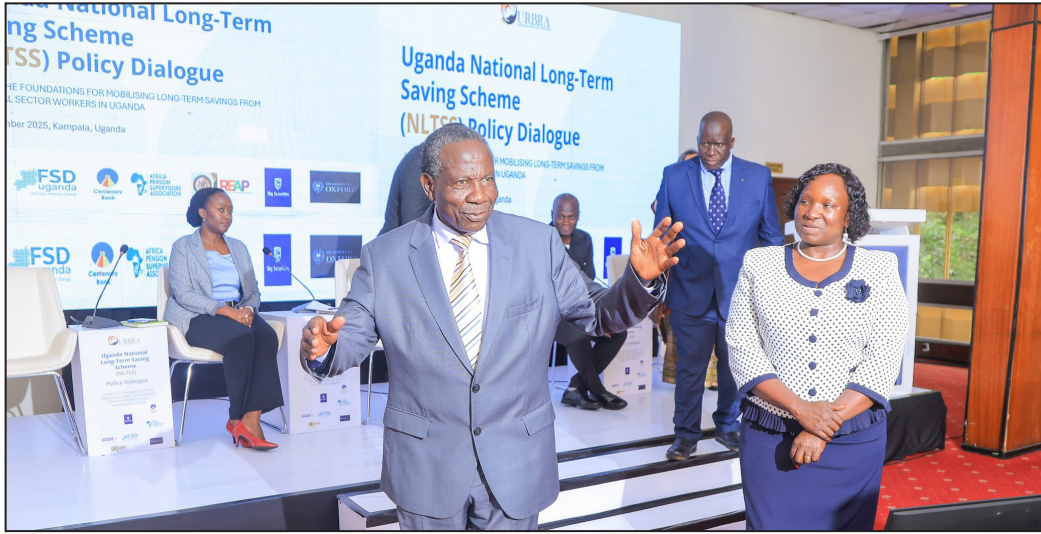


NEWS

Kasaija Pushes Digital Pensions for Informal Workers



Minister of Finance, Planning and Economic Development, Matia Kasaija and Acting Chief Executive Officer / Chief Manager Legal Services Rita Faith Nansasi Wasswa

Minister of Finance, Planning and Economic Development, Matia Kasaija, has urged stakeholders to accelerate the rollout of Uganda's National Long-Term Savings Scheme (NLTSS), describing it as a vital step in securing the financial future of informal sector workers and addressing old-age poverty.

Speaking at a high-level policy dialogue convened by the Uganda Retirement Benefits Regulatory Authority (URBRA), Kasaija emphasized that nearly a decade of careful assessment has culminated in plans to expand pension coverage beyond formal sector workers.

He noted that while pensions and income security may not appear to be immediate priorities amid pressing challenges such as infrastructure development, education, health, and poverty reduction, addressing old-age poverty is essential for Uganda's socio-economic transformation.

"I commend your efforts to address the challenge of old-age poverty in Uganda," said the 82-year-old minister, adding with characteristic humor that his personal experience underscores the importance of planning for the future. "You know I'm an old man. So I'm begging that you do this work diligently. You never know—God may give me another 20 years."

Kasaija highlighted the stark reality that only about four million Ugandans are currently covered under existing retirement arrangements, leaving roughly 84 percent of workers—farmers, small shopkeepers, daily wage earners, street vendors,



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fishermen, and domestic helpers—without formal pension protection. He noted that Uganda's steady progress has increased life expectancy, with 2.3 million elderly citizens today projected to grow to 5.4 million by 2050, creating potential fiscal pressures on government if informal workers do not save for retirement.

"The National Long-Term Savings Scheme is expected to motivate and enable millions of informal workers to save for their retirement, reducing the fiscal cost of old-age poverty in the future," Kasaija said.

He added that the initiative will also generate a new pool of long-term domestic savings to support Uganda's 10-fold growth strategy.

