plan
NEMA	National Environment Management Authority
NFIS	National Financial Inclusion Strategy
NGO	Non-Government Organisation
NID	National Identification Card
NIN	National Identification Number
NIRA	National Identification and Registration Authority
NITA-U	National Information Technology Authority of Uganda
NSIS	National Security Information System
NSSF	National Social Security Fund
OTC	Over the Counter
OWC	Operations Wealth Creation
PDM	Parish Development Model
PRF	Parish Revolving Fund
PE	Private Equity
POS	Point of Sale
PSP	Payments Service Provider
PWD	Persons with disabilities
ROPA	Registration of Persons Act
RoSCA	Rotating Savings and Credit Association
SAC	Shariah Advisory Council
SACCO	Savings and Credit Cooperative Organisation
SBRF	Small Business Recovery Fund
SDG	Sustainable Development Goals
SIMPA	Security Interest in Movable Property Act
SSA	Sub-Saharan African
ToC	Theory of Change

TOR	Terms of Reference
UAIS	Uganda Agriculture Insurance Scheme
UBOS	Uganda Bureau of Statistics
UCC	Uganda Communications Commission
UFBMRA	Uganda Forex Bureau and Money Remittance Association
UIA	Uganda Investment Authority
UMRA	Uganda Microfinance Regulatory Authority
UNCDF	United Nations Capital Development Fund
UNHCR	United Nations High Commissioner for Refugees
UNHS	Uganda National Household Survey
URBRA	Uganda Retirement Benefits Regulatory Authority
URSB	Uganda Registration Services Bureau
USE	Uganda Stock Exchange
USSD	Unstructured Supplementary Service Data
UWEP	Uganda Women Entrepreneurship Programme
UWRS	Uganda Warehouse Receipt System
UWRSA	Uganda Warehouse Receipt System Authority
VSLA	Village Savings and Loan Association
WEE	Women Economic Empowerment
WGD	Working Group Discussion
WFI	Women Financial Inclusion
WFP	World Food Programme

DEFINITIONS

Adults: Persons aged 16 years and above.

Access to a bank or formal banking services: Counts individuals who use a full-service bank account either registered in their name or held by someone else at a commercial bank, credit institution, micro-deposit-taking institution (MDI).

Access to mobile money: Counts individuals who have ever used a mobile money account either registered in their name or held by someone else, including mobile money agents.

Access to non-bank financial institutions (NBFIs): Counts individuals who have ever used an NBFi account either registered in their name or held by someone else (the use of a full-service account is specified in the narrative). In this report, NBFIs include microfinance institutions (MFIs), money lenders and savings and credit cooperative organisations (SACCOs).

Access to (any formal) regulated financial services: Counts individuals who have ever used a financial account at a formal financial institution, either registered in their name or held by someone else; formal (regulated) financial institutions include commercial banks, MDIs, credit institutions, mobile money services or regulated NBFIs.

Active registered user: An individual with an account registered in their name or jointly with another person with a full-service financial institution who has used it for the last 90 days.

Basic use: Cash in (deposit) or cash out (withdrawal), transferring money to another individual, or account maintenance

Commercial bank: Licensed and supervised by the Central Bank; offers deposits, loans, savings, inter-account money transfers, and debit and credit cards that can be used at an ATM or Point of Sale (POS).

Credit institution: Licensed and supervised by the Central Bank to carry on credit institution business as its principal business.

Digital financial services (DFS): Financial services provided through an electronic platform (e.g., mobile phones, debit or electronic credit cards, internet).

Digital stored-value account: A mobile money account or a full-service account at a formal banking or non-bank financial institution that offers digital services.

Formal banking services: Financial services offered by Tier one to three banking institutions licensed and supervised by the central bank of Uganda; such institutions include commercial banks, credit institutions and MDIs.

Formal financial inclusion: Refers to the proportion of adults who use services provided by a formal financial institution.

Formal financial Institution: Formal financial institutions that are regulated/licensed and supervised; such institutions include commercial banks, credit institutions, microfinance institutions (including deposit-taking institutions), savings and credit cooperative organisations (SACCOs), payment services providers including mobile money service providers, fintechs, insurance service providers, pension funds, capital markets, forex bureaus and money transfer institutions such as Western Union and MoneyGram. This excludes Village Savings and Loan Associations (VSLAs), ASCAs, and self-help groups although supervised by Uganda Microfinance Regulatory Authority (UMRA).

Informal financial services: Refers to the proportion of adults who use financial services provided by an informal financial service provider.

Informal financial service providers: These are financial service providers who are not regulated or supervised, such as savings groups, rotating savings and credit associations (ROSCAs), community-based money lenders and burial societies. Family/friends are not regarded as informal service providers.

Micro-deposit-taking institutions (MDI): Licensed and supervised by the central bank; offers savings accounts and short-term loans; takes deposits for savings accounts; examples: UGAFODE, EFC, FINCA Uganda and Pride.

Microfinance institution (MFI): Financial institutions that target individuals and small businesses who lack access to conventional banking and related services. Microfinance includes microcredit, small loans to poor clients; savings and checking accounts, microinsurance among other services.

Mobile money: Financial services offered by payment service providers that allow a person to use a mobile phone to deposit, withdraw, save, borrow, and transfer money, pay bills, and potentially access other financial services; examples: Airtel Money, MTN Mobile Money

Non-bank financial institution (NBFI): A financial organisation that is not formally licensed as a bank but whose activities are regulated or supervised- to some extent. These include microfinance institutions (MFIs), credit institutions, and savings and credit cooperative organisations (SACCOs).

Registered user: An individual with a financial account registered in their name or registered jointly in their name and someone else's.

Remittances: Cross-border, person-to-person payments of relatively low value. The transfers are typically recurrent payments by migrant workers to their relatives in their home countries to cover a substantial part of their daily expenses.

Remittance corridor: Also known as remittance market, it specifies the remittance flow between an originating country (or region) and a receiving country (or region).

Remittance outflow: Flow of remittances leaving a country.

Remittance inflow: Flow of remittances coming into a country.

Rotating savings and credit association (ROSCA): An informal financial group where members contribute to a common fund and then take turns withdrawing or borrowing from it.

Savings and credit cooperative (SACCO): A self-help group owned and managed by its members; its main purpose is to build up funds through regular contributions by each member to provide affordable credit and collective investments.

Village savings and loan association (VSLA): A self-managed financial group in which members make regular contributions to a common fund; members of the group can request a loan from the common fund, which they receive based on the approval of other members and must repay with interest. At the end of the funding cycle (mostly annually), all funds with interest are shared among group members.

Over-the-counter (OTC) user: An individual who has used a financial service through someone else's account, including a mobile money agent's account or the account of a family member or a neighbour.



FOREWARD

Access to formal financial services such as savings, loans, and payment can raise the standard of living and welfare of low-income populations. In Uganda, access to formal financial services has increased substantially to 66% over the last decade. The country still has a long way to go, therefore, promoting financial inclusion is a priority.

The government of Uganda has thus renewed its commitment to financial inclusion through the National Financial Inclusion Strategy (NFIS) II (2023 - 2028), which aims to reduce poverty and promote economic growth through affordable and quality financial services. The strategy fosters a competitive financial sector through the implementation of financial sector policies that create an environment for fostering competitiveness in the private sector, driving economic growth and employment. It also encourages a savings and investments culture among adults, which drives economic growth and employment.

NFIS II zeroes in on expanding the usage of savings, credit, insurance, remittance, pensions, investment and Islamic banking financial products and services. It also emphasises the challenges of underserved segments, such as women, refugees, youth, MSMEs, rural dwellers, and people with disabilities (PWDs).

The new strategy builds on national development planning by contributing to objectives identified in the National Development Plan (NDP) III (2020/21 – 2024/25). These include enhancing value addition in key growth opportunities, strengthening the private sector, improving the stock and quality of productive infrastructure, enhancing the productivity and social well-being of the population, and strengthening the state's role in supporting development. NFIS II's main enabling pillars that will be instrumental to meeting such objectives are:

- I. Public and private sector commitment and coordination
- II. Policy, legal, and regulatory and supervisory capacity
- III. Enabling infrastructure capacity and security

NFIS II will also be an instrumental and critical part of the National Vision 2040, which NDP III aims to realise. It envisions “a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years,” which cannot be achieved without a robust financial inclusion strategy that supports a competitive economy. Lastly, NFIS II complements the Parish Development Model's (PDM) financial inclusion pillar by equipping subsistence farmers with skills for enterprise growth, value addition, and marketing their products and services.

After conducting an end term evaluation (ETE) of the NFIS I to provide accountability and learn from its implementation, NFIS II has been prepared with initiatives to close the gaps identified, consolidate successes, and integrate new financial sector and economic developments.

We believe that NFIS II fits into national development plans and builds on NFIS I to serve as a feasible road map for enhancing financial inclusion over the next five years. Under the NFIS II, working groups will be set up to formulate and implement policy measures and interventions to achieve the strategy's goals.

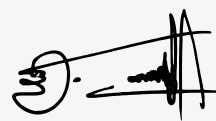
We are grateful for the contributions of all institutions represented on the Inter- Institutional Committee on Financial Inclusion (IICFI), which played a critical role in providing strategic oversight during the development of this strategy. The institutions represented on the IICFI included: Ministry of Finance Planning and Economic Development (MoFPED); Bank of Uganda (BoU); Insurance Regulatory Authority of Uganda (IRAU); Ministry of Trade, Industries and Cooperatives (MTIC); Uganda Communications Commission (UCC); Financial Intelligence Authority (FIA); Financial Sector Associations; development partners; and civil society representatives among others. Our special thanks go to our development partners, particularly the Financial Sector Deepening (FSD) Uganda, for their support in developing this strategy.

