



**24<sup>th</sup> ORDINARY MEETING OF THE EAST AFRICAN  
COMMUNITY MONETARY AFFAIRS COMMITTEE  
VIRTUAL MEETING, 23<sup>RD</sup> OCTOBER 2020**

**COMMUNIQUÉ**

1. The 24<sup>th</sup> ordinary meeting of the East African Community (EAC) *Monetary Affairs Committee (MAC)* was held virtually on 23<sup>rd</sup> October 2020. The meeting was chaired by Hon. John Rwangombwa, Governor of the National Bank of Rwanda, and current chairperson of MAC.

Present were:

- Dr. Patrick Njoroge, Governor of the Central Bank of Kenya;
  - Hon. Jean Ciza, Governor of the Bank of the Republic of Burundi;
  - Hon. Gamal Abdalla Wani, Governor of the Bank of South Sudan;
  - Prof. Florens Luoga, Governor of the Bank of Tanzania;
  - Prof. Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda; and
  - Representative of the EAC Secretariat.
2. The meeting was held against a backdrop of the global COVID-19 pandemic, and measures taken by authorities around the world to contain its spread and impact. The meeting assessed policy measures implemented by EAC Partner States to mitigate the adverse economic effects and financial disruptions from



COVID-19. EAC countries adopted both national and regionally coordinated monetary and fiscal policy measures to cushion businesses, households and financial institutions. The meeting observed that policies implemented contributed to maintenance of comfortable levels of liquidity in the banking sector, sustained lending to the private sector, continued well-functioning of the financial markets and financial sector stability by preventing sharp deterioration in loan book quality due to enterprise insolvency.


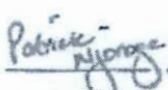
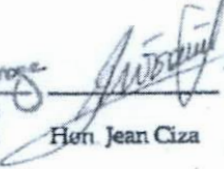

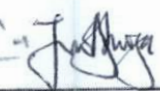

3. The Governors noted that economic growth in the EAC region averaged 5.4 percent in 2019, supported by public investments and strong performance of agriculture, services, construction and manufacturing sectors. However, the outbreak of COVID-19 in the EAC region in mid-March 2020 disrupted economic activity. Containment measures put in place to limit its spread including travel restrictions and lockdowns, led to a contraction of GDP in some countries in the second quarter of 2020. The meeting observed that growth in the region is expected to be lower in 2020 and to recover in 2021, reflecting a resumption of global economic activity with the easing of containment measures and sustained implementation of growth-supporting measures. The meeting acknowledged the fact that the EAC economies have remained resilient during the COVID-19 pandemic in comparison to countries in other developing regions, due to their diversified sources of growth. While the EAC economies have already shown signs of recovery, downside risks remain elevated and include a recurrence of the outbreak, cross-border spill overs from weaker external demand, premature withdrawal of policy support, and a tightening of global liquidity conditions.
4. The meeting reviewed the status of implementation of previously agreed actions towards the operationalization of the East African

The image shows a horizontal line of handwritten signatures and initials in blue ink. From left to right, there is a small mark resembling a stylized '6', a large cursive signature, a smaller signature with a circled 'e', another signature, and the initials 'J PW'.

Monetary Union (EAMU) protocol, with a focus on the decisions of the 23<sup>rd</sup> Ordinary MAC meeting held in Kigali, Rwanda, in July 2019. The Governors reviewed the progress made in attaining the convergence criteria and acknowledged the achievements so far but also highlighted the areas that require more attention.

5. The Governors noted that Partner States' Central Banks have made significant strides in the harmonization of monetary policy frameworks, exchange rate policies, rules and practices governing bank supervision, financial accounting principles, as well as payment systems. A number of national laws are also being harmonised. In addition, significant progress has been made towards the establishment of EAMU institutions as required by the Protocol.
6. Notwithstanding the above, Governors noted that there have been delays in achieving some targets set out in the EAMU roadmap. Therefore, the Governors pledged to collaborate with stakeholders in the EAC integration process to reinvigorate implementation of activities that are behind schedule in the roadmap.

**23<sup>rd</sup> October 2020**

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| Hon. John<br>Rwangombwa   | Dr. Patrick<br>Njoroge  | Hon. Jean Ciza  | Hon. Gamal<br>Abdalla Wari  | Prof. Florens<br>Luoga   | Prof. Emmanuel<br>Tumusiime-<br>Mutebile  |
| National Bank<br>of Rwanda  | Central Bank<br>of Kenya  | Banque de la<br>République du<br>Burundi  | Bank of South<br>Sudan  | Bank of<br>Tanzania  | Bank of<br>Uganda   |

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