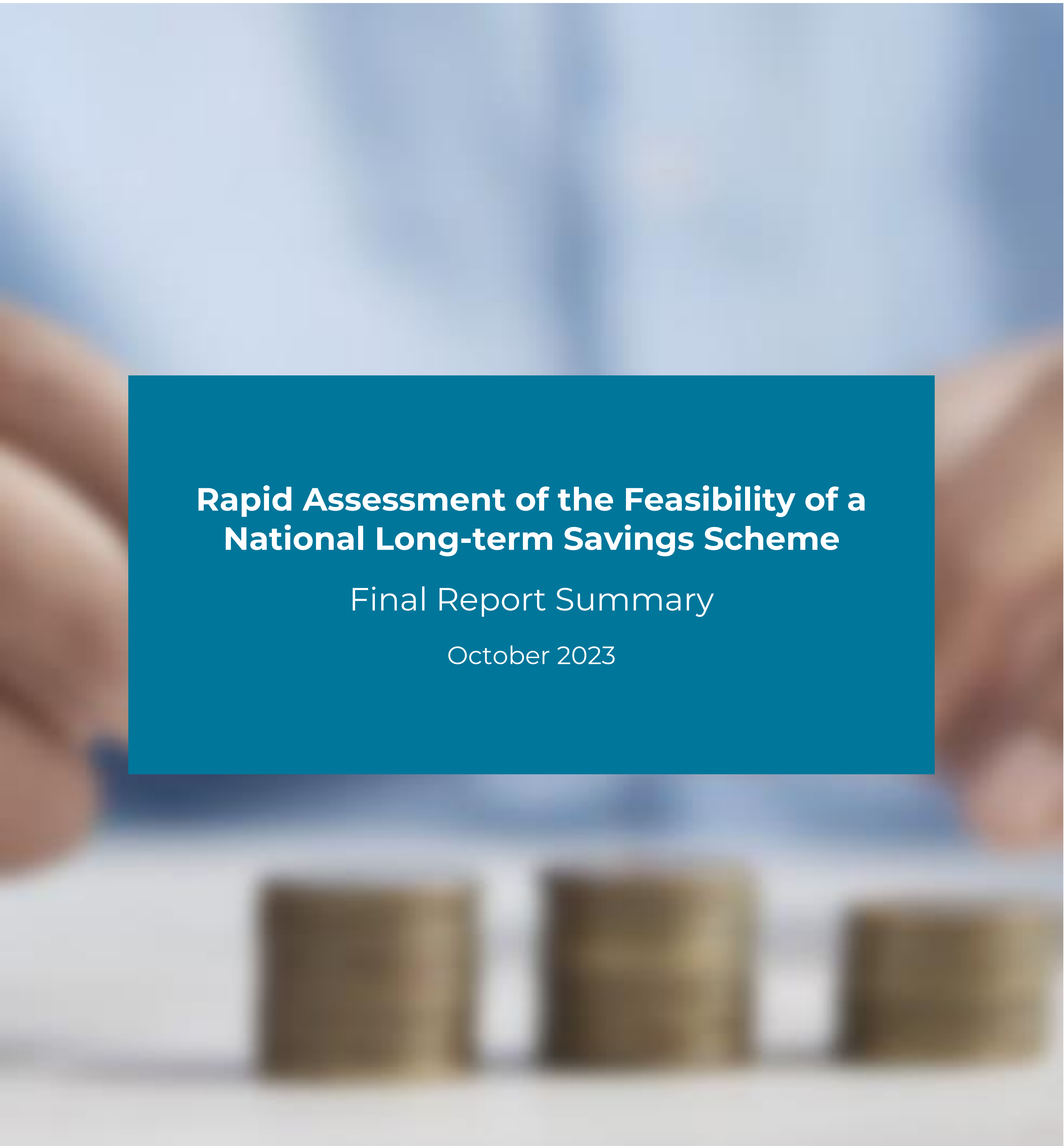

Rapid Assessment of the Feasibility of a National Long-term Savings Scheme

Final Report Summary

October 2023

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List of Abbreviations

API	Application Programming Interface
ID	Identification Document
KACITA	Kampala City Traders Association
LTSS	Long-Term Savings Scheme
MFI	Microfinance Institution
MNOs	Mobile Network Operators
MVIRBS	Mazima Voluntary Individual Retirement Benefits Scheme
NSSF	National Social Security Fund
SACCO	Savings And Credit Co-Operative Organisation
UBOS	Uganda Bureau of Statistics
URBRA	Uganda Retirement Benefits Regulatory Authority
VSLA	Village Saving and Loan Association

1. Summary Report

1.1. Report Outline

Report section	Content
1.2. Background	This section provides a brief overview of the retirement landscape in Uganda, and so, the reason for this assessment.
1.3. Objective	An outline of the purpose of this rapid assessment.
1.4. Methodology	An overview of the steps undertaken whilst conducting the rapid assessment
1.5. Report Findings	A summary of the findings from the demand, supply and policy-side analysis conducted, as well as an assessment score of how feasible a new scheme would be.
1.6. Recommendations	This section provides recommendations which would inform the development and implementation of a new NLTSS, as well as important considerations for success.
1.7. Roles of Key Stakeholders	An outline of the roles of key stakeholders who would be engaged in some way in the NLTSS.
1.8. Future Considerations	This section outlines a recommendation for possible scale-up of the NLTSS in the future.
1.9. Key Risks and Mitigations	Here, risks that could hinder successful development and operation of the NLTSS are highlighted, and their mitigations.

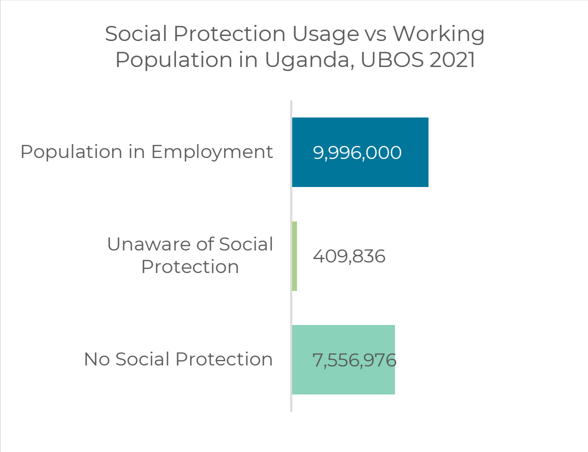
1.2. Background

As Uganda faces an impending demographic transition, the combination of declining fertility rates[1] and increased longevity will gradually and rapidly accelerate the old age dependency ratio[2]. Although the population aged over 65 is projected to account for only 2.4% of the total population (URBRA, 2022), prioritizing saving for retirement becomes imperative to ensure sufficient financial security for elderly citizens in the future.

Social protection programs aim to promote inclusive growth, and support vulnerable groups such as the elderly, disabled, youth, and women. In Uganda, the government operates several social protection programs to provide income security and access to opportunities. One example of such programs is retirement benefit schemes. However, many low-income individuals in the Ugandan informal sector are not utilising formal retirement schemes and provident funds, perpetuating the cycle of poverty, inequality, and vulnerability. In 2021, a little over 76% of the population in employment did not contribute towards any form of social protection, and another 4% were unaware of social protection. (UBOS, 2021).

[1] The World Bank projects that the number of children born per woman in Uganda would decrease from an average of six (6) in 2010 to 2015, to an average of three (3) between 2040 and 2045.

[2] The size of the elderly population relative to the working age population



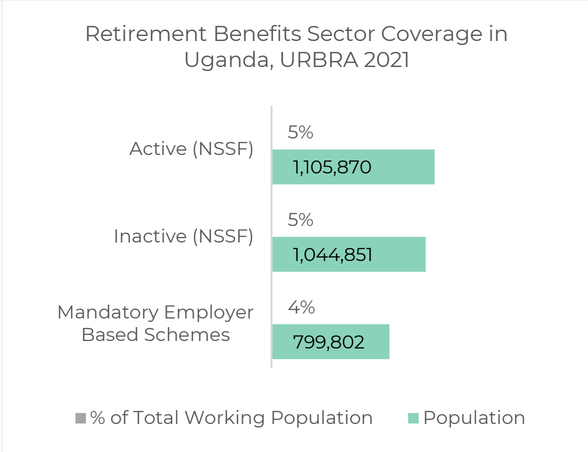


Figure 1: Social Protection Usage vs Working Population in Uganda, UBOS 2021

Figure 2: Retirement Benefits Sector Coverage in Uganda, URBRA 2021

This situation is aggravated with those in informal employment who constitute 92% of the working population in employment. This implies that a large portion of the Ugandan population remains without income security in old age and the opportunity to accumulate wealth, perpetuating the cycle of poverty, inequality, and vulnerability. Although private informal sector schemes in the Country (such as the Mazima Voluntary Individual Retirement Benefits Scheme (MVIRBS) and the Kampala City Traders' Association (KACITA) Provident Fund), were endorsed by the Ugandan government in 2016 to catalyse informal sector participation in social protection, the retirement coverage remains low. Only around 14% of Uganda's working age population (~23.5 million persons) had some form of retirement benefit arrangement, including mandatory occupational schemes and voluntary occupational and individual schemes (UBOS, 2021).

To this end, the Ugandan government is seeking to develop a new national long-term savings scheme (NLTSS). The overarching goal is to provide financial security and promote sustainable savings habits, thus improving the overall economic resilience and quality of life for persons in the informal sector. The scheme aims to encourage and facilitate long-term savings by offering a structured and inclusive savings platform to address the retirement savings needs of the informal sector, while also providing opportunities for financial literacy, healthcare savings, as well as emergency funds.

1.3. Objective

The objective of this rapid assessment was to gain insights that would inform the development and implementation of an NLTSS. By examining the viability and practicality of such a scheme, this assessment aimed to lay the groundwork for a sustainable and effective long-term savings solution at a national scale.