We look forward to closer working relations with you over the next five years and beyond.



Matia Kasaija (MP)

Minister of Finance, Planning
and Economic Development



Michael Atingi - Ego

Deputy Governor,
Bank of Uganda

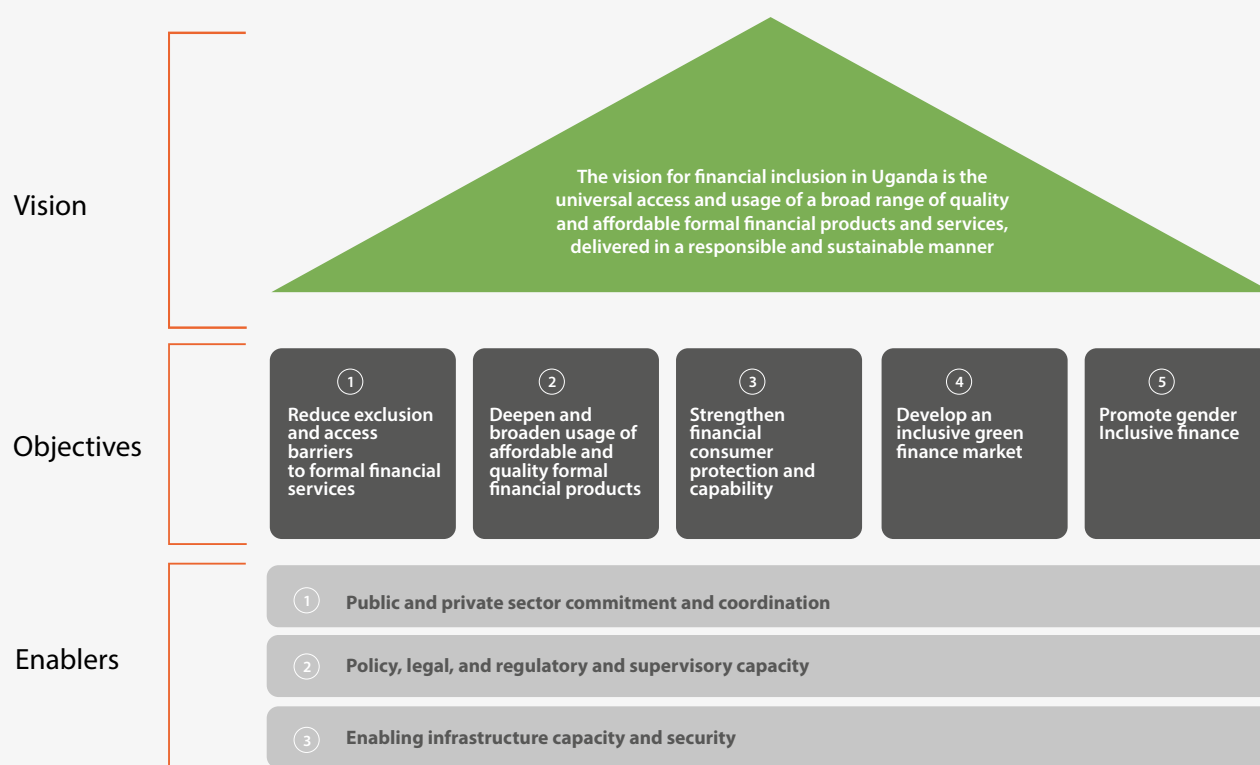
1. INTRODUCTION

Financial inclusion is a priority for global development as it supports inclusive growth and the achievement of Sustainable Development Goals (SDGs). Uganda launched its first National Financial Inclusion Strategy (NFIS I) in 2017. In 2022, at the end of NFIS I, an end-term evaluation (ETE) of the strategy was undertaken to understand the progress made and learnings that could be garnered to design the new national financial inclusion strategy.

The development of a new NFIS began in late 2022 to provide a roadmap for financial inclusion in Uganda from 2023 – 2028 (NFIS II). Over 50 stakeholders, including banks, fintechs, government bodies, and research groups, were interviewed to understand the implementation, performance, successes, challenges, and lessons learnt from NFIS I. Working group discussions were also conducted to understand the implementation of various activities. The engagements highlighted essential changes that should be made in the new strategy. Some of the critical lessons adopted from the NFIS I ETE are summarised below:

- NFIS I made significant progress in expanding delivery channels and reducing exclusion barriers. NFIS II should focus on deepening formal access, usage, and quality dimensions.
- NFIS I prioritised women, youth and rural dwellers. However, women and youth were not sufficiently targeted, while refugees and people living with disabilities (PWDs) were not considered. NFIS II should prioritise women, youth, rural dwellers, refugees, PWDs and MSMEs.
- NFIS I included five pillars/objectives focused on i) reducing financial exclusion and access barriers to financial services, ii) developing credit infrastructure for growth, iii) building out digital infrastructure for efficiency, iv) deepening and broadening formal savings, investment and insurance usage, and v) empowering and protecting individuals with enhanced financial capability barriers, enhancing credit infrastructure and digital infrastructure, deepening the usage of products and empowering individuals. NFIS II has five objective areas, three of which are streamlined versions of NFIS I objectives. The remaining two are new critical objectives, i.e., promoting inclusive gender finance and developing an inclusive green finance market.
- NFIS I implementation structures were considered sufficient. However, implementation was derailed by the COVID-19 pandemic, budget constraints and a lack of clear accountability. NFIS II implementing agencies should ensure clear accountability and budgetary allocations for initiatives.
- NFIS I monitoring and evaluation framework needed a robust theory of change (TOC), and some performance indicators couldn't be measured due to outdated Finscope data. NFIS II should include a robust TOC, and market stakeholders should ensure sustainable data collection.
- NFIS II focuses more on promoting affordable financial products and enhancing financial security.
- This strategy aligns with Uganda's National Development Plan III (NDP III) and supports the Parish Development Model (PDM) framework.

2. NFIS II STRATEGIC FRAMEWORK



The vision of NFIS II will be realised through interventions and activities organised under the five objectives/pillars. The critical gaps and initiatives are described below. The broader actions to be taken are included in the implementation plan while specific actions to be taken are detailed in the action plan in the appendix.

Objective 1: Reduce financial exclusion and access barriers to formal financial services

Uganda has made progress in reducing exclusion barriers to formal financial services. However, at 34% the formal exclusion rate remains high. More work needs to be done to increase access points in rural areas. Some reasons for low access in rural areas include agent banking concentration in urban areas, limited DFS delivery channels, low smartphone penetration, inadequate access to connectivity and electricity, and lack of universal digital ID coverage for KYC. Related to KYC, NIRA's efforts to expand national ID registration are limited by funding and outdated technology. Additionally, the constitution prohibits anyone under 18 from owning a financial account, hindering employed youth (16-17) from being financially included. Finally, Islamic banking products and services still need to be integrated.

To reduce financial exclusion and access barriers to formal financial services, the GoU and stakeholders will prioritise several actions. These include establishing more physical access points in underserved areas, promoting the uptake of digital financial services, and creating an enabling environment through effective policy and efficient financial infrastructure that supports the growth in formal account ownership.

Objective 2: Deepen and broaden the usage of quality and affordable formal financial products

Despite progress in enhancing access to formal financial products in Uganda, many low-income individuals are still unwilling to use them due to limited awareness and financial education, preference for cash, high costs of financial services, inadequate or irregular income, mistrust of formal financial systems and insufficient collateral to access credit.

The government and stakeholders will prioritise several actions to deepen and broaden the usage of quality and affordable formal financial products. These include establishing proactive measures to drive electronic and digital payment adoption, removing barriers that limit the usage of financial products and services, availing more affordable financing to MSMEs and underserved groups, strengthening digital and information security, deepening, and enhancing interoperability among FSPs, and creating an enabling environment that supports innovation. Additionally, the GoU and stakeholders will ensure that the market has access to updated and harmonised data on financial inclusion. By taking these actions, the government and stakeholders can create an enabling environment for enhancing broad-based usage of quality and affordable formal financial products across Uganda.

Objective 3: Strengthen financial consumer protection and financial literacy

Consumer protection and financial literacy are crucial for achieving financial inclusion in Uganda. Without these measures, individuals may be vulnerable to financial harm. Due to insufficient awareness and financial education, Ugandans are susceptible to financial scams and exploitation. Additionally, poor quality services, lack of transparency, and limited access to redress mechanisms can lead to consumer detriment. Therefore, consumer protection policies and financial literacy programs are necessary to safeguard individuals from potential risks and empower them to make informed financial decisions.

To resolve these challenges, improve consumer confidence in the financial sector, and promote financial inclusion, the GoU and stakeholders will implement measures to ensure that financial institutions are transparent, offer high-quality products, disclose fees and terms, and provide customer feedback. Partnerships among the government, private sector, and civil society will be strengthened to raise awareness about consumer rights and promote financial literacy programs. Finally, establishing effective redress mechanisms will ensure consumers can access effective complaint mechanisms.

