



26th ORDINARY MEETING OF THE EAST AFRICAN COMMUNITY MONETARY AFFAIRS COMMITTEE, 17TH MARCH 2023

COMMUNIQUÉ

1. The 26th ordinary meeting of the East African Community (EAC) *Monetary Affairs Committee* (MAC) was held in Bujumbura, Burundi, on 17th March 2023. The meeting was chaired by Hon. Dieudonné Murengerantwari, Governor of the Bank of the Republic of Burundi, and current Chairperson of MAC. This was the first physical meeting since 2019 as the 2020, 2021 and 2022 meetings were held virtually due to COVID-19 restrictions.

Present were:

- Dr. Patrick Njoroge, Governor of the Central Bank of Kenya;
- Hon. John Rwangombwa, Governor of the National Bank of Rwanda;
- Hon. Johnny Ohisa Damian, Governor of the Bank of South Sudan;
- Hon. Emmanuel Tutuba, Governor of the Bank of Tanzania; and
- Dr. Adam Mugume, Executive Director, Research and Economic Analysis, Bank of Uganda; representing the Bank of Uganda

Hon. Marie Malangu Kabedi Mbuyi, the Governor of Bank of Democratic Republic of Congo was unable to attend the meeting and sent apologies.

2. The meeting was held against a backdrop of continued inflationary pressures, tightening financial conditions, vulnerabilities arising from

the war in Ukraine, unfavourable weather conditions and other emerging risks.

3. The Committee noted that economic performance in the EAC region in 2022 remained strong, recording GDP growth of 4.5 percent. This performance was supported by strong growth in industry and services sectors following the easing of COVID-19 related restrictions, easing of global supply chain constraints and continued public investment.
4. The Committee further noted that growth in the region is expected to improve supported by recovery in agriculture, continued strong performance of the services sector, and prudent monetary and fiscal policies. Downside risks remain elevated due to weak global growth, tightening global financial conditions, protracted geopolitical tensions, climate change risks and volatile commodity prices.
5. The Committee also noted that most of the Partner States Central Banks have recently tightened their policies to address inflationary pressures.
6. 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 25th Ordinary MAC meeting held virtually in March 2022. The Committee also reflected on the progress made towards establishment of East African Monetary Union.
7. The Committee noted that Partner States' Central Banks have made significant strides towards the establishment of key institutions 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 payments.

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8. Notwithstanding the above progress, the Committee noted the revised timelines set out in the EAMU roadmap, with the new date of achieving the monetary union by 2031. Therefore, the Committee reaffirmed their commitment to work together and with the EAC Secretariat to fast-track implementation of activities in the revised EAMU roadmap.
9. The Committee noted that a lot of work still needs to be done in the area of cross-border payment systems and agreed to continue rolling out 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.
10. The Governors signed the **Addendum of the MOU** on currency convertibility and repatriation to take into account the AML/CFT issues in the region. The signing of this addendum of the MOU constitutes an important achievement in the process of enhancing transactions across the region in regards of the implementation of Protocol of Monetary Union.
11. The Governors took the opportunity to welcome the Governor of Bank of Banque de la République du Burundi, Governor of Bank of South Sudan, and Governor Bank of Tanzania who were attending the MAC meeting for the first time since they were appointed to their duties and wished them success.
12. The Governors thanked the Governor of the Bank of Republic of Burundi for hosting and chairing the 26th MAC meeting and for the excellent hospitality accorded to the Governors and to the Partner States delegations.

17th March 2023.



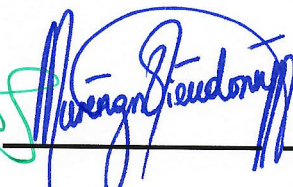
Dr. Patrick
Njoroge

Central Bank
of Kenya



Hon. Johnny
Ohisa
Damian

Bank of
South
Sudan



Hon. Dieudonné
Murengerantwari

Banque de la
République du
Burundi



Hon. John
Rwangombwa

National Bank
of Rwanda



Dr. Adam
Mugume

Bank of Uganda



Hon.
Emmanuel
Tutuba
Bank of
Tanzania