The successful development of an NLTSS requires an understanding of the needs and preferences of informal sector workers, particularly women and youth who are the main beneficiaries. Engaging with relevant stakeholders, institutions, and systems is crucial for effective distribution and sustainable implementation of such a scheme. Additionally, navigating the regulatory, legal, and governance landscape is essential to ensure fiscal sustainability, consumer protection, and alignment with national priorities and best practices.

1.4. Methodology

A multi-faceted methodology was employed. This entailed a literature review, virtual and in-person interviews with supply-side and policy-side stakeholders, and a survey administered to informal sector participants across selected districts.

A detailed outline of the methodology used can be found in the detailed report.

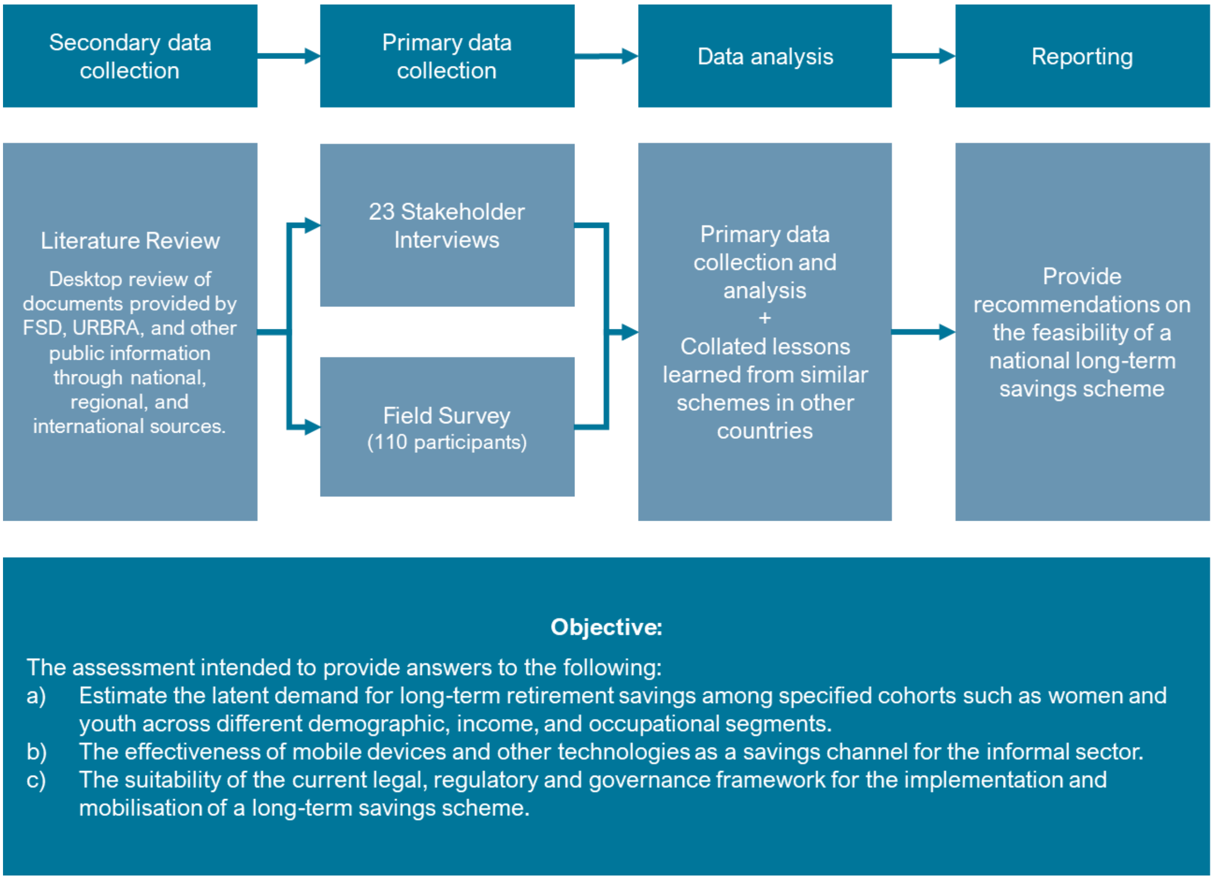


Figure 3: Methodology for the 2023 survey

Stakeholders, including, financial institutions, scheme providers, and telecommunication providers, as well as ministries and regulatory authorities, were identified based on their pivotal roles and potential as partners in the NLTSS administrative architecture. This ensured a holistic assessment of the scheme's viability and potential challenges.

To enrich the research, field surveys were conducted with individuals who are in informal employment. These discussions served as a platform for candid exchanges of views and valuable insights. It shed light on considerations and preferences that could shape the successful development and implementation of the proposed savings scheme.

The field survey and interview questions broadly covered demand and supply-side preferences, barriers, and willingness to participate in the NLTSS. Data triangulation was carried out to validate survey results with information derived from literature reviews and stakeholder interviews, to increase the robustness of the findings.

By considering both theoretical perspectives and practical insights from relevant stakeholders and survey respondents, this methodology allowed for a broad exploration of key aspects related to the feasibility of an NLTSS.

1.5. Report Findings

Below is a summary outlining the key findings from the assessment.

1.5.1. Demand, supply, and policy-side findings

Demand side findings

Informal sector individuals recognized the importance of saving for the future.	Although individuals can contribute various amounts, the preference is for monthly contributions.	Women in the informal sector show a higher willingness to save for retirement and they are more likely to utilize formal financial institutions.
Despite having limited income, the youth are receptive to saving smaller amounts regularly.	Individuals tend to withdraw their savings after a relatively short period, often one year.	Priorities that prevent individuals from saving include education, household, rent, medical, and business-related expenses.

Supply side findings

Technology plays an important role in engagement and information dissemination, and algorithm-based financial advice.	Technology plays an important role in enrolment and encouraging participation, simplified accounts, and benefits administration.	A multistakeholder approach which leverages the private sector is important for a successful informal sector scheme.
Education, higher interest rates, and medical incentives encourage saving.	Financial literacy and sensitization of informal sector workers were highlighted as key requirements.	Mobile devices and face-to-face interactions are both effective mediums for interacting with an informal sector scheme.

Policy side findings

Tax incentives alone only do so much to garner participation from persons in the informal sector, especially those who do not pay taxes.	Informal sector respondents expressed that they would more likely to participate if government co-contribution is provided.	Respondents were sceptical of government-operated schemes, citing unfulfilled promises, lack of information, and embezzlement.
Efficient processes, and a central administration structure is necessary to ensure proper record keeping and data management.	It is important that investments from the scheme are diversified beyond government securities into various asset classes.	Safeguards such as transparency, open communication, easy access to savings,and accountability were suggested as ways to build trust.

1.5.2. Feasibility assessment of an NLTSS in Uganda

Left to their own devices, individuals within the informal sector may understandably prioritize immediate and pressing needs over the imperative of saving for retirement, exhibiting myopia. Although schemes do exist which the informal sector can utilise, these providers have not sufficiently tapped into the informal sector market. The informal savings landscape is hence dominated by community savings groups, market vendor groups, and village savings groups which do not provide an adequate safety net to save for the long term or to attain financial security. However, from the report findings, it is understood that despite the low-income levels within the informal sector, they are willing to save a percentage of their income for the future. Therefore, for schemes to adequately meet the needs of the informal sector they must have customized features that address the sector's unique conditions.

The key takeaways from the demand, supply, and policy analysis underline two distinct, viable strategies outlined below.

- **The establishment of a new national informal sector scheme.** The establishment of a new scheme can be an opportunity to address the unique challenges and aspirations of this underserved demographic. While an existing scheme may have some level of familiarity, it might be hindered by historical limitations and constraints. A new scheme allows for a blank canvas, enabling the incorporation of innovative features specifically tailored to the income dynamics and financial habits of the informal sector.

  By leveraging the latest technological advancements, such as blockchain for secure transactions, and modern communication channels for widespread outreach, this clean slate approach can build trust from the ground up. This approach also sidesteps any existing structural hurdles potentially leading to broader adoption, increased savings participation, and more robust long-term financial security. Therefore, the development of a tailored scheme has the potential to capitalize on this latent demand, potentially increasing retirement savings participation amongst the informal sector population.

- **The evolution of an existing informal sector savings scheme.** This presents a pragmatic and resource-efficient avenue for immediate impact. The two existing informal sector schemes in Uganda which could be great options for improvement are Mazima and KACITA. These schemes already possess a foundation of familiarity among the target demographic, providing a crucial element of trust and familiarity that a new scheme might need time to establish.

  By refining this existing structure through the integration of demographic insights during enrolment and offering flexible contribution options, the scheme can seamlessly adapt to the evolving needs of informal sector workers. Furthermore, the scheme's established administrative infrastructure can be augmented with modern technologies, ensuring efficient record-keeping, and streamlined retirement data management. This approach not only maximizes the utilization of existing resources but also demonstrates a commitment to continuous improvement while efficiently meeting the specific requirements of the informal sector.

  However, if the option of enhancing an existing scheme is adopted, the following challenges would be observed:

  - Limited government control for directing changes within the schemes:

The established schemes may have entrenched structures and processes that are difficult to modify, making it challenging to adapt to evolving needs and priorities. This restriction on government control can result in the scheme becoming less effective or less relevant over time.

- Limited government control to encourage the two existing voluntary scheme to take existing learnings and improvement into account: The government has restricted influence in dictating changes within private voluntary schemes, even in instances where these changes may result in scheme improvement (e.g., enhancing governance structures and expanding product offerings). Existing schemes may not readily embrace these changes or scale them up to a national level.
- Limited capacity of existing schemes to incur additional costs to scale to a national solution:

  Existing schemes may have limited appetite or ability to absorb the additional costs associated with scaling up to a national solution. This financial constraint can impede the expansion of the scheme, potentially leaving a substantial portion of the informal sector underserved.

1.5.3. National informal sector scheme – feasibility assessment score

Based on the interviews and research findings, the table below describes EY's qualitative assessment of the feasibility of both strategies - set up of a new scheme versus evolving an existing scheme.