Objective 4: Developing an inclusive green finance market

Inclusive green finance is vital for financial inclusion, sustainable development, and poverty reduction in Uganda, particularly for marginalised groups. However, there are challenges in developing and marketing green finance products due to limited awareness, capacity, expertise, and regulatory frameworks, particularly a green finance regulatory framework that addresses challenges in standardising and measuring impact, investor knowledge and interest, transaction costs, and market infrastructure.

The government and relevant stakeholders will take a multi-faceted approach to enhance inclusive green finance in Uganda. Financial institutions will be provided with education and training on green finance products. Regulatory reforms will be pursued to establish clear guidelines for green investment and incentivise green bond issuance. Public awareness campaigns will be launched to increase understanding of green finance among the public. Efforts will be made to improve data availability and quality while reducing transaction costs through standardisation and scale. Finally, market infrastructure will be enhanced through collaboration between regulatory bodies, financial institutions, and other industry stakeholders. By pursuing these actions, the GoU aims to promote sustainable development and unlock the country's potential for green investment.

Objective 5: Promoting inclusive gender finance

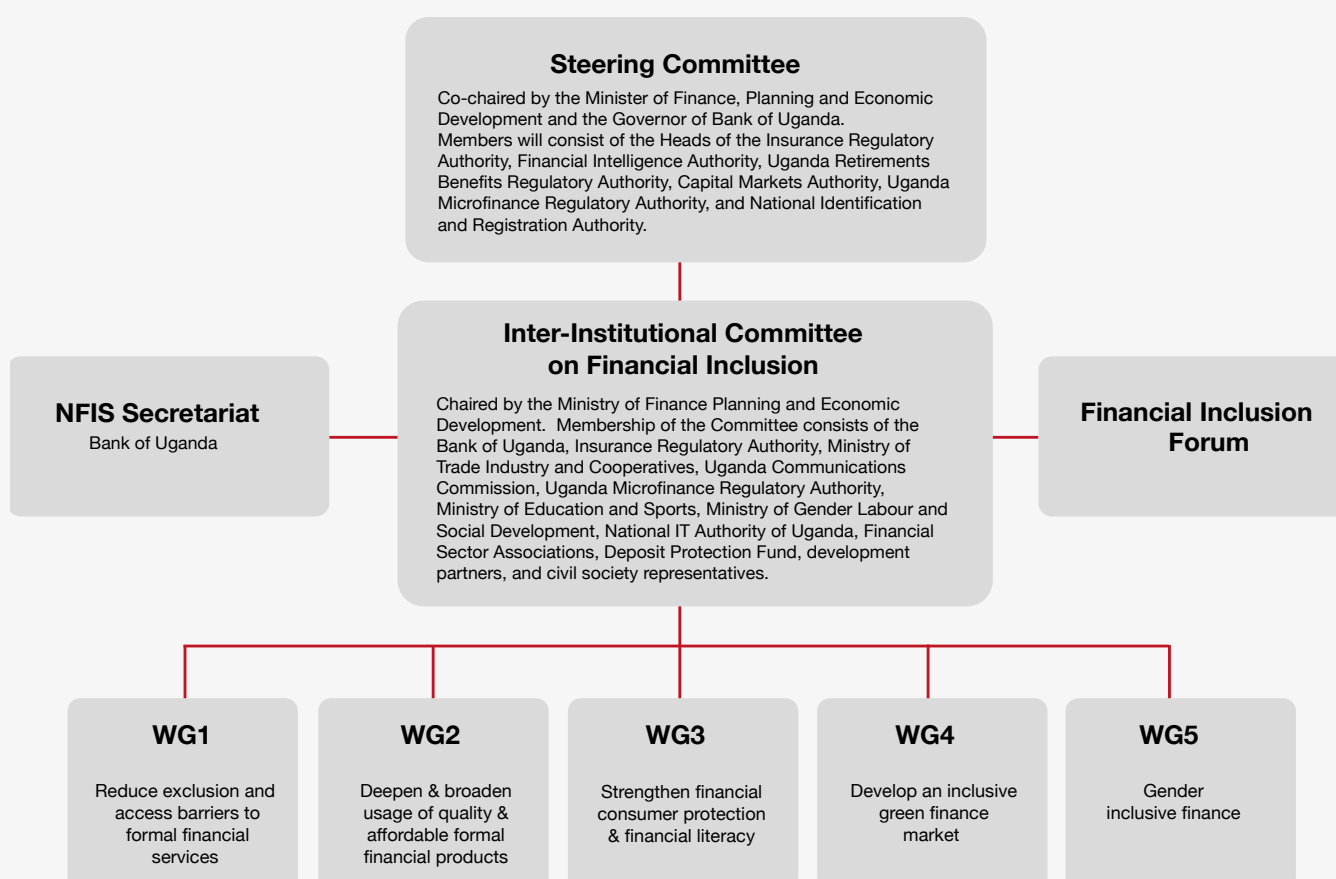
Promoting inclusive gender finance in Uganda is essential for achieving financial inclusion targets. Women often face various social and economic barriers that impact their access to financial services, including discrimination, limited access to education and training, lack of collateral, limited legal protection, weak financial infrastructure, and limited digital literacy. Addressing these barriers is critical not only for promoting gender equality but also for achieving broader development goals such as poverty reduction, economic growth, and improved livelihoods. In this context, promoting gender-inclusive finance policies and products can be crucial in expanding financial access to women and empowering them to participate meaningfully in economic activities.

To enhance inclusive gender finance, the government of Uganda and other stakeholders will prioritise several actions. These will include developing and implementing gender-sensitive regulations and policies, increasing public awareness of the financial services and products available to women, offering tailored

financial training and services to improve women's financial inclusion, and addressing socio-cultural barriers limiting women's access to financial resources. The government and stakeholders will also collect sex-disaggregated data to monitor progress towards achieving inclusive gender finance. By implementing these measures, Uganda can improve gender equality in the financial sector and pursue its objectives of a sustainable economy.

3. IMPLEMENTATION MECHANISM

The success of NFIS II depends on collaboration between organisations and stakeholders. The National Financial Inclusion Steering Committee will provide strategic vision, support, and resources for implementation and report progress to the government. The Inter-Institutional Committee on Financial Inclusion will oversee the work of the NFIS secretariat, working groups, and the financial inclusion forum. The working groups will focus on reducing exclusion and access barriers, broadening the usage of financial products, strengthening consumer protection and financial literacy, developing an inclusive green finance market, and promoting gender-inclusive finance. The governance structure for the NFIS is shown in the figure below.



4. IMPLEMENTATION RISKS

Several risks threaten the new strategy's successful implementation. Understanding these risks and developing risk mitigation strategies is important to ensure NFIS II is carried out successfully. These risks and proposed mitigation approaches are summarised below

Table 1: Implementation risks and mitigation measures

Risk	Description	
Unexpected and changing macroeconomic conditions	Macroeconomic conditions leading to high interest rates, tight liquidity, economic shocks (such as COVID-19, Ukraine-Russia conflict) and diversion of financial sector policy prioritisation away from financial inclusion.	
Fiscal conditions	Tight fiscal conditions could lead MoFPED to prioritise spending on other areas not aligned with financial inclusion goals	
Lengthy parliamentary processes	Legal and regulatory reforms require parliamentary approval (i.e. at the Ministry of Justice or Parliament), and there can be delays in legislative review and subsequent enactment and implementation	
Poor and unreliable, or lack of necessary infrastructure	Limited and poor telecommunications and internet network coverage, and access to electricity	
Lack of buy-in from the public sector	Not enough political engagement at several levels needed to move the financial inclusion agenda forward. There is a risk that the NFIS II will be seen as another BoU "project".	
Lack of buy-in, ownership and commitment from key stakeholders throughout the implementation period 2023 - 2028	Lack of commitment from the steering and inter-institutional committees as well as working groups, can derail progress. The ETE showed that, at times, the relevant stakeholders did not commit strongly to the implementation process or lost interest for various reasons during NFIS I	
Limited human resources and capacity	Without proper staff levels or qualified staff, there is a risk that implementation will be slow and challenging	
Budgetary constraints	Without proper clarity among the stakeholders about budget responsibility for NFIS implementation, stakeholders may assume that there is a national budget allocation for activities. This leads to inadequate budgetary allocation for activities.	

	Risk level	Mitigation approaches
	High	BoU has taken appropriate actions to correct macro-imbalances. BoU should have a contingency plan to mitigate any negative impact(s) from macroeconomic outcomes to support the implementation of the strategy.
	High	- The BoU has committed to funding the secretariat, and the government has highlighted financial inclusion as a priority. - Funding from development partners is likely to be available to support the implementation of selected activities.
	High	- Initiatives to improve communication with relevant institutions, including parliamentary committees, will be undertaken - Formally engage relevant parliamentary committees on recommended policy/regulatory instruments when approval is required
	High	Engage key players such as UCC, NITA-U, Ministry of Energy and Mineral Development and telcos as part of working groups
	Medium	- Outcomes are linked to NDP III and other national strategies to hold relevant government agencies accountable. - All stakeholders, including BoU, must understand their roles and responsibilities, be committed, and be accountable for delivering on the expected outcomes. - Annual forums to assess implementation and secure continued buy-in from the political sphere
	Medium	- Awareness raising and prioritisation of NFIS agenda by high-level “champions” within each institution. - Balanced ownership and accountability of working groups by selecting industry stakeholders as co-chairs - As part of its functions, the NFIS secretariat will ensure clear communication and develop appropriate financial inclusion communication material - Clear ToRs should be developed for each working group with clear roles and responsibilities - Selection of co-chairs of each working group will be made based on their commitment and willingness to the promotion of financial inclusion - Working groups are limited in size to industry players who are vetted as relevant and active in driving change
	Medium	- BoU will ensure appropriate staffing of the NFIS secretariat for implementation of the strategy. - NFIS secretariat will seek commitments from partners for technical assistance, as needed.
	High	Implementing stakeholders should estimate the cost of each initiative and the overall total for implementing the activities of NFIS to inform either the national budget allocation or a fiscal commitment from the implementing agencies. Stakeholder buy-in and incentives through ‘impact award’ to agencies that manage to carry out their assigned activities with their budgets are key to ensuring budgetary commitments are adhered to by implementing agencies.

