



**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**

**A RESOLUTION OF THE ASSEMBLY RECOMMENDING TO THE COUNCIL OF
MINISTERS AND PARTNER STATES TO USE LOCAL CURRENCIES IN ALL
TRANSACTIONS IN THE COMMUNITY TO BOOST TRADE**

*(Moved under Articles 49(2)(d), and 59(1) of the Treaty and Rule 26 of the Rules of
Procedure of the Assembly)*

**Moved by: Hon. David Ole Sankok and adopted by the August House on 21st
June, 2023**

WHEREAS one of the primary objectives of the East African Community under Article 5 of the Treaty is to deepen and widen the cooperation of the Partner States in the economic field for the mutual benefit of all the Partner States;

AND WHEREAS the Partner States established a Customs Union and a Common Market to facilitate trade and cooperation in the economic field and undertook to establish a Monetary Union to facilitate the use of a single currency for the Community;

MINDFUL that during the last 20 years, the EAC has deepened and widened integration among the Partner States particularly through the establishment of a Customs Union and a Common Market which have increased trade among the EAC countries to over 20% which is the highest of any Regional Economic Community on the Continent;

RECOGNISING that the United States Dollar (USD) is the world's dominant currency for trade and investment and for denominating transactions among third parties, including the EAC Partner States;

NOTING that by using the U.S Dollar in intra-regional trade and investment the Community continues to be exposed to monetary policy and financial risks associated with such use;

RECALLING the financial crisis after the collapse of Lehman Brothers in 2008 when there was a shortage of the U.S. Dollars and the negative impact this had on global economies;

CONSCIOUS of the benefits of using the local currencies of the Partner States in trade and investment and shielding the region from foreign shocks emanating from outside the region;

CONCERNED that whereas the Partner States had committed to establish a Monetary Union by 2024 the roadmap has been revised to extend that time to 2027 which will delay the establishment and use of a single currency;

CONVINCED that the use of local currencies of the Partner States East including the Kenya Shilling, Tanzania Shilling, Uganda Shilling, Rwanda Franc, Burundi Franc, South Sudan Pound and Congolese Franc for purpose of intra-regional trade and inter-country trade will:

- (a) promote local communities in the participation of EAC intra and inter trade;
- (b) promote the EAC payment System (EAPS) which was introduced on 25th November, 2013;
- (c) boost the volume of trade and services among the Partner States; and
- (d) facilitate the full implementation of the EAC Monetary Union;

AWARE of the provisions of Article 49 (2) (d) of the Treaty, which empowers the Assembly to discuss any matter pertaining to the Community and make recommendations to the Council;

NOW THEREFORE BE IT RESOLVED BY THE ASSEMBLY AS FOLLOWS: -

THAT in accordance with Article 49(2) (d) of the Treaty, the Assembly recommends to the Council of Ministers and the Partner States to operationalise the use of the local currencies of the Partner States in all transactions in the Community in order to facilitate intra-regional trade.

Seconded by: Hon George Odongo