Assessment Score:								
0: No positive value		*1: Low positive value*		*2: Medium positive value*		*3: High positive value*		
Assessment criteria	Ability to leverage existing delivery infrastructure	Cost to establish / evolve	Ability to maximize value from diverse set of lessons learned	Incentives to establish a national scheme for all informal sector	Incentives to offer attractive product range for all informal sector	Incentives to minimize conflicts of interest	Incentives to establish fit-for-purpose governance	**Aggregate**
Option 1: Set up new scheme (government-organized)	0	0	3	3	3	3	3	**15**
Option 2: Evolve/enhance existing scheme	2	1	2	0	1	1	1	**8**

Table 1: Feasibility assessment score. Note: positive value refers to the level of desirability/success of the measured outcome.

After assessing the two criteria mentioned above, it becomes evident that the more feasible choice is to establish a new scheme facilitated by the government. This option boasts several compelling advantages. Notably, the government would have the ability and the control to address existing barriers and lessons learned from previous schemes to foster desired long-term savings outcomes. A new scheme would also have the free reigns to offer a customised and attractive product with fit-for-purpose incentives to the informal sector, on a national scale. Furthermore, this approach provides the opportunity to offer a diverse range of financial offerings to increase financial inclusion and social protection amongst the informal sector population. It is recommended that a detailed assessment of both options is conducted as part of the implementation plan for the future scheme.

1.6. Recommendations to Inform the Development and Implementation an NLTSS

This report presents an assessment of the feasibility of successfully implementing an NLTSS in the Ugandan informal sector.

Adequate long-term retirement savings products, such as bank deposits, stocks, bonds, and annuity products, are necessary for financial security in old age. Although workers demand market-based retirement schemes, government intervention is needed to ensure an equitable distribution of income and to alleviate poverty, as the supply may not be assured if left unregulated. Public intervention through education, awareness and sensitisation is also needed to address behavioural impediments to their use. This is even more important with an informal sector scheme where additional effort is needed to tailor the NLTSS to the unique circumstances and needs of informal sector workers. This may involve targeted outreach and financial literacy programs, simplified enrolment processes, and collaboration with stakeholders such as financial institutions and civil society organizations.

The previous schemes aimed at attracting the informal sector have had limited success and incomplete efforts. Given that the existing informal sector voluntary schemes are privately-owned, the government has limited control to improve their administration and operational capacity. This would cause a hinderance in their ability to scale into a national solution.

A new NLTSS allows for a fresh approach unmarred by the reputation of current schemes. It would incorporate lessons learned from previous experiences, to create a scheme that is more tailored to the specific requirements and preferences of the informal sector. With a new scheme, the government – which has a mandate to increase social protection amongst its population – can ensure the right interventions are inclusively applied.

Further, a new scheme also provides ample opportunity to ensure that systems, people, processes, technology, and the underlying infrastructure are adequately set up from initiation. The right stakeholders from the public and private sector can also be onboarded from conception to generate support.

Based on EY's experience, the delivery of a new scheme will be underpinned by four delivery components and five supporting levers. This is depicted below.

Figure 4: Key components and supporting levers for a new savings scheme

1.6.1. Key considerations for a new informal sector scheme

Below is a description of EY's Point of View covering key areas to be tackled when developing and implementing a new Long-term Savings Scheme.

1. **Voluntary participation within the scheme:** Although voluntary schemes tend to have lower-than-expected participation and contribution, enforcing a mandated scheme in the Ugandan informal sector may not be successful. This is for several reasons:

- The concept of mandated payments consequently means imposing penalties for non-payment. Charges or other forms of penalty would further segregate this population and widen the income gap.
- Mandatory contributions would compete with an individual's ability to meet priority needs (e.g., food, healthcare, housing, and family members' welfare).
- It may be more expensive to implement a mandatory scheme as extra costs would need to be deployed for resources such as loan collectors and loan monitoring.
- Voluntary funded pension schemes could be more resilient to political risk because they rely on individual's additional savings rather than government financing. So, they are less susceptible to political risk associated with government financial challenges or changing priorities (World Bank, 2016).

Based on these considerations and drawing from the success of the Ejo Heza Voluntary Long-Term Saving Scheme, it is more feasible for the NLTSS to be a voluntary saving scheme. By applying the key implementation notes highlighted in the following sections, the Ugandan government could also attain success with the NLTSS.

2. **Integrate an element of soft compulsion:** There needs to be an element of soft compulsion in the scheme whereby potential contributors retain the right not to participate but the mechanisms guide them in a direction that encourages participation.

Here, people are 'nudged' to make decisions that are good for them, while having the complete decision to change their mind. According to the World Bank (World Bank, 2016).a good soft compulsion mechanism for voluntary schemes is automatic enrolment - where participants are automatically enrolled into the scheme but have the choice to opt out later if they prefer not to save (World Bank, 2016).

> Several studies have suggested that automatic enrolment (e.g., using participants National IDs) is by far the most effective method of increasing participation in defined contribution savings schemes, especially for lower income earners.
>
> *Source: World Bank 2016*

To illustrate, in behavioural economics (which relates to the psychology behind the economic decision-making processes of individuals), when individuals perceive that they have a choice to opt-out at will, they are more likely to retain participation (World Bank, 2016). To encourage individuals who are automatically enrolled to become active savers, financial literacy, and the incentives within the scheme (e.g., education insurance, government co-contribution, interest pay-outs and use of savings to obtain loans/collateral) must be emphasised.

3. **Offer scheme incentives:** The most appealing incentive for the informal sector scheme to garner participation of the target population is government co-contributions. Government co-contribution would encourage uptake of the product by low-income earners and vulnerable groups. Integrated incentives such as education and medical insurance would also act as a key differentiator between the improved informal sector scheme and other formal/informal retirement benefit schemes in Uganda.

   To reduce the fiscal impact of the government co-contribution incentive, it is recommended to set a maximum amount for the co-contribution and define a specific period during which it will be provided. It may also be beneficial to collaborate with development partners to pool resources towards the cost of offering this incentive.

   > Proposed financial Incentive Offering:
   >
   > **For men:** 25% of savings, up to a ceiling of UGX 100,000 per year.
   >
   > **For women:** 50% of savings up to a ceiling of UGX 100,000 per year.
   >
   > *Source: (pinBox Solutions, 2021)*

   The fiscal incentives proposed for the NLTSS is a co-contributions package for the first 36 months from scheme launch.

4. **Flexible access to savings and pay-outs to cater for emergencies**

   Government co-contribution alone may not be enough for members to lock in their savings for long periods. This incentive should be combined with the provision of flexible access to their savings and an attractive interest rate. The provision for pay-outs to cover emergencies can be structured as, as follows:

   - 60% of all contributions to the Scheme should automatically flow into the subscriber's pension account.
   - 30% of all contributions should automatically flow into a liquid health and savings account to cater for children's education, health, and other emergencies.
   - 10% of contributions will be deployed to a rotating fund which would be paid back to members each year after interest is accrued.

5. **Flexible contributions and no penalties for failure to contribute:** There should be allowance for flexible contributions to accommodate members' changing income patterns and business conditions. No penalties should be charged for non-contribution. Mechanisms that allow for limited and regulated withdrawals while ensuring the preservation and growth of savings over the long term should be considered. For example, the withdrawal amount can be capped, and frequency limited to twice a year.

   The scheme can also adopt an innovative "save the change" approach with mobile money. Here, when a mobile money transaction is equal to a fraction amount (e.g., UGX 1,069), the amount is converted to the nearest shilling (i.e., UGX 1,100) and difference (UGX 31) is automatically paid into the person's savings scheme. This approach encourages a habit of saving by leveraging everyday transactions and capturing the small amounts that would otherwise go unnoticed.

6. **Incorporate a credit feature** where individuals can borrow from the scheme or use it as collateral (e.g., to purchase land/homes). This has been successful in:
   - Rwanda's Ejo Heza Long-term Savings Scheme - where 40% of total savings are used as collateral to obtain loans
   - Togo Health and Social Insurance Scheme - where loans are offered to members to purchase productive inputs
   - Kenya - where the Retirements Benefits Authority allows pension savers to use up to 60% of accrued savings to offset outstanding mortgage loans

- It is worth noting that this feature is counter-intuitive to the purpose of long-term savings, but vital for its success as the informal sector would likely simply stop saving or worse withdraw all savings. Hence, this partial "withdrawal" acts as vital anchor to retain savers.
- There is need for an agreed repayment process.
- It may also be worth investigating other blended features to help facilitate both savings and borrowing to increase flexibility. For instance, in Australia, banks offer offset accounts. In this feature, when a customer takes out a home loan, they have the option to link it to an offset account which is like a regular savings or transaction account provided by the same bank. The unique feature of an offset account is that the balance in this account is considered when calculating the interest on the home loan. Essentially, the money in the offset account "offsets" the outstanding loan balance. For example, if a person has a home loan of UGX 100,000 and UGX 20,000 in their offset account, they will only pay interest on the remaining UGX 80,000.

  Without any barriers they can withdraw the extra payment at any time. This significantly increase flexibility for savers while reducing loan administration costs.

7. **A new NLTSS Law:** Other countries usually implement a new law to coincide with the governance of a new national scheme to increase clarity and certainty as well as often to codify amending or creating new government incentives.

   If the national savings scheme is relatively simple and does not involve significant financial complexities or risks, it might be possible to operate it without a new law.

   However, as the new scheme grows in uptake and operational complexity, a future consideration would be to introduce a new law. A national informal sector scheme Act / NLTSS Act may help ensure the NLTSS is built on a robust framework tailored to the current economic landscape, the unique architecture of the scheme, and the evolving dynamics of the informal sector.

   Examples of countries who have developed new laws for a national scheme

   - Rwanda's Law No. 29/2017 of 29/06/2017 regulates the Ejo Heza Scheme.
   - The US has a Social Security Act 1935, and the 401K is covered in a section of the tax law (Internal Revenue Code).
   - Uganda's NSSF Act 1985 for the mandatory formal sector scheme.