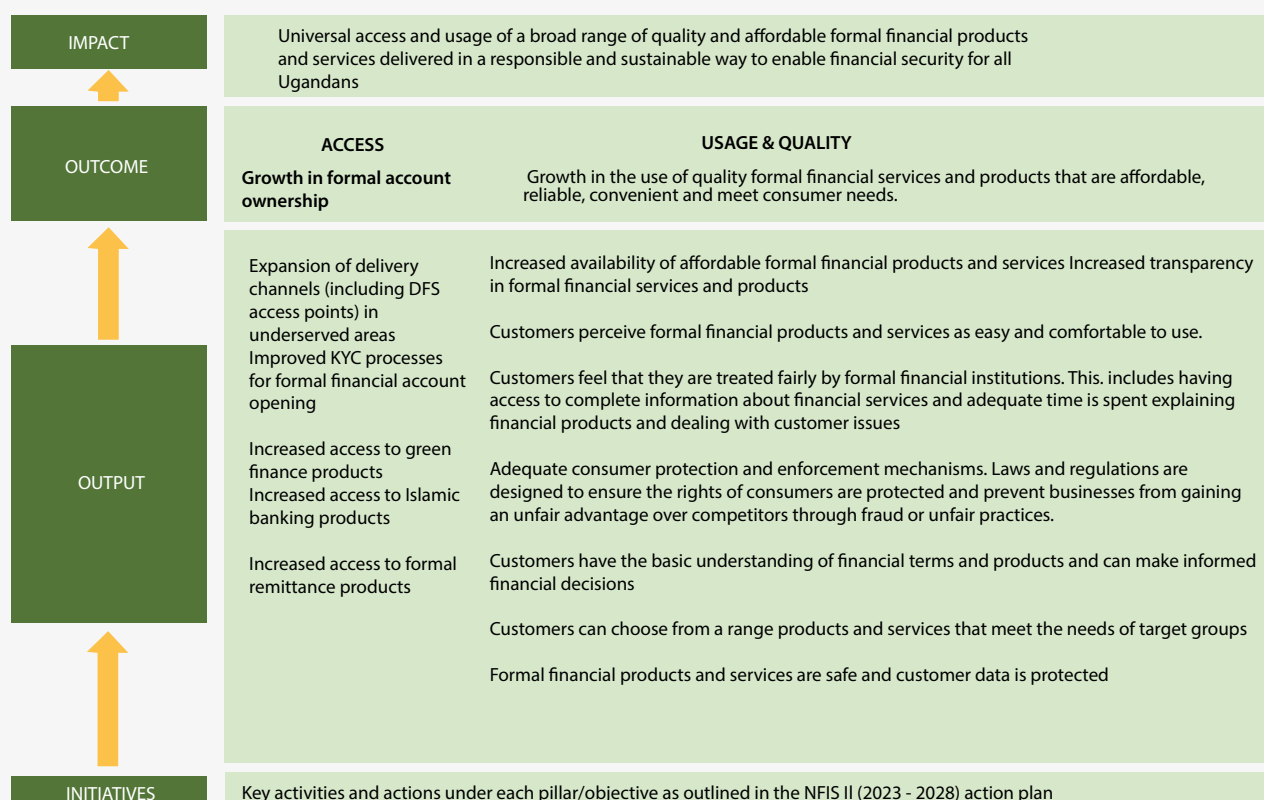
5. MONITORING AND EVALUATION SYSTEMS

Successful implementation of NFIS II requires that progress is measured accurately and that the results of each intervention are communicated effectively. A monitoring and evaluation (M&E) framework which demonstrates and highlights the delivery of NFIS II will be used to track progress and ensure that activities are implemented, and the objectives and targets are achieved. This framework is also important for stakeholder mobilisation and ensuring international consistency. Information gathered through this process will feed back into implementing NFIS II to support evidence-based decisions and policy making.

The monitoring and evaluation framework is influenced by the following Theory of Change (ToC), which illustrates how NFIS II will achieve its impact goal of ensuring universal access and usage of a broad range of quality and affordable formal financial products and services by all Ugandans and consequently lead to their financial security.

The ToC is a comprehensive description and illustration of how and why a desired change is expected to happen. It takes a bottom-up approach to map out initiatives that will be undertaken. It describes how these initiatives will result in specific outputs and, ultimately the path to key outcomes and long-term impact. This ensures that the strategy is elaborate about achieving the final objectives effectively, understandably, and reliably. In addition, the ToC ensures that the outputs and outcomes of the strategy are measurable through a set of elaborated indicators as outlined in the M&E indicators. The NFIS II ToC is shown below.

Figure 1: NFIS II Theory of Change II



A strong measurement and evaluation system is needed to track progress relative to the objectives and key performance indicators (KPIs). To monitor progress, each working group will report its progress quarterly to the NFIS Secretariat. On a bi-annual basis, the NFIS Steering Committee will prepare a report on its activities and progress towards the KPIs, and other pertinent indicators identified below. This will require regulatory reporting to be adapted to collect supply-side data that can help to measure financial inclusion indicators. Tracking progress on an ongoing basis will aid in identifying successful programs that can be replicated, obstacles that need to be removed, unintended consequences that result, or tactical re-adjustments required.

While data on the banks is generally available, better information on the size, scale, and impact of SACCOs, MFIs, VSLAs, less formal consumer lenders, and insurance and retirement benefit providers is needed. Conducting a full demand-side financial inclusion survey at least every three years to measure progress is key to the measurement and evaluation framework. Demand-side surveys will focus on uptake, usage, and satisfaction with products to aid in assessing the implementation of NFIS II. The Inter-Institutional Committee on Financial Inclusion will take responsibility for this and explore options for conducting the survey using existing or new resources.

Financial inclusion data and learnings from each working group and implementation of activities will be shared with the inter-institutional committee, steering committee, and other necessary stakeholders to ensure continuous improvement. That feedback will be incorporated to create a more inclusive financial system. Data will also be shared with the private sector to aid in their business expansion plans.

The table below provides a summary of the core performance indicators that have been established as goals for NFIS II. The 2028 target goals have been established by analysing past growth of financial inclusion indicators in Uganda, assessing the progress made in NFIS I as depicted in the ETE report and reviewing the financial inclusion indicators of other reference jurisdictions in the Sub-Saharan region.

