

**Scale  
2Save**

# Uganda: empowering rural women



**Local roots and close involvement  
in development projects build  
trust that helps savings take off**

**Shifting to cash crops  
increases the need for  
financial inclusion**

With a fast-growing population of 44.2 million, Uganda is a landlocked country in East Africa whose economy relies heavily upon agriculture. Gross National Income per person is US\$790, and 20.3% of citizens live on less than US\$1.90/day. Farming underpins 72%<sup>1</sup> of employment, but a shift has begun from subsistence to commercial agriculture (which now provides half of exports<sup>2</sup>). The development of cash crops, agricultural value chains and other activities requires finance.

To aid this job creation and productivity growth BRAC, the world's largest non-governmental development organisation, based in Bangladesh, started offering microfinance loans in Uganda in 2006. Focused on rural areas, BRAC Uganda Banking Limited (BUBL) gained a banking licence in 2019, and now has 191,000 borrowers, 278,000 savers, nearly all of them women (97%)<sup>3</sup>.

# The bank launched new savings accounts targeting 164,000 people, mainly poor rural women



► Watch the video



## Microfinance is a promising gateway to saving and transaction accounts

Immediately upon its conversion, BUBL teamed with the WSBI to widen financial inclusion in Uganda by digitalising low-balance savings accounts. The bank launched new savings accounts targeting 164,000 people, mainly poor rural women. The bank now offers money transfer services, and deposit-linked insurance, as well as savings and credit, from 32 branches and 131 satellite offices.

WSBI has worked with BUBL to digitize savings records, which used to be kept in ledgers, in formats that allow the bank to provide financial services via a mobile phone wallet – reducing costs and enabling many kinds of transactions to be made from remote locations far from bank branches and offices.

WSBI also assisted BUBL to enhance its channels through the introduction of an agency platform.

## Leveraging trust can accelerate uptake

BRAC's range of education and empowerment initiatives, often accompanied by microfinance, have built strong trust in its brand across rural communities throughout the country. Both BRAC, the NGO, and BUBL have a strong focus on women and youth, and the bank often works with Village Savings and Loan Associations and collaborates in financial education initiatives. This has contributed to the success of its savings products, which achieve average balances exceeding US\$30.

## Clients like flexibility, but fewer withdrawals make accounts more viable

- The roll-out of savings products and agency platform was slowed by restrictions designed to contain the Coronavirus pandemic that began in early 2020.
- It's Flex savings account, which offers no-cost transactions, has proved the most popular.
- The Wise Save account, which allows free withdrawals only once a quarter, is more sustainable for the bank, because charges discourage withdrawals, and encourage people to deposit their savings for longer.

<sup>1</sup> The World Bank, 2019

<sup>2</sup> BRAC International, 2022

<sup>3</sup> BRAC Uganda Bank, 2022