8. **Government support and sponsorship to cover operational costs**

   Government support is needed to establish a strong foundation for the new scheme and to cover operational costs such as financial literacy training, marketing, establishing technology infrastructure, and providing co-contributions, etc. Countries globally leverage two forms of voluntary saving systems under strict Government direction and oversight: a) government operated or b) government orchestrated, but private sector delivered

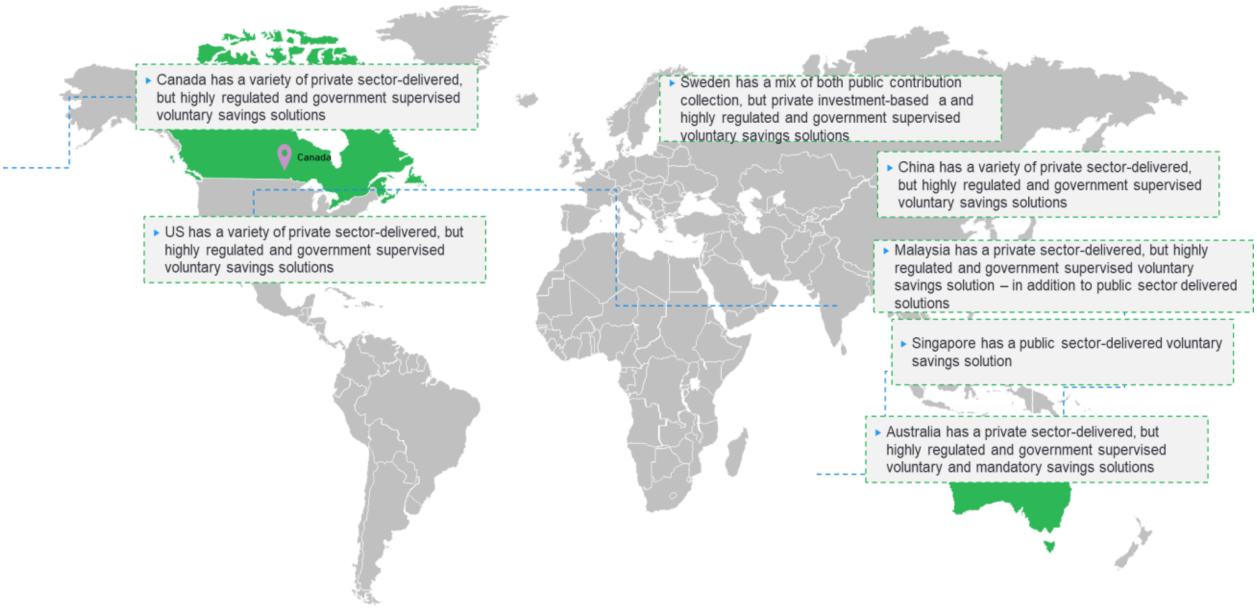


Figure 5: Countries leveraging government direction and oversight in their voluntary savings schemes

The Government of Uganda's key roles within the NLTSS can be categorised into:

- Providing co-contributions / fiscal incentives for subscribers.
- Subsidizing front-end costs for outreach, and customer acquisition. This can include subsidizing the fees paid to intermediaries who assist with these activities.
- Taking the lead in facilitating stakeholder buy-in for the new scheme. This involves removing any hurdles or barriers that might deter participation or slow down the implementation of the scheme.
- Fostering trust in the scheme and creating a transparent regulatory environment.
- Providing budgets for financial literacy campaigns e.g., workshops, seminars, educational materials, and digital resources.

EY's global experience indicates that any shortcuts and insufficient focus on these areas can fundamentally challenge the overall scheme participation and success. The upfront investment generally pays of substantially through better participation, more savings, and higher socio-economic growth through a spill-over effect from such savings.

9. **Rebuilding trust:** Trust is a foundation as a saver may hand over their contributions for potentially a very long time. The stakeholder discussions in this study indicated that particularly among the informal sector, trust has been challenged on multiple levels (including with financial institutions and the government) with significant negative implications on saver participation, saver retention, and savings amounts. Overall, this threatens scheme outcomes and success. Rebuilding and maintaining trust among potential participants is essential. People need to believe that their contributions are secure and that the scheme is managed with their best interests in mind.

1.6.2. Implementation architecture for a long-term savings scheme

Open administration structure

Integrated service delivery mechanisms, such as single-window services or one-stop shops, can help to improve access to retirement schemes, especially in rural areas, and realize economies of scale in the administration of social security schemes. Through the provision of one integrated point of service, members and employers can access several scheme services (e.g., insurance, National ID registration, and business services) at one facility. Depending on the institutional set-up, one office may be able to provide the full range of administrative services related to retirement schemes, such as information, registration, contribution collection, and benefit payment. Such integrated services can considerably reduce time, costs, and effort for future and present members by avoiding multiple visits to different offices. Single-window services can facilitate registration in retirement schemes by providing contact points close to the workplaces or homes of the groups targeted (ILO, 2021)

EY's customised architecture for an LTSS is depicted below which is based on our deep practical experience with setting up similar new schemes. For the NLTSS, an 'open architecture' administration structure which enables centralised administration, governance and delivery management would be beneficial.

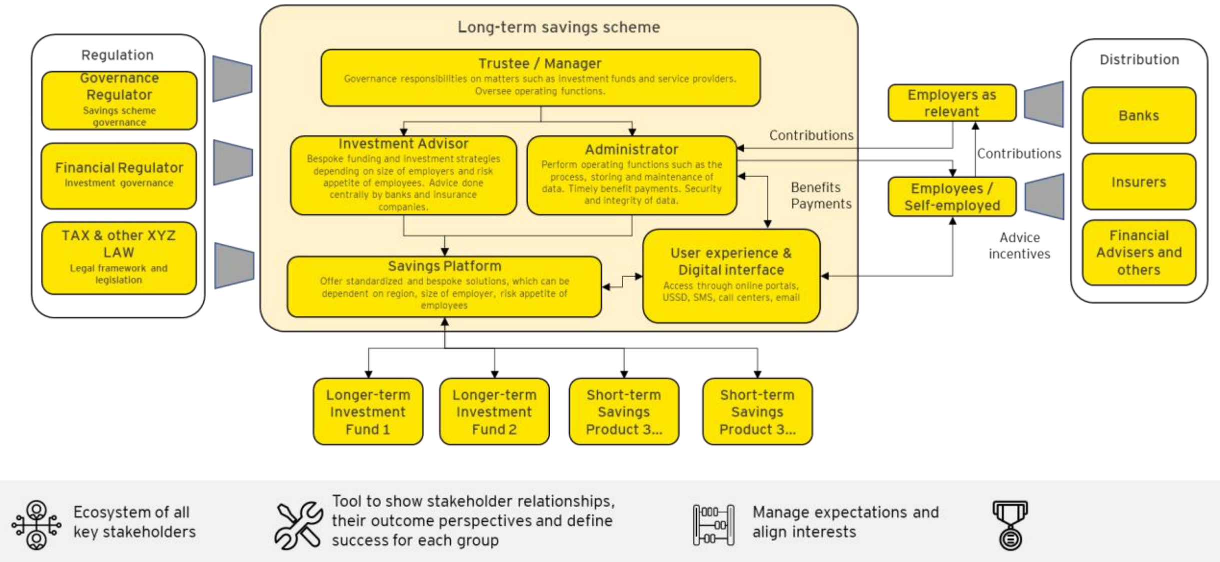


Figure 6: EY's proposed centralised administration architecture for the NLTSS

- The structure should have a central record keeping and administration platform to enable seamless account portability, automated process compliance monitoring, and uniform service quality. Such central platform helps maximise benefits from economies of scale that supports keeping administration and investment costs low.
- The platform should be national-ID linked and used on both feature and smartphone devices. The former is essential to support efficient and effective administration. The latter is vital to support choice of saver channel and convenience to engage and interact. In Uganda, the National Identification and Registration Authority had registered 26 million citizens for national ID's as of November 2022

- APIs should be used to integrate existing digital ID, finance, and payments infrastructure to establish an inclusive, secure, affordable, and scalable digital pension marketplace.
- The digital delivery infrastructure should leverage block-chain technology and other technology-enabled delivery channels to make registration, contributions, payments, and record keeping easy, portable, and efficient.

Regulatory and governance structure

Each aspect of the regulatory and governance structure must have clearly defined roles and responsibilities that are carefully considered, implemented, and integrated. EY's 'open architecture' framework can be utilised to set out a minimum outcome and meet the governance criteria by creating a hierarchy such as:

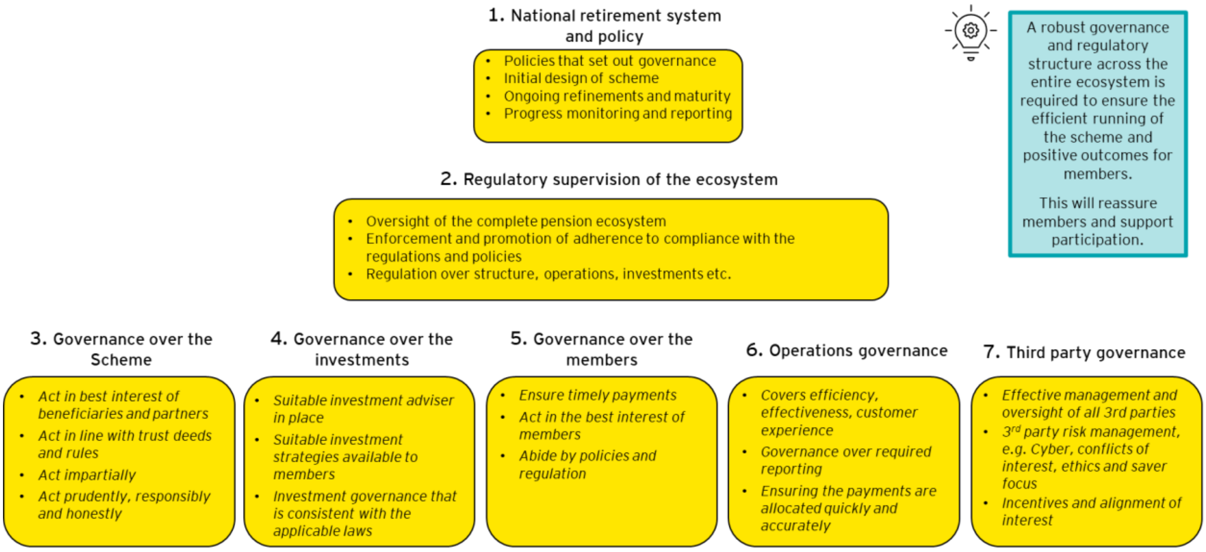


Figure 7: EY's regulatory and governance structure for retirement schemes

Investment offerings

There are benefits to starting with a small number of investment options initially and expanding later based on demand and customer insights. Investment offerings are the key product proposition and their attractiveness to a diverse set of members is a key factor for participation and scheme success. The chart below highlights EY's considerations for investment offerings.