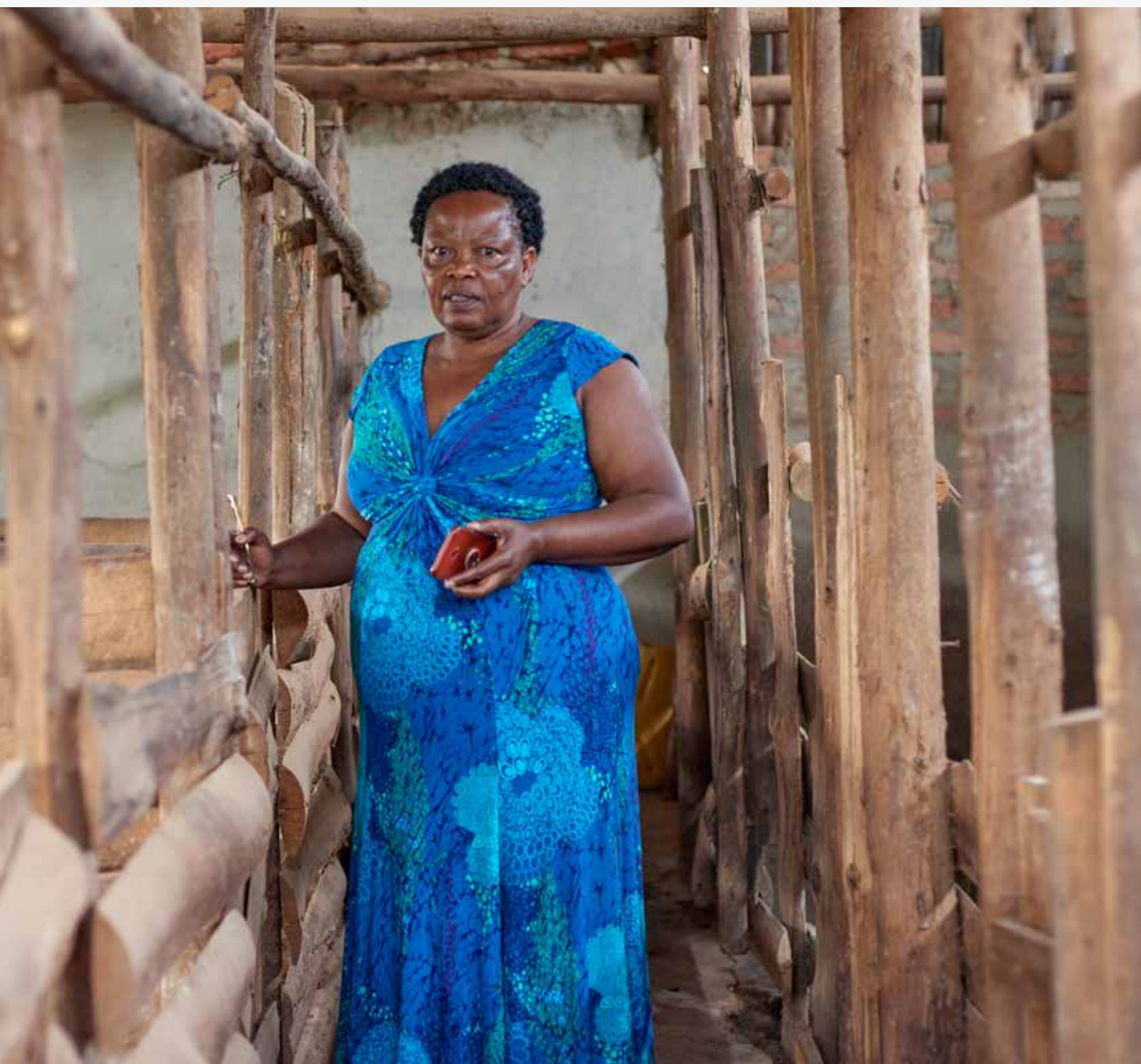


Table 2: NFIS II Core Performance Indicators

Dimension	KPIs	Source	Baseline	Target 2028
Access	Increase access to formal FIs (banks, non-banks including mobile money)	Findex Survey	66% (2021)	75%
	Grow access to formal FIs (banks, non-banks including mobile money) for individuals living in rural areas	Findex Survey	61% (2021)	70%
	Increase mobile money account ownership	Findex Survey	54% (2021)	70%
	Increase access points (total number of branches, ATMs, and agents) in rural areas per 100,000 adults)	TBD/ BoU/Finscope Survey	TBD	TBD
Usage	Increase private credit bureau coverage (% of adults)	World Bank Data indicators/BoU	6.9% (2019)	15%
	Increase usage of deposit accounts (excluding mobile money)	Findex Survey	49% (2021)	65%
	Increase usage of mobile money accounts to perform transactions	Findex Survey	71% (2021)	80%
	Increase share of individuals saving at a formal financial institution	Findex Survey	16% (2021)	25%
Quality	Credit accounts at formal FIs per 1,000 adults disaggregated by women, youth, rural, refugees, and MSMEs	BoU/ Finscope Survey	TBD	TBD
	Increase share of individuals who have at least one type of formal insurance product	IRA	5% (2020)	15%
	Increase share of individuals covered by existing retirement benefit arrangement	URBRA	18% (2022)	25%
	Increase the usage of formal remittance services	BoU	79% (2018)	85%
	Increase financial literacy rate (as defined in the financial literacy strategy)	BoU	50% (2020)	70%
	Percentage of clients who believe they have received clear and sufficient information about financial services at the start of the loan contract or product onboarding (% age 16+)	TBD/Finscope Survey	TBD	TBD
	Percentage of consumers with no account because financial services are too expensive (% age 16+)	Findex Survey	37% (2021)	25%
	Percentage of consumers who have contacted a consumer protection authority to solve a problem regarding financial services within the last three to six months and had their problem resolved within two months (% 16+)	TBD/Finscope Survey	TBD	TBD
	Percentage of consumers who have been a victim of cyber security or fraud attacks on their financial account (% ages 16 +)	TBD/Finscope Survey	TBD	TBD

Below is a list of an additional set of non-core financial inclusion indicators. These indicators reflect a broader set of measurement indicators which will be used as secondary measures of the strategy's success. Most indicators do not have baseline data as they are new additions to the financial inclusion strategy. Therefore, these data points will be collected during the next Finscope survey.

Table 3: Non-core financial Inclusion Core Indicators

Dimension	KPIs	Source	Baseline (year)	Target 2027
Access	Grow access to formal FIs (banks, non-banks including mobile money) for youth	Findex Survey/ Finscope Survey	TBD	TBD
	Grow access to formal FIs (banks, non-banks including mobile money) for women	Findex Survey/ Finscope Survey	TBD	
	Grow access to formal FIs (banks, non-banks including mobile money) for refugees	TBD/Finscope Survey	TBD	TBD
	Increase coverage of women in the credit bureaus	BoU	TBD	TBD
	Active mobile financial services agent outlets in rural areas per 100,000 adults	BoU	TBD	TBD
	Active banking agent outlets in rural areas per 100,000 adults	BoU	TBD	TBD
	Grow access to Islamic banking products (% individuals 16+)	TBD/Finscope Survey	0% (2023)	20% (2027)
	Grow access to green finance products (% individuals 16+ who have taken out loans or investments for green projects or assets, such as solar panels or energy-efficient appliances etc.)	TBD/Finscope Survey	TBD	TBD
Usage	% of adult women with at least one type of regulated deposit account	BoU	TBD	TBD
	Credit accounts at formal FIs per 1,000 adults disaggregated by women	BoU	TBD	TBD
	% of adult women with at least one type of regulated credit account	BoU	TBD	TBD
	% of adult youth (18 -30) with at least one type of regulated credit account	BoU	TBD	TBD
	% of adults living in rural areas with at least one type of regulated credit account	BoU	TBD	TBD
	% of women using formal savings channels, excluding mobile money	TBD/Finscope Survey	14% (2021)	25%
	% of adults with emergency savings	TBD/Finscope Survey	TBD	TBD
	% of women using at least one insurance product from formal financial institutions	Finscope Survey/ IRA	TBD	TBD
	% of women with at least one pension product	URBRA/Finscope Survey	TBD	TBD
	% of adults using an investment product	Finscope/CMA	TBD	TBD

	% of women with at least one type of investment product	CMA/Finscope Survey	TBD	TBD
	% of MSMEs with a loan or line of credit disaggregated by women and youth	BoU/Finscope	TBD	TBD
	% of smallholder farmers with a loan or line of credit disaggregated by women and youth	BoU/Finscope	TBD	TBD
	% of adults using formal remittance services disaggregated by women and youth	BoU	TBD	TBD
Quality	Financial literacy rate (as defined in the financial literacy strategy) for women and youth	BoU	TBD	TBD
	Digital literacy rate (% of women and rural adults that indicate that they can make use of digital devices such as smartphones, computers and navigate digital platforms)	TBD/Finscope Survey	TBD	TBD
	Percentage of women and rural clients who believe they have received clear and sufficient information about financial services at the start of the loan contract or product onboarding (% age 16+)	TBD/Finscope Survey	TBD	TBD
	Percentage of women and rural clients with no account because financial services are too expensive (% age 16+)	TBD/Finscope survey	TBD	TBD
	Percentage of women and rural clients who have contacted a consumer protection authority to solve a problem regarding financial services within the last three to six months and had their problem resolved within two months (% 16+)	TBD/Finscope Survey	TBD	TBD
	Percentage of women and rural clients who have been a victim of cyber security or fraud attacks on their financial account (% ages 16 +)	TBD/Finscope Survey	TBD	TBD

The following mechanisms will be in place to ensure accountability:

1. Indicators on the Financial Inclusion Dashboard will be reported on and updated quarterly.
2. Quarterly reports will be published based on the reported data to provide updates on developments in implementing the strategy, accomplishments, and progress on financial inclusion.
3. A mid-term evaluation to assess the progress of the NFIS II will be conducted.
4. A final term evaluation will assess the NFIS II's success and overall state of financial inclusion in the country.

6. IMPLEMENTATION PLAN

Achieving broad-based financial inclusion is crucial in promoting Uganda's economic growth and development. Despite significant progress in recent years, various challenges remain to achieve greater financial inclusion for marginalised communities. However, the government of Uganda and stakeholders across the financial sector have recognised the importance of improving access to financial services and have developed a comprehensive action plan to enhance financial inclusion over the next five years.

In this section, we will outline the broader actions that stakeholders will take to i) Reduce exclusion and access barriers to formal financial services, ii) Deepen and broaden the usage of affordable and quality formal financial products iii), Strengthen financial consumer protection and literacy, iv) Develop an inclusive green finance market, and v) Promote gender inclusive finance. The initiatives are organised and based on the strategy's objectives. A priority is assigned to each activity, as well as a responsible stakeholder(s) and estimated timeframe for completing the initiatives. The list of specific actions, to be discussed and refined by the working groups are detailed in the appendix.

It is important to note that any stakeholder cannot achieve advancing financial inclusion in Uganda alone. It is imperative for all stakeholders, including the government, financial institutions, civil society, and development partners, to work together towards a common goal of achieving greater financial inclusion. By pooling resources, sharing knowledge and expertise, and coordinating efforts, stakeholders will be better equipped to address the financial inclusion challenges faced by Ugandans. Ultimately, this collaborative approach will facilitate sustained progress towards building a more inclusive financial system that benefits all Ugandan communities.

