

Michael Atingi-Ego: From litigation to resolution - unlocking commercial disputes through Alternative Dispute Resolution

Speech by Mr Michael Atingi-Ego, Governor of the Bank of Uganda, at the opening ceremony of the Judicial Officers' Colloquium on Alternative Dispute Resolution, Kampala, 9 April 2026.

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The Right Honourable Chief Justice, Dr Flavian Zeija;
Distinguished Justices and Judicial Officers present;
Heads of Regulatory and Financial Institutions;
Distinguished Guests, Ladies and Gentlemen.

Good morning. It is both a privilege and a pleasure to stand before you today. Let me begin by expressing my sincere gratitude to the Judicial Training Institute for this partnership.

Before I proceed, allow me to extend my warmest congratulations to the Rt. Hon., Dr Flavian Zeija on his recent appointment as Chief Justice. Leading all the higher Courts in this land is a monumental responsibility, and I am confident the judiciary will reach new heights under your leadership. Hongera Sana!

I am honoured to be here - thankfully, not as an accused or a witness, but to discuss a theme that is vital to our national interest: the role of Alternative Dispute Resolution (ADR) in unlocking commercial disputes. Because, as we have seen, sometimes the traditional courtroom isn't the only answer, and in a modern economy, we all benefit from a "good alternative."

We gather at a time when commercial disputes in Uganda are increasing rapidly in volume, monetary value, complexity, and geographical coverage, especially in the banking and financial services sector. This has significantly added to the workload of our Judiciary without, as I understand, a corresponding increase in resources, ultimately resulting in case backlog.

Against this background and recognising the importance of our shared value in collaboration in reaching consensus to address issues; the Bank's Legal Directorate worked together with the Judicial Training on this second Judicial Colloquium on Finance & Banking with a focus on Alternative Dispute Resolution mechanisms.

There is a concept in economics called institutional quality. Decades of research confirm that nations with strong, efficient institutions grow faster and attract more investment. The judiciary is the bedrock institution upon which all others depend.

Consider our current trajectory. Economic activity remained steady during the first three quarters of 2025, with growth at 6.3%. Absent the effects of the US/Israel- Iran war, we project growth to reach between 6.5% and 7.0% in the coming year, supported by oil-related developments and public investment. However, to sustain this, we must address a persistent friction: the protracted resolution of commercial disputes.

The Bank of Uganda's primary mandate is to maintain price stability. We pursue a medium-term inflation target of 5 percent - a level that balances the imperative to protect consumers' purchasing power with the need to provide investors a predictable environment for long-term planning.

However, price stability alone is insufficient. Financial stability is equally indispensable, and it cannot be achieved without the rule of law. Without enforceable contracts, collateral is worthless. Without fair judicial outcomes, credit risk becomes unquantifiable. When dispute resolution is delayed, the cost of intermediation soars, and it is the borrower - and ultimately the economy - that pays the price.

Let us be specific about the stakes. Currently, it is reported that there are 623 unresolved banking cases with the judiciary. According to the Uganda Bankers Association (UBA) an estimated UGX 7 trillion in disputed value is locked up with the courts. For the economy, this is "dead capital."

For banks, it means capital tied up in provisioning. Under our prudential framework, a non-performing loan triggers mandatory provisioning the moment a borrower defaults. This is a supervisory obligation, not a choice. Every shilling locked in a disputed loan is a shilling that cannot be re-invested into the productive sectors of our economy. Every delayed judgment is effectively a tax on investment and a brake on the transmission of monetary policy itself.

ADR is not a lesser substitute for justice. It is a sophisticated complement that recognizes that speed, technical expertise, and confidentiality are necessities in the commercial world.

In the financial sector, disputes are often highly technical and time sensitive. ADR mechanisms - mediation, negotiation, and arbitration - offer a way to resolve these complexities without the adversarial depletion of funds. This is why ADR is not merely a justice sector matter; it is a macroeconomic imperative required to achieve our Vision 2040 and the ambitious Tenfold Growth agenda.

UBA estimates the private sector credit needed to support the ten-fold growth at UGX490 trillion by 2040. This assumes that the factors currently underpinning the unresolved banking cases locked up in the judiciary are addressed and remain so. It is therefore important that this is not only achieved and preserved but that private sector activity as an engine of economic growth is further unlocked, supported by high quality commercial justice.

The Judiciary and the central bank are independent institutions. Independence is a guarantee of integrity, but it is not isolation.

When a judge understands the systemic implications of a banking sector ruling, he/she does not compromise her independence; he/she exercises it more wisely. Knowledge of the regulatory environment and the impact of rulings on financial stability is not a threat to autonomy; it is the foundation of it.

Uganda is a country of extraordinary potential. But the single most powerful key to unlocking it is the quality of commercial justice.

The judicial officers in this room are among the most consequential economic actors in Uganda. Every ruling you make in regard to the banking and financial sector ripples through the credit markets and into the lives of our citizens.

I, therefore, make a respectful appeal: embrace ADR as a strategic instrument of economic development. Ensure your understanding of the financial sector keeps pace with the complexity of modern commerce. Let us continue to engage candidly, with the nation's interests as our common north star.

I wish you all productive and fruitful deliberations.

Thank you for listening to me. God bless!