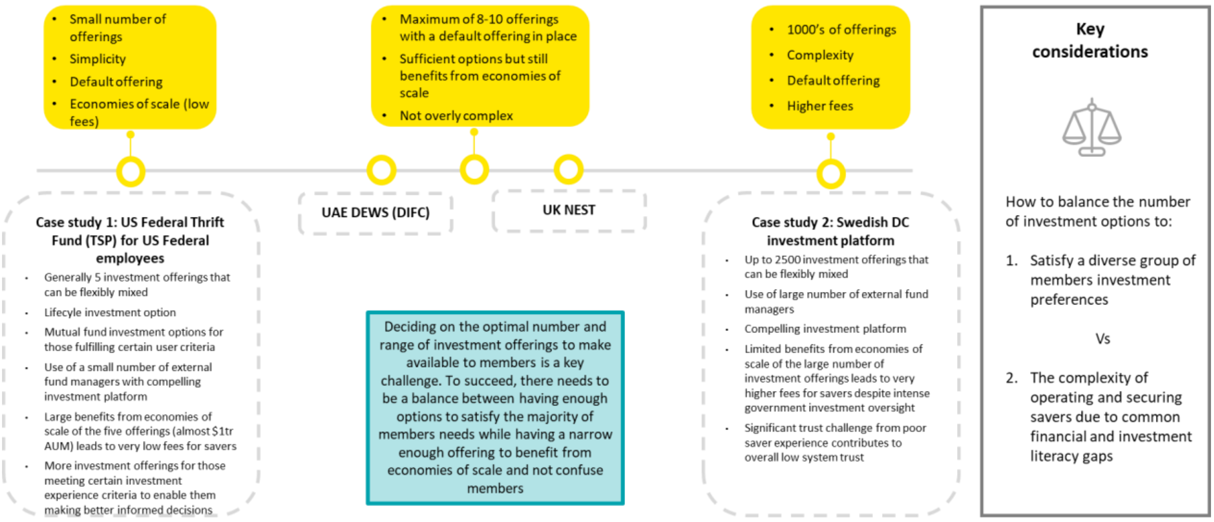


Figure 8: EY's considerations for retirement schemes investment offerings

Approach for scaling an informal sector scheme

EY's tailor-made product strategy for Voluntary Small Savings Schemes could be considered for use. It initially involves a national initiative but evolves into segmental and private sector adoption as it matures.

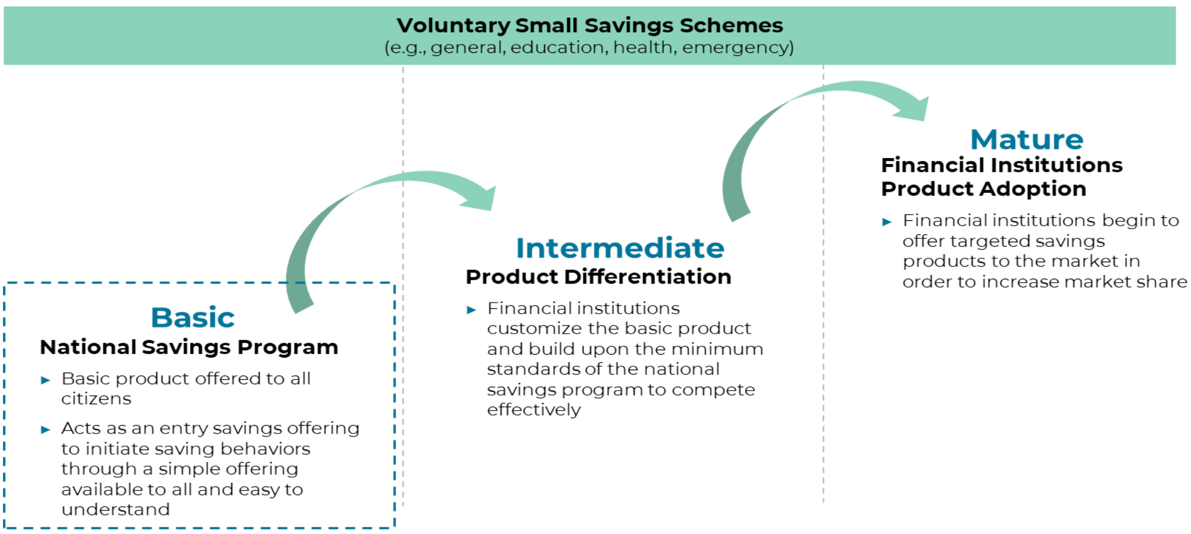


Figure 9: EY's product strategy for voluntary small savings schemes

Emphasis is placed on a phased approach. Initially, the NLTSS could aim to establish a simple and accessible savings product that appeals to a broad audience. Eventually, scheme players can be allowed to offer auxiliary services which would generate healthy competition amongst suppliers and stir engagement from the scheme members.

1.6.3. Feasibility initiatives and considerations for successful implementation

The figures below capture the initiatives[3] which if carefully executed, increases the likelihood of developing and implementing a successful informal sector scheme. The

[3] The classification of the suggested initiatives is indicative and may vary from actual implementation.

initiatives and key considerations are drawn from EY's experience as well as the research conducted in this study.

The matrix focuses on the level of effort required from supply and policy-side stakeholders, and subsequently, the level of impact it would have on demand. Using the impact and effort matrix can help stakeholders make informed decisions about which programme or initiatives to focus on first. This will ensure that efforts are directed towards those initiatives which have the greatest potential for positive outcomes.

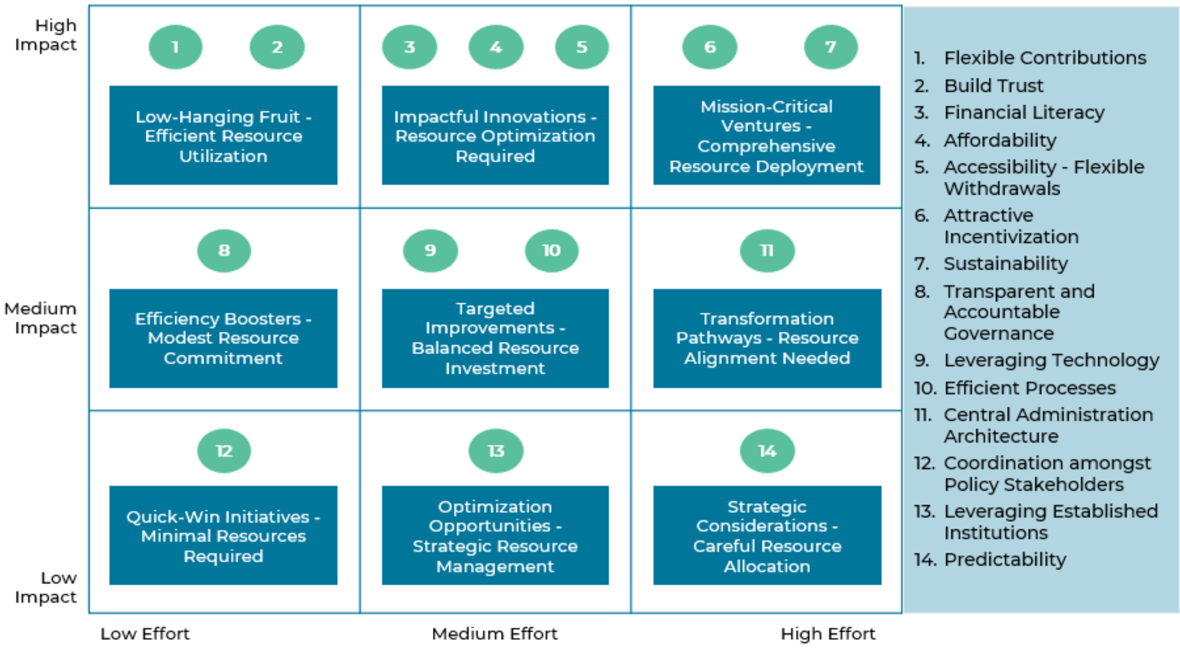


Figure 10: Prioritisation matrix for feasibility initiatives

EY proposes the following 'no-regret' initiatives which if applied may foster increased coverage of retirement schemes in Uganda:

- Building trust
- Increasing financial literacy levels
- Ensuring transparency and accountability
- Ensuring efficient processes