Table 4: List of NFIS (2023-2028) Initiatives

NO.	STRATEGIC INITIATIVES	KEY INITIATIVES	EXPECTED OUTCOMES	PRIORITY	DUE DATE	RESPONSIBILITY
1.0 STRATEGIC OBJECTIVE 1: REDUCE FINANCIAL EXCLUSION AND ACCESS BARRIERS TO FORMAL FINANCIAL SERVICES						
1.1	Increase the number and variety of financial products/solutions targeted to the unserved and underserved market segments in the financial sector	i) Policy and regulatory incentives to encourage research and development towards more inclusive financial products/solutions.	Improved policy, Legal & regulatory environment for financial inclusion	High	Jun-2025	MoFPED, MoJCA, MTIC, FSRs, FSAs, UCC, FSPs, DPs
		ii) Technical assistance and grants to Financial Service Providers (FSPs) focused on the development of more inclusive financial products/solutions.	Increased access to formal financial services by the unserved and underserved market segments	High	Jun- 2028	
1.2	Introduce more efficient and inclusive financial sector customer on-boarding mechanisms and systems	i) Strengthen and harmonise/standardise the application of tiered Know-Your-Customer (KYC) regulations among FSPs.	Efficient and harmonised/standardised application of tiered KYC among FSPs.	High	Jun-2025	FIA, FSRs, FSAs, UCC, NIRA, NITA, URSB, FSPs, DPs
		ii) Strengthen the existing and broaden access to the national identity database and company registry by FSPs especially those operating in unserved and underserved regions.	Increased access of FSPs to the NIRA database	High	Jun-2025	

		iii) Strengthen the existing electronic Know-Your-Customer (e-KYC) infrastructure and support its rollout to unserved and underserved regions.	Increased access and utilisation of the e-KYC infrastructure by FSPs especially in the unserved and underserved regions	High	Jun-2026	
1.3	Expand and roll out of the existing financial sector agent networks to unserved and underserved regions (especially rural areas)	i) Policy incentives to encourage the development of agency networks in the unserved and underserved regions	More efficient and inclusive access and utilisation of payments and banking agent networks especially in the unserved and underserved regions	High	Jun-2025	MoFPED, MoJCA, BoU, UCC, FSPs, PSPs, Infrastructure Providers (IPs) such as Interswitch and Agency Banking Companies
		ii) Strengthen the existing payments and banking agent networks to serve more customers.		High		
		iii) Roll out new payments and banking agent networks to the unserved and underserved regions.		High		
1.4	Expand and roll out existing internet and digital infrastructure to and/or adoption of digital financial services by unserved and underserved areas (especially rural areas)	i) Strengthen and expand telecommunications infrastructure to the unserved and underserved regions.	More efficient and inclusive access and active usage of digital financial services especially in the unserved and underserved regions	High	Jun-2026	MNOs, FSPs, PSPs, Infrastructure Providers (IPs), MoFPED, MoJCA, MICT, NITA-U, FSRs, FSAs, UCC
		ii) Strengthen and expand internet infrastructure to the unserved and underserved regions.		Medium		
		iii) Develop the National Payment Switch		High	Dec-2024	
		iv) Policy and regulatory incentives to encourage adoption of digital financial services.		Medium		
		v) Support the development of an efficient data ecosystem that allows for data sharing and data-driven business decisions in the financial system		Medium		

2.0 STRATEGIC OBJECTIVE 2: DEEPEN & BROADEN THE USAGE OF QUALITY & AFFORDABLE FORMAL FINANCIAL PRODUCTS						
2.1	Facilitate and promote the active usage of financial services by the unserved and under-served market segments in the financial sector	i) Policy, legal and regulatory reforms to drive the active usage of financial services.	(i) Improved policy, legal and regulatory environment for active usage of financial services (ii) Increased active usage of financial services by the unserved and under-served market segments	High	Jun-2025	MoFPED MoJCA, MTIC, FSRs, FSPs, FSAs, UCC, FSPs, PSPs, PSFU Development Partners
		ii) Technical assistance and grants to Financial Service Providers (FSPs) to develop more customer-centric business models and financial products/solutions to drive uptake by the unserved and underserved market segments.		High	Jun-2025	
		iii) Strengthen existing (e.g., Emyooga, ACF, UAIC etc..) and or develop new credit facilities to provide subsidized credit		High	Dec-2025	
2.2	Facilitate and promote the development of best practices in collateral management	i). Technical assistance and grants to Financial Service Providers (FSPs) to adopt alternative forms of collateral (e.g., moveable assets, digital data trails etc.)	Increased access and usage of alternative collateral arrangements	Medium	Jun-2026	MoFPED, URSB, UW RSA, MTIC, FSRs, FSPs, FSAs,
		ii). Build the capacity of the Moveable Collateral Registry and the Uganda Warehouse Receipts Authority			Dec-2024	
2.3	Facilitate and promote the development of efficient credit information markets	i). Technical assistance and grants to Financial Service Providers (FSPs) to adopt credit reference bureau services (CRB)	i) Increased access and usage of credit reference bureau services	High	Mar-2025	BoU, UMRA, MoJCA, MTIC, CRBs, ACPs, FSPs

3.0 STRATEGIC OBJECTIVE 3: STRENGTHEN FINANCIAL CONSUMER PROTECTION AND FINANCIAL LITERACY						
3.1	Develop and implement a comprehensive consumer protection legal framework.	i) Assess the existing financial consumer protection landscape and develop the financial consumer protection legal framework.	Enhanced consumer satisfaction and trust in the formal financial institutions	High	Dec-2025	FSPs, FSRs, FSAs, MoFPED, MTIC, NPA, Development Partners, Other key Private and Public entity Stakeholders
		ii) Establish toll-free lines to receive complaints, use of live chats, and other digital platforms to reach customers through various platforms on time.		High	Dec-2024	
		iii) Conduct a feasibility study for developing a Twin Peak regulatory model where the financial sector prudential and market conduct arms of supervision are separated.		High	Dec-2024	
3.2	Implement financial literacy interventions especially among women, youth, rural areas, the elderly, PWDs, and forcibly displaced persons, among others.	i) Increase collaboration of financial literacy activities among regulators, financial associations, development partners and FSPs and implement financial literacy campaigns.	Enhanced financial literacy of Ugandans.	High	Jun-2028	FSPs, FSRs, FSAs, MTIC, Development Partners, FLAU, NCDC, MoES
		ii) Establish a fund for the implementation of Financial Literacy activities by all financial sector players.		High	Jun-2025	
		iii) Support the development and rollout of digital financial literacy programs/tools.		High	Dec-2024	
		iv) Conduct the financial capability survey(s).		Medium	Dec-2024	
		v) Conduct a pilot test on the efficacy and usage of a financial consumers reference bureau/ desk where consumers can receive advice on financial products and services, fees, penalties, repercussions to non-adherence, financial and digital literacy and consumer rights.		High	Jun-2025	

		vi) Incorporate FL in the upper primary and upper secondary school's curriculum.		High	Jun-2026	
3.3	Evaluate the Financial Literacy Strategy (2019-2024) and design the third strategy for financial literacy (2025 - 2029). The strategy will complement NFIS II and ensure that there is no duplication of efforts.	Review second strategy and formulate the 3rd National Financial Literacy Strategy 2025 - 2030	Continuity in the implementation of the FL initiatives in Uganda.	Medium		FSPs, FSRs, FSAs, Development Partners, FLAU, Other key stakeholders
4.0 STRATEGIC OBJECTIVE 4: DEVELOPING AN INCLUSIVE GREEN FINANCE MARKET						
4.1	Enhance awareness among financial services providers, industry stakeholders and consumers on green finance	i) Technical assistance and grants to enhance the capacity of financial literacy trainers on green finance taxonomy.	Increased awareness of green finance among FSPs and adult population	High	Dec- 2024	MoFPED, NEMA, aBi Finance Ltd, Development Partners, FSRs, MTIC
		(ii) Review and incorporate green finance in the financial literacy curriculum.		High	Dec-2023	
4.2	Facilitate and promote the uptake and usage of green finance products	(i) Technical assistance and grants to Financial Service Providers (FSPs) to adopt green finance lending.	Increased access to and usage of affordable and quality green finance products	High	Dec- 2025	MoFPED, MTIC, NPA, FSPs, FSRs, FSAs, Development Partners, FLAU, Other key stakeholders
		(ii) Policy and regulatory Incentives to encourage adoption of green finance products.		High	Jun-2026	
		(iii) Conduct a feasibility study to develop a carbon sequestration market in Uganda.		High	Jun-2025	
		(iv) Improve the availability and quality of data on environmental risks and opportunities for sustainable development.		High	Jun-2026	
5.0 STRATEGIC OBJECTIVE 5: PROMOTE GENDER INCLUSIVE FINANCE						
5.1	Financial literacy and digital literacy training for all genders in their diversity.	i) Review and harmonise a comprehensive curriculum that covers essential financial literacy and digital literacy modules.	i) Access to financial tools and digital devices by women and girls improved	Medium	Dec- 2025	MoFPED, MTIC, MoGLSD, FSPs, FSRs, FSAs, Development Partners, FLAU, Other key stakeholders

		ii) Ensure that training programs are accessible to beneficiaries of all genders.	ii) Women and girls have the confidence and skills to use financial services. iii) Women and girls have access to relevant information through multimedia and other channels.	Medium	Dec- 2025	MoFPED, MTIC, MoGLSD, FSPs, FSRs, FSAs, Development Partners, FLAU,
5.2	Increase/improve Access and Affordability of gender-responsive financial services	i) Access and create localised and gender-responsive content (training materials, policies, guidelines etc) perceived as valuable for women. ii) Create and leverage market-based / sustainable partnerships to lower the total cost of transactions, mostly for Digital Financial Services.	i) Gender-transformative attitudes that empower women and girls to have control over financial resources enhanced. ii) Capacity of men, boys, women and girls to actively use digital financial services improved. iii) Harmful gender norms limiting women and girls in accessing digital financial services addressed.	High	Dec- 2025	MoFPED, MTIC, MoGLSD, FSPs, FSRs, FSAs, Development Partners, FIDA, FLAU, Other key stakeholders
5.3	Supportive social context and regulatory environment	i) Develop, and deploy strategies that sensitise men, boys	i) i) Evidence Based innovations, products, and solutions. ii) Enabling policies, guidelines and laws for supporting men, boys, women and girls	High	Dec- 2025	MoFPED, MTIC, MoGLSD, FSPs, FSRs, FSAs, Development Partners, FLAU, Other key stakeholders
		and other “gate-keepers” to the benefits of women’s access to financial services.		High	Jun-2028	
		ii) Promote women’s ownership of productive assets and ensure women gain and retain control of their financial resources.		High	Jun-2028	
		iii) Strengthen women’s agency to voice their issues related to financial and digital literacy		High	Jun-2028	

