



Remarks by
Dr. Julia Clare Olima Oyet (Mrs.)
Chief Executive Officer
Deposit Protection Fund

**Workshop on Resolution Funding for Deposit
Insurers from the East Africa Community**

April 14, 2025

Delegates from the Ministry of Finance, Planning & Economic Development present,
Delegates from Bank of Uganda present,
Delegates from the East Africa Deposit Insurance Agencies present,
Delegates from the East African Central Banks present,
All Delegates in your respective capacities,
Management and Staff of DPF,
Distinguished Ladies and Gentlemen.

Good morning to you all.

On behalf of the Board, Management and staff of the Deposit Protection Fund of Uganda (DPF), it is with great pleasure that I take this honour to welcome you to Uganda, the Pearl of Africa for the **“Workshop on Resolution Funding for Deposit Insurers from the East African Community,”** organised by the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

This workshop, premised on the deliberations of the 16th Crisis Management Working Group meeting of the Monetary Affairs Committee held in Nairobi, Kenya from November 20-24, 2023, will equip delegates from Partner states with practice-oriented knowledge and principles to establish a legal framework to

restructure banks and to fund bank resolution actions. It was previously noted that existing resolution toolkits for banks were limited, and that some Partner States were constrained to a few resolution options. It was further observed that resolution planning was relatively underdeveloped across many Partner States while in some jurisdictions it was noted that Authorities resorted to public funding too early.

It is worth noting that the Monetary Affairs Committee recommended that Partner States should target to establish their National Resolution Funds by December 2026. This timeline is fast approaching, and it is important that delegates build knowledge and expertise that will be called upon during the process to enact legal frameworks to establish the National Resolution Fund(s).

This workshop should therefore act as a forum for sharing of knowledge, experiences and practices in bank crisis management and resolution amongst Partner States. Additionally, the workshop should help Partner States conceptualize good practices for deposit insurers who currently don't have resolution mandates. This engagement will therefore touch on the following amongst others;

- 1) Consider possible conditions and limits under which the deposit insurer's fund may be available for non-payout

resolution measures, including strong safeguards for the use of deposit insurance fund resources for resolution.

- 2) Identify possible resolution tools, powers, framework and practices for small and medium-sized insured deposit-taking institutions.
- 3) Determine baseline principles and cost/benefits considerations to help guide the selection of resolution tools.
- 4) Appreciate the structure and design of the “least cost test” methodologies and the conduct of valuations of recoveries.
- 5) Design a framework to structure the interaction between deposit insurance agencies, resolution fund and public backstop arrangements.

It is important to note that while we explore various ways of funding non-payout resolutions, the ability of the deposit insurer to execute its core mandate of paying depositors should not be compromised in anyway. It is even more important to note that in line with the International Core Principles of Deposit Insurance, using funds meant for payout to resolve banks means that the deposit insurers need to be active players as the most efficient resolution methodology is being discussed. Finally, the option of creating a separate and distinct resolution fund which could be managed by the Deposit Insurer is worth considering.

As I conclude, I wish to thank MEFMI , Bank of Uganda, organizing committee of DPF and resource persons for organizing this very timely workshop, when the deposit insurance world is discussing the need for an expanded role especially with regards to the resolution of small banks. To the delegates, I wish you very productive deliberations during the week ahead. I urge all participants to actively engage, ask questions and learn from the resource persons and work towards identifying the feasible options that the Working Group may recommend to the Monetary Affairs Committee at a later stage.

Karibuni Sana!

Dr. Julia Clare Olima Oyet (Mrs.)
CHIEF EXECUTIVE OFFICER