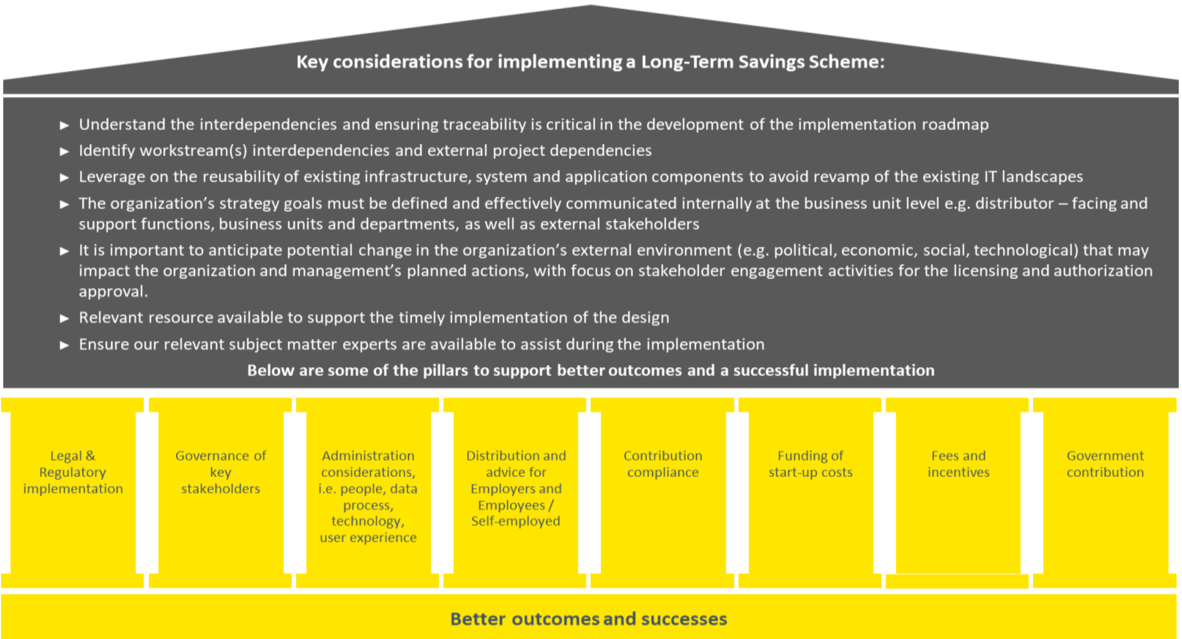


Figure 11: EY's key considerations for successful implementation of an NLTSS

It is important to meticulously implement the outlined measures to ensure the attainment of success for the new informal sector scheme.

1.6.4. Addressable market for the informal sector scheme

The new scheme would be developed to cover the entirety of the informal sector. EY global experience and research reviewed indicate that attraction and take-up of such voluntary scheme may only gradually grow over time. For some voluntary schemes even those in developed countries like the US, participation is still far below 100% even after almost five decades. Some schemes struggle to grow beyond 10%. Moreover, for voluntary schemes targeting informal sector workers, there's a clear indication that these programs may encounter challenges related to retaining savers over the long term and encouraging substantial, periodic contributions. This often resulting in more modest savings amounts being accumulated over time.

To estimate the addressable market for the informal sector scheme, the number of informal sector workers (including those in purely subsistence agriculture) will be multiplied by the monthly recurring savings that an individual within the informal sector might allocate for the scheme. A description of the addressable market, achievable market, and target market is outlined as follows:

- Total Addressable Market: The aggregate count of informal sector workers serves as the foundational parameter. It outlines the potential pool from which participants of the informal sector scheme may emerge.
- Serviceable Available Market: This is the part of the addressable market that is realistically attainable. It considers factors such as people's willingness and ability to save in the scheme.
- Target Market: This is the specific group of people the scheme would reach out to and those who would be interested in participating.

To assess the above parameters, the following assumptions have been made.

Market	Assumptions
Total Addressable Market (TAM)	▪ Assumes the population of informal sector workers (9.2 million) plus those in purely subsistence agriculture (8.2 million) is 17.4 million. (UBOS, 2021). ▪ The maximum amount 154 Ugandan informal sector respondents were able to save was between UGX 10,000 to 60,000 (URBRA, 2018). ▪ Based on the above, it is assumed that the arithmetic average an informal sector worker saves each month is UGX 35,000, so, annual savings is estimated at UGX 420,000. ▪ TAM is the estimated annual savings multiplied by the population of informal sector workers.
Serviceable Available Market (SAM)	▪ For simplicity, the annual savings have been kept constant. ▪ Assumes that like NSSF, the overall penetration levels of the scheme may fall at 4% (Note that this penetration level is a modest estimate based on current performance. However, the actual uptake may differ during implementation). ▪ SAM may therefore be 4% of TAM. (It should be noted that 4% this would be the worst-case scenario). ▪ However, Rwanda's Ejo Heza Scheme as per the (World Bank Group, 2023) evaluation, has so far achieved 49% subscriber to total labour force penetration. ▪ If the recommendations and key considerations highlighted in section 1.6 are methodically applied for the NLTSS, then it is assumed that SAM may fall at 30% of TAM. ▪ A moderate 30% has been assumed for the NLTSS because compared to Rwanda, Uganda has a much higher GDP and population.
Target Market (TM)	▪ Assumes that like Rwanda's Ejo Heza, the informal sector scheme may achieve a modest 1% of SAM during its first year of penetration.

The figure below outlines the addressable market and expected fund size of the informal sector scheme.

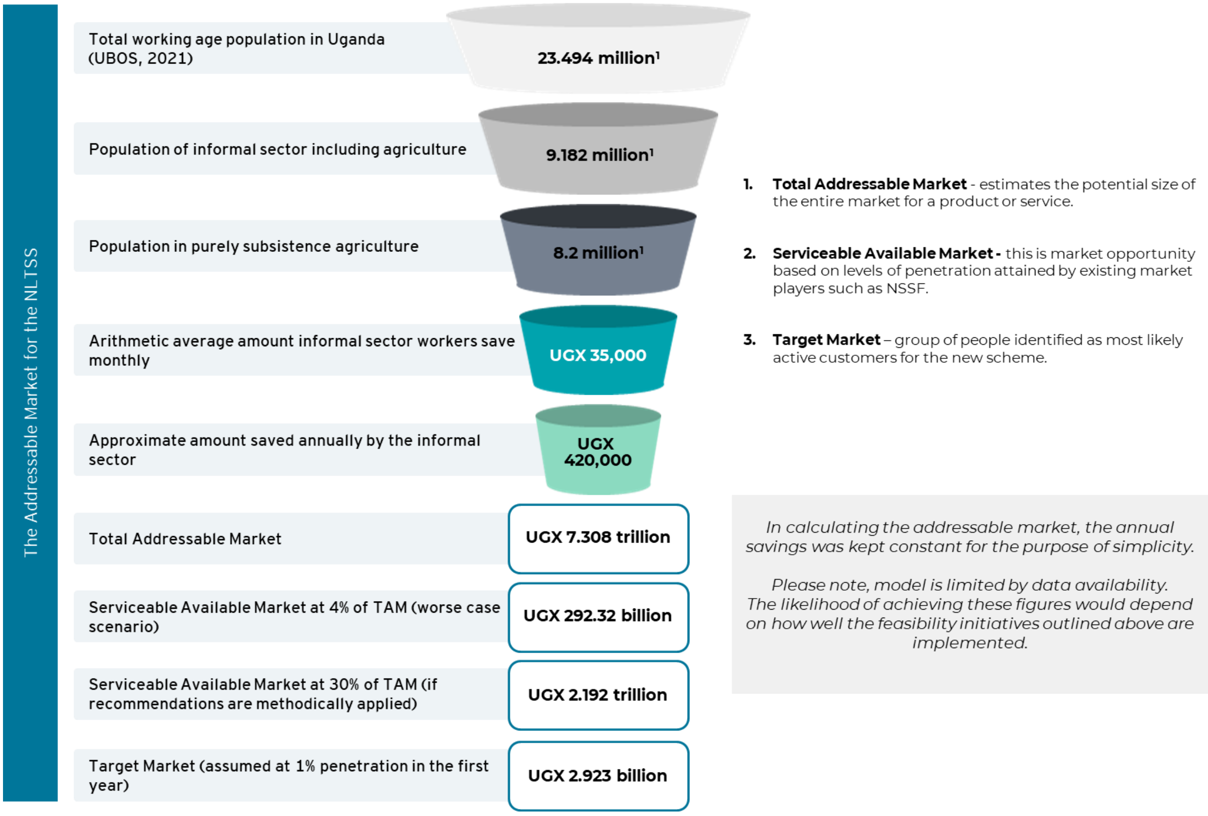


Figure 12: Addressable Market for Informal Sector Scheme. Source 1 - UBOS, 2021

- A key assumption in these projections is that as per our recommendations above, a compelling long-term savings product exists, and participant outreach is consistently carried out through a variety of channels.
- The figures may be (more or less) based on restoring and maintaining trust, national economic growth, and certainty, as well as the absence of natural disasters.
- The government is best positioned to have the necessary long-term perspective and financial means to continually focus on growing savings.
- The savings capital accumulated may need to be brought to good use in the domestic capital market to benefit from economic spill-over effect that accelerates prosperity.

1.7. Potential Roles of Key Stakeholders in the NLTSS

A comprehensive understanding of the individuals, organizations, and entities that have an interest or influence in the scheme's success helps shed light on their roles, expectations, concerns, and potential contributions to the scheme. This will facilitate tailoring the NLTSSs' strategies, policies, and implementation approaches to address their specific needs and foster stakeholder buy-in. The potential stakeholders who would be involved in the scheme, and their proposed roles are detailed below.