7. APPENDIX

Action Plan

Table 5: List of specific initiatives

No	Initiative	Priority	Responsibility	Target date (TBD)
Working Group 1: Reduce financial exclusion and access barriers to formal financial services				
Outputs: □ Increased access to formal financial products □ Expansion of delivery channels (including DFS access points) in underserved areas □ Improved KYC processes for formal financial account opening				
1	Develop a uniform insurance package to cover agents against fraud and risks associated with cash in transit.	High	ABC, FSPs, and IRA	
2	Encourage partnerships between FSPs to use the same agents. This will reduce the costs of delivering services through agent banking.	High	UBA, ABC, AMFIU, FSPs	
3	Develop and promote adult-supervised accounts and products for youth (16-17) within the confines of the current constitutional framework.	High	FSPs	
4	Support and ease the registration process for prospective rural bank agents. Reduce the initial registration costs for businesses that want to register as agents and provide support throughout the registration process.	Medium	URSB, BoU and FSPs	
5	Establish a modality for FSPs working with rural bank agents to reduce the costs of obtaining printing devices and develop insurance products for these devices.	Medium	FSPs, UBA and Regulators	
6	Continue expanding digital infrastructure (i.e. mobile hotspots, electricity and fibre connectivity etc.) in rural areas.	High	MoICT, the Ministry of Energy and Mineral Development and the Rural Electrification Agency	
7	Develop pay-as-you-go models for mobile phone financing and solar-powered charging devices	Medium	PSO/PSPs and FSPs	
8	Accelerate national ID registration by providing sufficient capacity to NIRA through funding and upgrading the software being used to capture National IDs'	High	Ministry of Internal Affairs, NIRA	
9	Fast-track the AML regulation amendment for tiered KYC requirements.	High	MoFPED, FIA	
10	Fast-track the passing and implementation of Takaful to broaden the insurance products available in the market.	High	IRA and MoFPED	

No	Initiative	Priority	Responsibility	Target date (TBD)
11	Fast-track the development of SACCO and MFI Islamic regulations.	High	UMRA, MoFPED	
12	Provide capacity building to MFIs to resolve issues that prevent their access to the NIRA database.	Medium	AMFIU and UMRA	
13	Develop an alternative online solution to access the national ID database without the need for API integration and upgrade the current API system to allow verification of information such as dates of birth, passports, and refugee IDs. All relevant APIs should be accessible through the application and data integration platform (UG-HUB).	High	Ministry of Internal Affairs, NIRA and NITA-U	
14	Develop a liquidity facility to ensure sufficient liquidity within the agent network to minimise liquidity shortfalls within rural and peri-urban areas. This facility could be built on a mobile money platform to make it accessible to agents in remote areas. Incentives such as reduced interest rates or rewards for timely repayments will be explored to encourage agents to use the liquidity facility responsibly.	High	UBA, PSOs, FSPs, and ABC	
Working Group 2: Deepen and broaden the usage of quality and affordable formal financial products				
Outputs: □ Increased availability of affordable formal financial products and services □ Increased transparency in formal financial services and products □ Customers perceive formal financial products and services as easy and comfortable to use. □ Customers can choose from a range of products and services that meet their needs □ Formal financial products and services are safe and customer data is protected				
1	Formulate and implement a deliberate policy to phase out cash transactions for G2P, B2G and P2G payments. This will set the pace for other categories of payments.	High	MoFPED and BoU	
2	Review and reform the mobile money tax and replace it with higher duties on all charges and fees levied by banks and PSO/PSPs.	High	MoFPED	
3	Develop a comprehensive, interoperable merchant acceptance framework, which ties in with the national switch and includes digital payments by merchants through innovative methods such as Quick Response (QR) codes, Tap on glass and Unstructured Supplementary Service Data (USSD) solutions.	High	BoU	
4	Continue strengthening established credit funds that fund underserved target groups such as small-scale farmers, MSMEs, women and youth entrepreneurs and individuals living in rural areas. These include ACF, Emooyga, PDM, The Small Business Recovery Fund (SBRF), the Women Fund under the Uganda Women Entrepreneurship Programme (UWEP), the Youth Fund as well as the Operations Wealth Creation (OWC) program. The relevant stakeholders will review these funds to establish if there is no duplication of efforts and consolidate funds where possible.	High	BoU and the MoFPED	
5	Commission a deep dive assessment of the movable asset-based lending market in Uganda to uncover and address supply-side and demand-side challenges that limit the usage of the registry.	High	BoU, UMRA and URSB	
6	Implement the legal and regulatory framework that was passed for creditors' rights and insolvency proceedings and assess their effectiveness.	High	BoU	

No	Initiative	Priority	Responsibility	Target date (TBD)
7	Fast-track the drafting of the agricultural finance policy to ensure issues related to credit access through the UWRS are resolved and streamlined.	High	MoFPED	
8	Strengthen the capacity of the UWRS to ensure it is fully operational and engage key players to understand the issues affecting uptake and provide capacity-building and awareness of the system and the opportunities it presents for prospective borrowers and credit providers.	High	UWRS, MTIC	
9	Conduct a pricing analysis of the cost drivers of remittance services and promote joint efforts on the part of stakeholders to bring down prices, especially the prices embedded in foreign exchange margins and commissions paid on those margins.	High	BoU	
10	Work with FSPs to improve transparency in remittance service cost comparisons for both account holders and non-account holders, as outlined in the Financial Consumer Protection Guidelines. Efforts will include providing monthly remittance data to the market.	High	BoU	
11	Develop products tailored to members of the diaspora. This includes i) Savings and credit accounts to facilitate remittances to and from family/friends in the home country and other recurrent expenses can be designed to operate based on standing instructions to be executed weekly, monthly, bimonthly, etc. ii) Pensions, life insurance and health insurance for members of the diaspora. Product use cases should be based on remittance usage behaviour.	High	PSOs, FSPs and UFB-MRA	
12	Undertake comprehensive outreach and awareness campaigns in the formal and informal sectors to highlight the benefits of signing up and contributing to voluntary pension schemes.	High	URBRA and NSSF	
13	Fast-track the MDI SACCO regulations to clarify jurisdiction for the regulation of large SACCOs and the role of the registrar of Cooperatives.	High	BoU, UMRA, MoFPED	
14	Work with FSPs to review savings account deposit requirements and develop savings products tailored to low-income consumers	Medium	BoU, UBA	
15	Increase linkages of regulated SACCOs and self-help groups to formal deposit-taking institutions	High	UMRA and FSPs, DPs	
16	Strengthen awareness campaigns on the benefits of investing in CIS to attract more retail investors and promote the use of digital platforms as low-cost distribution channels for these schemes.	High	CMA	
17	Redesign the UAIS to ensure a sustainable funding source and appropriate targeting of farmers who need it most, i.e. small-scale farmers.		MoFPED	
18	Conduct a landscape assessment of fintechs providing or developing micro-insurance solutions and establish avenues for collaboration and support to scale the availability of micro-insurance products.	High	IRA and FITSPA	
19	Review and reform the fixed stamp duty on motor and general insurance.	High	MoFPED & IRA	

