

2018
**Social
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Conference**
KENYA



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MBAO PENSION SCHEME

Subject: INFORMAL SECTOR PENSION
Presenter: ROSE MUSONYE KWENA
CHIEF MANAGER, CORPORATE COMMUNICATION
Date: 22ND MARCH 2018

MBAO - BACKGROUND

Inception

2009 as an Individual Pension Plan

Target Market

- Informal Sector
- People with seasonal income
- People who lack access to institutional banking
- People working or running an SME or MSME

Rationale

- More than 1 in 4 working adults is engaged in this informal “*Jua Kali*” Sector
- Small and Medium firms (SMEs) constitute 98 percent of businesses in Kenya, which contribute 30 percent of jobs as well as 3 percent of Kenya’s Gross Domestic Product
- There were no pension schemes back in those days catering to the pension needs of the informal sector.

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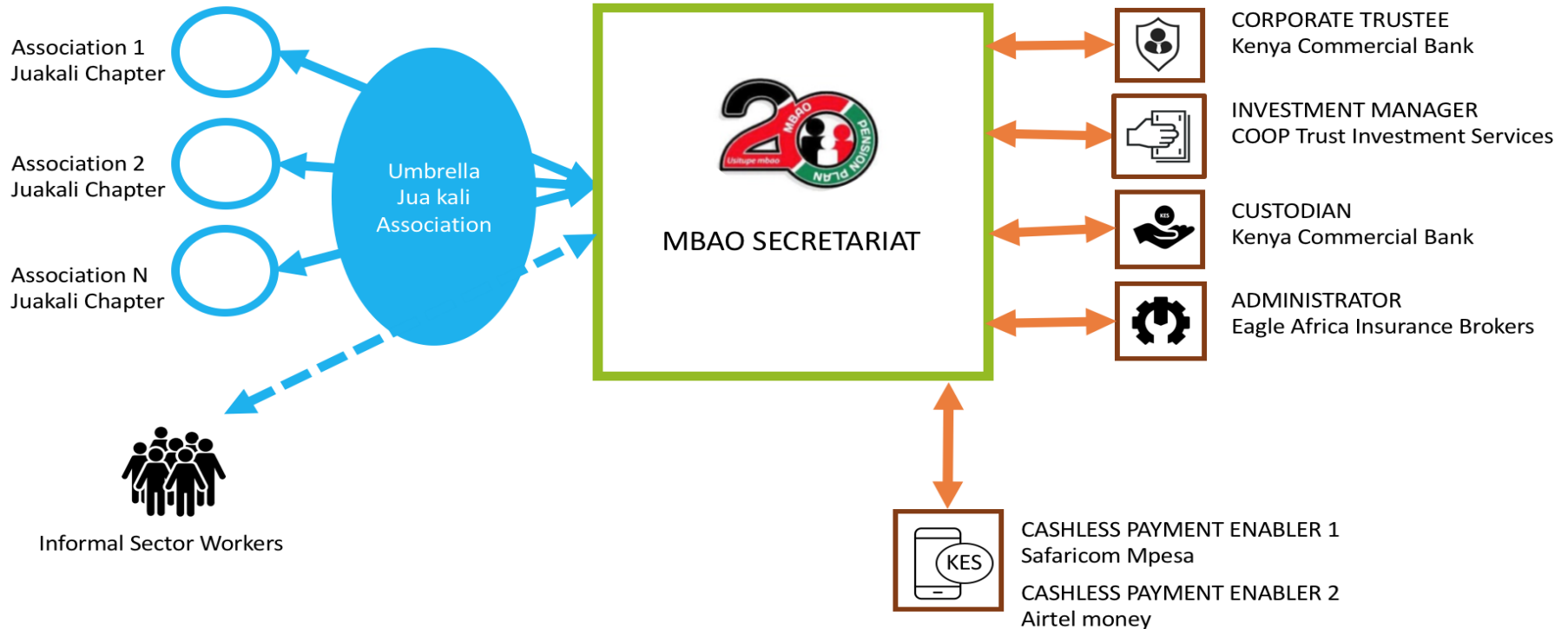


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MBAO - STAKEHOLDERS

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MBAO - SUCCESS

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100,000+ active members

Fund Value: US \$1,342,000

Largest successful informal sector pension scheme in the world

Stands as a globally recognized pension model for the informal sector and inspiring countries across continents making Kenya proud

THE SECRET BEHIND

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Stakeholder partnership

- Direct involvement of the *Juakali* associations
- Dedicated MBAO secretariat

Ease of Use

- Cashless payment
- Convenience - Anytime, any amount contribution through mobile
- Low minimum, flexible contribution & no penalties

Marketing

- On ground activation team
- County level awareness drive
- *Juakali* influencer promotion

MBAO – VISION

Targeting at least
50% coverage
of the informal
sector by year
2030

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CHALLENGES

- Low uptake – Current Jua Kali membership is **12 million**
- Lack of awareness & saving culture
- Lack of a robust micro pension transaction platform



ROLE OF GOVERNMENT

- Policy support - Regulatory framework - Higher tax incentives - Government co-contribution (Matching contribution)
- County level support for regional promotion & activation

WAY FORWARD

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- Marketing & Training
- Develop a unique and robust micro pension platform
- 24 hours toll-free contact center
- Physical presence across each county



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THANK YOU FOR YOUR TIME