Stakeholder	Current Responsibility	Role in the NLTSS
Ministry of Finance, Planning and Economic Development – (MoFPED)	Co-ordinate development planning and mobilisation of public resources	▪ Possible primary sponsoring ministry for an NLTSS governance framework ▪ Approval of budget for offering incentives and initial seed funding from the government ▪ Board-level representation by the Permanent Secretary, or representative ▪ To receive and review periodic financial statements and audit reports ▪ Ministerial approval of board members for the NLTSS as specified in the legal framework
Ministry of Gender, Labour, and Social Development – (MoGLSD)	Empower communities, particularly disadvantaged and vulnerable groups to harness their potential	▪ Possible secondary sponsoring ministry for an NLTSS governance framework ▪ Board-level representation by a nominee ▪ Promotion of equity, diversity and inclusion in the scheme and ensure coverage to vulnerable groups ▪ Promoting the protection of vulnerable groups and advice on aspects of social protection
Ministry of Health, Uganda	Policy review, and development, supervision of health sector activities	▪ Can support in the integration of the National Health Insurance Scheme into the NLTSS to prevent duplication of efforts (i.e., scheme members paying twice for medical insurance cover)
Uganda Retirements Benefits Regulatory Authority – URBRA	Regulates the establishment, management, and operation of RBSs in Uganda	▪ Licensing, regulation, and supervision of the NLTSS ▪ Approves the board member and senior management teams for the NLTSS ▪ Licensing and supervision of NLTSS service providers (including Trustees, Administrators, Fund Managers)
Capital Markets Authority – CMA	Regulates and promotes the development of the capital markets	▪ Provides licensed fund managers and investment products ▪ Supports in the diversification of investment classes beyond government securities ▪ Trains trustees in the diversification of investment
Insurance Regulatory Authority – IRA	Create an enabling regulatory environment for sustainable growth of the insurance industry	▪ Provides licensed insurance products and firms ▪ Can review the regulation for microinsurance to ensure it robustly covers the informal sector dynamics
Financial Intelligence Authority – FIA	Monitor, investigate, and prevent money laundering	▪ Monitors the customer activity in line country AML/CTF regulations

Stakeholder	Current Responsibility	Role in the NLTSS
Bank of Uganda – BoU	Regulates and supervises payment systems and financial institutions	▪ Provides licensed payment systems operators, payment instrument providers and licensed financial institutions as custodians ▪ Can collaborate to expand financial literacy efforts
Fund Managers	Provide fund management services	▪ Act as external fund managers for the NLTSS by investing funds allocated to them and reporting on investment performance
Insurance Firms	Provide insurance services and insurance products	▪ Provide customised insurance products to NLTSS customer base, such as education insurance.
Licensed Banks and MFIs	Provide financial services and products	▪ Act as retail intermediaries and aggregators for registering new members and providing credit facilities to NLTSS members ▪ Act as recipient banks for the NLTSS for member contributions ▪ Can supply field partners for customer acquisition and financial literacy
Pension Custodian	Commonly a bank who keeps safe custody of pension assets	▪ To hold physical custody of the financial assets and securities of the Scheme. ▪ Receive and pay-out all funds for the NLTSS
Pension Fund Administrators	Manage and administer pension funds and the investments and pay-outs of schemes	▪ Manage and operate the central administration and delivery platform ▪ Providing subscribers with access to the scheme's services (including contribution, collection, reconciliation, and transfer). ▪ Expanding the scheme's coverage
Pension Technology Providers	Specialises in providing technology solutions and services for pension plans	▪ Develop software platforms, applications, and tools that help retirement plan administrators, employers, and individuals effectively manage and administer retirement benefits ▪ Digital transformation of retirement scheme management
Payment Service Providers such as MNOs	Provide payment service providers and payment instruments	▪ Provide low-cost access to mobile money systems as a service provision channel e.g., for members to transfer contributions periodically
Informal Sector Associations and SACCOs	Member associations for target audiences	▪ Outreach and education to NLTSS members ▪ Provide feedback on the perception and performance of the NLTSS ▪ Can act as board-level representation for the informal sector

Stakeholder	Current Responsibility	Role in the NLTSS
Donor Agencies and Development Partners	Support feasibility and establishment of the NLTSS	▪ Conduct feasibility studies, provide advice and recommendations ▪ Provide seed financing to operationalize the NLTSS
General public (formal and informal sector)	Potential customers	▪ Potential users and advocates of the NLTSS

Table 2: Stakeholder roles and responsibilities in the NLTSS

Success measures should be clearly defined and quantified to support the design of the scheme and ensure that stakeholder ambitions are met.

Success measures

Government
- Participation rates
- Contribution levels
- Scheme asset accumulation
- Scheme start up costs

Participants
- Security of benefits and payments
- Flexible tailored investment options
- Low scheme charges
- Voluntary contribution option
- Superior customer experience

Employers
- Improved staff attraction & retention
- Lower benefit costs
- More stable benefit costs
- More stable financial position
- Minimal onboarding disruption
- Minimal renewal burden
- Low regulatory interference
- More simple HR / Finance operations

Stakeholder ambitions

Government
Helping meet Vision 2040 goals
- Accelerate financial services market development
- Accelerate social development
- Promote savings culture
- Enhance financial education
- Promote Uganda as a place to work and retire to
- Mitigate repatriation of funds

Participants
- Improved financial wellbeing
- Plan for financial future
- Financial knowledge acquisition
- Accumulate sufficient wealth to consider retirement in XYZ

Employers
- More committed workforce
- Improved profitability
- Improved long-term sustainability
- More simple benefit regime

Figure 13: EY success measures vis a vis stakeholder ambitions

Outlining the success measures helps to ensure alignment with stakeholder expectations and objectives, allowing for the effective tracking of progress and outcomes. It enables better decision-making, resource allocation, and adjustments to optimize the scheme's impact, thereby increasing its chances of meeting the intended goals and delivering tangible benefits to participants and stakeholders alike.

1.8. Future Considerations: A Scheme to Formalise Informal Savings Groups

Informal savings associations such as Village Savings and Lending Associations (VSLAs) have a large membership of the informal sector. They support in the provision of access to financial services in underserved rural and remote areas, fostering financial inclusion among marginalised communities. Informal savings associations also help promote savings habits, build financial literacy, and offer access to small loans which contributes to the economic empowerment of the informal sector, as well as social cohesion amongst communities. However, there is no structured supervisory mechanism to monitor these associations and membership penetration, they are usually small-scale which hinders their ability to mobilise significant savings, and often, they lack access to more diversified formal financial products and investments.

So, as a future consideration, it may be beneficial to utilise the NLTSS as an umbrella scheme to formalise informal sector associations into one central administration architecture. Informal sector associations could be onboarded as distribution agents for the scheme with a commission paid to them for their work. They could also support in extending financial literacy to their members and securing and retaining savers.

It could be mandated for all associations to register in the umbrella scheme. However, they could retain ownership of their members and how their associations are run to promote autonomy. The NLTSS would serve as an oversight body to ensure their administrative efficiency.

The NLTSS' central administration structure would provide the associations with:

- A custodian bank to securely store member funds and automatically pay out funds to members.
- Trusted fund manager(s) and structured fund management practices to invest and report on investment performance.
- Financial literacy training to members. This can be done through a train-the-trainer approach where the scheme trains the leaders of the associations and empowers them to deliver the training to their members and communities.
- A robust technology infrastructure with electronic Know Your Customer and digital payment systems enabled for both feature and smartphones.
- A variety of insurance options (e.g., medical, education) which members can sign up for.

Key values derived from this recommendation are the opportunity to efficiently coordinate, aggregate, and formalise informal sector groups, and to ensure more efficient coordination and coverage of financial literacy efforts. It is worth noting that delivering this approach may be met with resistance to change from members and leaders, loss of some level of autonomy within associations, and difficulty coordinating large groups of associations with varying needs.

1.9. Key Risks and Mitigations

Identifying the potential challenges and threats that could hinder successful development and operation of the NLTSS will help ensure preparedness and application of safeguards. Highlighting this will help ensure sustainable implementation.

Risk Category	Risk Description	Likelihood (L, M, H)	Impact (L, M, H)	Residual Risk	Mitigation action(s)
Compliance, Political and Regulatory Risk	Ministry-level apathy to NLTSS	L	H	M	▪ Compelling feasibility study. ▪ Engage strategically with ministries and parliament. ▪ External financial support on seed funding.
Market Risk	Anti-competition actions from NSSF	M	H	M	▪ Clearly articulate unique selling point to stakeholders for NLTSS as the premier scheme for informal sector. ▪ Engage strategically with parliament, line ministries and line regulator.
Financial Risk	Insufficient start-up funding	H	H	H	▪ Engage strategically with donors and central government. ▪ Engage in adequate budgeting, planning and cost benchmarking prior to scheme development with joint partners.
Saver Uptake Risk	Inadequate participation from the informal sector	H	H	H	▪ Conduct mass sensitization/ extensive awareness campaigns and financial literacy programs. ▪ Simplify enrolment process. ▪ Offer attractive incentives, such as matching contributions and education insurance to encourage informal sector workers to join the NLTSS.
Technological Risk	Inadequate infrastructure for NLTSS implementation	L	H	M	▪ Assess existing infrastructure. ▪ Utilise experienced external consultants for NLTSS development. ▪ Invest in latest pension technology and systems. ▪ Training and capacity building of implementation staff. ▪ Form strategic partnerships with various private sector firms.

Risk Category	Risk Description	Likelihood (L, M, H)	Impact (L, M, H)	Residual Risk	Mitigation action(s)
Operational Risk	Inadequate sustainability measures and long-term funding	M	H	M	▪ Develop a sustainable financial model for the scheme. ▪ Develop a concise financial sector development plan in conjunction with the NLTSS. The plan should focus on widening and deepening the financial market and diversifying financial instruments for investment of pension funds. ▪ Conduct regular financial assessments and adjust funding strategies accordingly.
	Lack of clear implementation structure and strategy during roll-out of the scheme	L	H	M	▪ Proper and frequent stakeholder engagement and coordination. ▪ Conduct regular planning, monitoring, and evaluation sessions to benchmark progress against targets. ▪ Equip responsible authorities with the necessary skills and expertise for effective scheme management. ▪ Roles and responsibilities should be clearly communicated to different actors, including beneficiaries, government agencies, private sector, and development partners.
Compliance, Political and Regulatory Risk	Governance risks relating to fraud and corruption	M	H	M	▪ Strengthen URBRA's capacity to effectively regulate and supervise the sector. ▪ Review and update the existing regulatory framework. ▪ Develop a risk-based supervisory framework to prioritise allocation of resources and supervisory activities. ▪ Enhance collaboration and information and information-sharing amongst various partners.
ESG Risk	Lack of sustainable and responsible investment	M	H	M	▪ Diversify investment portfolio to include assets with strong ESG performance. ▪ Implement ESG due diligence on potential investment ▪ Encourage active engagement with companies that promote ESG.