No	Initiative	Priority	Responsibility	Target date (TBD)
20	Run nationwide sensitisation workshops (demand and supply side) on the cost of not having a funeral cover and incorporate key messaging into financial education activities. The demand for such products should spur FSPs to develop suitable funeral cover products.	Medium	IRA & FSPs	
21	Expand investments in producing high-quality agrometeorological data to enable informed decision-making.	High	IRA, UNMA and MoFPED	
22	Conduct a feasibility assessment on the potential for registered SACCOs to act as a delivery channel for formal insurance products.	Medium	IRA and UMRA	
23	Set up more AIC regional offices across the country, especially in unserved regions of West Nile and Eastern.	Medium	AIC	
24	Work with FSPs to develop more flexible and consumer-centric micro pensions schemes and expand their reach beyond Kampala while strengthening the regulatory and supervisory framework.	Medium	URBRA and FSPs	
25	Explore ways to use the tax system to address the inadequate level of pension savings and encourage individuals to save for their retirement. This will be considered alongside a costs-benefits analysis on the future savings on state resources for caring for citizens in their old age against the current loss on current tax resources.	Medium	MoFPED	
26	Review and pass the Competition Bill, which was recently referred to the Parliamentary Committee on Trade, Industry and Cooperatives for processing.	High	GoU	
27	Conduct sensitisation workshops with FSPs on the existing regulatory sandboxes and encourage FSPs to participate in the sandbox to introduce innovations.	Medium	BoU and IRA	
28	Establish a framework for sandbox regulator collaboration to make the process seamless for FSPs with products that require cross-sectoral approval. Regulators should consider appointing cross-functional department heads who represent specific regulators in the approval process on a case-by-case basis.	Medium	BoU and IRA, Other Regulators	
29	Conduct a review of the NPS ACT to determine if, and to what extent certain regulations if at all, stifle innovation and compliance.	Medium	BoU	
30	Fast-track a comprehensive financial services pricing review study to determine if, and to what extent, FSPs, including MNOs, set pricing and accessibility in a manner which excludes rivals.	Medium	BoU, Development Partners and UCC	
31	Conduct a comprehensive review of the regulator fees to determine if and to what extent these fees unnecessarily increase the costs of financial services.	Medium	BoU, UCC, UMRA, IRA	
32	Conduct the next Finscope survey and widen the scope to include new dimensions on access, usage, and quality of remittances (with data disaggregated by gender and international versus domestic), inclusive green finance, consumer protection, MSME finance and DFS	High	BoU	Dec-2023
33	Fast track and prioritise the development of the national switch.	High	BoU	

No	Initiative	Priority	Responsibility	Target date (TBD)
34	Develop an innovation fund under a PPP arrangement with donor support to drive innovations in product design and business modelling targeted to rural and peri-urban areas with a focus on strategic economic sectors, value, and supply chains. This fund will support innovation and make strategic investments in formal financial institutions keen on rolling out these innovations in rural and peri-urban areas.	Medium	BoU, the MoFPED and Development partners	
35	Conduct market research and segmentation to identify and support economic sectors, value and supply chains that would catalyse growth in financial inclusion and financial sector development. These are critical in providing sustainable, effective demand for formal financial services.	Medium	BoU, the MoFPED and Development partners	
Working Group 3: Strengthen financial consumer protection and financial literacy				
Outputs:				
☐ Customers feel that they are treated fairly by formal financial institutions. This includes having access to complete information about financial services and ensuring adequate time is spent explaining financial products and dealing with customer issues ☐ Adequate consumer protection and enforcement mechanisms. Laws and regulations are designed to ensure the rights of consumers are protected and prevent businesses from gaining an unfair advantage over competitors through fraud or unfair practices. ☐ Customers have a basic understanding of financial terms and products and can make informed financial decisions				
1	Develop a comprehensive consumer protection regulation that has enforceable measures for regulators to assess and impose penalties on financial institutions for designing and selling products that cause customer detriment.	High	BoU, UMRA, IRA and DPs	
2	Conduct a feasibility study for developing a Twin Peak regulatory model where the financial sector prudential and conduct arms of supervision are separated.	Medium	BoU	
3	Continue with financial capability interventions to promote financial literacy, digital literacy, and financial confidence, especially among women, youth, those in rural areas, the elderly and forcibly displaced persons, among others.	High	BoU	
4	Increase collaboration of financial capability activities among regulators, financial associations and FSPs to increase awareness of confidence in financial services	High	BoU, UMRA and, UBA, NPSA, AMFIU	
5	Measure the impact of financial literacy initiatives by conducting the financial capability survey regularly to inform the effectiveness of the activities aimed at enhancing financial capability	High	BoU, UBOS	
6	Conduct a pilot to test the efficacy and usage of a Financial Consumers Reference Bureau/desk where consumers can receive advice on financial products and services, fees, penalties, repercussions to non-adherence, financial and digital literacy, and consumer rights.	High	BoU	
7	Engage in awareness campaigns to sensitise the public on the available channels to raise and solve market conduct-related matters when they feel they have been mistreated by FSPs.	High	BoU and other FSP regulators	
8	Address misinformation about bank fees by incorporating general bank account fee ranges in financial literacy educational material which should be updated when relevant.	High	BoU	

No	Initiative	Priority	Responsibility	Target date (TBD)
9	Establish toll-free lines to receive complaints, use of live chats, and other digital platforms to reach customers through various platforms on time.	Medium	All FSP regulators	
10	Evaluate the Financial Literacy Strategy (2019-2024) and design the third strategy for financial literacy (2025 - 2029). The strategy will complement NFIS II and ensure that there is no duplication of efforts.	High	BoU	
11	Fast track the establishment and implementation of information security regulatory requirements to strengthen digital security among FSPs & instil public trust	High	NITA	
12	Assess the impact of regulations that require the use of local data centres for cloud-based services on the cost of providing financial services.	High	BoU	
Working Group 4: Developing an inclusive green finance market				
Outputs:				
□ Increased access to green finance products				
1	Develop and roll out awareness programs to improve understanding of green finance products among financial institutions and industry stakeholders. These programs can provide information on the benefits of green finance products, their risks and potential environmental impact.	High	BoU, UMRA, IRA, and financial sector industry associations	
2	Provide technical assistance and skills development programs to financial institutions to build capacity and expertise in developing and marketing green finance products. Such programs can help financial institutions develop the necessary skills to effectively design, market, and manage these products.	High	BoU, UMRA, IRA, and development partners	
3	Provide financial incentives with tax breaks or subsidies to offset the higher transaction costs associated with green finance products. These incentives can encourage financial institutions to offer these products more competitively, making them more attractive to potential clients.	Medium	FSPs and BoU	
4	Introduce regulatory frameworks for green finance products. This can include introducing new regulations or standards that require financial institutions to disclose the environmental impact of their products, or mandating specific environmental performance requirements that financial institutions must meet to offer these products.	High	BoU, UMRA, IRA	
5	Improve the availability and quality of data on environmental risks and opportunities for sustainable development. This may include initiatives to collect and disseminate data on environmental impacts and efforts to standardise data reporting requirements across financial institutions. Additionally, partnerships between financial institutions and environmental organisations can be established to facilitate greater access to data related to green finance products.	Medium	NEMA, BoU, UMRA, IRA, and development partners	
6	Conduct a feasibility study to develop a carbon sequestration market in Uganda. Developing a carbon sequestration market can potentially increase income opportunities for marginalised groups with access to carbon-absorbing assets.	Medium	MoFPED	

No	Initiative	Priority	Responsibility	Target date (TBD)
7	Establish a Green Finance Guarantee Fund. Setting up such funds will increase the perceived safety level in investing in green finance projects that the population may think are riskier; this will help increase access to finance and encourage the financial sector to capture the opportunities offered by the green economy.	High	MoFPED, BoU and Development partners	
8	Undertake a green finance landscape study. This study will serve as a crucial tool for informing broader green finance initiatives that promote access to financial services and products for marginalised communities. The study should focus on identifying the barriers that hinder the growth of the green finance market in Uganda and offer recommendations on how to overcome these barriers.	High	MoFPED, and development partners	
9	Develop a regulatory framework for green bonds that creates standards for issuers and investors. Establish regulations and guidelines for the issuance and trading of green bonds. The regulations will include the eligibility criteria for green projects, guidelines for project evaluation and selection guidelines, security standards, compliance requirements, reporting and disclosure obligations, and third-party certification standards.	High	CMA	
Working Group 5: Promote gender-inclusive finance				
Outputs:				
□ Increased access and usage of formal financial products by women				
1	Engage community structures to establish female role models in leadership positions.	Medium	MGLSD	
2	Implement effective communication strategies that raise awareness on the role of women in society: this should involve broad-based outreach to the public.	Medium	MGLSD	
3	Mobilise mandate that all financial institutions collect sex-disaggregated data and enhance the detail of sex-disaggregated data. Gender-disaggregated data is crucial in designing effective financial inclusion policies that respond to the unique needs of women in Uganda. Regular monitoring will allow for timely identification of weaknesses and hence the rapid implementation of intervention strategies that can bring about the desired change.	High	UBOS, BoU, UMRA, IRA	
4	Ensure equal access for women and men to property ownership. Amend the Succession Act to allow widows to inherit land. To ensure that laws providing equal access to property are enforced, the role of organisations that provide legal aid to women should also be encouraged.	High	MGLSD	
5	Enhance financial literacy programs that target women and provide relevant and timely financial education to increase their knowledge and confidence in financial services and products. Financial education should be designed to encourage more women to use formal financial services, save, invest, and grow their businesses.	High	BoU, UMRA, development partners	
6	Develop more mobile money-based lending products that are accessible and affordable to women, particularly those in rural areas with limited access to traditional banking services. This could be achieved through partnerships between telecom companies, financial institutions, and government agencies.	High	PSOs, BoU	

No	Initiative	Priority	Responsibility	Target date (TBD)
7	Work with financial service providers to develop innovative credit products that meet the specific needs of women and are flexible enough to accommodate informal businesses. Lending institutions can use alternative data such as rent payment or utility bill payment history, business savings records, social data or psychometric data, which are pro-poor approaches when determining creditworthiness.	High	BoU, UMRA and FSPs	
8	Conduct a review and revision of financial sector policies and laws that have any gender-biased mandates that prevent accessible and affordable finance to women.	Medium	MoFPED	
9	Encourage women to form SACCOs under the Parish Development Model through targeted capacity-building programs and set achievement targets for women that can be used to assess achievement under the programme.	High	MoFPED	



