



**25th ORDINARY MEETING OF THE EAST AFRICAN
COMMUNITY MONETARY AFFAIRS COMMITTEE
VIRTUAL MEETING, 4TH MARCH 2022**

COMMUNIQUÉ

1. The 25th ordinary meeting of the East African Community (EAC) *Monetary Affairs Committee (MAC)* was held virtually on 4th March 2022. The meeting was chaired by Dr. Patrick Njoroge, Governor of the Central Bank of Kenya, and current chairperson of MAC.

Present were:

- Hon. Moses Makur Deng, Governor of the Bank of South Sudan;
 - Hon. Audace Niyonzima, Deputy Governor of the Bank of the Republic of Burundi;
 - Hon. Soraya M. Hakuziyaremye, Deputy Governor of the National Bank of Rwanda;
 - Dr. Michael Atingi-Ego, Deputy Governor of the Bank of Uganda; and
 - Dr. Yamungu Kayandabila, Deputy Governor of the Bank of Tanzania.
2. The meeting was held against a backdrop of rising global inflation, tightening financial conditions, and worsening debt vulnerabilities for developing economies owing to the protracted COVID-19 pandemic, and geopolitical tensions. To manage these developments, most EAC Partner States Central Banks continued

with accommodative policy stance complemented by regulatory changes including relaxation of rules on loan classification/restructuring, extended lending facilities, exceptional liquidity assistance, and reduced charges on mobile transactions to support financial intermediation and digitalization. The Committee also took note of the increasing financial innovations.

3. The Committee noted that economic growth in the EAC region recovered in 2021 to an average of 4.2 percent, largely supported by easing of COVID-19 related restrictions, public investments and strong performance in the agriculture, services, construction and manufacturing sectors. Growth in the region is expected to improve supported by a resumption of global economic activity with the easing of containment measures and sustained implementation of growth-supporting measures. Downside risks remain elevated due to a slower global growth, rising geopolitical tensions and increasing commodity prices.
4. The meeting reviewed the status of implementation of previously agreed actions towards the establishment of the East Africa Monetary Union (EAMU), with a focus on the decisions of the 24th Ordinary MAC meeting held virtually in October 2020. The Committee reflected on the progress in attaining the convergence criteria and highlighted the areas that are lagging behind.
5. The Committee noted that Partner States' Central Banks have made significant strides towards the creation of key institutions of the of the East African Monetary Union (EAMU), particularly the East African Monetary Institute (EAMI); harmonization of monetary and exchange rate policies; harmonization of regulatory frameworks; implementation of measures to strengthen regional payments systems; enhancement of cybersecurity frameworks;

capacity building in AML/CFT and Risk Management for Partner States Central Banks; and promoting cross-border trading in government securities.

6. Notwithstanding the above, the Committee noted that there have been delays in realising targets set out in the EAMU roadmap and that there are several challenges that could further impede the timely implementation of EAMU protocol. Therefore, the Committee pledged to work with the EAC Secretariat and other stakeholders in the EAC integration process to fast-track pending activities of the EAMU roadmap.
7. The Committee noted progress still to be made in cross-border payment systems and agreed on continuing interoperability initiatives at national level, enhancing the East African Payment System (EAPS), while engaging other stakeholders at continental level on further integration of cross-border payment systems.
8. The meeting agreed to have an event in memory of the late Prof. Emmanuel Tumusiime-Mutebile, the former Governor of the Bank of Uganda. Modalities of the event will be agreed by the Partner States Central Banks.

4th March 2022.