"The true measure of progress is the dignity and security of our people. I therefore call upon all implementing partners to champion the national long-term savings scheme so that people can enjoy a good life even when they reach 100

years," he said.

Minister Kasaija's call for inclusive pensions was echoed by Nelson Bamwine, Senior Manager for Products and Innovations at MTN Mobile Money, who outlined the role of mobile money platforms in facilitating informal sector savings.

Bamwine said MTN has been preparing for the integration of long-term savings for years, transforming the SIM card from a simple communication tool into a gateway for financial services. He explained that mobile money platforms are now central to financial inclusion, enabling savings, investments, and digital transactions at scale.

Bamwine highlighted MTN's partnership with Salaam, which allows customers to save as little as sh500, and described MTN's 165# platform as a potential "rail" for digital pension contributions. He proposed embedding automated savings features

into everyday transactions so that part of payments, such as bills or wages, could be automatically directed into long-term savings accounts.

"Our goal is to design solutions that integrate all partners into the ecosystem and ensure a seamless, 360-degree experience for savers," he said.

Rita Karungi from the Bank of Uganda (BoU) underscored the importance of Uganda's evolving digital payments infrastructure in reducing transaction costs and enabling informal sector workers to participate in the NLTSS.

She explained that since taking over regulation of the payment's ecosystem in 2020, BoU has extended access to previously underserved areas, contributing to a significant increase in formal financial inclusion.

According to the latest FinScope study, 81% of Ugandans now have some form of financial account, with 68 percent driven by digital financial services.

Karungi highlighted the National Switch Project as a transformative initiative aimed at achieving full interoperability across all payment service providers, allowing seamless, real-time transactions.

"Full interoperability significantly lowers costs for both small and large players, enabling everyone to transact efficiently," she said, noting that the NLTSS aligns with Uganda's broader financial inclusion strategy.

She said the government aims to increase pension coverage from 2 percent today to 8 percent by 2028 through these innovations.

The discussions also highlighted the critical need for governance and trust. Panelists emphasized that a robust framework must ensure that contributions are secure, transparent, and efficiently managed.

The NLTSS aims to implement clear operational guidelines, including digital verification and secure systems for daily contributions, which will be particularly important for informal workers who often earn small, irregular incomes.

Experts agreed that achieving meaningful pension uptake will require collaboration across regulators, fund managers, mobile money operators, and community associations.

Automated collection methods embedded within digital payments, supported by accessible mobile platforms, are expected to address the "last-mile" challenge of reaching informal workers.

By integrating small-scale, consistent contributions into everyday financial transactions, the scheme hopes to foster a culture of long-term savings without imposing heavy burdens on low-income households.

Minister Kasaija concluded by stressing that the scheme is not only a financial initiative but also a measure of social progress.

He called upon all implementing partners to ensure the successful rollout of the NLTSS, enabling Uganda's informal workers to save for their future with dignity and confidence. "The true measure of progress is not just economic growth but the security and well-being of our citizens. This is why we must work together to build a pension system that serves everyone," he said.

As Uganda prepares to implement the National Long-Term Savings Scheme, stakeholders emphasized the convergence of technology, policy, and governance as critical enablers.

Mobile money operators like MTN, regulatory authorities including BoU, and community associations are expected to play pivotal roles in ensuring that the scheme is accessible, efficient, and sustainable.

By leveraging digital platforms and interoperable payment systems, the NLTSS seeks to expand financial inclusion, encourage long-term savings, and ultimately reduce the fiscal pressures associated with an aging population.

The high-level dialogue marked a significant step in Uganda's efforts to broaden retirement coverage beyond formal workers, demonstrating that public-private collaboration, supported by innovative digital infrastructure, can pave the way for inclusive financial security.

Minister Kasaija's call to action has set the tone for a scheme that promises to transform the financial futures of millions of informal sector workers, ensuring that long-term savings become both achievable and sustainable across the country.