Table 3: Potential risks and mitigations

2. Next Steps

2.1. Points to Consider on the NLTSS Governance Structure

EY's prior experience indicates that adequate and effective setup, ongoing governance, and oversight, as well as legal and role clarity are key elements to convert opportunities like NLTSS into meaningful short and long-term outcomes. A recent IFC and EY report (EY and IFC, 2023) indicates the benefits of leveraging experienced global, regional, and local private sector providers, their capital, and capabilities plus the benefits from spill over effects from domestic risk capital from savers.

As the NLTSS is a long-term initiative, robust short and long-term planning is crucial to enable effective evolution and essential creation of stakeholder trust.

1. The role of Ugandan Ministries. Establishing a robust governance structure for the NLTSS entails essential roles for ministries. From EY's observations in similar contexts, we would recommend that the Ministry of Finance, Planning and Economic Development is designated as the primary sponsoring Ministry for the NLTSS, and the driving force behind the initiative to lead the formation of the NLTSS. This is because the NLTSS is a financial product dealing with social security and the mobilisation of public resources, which aligns with MoFPED's mandate to regulate financial management and ensure efficiency in public expenditure, as well as oversee national planning and strategy development initiatives for economic growth. Some key tasks which would fall under its purview are:

- Leading the planning and implementation committee for the establishment of the NLTSS
- Set the governance and legal framework for the NLTSS
- Review and approval of budgets for the NLTSS, including the budget for offering incentives to members and suppliers/distributors
- Set the terms for the project team/consultant to operationalize the NLTSS in the pilot phase.
- Lead the formulation and presentation of the Regulatory Impact Assessment to justify a prospective NLTSS bill
- Seeking a license from URBRA for the promulgation of the NLTSS Act
- Review the tax code and other relevant legislation to identify and propose possible incentives that can lead to an attractive and viable NLTSS in the long-term.
- Seek out seed financing partners for the NLTSS.

We would recommend that a nominee from the Ministry of Gender, Labour, and Social Development should also be represented in the Board of Trustees of the NLTSS. Participation from the Ministry of Gender is essential to ensure guidance on gender-related issues, social protection (e.g., fiscal transfers), NLTSS benefits package, ensure the seamless integration of equity, diversity, and inclusiveness throughout the NLTSS, and the safeguarding of vulnerable groups including women, youth, older people and persons with disabilities.

2. On the establishment of an NLTSS Act. As the NLTSS crystallizes into a formalized structure, the promulgation of an NLTSS Act may be necessary. This should be a thin Act which delineates specific aspects of the scheme, including objectives, features, eligibility criteria, member contributions, incentive provisions, and other operational aspects such as governance structures, and management protocols. This will ensure consistency and clarity in its operation. The creation of the thin Act should be collaboratively done with other institutions such as the Insurance Regulatory Authority, Bank of Uganda, Capital Markets

Authority, and Uganda Microfinance Regulatory Authority, and the contents should be cross-referenced with other existing legislation and programmes including but not limited to:

- Uganda Vision 2040
- The National Health Insurance Bill
- The Electronic Transactions Act
- National Financial Inclusion Strategy
- Microfinance Deposit Taking Institutions Act
- Bank of Uganda Act
- Data Protection and Privacy Act
- Capital Markets Authority Act

2.2. Tactical Steps Over the Next Two Years

Timeline	Activity	Output
Month 1 – Month 3	▪ Develop a detailed Implementation Blueprint containing key activities to derive an NLTSS pilot based on the recommendations in this report. Assign roles and responsibilities using a RACI matrix and develop a budget plan.	▪ NLTSS pilot launched
Month 3 – Month 4	▪ Develop a business case / pitch deck for potential partners showcasing the value proposition of the NLTSS (e.g., domestic capital growth, financial inclusion, old age financial security)	▪ NLTSS pitch deck
Month 2 – Month 24	▪ Work towards the establishment of the NLTSS Act, ensuring it coordinates with related existing laws.	▪ An NLTSS Act that is self-sustaining and cohesive with related laws
Month 5 – Month 10	▪ Crowd in large DFIs (e.g., IFC) to stimulate positive media coverage and capital injection.	▪ Positive media coverage, expertise/advise, and capital influx
Month 5 – Month 10	▪ Crowd in a small number of foreign supply-side providers (e.g., fund managers, insurers, telecommunication providers) already active in Uganda and in neighbouring countries	▪ Partnership with reputable institutions, expertise/advise
Month 10 – Month 12	▪ Form a joint planning committee including key stakeholders from identified DFIs and supply side providers. This will be in the form of an effective Public Private Partnership led by the Ugandan Ministry of Finance.	▪ Establishment of a joint planning committee
Month 13 – Month 16	▪ Define key selling points and formal oversight requirements for informal sector savings associations and credit associations. Create a	▪ Manual outlining the incentive package and

Timeline	Activity	Output
	manual for their regulation, incentivisation, and inclusion into the Scheme	regulations for associations
Month 17 - 20	▪ Identify credit associations to serve as customer acquisition channels / product delivery points of presence. Memorandum of Understanding (MOU) should be signed with identified associations, and they should be onboarded onto the Scheme's planning and implementation process	▪ MOUs signed with onboarded credit associations
Post month 24	▪ Scale up pilot(s) and build an effective, efficient, well-managed, promoted and overseen engagement, enablement, interaction, and delivery infrastructure	▪ Efficient and effective NLTSS infrastructure that is enabled to deliver expected outcomes
Post months 24	▪ Establish a robust NLTSS industry governance framework to regularly review, refine, and evolve NLTSS	▪ Agile NLTSS that evolves

Table 4: Next Steps over the first two years

3. Outline of the Detailed Report

- Section 2: Methodology for the 2023 Survey - The section details the methodology applied for the assessment and highlights the literature review, survey administration, and data collection process.
- Section 3: Analysis of Long-Term/Retirement Savings Scheme in Uganda - This section provides a summary of retirement savings within the informal sector and evaluates long-term savings programs from the viewpoints of demand, supply, and policy aspects.
- Section 4: Considerations for a Feasible Informal Sector Savings Scheme – This section explores the factors to consider for a long-term savings scheme in the informal sector, drawing from the World Bank Literature and EY experience.
- Section 5: Long-Term Savings Schemes in Uganda, Demand-side Analysis - This section examines the demographics of the informal sector and explores the potential for a national long-term savings scheme based on its latent demand.
- Section 6: Long-Term Savings Schemes in Uganda, Supply-side Analysis - This section provides an overview of supply side players who may play a role in the NLTSS. It also outlines key considerations for effectively utilizing mobile devices and other technologies in the scheme.
- Section 7: Analysis of the Economic and Regulatory Environment - This section examines the economic and political impacts, relevant laws, and financial sustainability of long-term savings schemes and retirement benefit schemes.
- Section 8: Benchmarking Long-term Savings and Micro-Pension Schemes - A benchmark analysis is needed to properly review lessons learnt from similar schemes, adopt key success factors, and avoid pain points. Due to their conceptual similarities with the NLTSS, Rwanda's Ejo Heza LTSS and India's Atal Pension Yojana micro-pension scheme were selected as benchmarks.
- Section 9: EY/IFC Framework for Assessing Pension Market and Provider Ecosystem – This section examines the feasibility of developing a new scheme for the informal sector in Uganda. The EY/IFC framework highlights the ideal functions and mechanisms within the pension and provider markets.
- Section 10: Recommendations to Inform the Development and Implementation of an NLTSS – This section delivers recommendations drawn from the rapid assessment. It outlines success factors pertinent to the NLTSS, offers insights into the addressable market scope for the NLTSS, and outlines key risks along with strategies for their mitigation.
- Section 11: Appendices – This section contains a sample of the questionnaires used for the 2023 survey.
- Section 12: References – This section compiles the documents cited within this report.

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5. Glossary

Informal Employment*	Informal employment comprises all work, whether carried out in formal sector enterprises, informal sector enterprises, or households where employment relationships were, in law or in practice, not subject to social protection (i.e., no provision for pension or contribution to National Social Security Fund) and no entitlement to paid annual leave or paid sick leave.
Informal Enterprise*	Informal enterprises are those not registered by Uganda Registration Services Bureau (URSB) or by the Uganda Revenue Authority (URA) for Value added tax / income tax returns. Some of their characteristics include, incomplete books of accounts, lack of a formal place of business, lack of employment contracts, lack of formalised business processes and structures.
Informal Sector*	Informal sector includes all economic activities that are not regulated by the government. They produce at least partly for the market and are often characterised by small-scale operations, low levels of organisation and limited access to formal financial and legal systems. It excludes households that produce exclusively for own final use, subsistence agriculture, construction of own dwellings, etc.
Latent demand	Latent demand refers to demand for a good or service that consumers cannot satisfy for three main reasons. First, the consumer does not have enough money to buy the item. Second, the item is not available. Third, the consumer does not know that the product or service is available.
Long-term saving scheme	In this report, the term long-term saving scheme, which encompasses retirement benefit schemes, denotes a structured program or arrangement designed to help individuals accumulate and grow funds over their working years, to cater for set goals.
Population in Employment	Comprises of employed persons "at work", i.e., who worked in a job for at least one hour and employed persons "not at work" due to temporary absence from a job, or to working-time arrangements (such as shift work, flexitime, and compensatory leave for overtime).
Working Population*	The working population is categorized into five mutually exclusive forms of work: own-use production work, employment work, unpaid trainee work, volunteer work, and other work (e.g., community service).

*Uganda Bureau of Statistics: National Labour Force Survey 2021 – Main Report