

Emmanuel Tumusiime-Mutebile: Brief look at payment systems, financial markets and the micro-finance sector in Uganda

Speech by Mr Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda, at the farewell dinner of Mr Peter Rhode, Kampala, 28 September 2007.

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Your Excellency the Ambassador of Germany

Mr. Peter Rhode, Outgoing Director, GTZ/Financial System Development Programme, Chief Executives of Financial Institutions, Distinguished Guests, Ladies and Gentlemen,

This evening, as you are all aware, we are attending a farewell dinner in honour of Mr. Peter Rhode, the outgoing Director of the GTZ Financial Systems Development Programme (FSD). Mr. Rhode has been Director of the GTZ / Financial Sector Development Programme since 2002. The FSD programme has several project components, covering a number of areas including payment systems, financial markets, and the micro-finance sector.

Under the able leadership of Mr. Peter Rhode, the GTZ Financial Sector Development Programme has played an important and commendable role in the development of the national payment system, financial markets and the micro-finance sector.

Mr. Peter Rhode played an active and positive role in the acquisition and implementation of the **Real-Time Gross Settlement (RTGS) System**, otherwise referred to as the **Uganda National Inter-bank Settlement (UNIS) System**. Mr. Rhode personally oversaw the recruitment of a qualified and experienced consultant who worked with Bank of Uganda staff to carefully and objectively evaluate the RTGS bids. As an RTGS system is a critical national economic infrastructure that facilitates the efficient and safe transfer of monetary value between transacting parties, Bank of Uganda is grateful to Mr. Rhode's contribution in implementing the system in Uganda.

The East African Community is in the process of implementing an East African Cross Border payment system to facilitate the efficient and safe transfer of monetary value within the region. As the community becomes more economically and socially integrated, the implementation of an efficient cross border payment system to support increased levels of regional trade and social interaction becomes a strategic imperative.

I am glad to note that Mr. Rhode has been supportive of the cross border payment system project, and GTZ has contributed to the enhancement of the Bank's technical capacity in the design and management of multi-currency cross border payment systems.

During his term, Mr Rhode has placed a lot of emphasis on capacity building in the different areas of the financial sector. Indeed, the FSD programme has trained staff from Bank of Uganda, Capital Markets Authority, Uganda Securities Exchange, and the micro-finance sector.

Micro-finance institutions are now universally recognised as important tools in the fight against poverty. They extend micro-credits to the poor and vulnerable, and such small credits have economically and financially transformed the lives of the poor. Over the last four years, Mr Rhode has been at the centre of this microfinance revolution. He has worked closely with the Association of Micro-finance institutions in Uganda (AMFIU) and other related organisations to build capacity and facilitate the micro-finance sector to offer and deliver professional and cost-effective services. Mr. Rhode, we would like to thank you not only associating with the poor, but also positively contributing to their economic transformation and well-being.

In conclusion, I must state that Bank of Uganda has immensely benefited from Mr. Rhode's breadth of experience, depth of knowledge and his singular focus and commitment to the success of the FSD programme. He has propelled the national payment system, micro-finance sector and the entire financial sector to greater heights. Indeed, his performance and record of achievements during his tenure have been both impressive and outstanding.

As we bid farewell to Mr. Rhode, Bank of Uganda wishes to underscore its appreciation to the German Government through the GTZ/FSD for the support Uganda has received since the inception of the FSD programme.

I understand that Mr. Rhode is retiring to the serene and scenic beauty of Cape Town. For a man whose career has not only been outstanding, but also dedicated to serving the poor, the vulnerable and the underprivileged in such countries as Nepal, Zambia and Uganda, there are probably not many places that would compete with Cape Town. As you explore the picturesque surroundings of Cape Town, its imposing mountain ranges and its world class wineries, please always remember that Uganda's financial sector will always treasure your contribution.

Thank you Peter, and may God bless you.