

# Next frontier of financial access is economic empowerment

The next frontier of financial access is inclusion that translates into livelihoods, resilience, opportunity, and lasting prosperity for all.

## Financial inclusion. |

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Ten years ago, access to financial services in Uganda was limited, uneven, and out of reach for millions. Today, nearly seven in 10 adults are formally included in the financial system, progress powered by policy reform, digital innovation, and stronger collaboration.

At the centre of the shift is Financial Sector Deepening (FSD) Uganda, established in 2015 with support from the UK government and now positioned as a market facilitator driving systemic change.

Over the decade, FSD Uganda has helped strengthen the foundations of a more inclusive ecosystem, supporting policy and regulation, enabling digital infrastructure, and catalysing innovations that have pushed services beyond urban centres into rural communities.

But the next frontier of inclusion is no longer just about access; it is about meaningful use, resilience, and economic empowerment, especially for underserved groups. In this interview, Patience Kikoni, programme director at FSD Uganda, reflects on what has worked and what must change next.

### How has FSD Uganda changed in 10 years?

Initially, we aimed to address low access to formal financial services. Over the past decade, we have evolved into a market facilitator focused on market-systems change within the financial sector and the broader ecosystem.

In the early years, our focus was on laying the groundwork for inclusion through policy advocacy, legal, and regulatory support. More recently, our work has shifted to de-risking innovation in digital financial services and supporting shared initiatives that can transform the wider ecosystem.

### What are our biggest inclusion wins, and where has FSD Uganda been most catalytic?

The biggest win has been the rise in



Patience Kikoni, programme director at FSD Uganda, says the future of financial inclusion lies in moving beyond access to economic empowerment, resilience, and meaningful use of financial services. PHOTO / COURTESY

access to formal services, from about 30 percent to around 70 percent, driven by the rapid growth of mobile money.

Mobile money has opened pathways for rural and previously hard-to-reach segments to access a wider range of services. Our contribution has been in supporting policy, legal and regulatory reforms, building digital infrastructure, strengthening research and evidence, and de-risking product innovations that enable last-mile inclusion.

A major infrastructure milestone has been support for a shared interoperable agent banking platform, which has enabled financial institutions and partners to develop and scale products beyond cash-in/cash-out, including bill payments.

It has supported improved business models and enabled more banks to join shared rails, even where some had existing agent networks. The result is expanded access and usage among un-

derserved segments, alongside improved revenues and livelihoods for agents and their families.

We have also invested in knowledge that strengthens the market. Our flagship product is FinScope, a nationwide household survey on the demand for financial services. FinScope is widely referenced in national policy documents, reflecting its value to regulators and industry and our influence in shaping Uganda's financial inclusion agenda.

### Access has grown, so why do gaps in active usage persist?

Active usage of quality financial services remains the biggest challenge. Many formal accounts remain dormant or hold very small balances because serving low-value accounts is costly, while many customers have low and irregular incomes. Inadequate consumer protection also weakens confidence: rising cyber-related fraud, regulatory gaps, weak monitoring systems, and low literacy levels undermine trust and deter uptake.

### What lessons should shape the next phase of inclusion?

Sustainable inclusion requires a holistic approach: tackling demand-side and supply-side constraints, alongside harmful social norms. Addressing supply-side barriers alone is not enough; future efforts must close usage gaps, reduce gender and youth disparities, and respond to other vulnerable segments. A second lesson is technology's role in achieving scale. Mobile money's impact

shows the importance of digital transformation in reaching rural and underserved communities; going forward, efforts must scale digital infrastructure and eKYC and align with national programmes for wider reach.

### What is FSD Uganda's next strategy, and who is it designed to serve?

Our first 10 years laid the foundation for inclusion. The next challenge is deepening financial markets and driving active usage of services to improve livelihoods and build resilience to shocks. Our next strategy focuses on broadening, deepening, and diversifying financial services, and advancing economic empowerment, with a major focus on women, youth, refugees, persons with disabilities, and small businesses.

### How will partnerships accelerate the next wave of progress?

As a market facilitator, our work is anchored in partnerships. We will continue to empower public and private institutions to lead the inclusion agenda through institutional capacity development and by piloting, testing, and scaling innovative solutions for underserved and unserved segments.

What message should stakeholders take forward?

More than ever, actors across the financial system must work together. Progress will require not only innovative products, but also an empowered customer base that can actively and profitably use them.

**Regulated borrowing 'Many formal accounts remain dormant or hold small balances because serving low-value accounts is costly,'**