

# EAC ministers lay ground for single currency

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THE EAST AFRICAN Community has moved a step closer to attaining a Monetary Union after the Council of Ministers adopted two key Bills that will help the partner states to progressively establish a single currency.

The Council adopted the Draft East African Monetary Institute (EAMI) Bill, 2016 and the Bill establishing the East African Statistics Bureau.

The two proposed laws are a precondition for having a single currency by 2024 and will help the partner states to establish the East African Central Bank.

The EAMI is a transitional institution that will carry out preparatory work for the East African Monetary Union (EAMU).

The EAMI Bill aims at initiating legal instruments, identifying the host partner state, sign-

ing host country agreements and operationalising the institute.

Robert Maate, head of Statistics Department at the EAC Secretariat, said the Bill establishing the East African Statistics Bureau is a crucial instrument for the implementation of the Monetary Union as it will enable the partner states to harmonise their statistical data and produce quality data in the region.

"The Bill will also enable the partner states to determine which country can host the EAC Bureau of statistics," said Mr Maate.

Partner states are expected to harmonise monetary and fiscal policies; harmonise financial, payment and settlement systems; financial accounting and reporting practices; policies and standards on statistical information; and, eventually establish an EAC Central Bank.

So far, the EAMU monitoring mechanism and implementation of the convergence criteria have been developed by the partner states. It is being

used in monitoring how the region is doing in the implementation of the convergence criteria.

Save for Burundi, the rest of EAC partner states have prepared their medium term convergence programmes and had them approved by finance ministers.

The EAMU Protocol lays the groundwork for a monetary union within 10 years and allows partner states to progressively converge their currencies into a single currency.

The EAC heads of state signed a protocol in November 2013 in Kampala, committing to a 10-year road map towards achieving a Monetary Union in 2024.

The protocol provides for gradual establishment of four institutions including EAMI, a transitional institution responsible for laying the foundation for the EAMU.

It also provides for the introduction of a single currency and creation of a single central bank for the region.



**A man holds Kenyan currency notes. EAC member countries are working towards a single currency** Picture: File