



REMARKS BY
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BOARD CHAIRMAN - DPF

DURING THE LAUNCH OF THE DPF STRATEGIC PLAN
2022-2027

SEPTEMBER 30, 2022

Hon. Minister of Finance, Planning and Economic Development,
The Deputy Governor, Bank of Uganda
Commissioner Financial Services MOFPED
Chairman and Members of the DPF Board,
Distinguished guests
Management and Staff of DPF,
Ladies and Gentlemen.

I join the CEO and the staff of DPF to warmly welcome you to this occasion when we launch the DPF Strategic Plan (2022-2027). I am aware of your busy schedule despite which you have made time to be with us. Ladies and gentlemen, please join me in according our Minister a befitting welcome. I also take this opportunity to welcome the Deputy Governor of Bank of Uganda and all our invited dignitaries. Today goes down in the chronicles of history as yet another day the Fund has achieved a key milestone.

Hon. Minister, allow me to thank you immensely once again, on behalf of the rest of the Board members, for the confidence you have shown in us as expressed through our reappointment to

Board. With this reappointment, you have shown the importance you attach to seamless continuity in the progress of the Fund. Without a shadow of doubt, I wish to declare from the onset that as a Board, we are committed to reciprocating your confidence in us with a stellar performance this term.

Hon. Minister, I also take this opportunity, to welcome our new member Mrs. Susan Kanyemibwa to the team. Suzan currently serves as Board Secretary, Bank of Uganda, a role she has ably performed for close to 10 years. I wish to report to you that she has fitted in perfectly well, as if she were the last piece in a jigsaw puzzle. She has hit the road running and added immense value to the Board.

Hon. Minister, Ladies and gentlemen, I am confident to assert that our first term in office went on smoothly. The achievements of the first term came with concerted effort by the Board, management and staff, coupled with collaboration from our key stakeholders led by the Ministry of Finance under your able stewardship.

Hon. Minister, the CEO highlighted some of the critical issues in the first Strategic Plan that we were unable to conclude. I concur

with the CEO on the assertion that the non-attainment of these issues were largely occasioned by external, rather than internal factors. The Board therefore deemed it fit to ensure that the unfinished businesses are rolled over to this Strategic Plan you are launching today. I wish to add my voice to request you to continue supporting the Fund to ensure the achievement of these objectives.

Hon. Minister, for emphasis, the critical outstanding issues relate to the enactment of a stand-alone DPF law, the financing framework with Government and sensitization of Members of Cabinet and Parliament on the role of the Fund. These are necessary if the Fund is to contribute effectively to financial sector stability and comply with the Core Principles on Deposit Insurance, which were issued by the International Association of Deposit Insurers.

Hon. Minister, I now turn to the major focus areas of the new strategic plan. In drawing up the plan, we took cognizance of the advice you have given the Board during our regular meetings. Hon. Minister, you have been very passionate about two major issues that the Fund should focus on namely, having its own home as opposed to renting and enhancing the level of public awareness

about the Fund. I wish to report that these matters have been squarely provided for in the new Strategic Plan. In addition to these, the Fund has set out to achieve the following;

- i) Roll out the payout system to all contributing institutions and conduct annual simulation tests with relevant parties to ensure that the system works as expected. The system will support the fast reimbursement of depositors.
- ii) Conduct more on-site inspections focused mainly on customer deposit holdings. This will include the large SACCOs once brought on board.
- iii) Grow the Fund to at least UGX 2 trillion in order to protect at least 3.5 percent of total deposits in the sector. This would be in line with best practice.
- iv) Design a robust crisis management plan to ensure depositors are paid fast in the unlikely event of a bank closure.
- v) Conduct an IADI self- assessment to review the Funds' compliance with the Core Principles on Deposit Insurance.

This exercise will involve holding engagements with the key players in the financial sector safety net, including the Ministry of Finance.

- vi) Collaborate closely with more established Deposit Insurance entities to enable information sharing and capacity building of staff.
- vii) Evolve into a deposit insurance hub within the East African Region by training staff highly in the relatively grey area of deposit insurance.
- viii) Ensure DPF remains one of the best employers in the country by creating a conducive work environment for all employees to thrive.

Hon. Minister, we are convinced that with the introduction and adoption of the Balanced Score Card management methodology alluded to by the CEO, all the targets listed above will be achieved. It is worth noting that the BSC has already been cascaded to all staff. I am informed by management that going by the first quarter which is drawing to a close, there are indications that staff have

adapted well to this novel concept. I am proud to note that despite being a new institution, the strategy which was premised on the Balanced Scorecard methodology was developed in-house.

Hon. Minister, you head a critical Ministry that supervises a number of Government agencies. As DPF, we would like to be that agency which makes you feel proud because we have achieved all that you have tasked us to achieve. We are committed to driving the growth agenda, growth both in terms of operations and fund size so that the Fund is in position to deal with any unlikely situation of a payout should the need arise. There is no doubt that if we sensitize the public about the advantages of deposit insurance, more small depositors will keep their money in the formal financial sector.

Hon. Minister, you are fully aware that Bank of Uganda has been very supportive in the establishment of the Fund right from the early stages. In fact, the Bank seconded some of its top staff to spearhead the establishment of the Fund. What we are witnessing today is testimony to the quality of the pioneer staff who set the DPF ship on its voyage. I wish to appreciate the Bank of Uganda, through the Deputy Governor here present, for all the support and

collaboration, past, present and going forward. In the same vein I would like to appreciate the eleven (11) staff from Bank of Uganda who rose up to the challenge when requested to leave their comfort zone, to start the process of establishing the Fund from scratch.

Hon. Minister, as our appointing authority, your presence here today therefore, is to flag off the second Strategic Plan of the Fund. I wish to conclude by thanking you Hon. Minister, for all the support. We are grateful to all our stakeholders too for the continued collaborations. I wish to thank management and staff for putting together this second Strategic Plan. This will make our task of monitoring performance much easier. Permit me Hon. Minister, to invite the Deputy Governor of Bank of Uganda to address you.
For God and my Country

Patrick Kagoro

Board Chairman, Deposit Protection Fund of Uganda (DPF)