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Institutional and Technical Readiness of the Bank of South Sudan for East African Monetary Union Integration: A Public Financial Management Perspective

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Abstract

This study evaluates the readiness of the Bank of South Sudan (BoSS) to meet the convergence standards of the East African Monetary Union (EAMU). Public financial institutions in Africa face growing pressure to demonstrate governance capacity, operational efficiency, and accountability. Regional monetary integration adds another layer of demand. The EAC's push toward a single currency requires member central banks to align their legal, statistical, and operational systems. For South Sudan, the newest EAC member, this means overcoming deep institutional and technical challenges. A mixed-methods design was used. Data came from structured surveys and semi-structured interviews with central bank officials and regional experts. Documentary analysis of policy reports and regulatory documents supplemented the primary data. Findings show progress in regulatory reforms, payment system modernization, and initial macroeconomic stabilization. However, significant gaps remain. These include incomplete legal harmonization, weak statistical and data management capacity, low foreign reserves, limited human resource expertise, and poor cross-border regulatory coordination. Regression analysis shows that technical capacity is the strongest driver of institutional readiness. Staff expertise, continuous training, and reliable data systems matter more than resource limits or regulatory hurdles. The study concludes that South Sudan's integration into the EAMU will require a sequenced, evidence-based approach. Targeted capacity building, legal and regulatory reform, and stronger regional cooperation should form the backbone of this strategy. For public financial managers, the findings show that internal controls, audit quality, and data integrity are not back-office concerns. They are core determinants of institutional readiness. Policymakers should prioritize investment in institutional development and technical infrastructure.

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Introduction

Regional economic integration remains a top priority for African economies. The goal is to foster macroeconomic stability, enhance trade, and promote sustainable development. The East African Community (EAC) exemplifies this commitment. It has advanced from a Customs Union to a Common Market and now pursues a full Monetary Union. The 2013 signing of the EAC Monetary Union Protocol signaled a collective resolve to create a single currency and harmonized monetary policy (EAC, 2024). The protocol set rigorous convergence criteria. These cover inflation, fiscal deficits, public debt, foreign reserves, and exchange rate stability. This vision is driven by the need to strengthen intra-regional trade and reduce transaction costs. It also aims to enhance the region's global competitiveness. But it requires far-reaching reforms at both national and regional levels. For public financial institutions, the demands are practical. Central banks must produce reliable statistics, maintain transparent accounts, and demonstrate that their internal controls can withstand regional scrutiny. Recent work on monetary transmission in the EAC shows that policy harmonization is difficult. Davoodi et al. (2013) found that the monetary transmission mechanism is generally weak across EAC countries. The channels and their importance differ from country to country. Reserve money and the policy rate sometimes move in opposite directions. This poses real challenges for harmonizing monetary policies and for the transition to a future monetary union.

More recent evidence confirms these concerns. Bilgili et al. (2026) used panel structural vector autoregression to study how shocks propagate across EAC countries. They found short- and long-term effects of various shocks on interest rates, inflation, and exchange rates that vary widely across the region. Such heterogeneity makes the convergence path harder for weaker members. The theoretical underpinnings of monetary integration in the EAC draw heavily from regional economic integration theory and institutional economics. The Optimum Currency Area (OCA) framework stresses the need for macroeconomic convergence, labor mobility, and synchronized business cycles. Recent African scholarship expands this view. A common currency's effectiveness also depends on central banks' institutional capacity. This includes their independence, technical readiness, and ability to coordinate policy across diverse economies (Kasekende & Brownbridge, 2022; Masson, 2018). Strong (2024) provides fresh evidence on this point. Studying 34 African countries from 1980 to 2018, the study found that politicians can manipulate both fiscal and monetary policy when the central banker is an ally. A non-ally central banker reduces this ability.

The finding holds for both democracies and dictatorships. This shows that central bank independence is not a formal label. It has real consequences for policy credibility. For a monetary union, the implication is clear. Member central banks must be genuinely independent, not just legally independent, if common policy is to hold. The experience of other monetary unions, such as the Eurozone and WAEMU, underscores the risks of proceeding without adequate institutional preparation and legal harmonization. Dieng and Sene (2024) show this for WAEMU. They found that a strong presence of government securities on bank balance sheets reinforces financial crowding-out. The effect differs by bank type and is more pronounced among large, national, and pan-African banks. This points to an asymmetrical transmission of monetary policy. It also warns that sovereign debt holdings can create interdependence that threatens bank solvency and system stability. These lessons matter for the EAC as it moves toward union. They also matter for public financial managers who must supervise bank balance sheets and sovereign exposure. Within the EAC, national central banks face a complex task. They must align their legal mandates, monetary policy instruments, regulatory frameworks, and statistical systems with the requirements of a prospective regional central bank. Countries such as Kenya, Tanzania, and Uganda have made substantial progress toward macroeconomic convergence and harmonization of financial regulation. Yet significant disparities persist across the region (EAC, 2024). These include differences in institutional capacity, depth of financial sectors, data quality, and resilience to external shocks. Trade integration may help. Umulisa (2023) studied a panel of 31 African countries over 17 years. The study found a positive relationship between trade integration and

business cycle synchronization. This finding should inform the EAC debate on readiness for monetary union. But synchronization alone is not enough. For newer or post-conflict members, achieving convergence is especially challenging. It needs targeted technical assistance and policy reforms. South Sudan's accession to the EAC in 2016 presented both opportunities and formidable challenges. As the newest member, and one recovering from years of conflict, South Sudan's macroeconomic landscape is marked by high dependence on oil, frequent exchange rate volatility, fiscal imbalances, and an underdeveloped financial sector.

The Bank of South Sudan (BoSS), established after independence in 2011, is tasked with implementing the EAC convergence roadmap under particularly difficult circumstances. Structural constraints complicate BoSS's readiness for deeper integration. These include limited financial sector depth, data quality issues, and ongoing political instability (IMF, 2023). Internal governance weaknesses add to the problem. Mach et al. (2026) examined the effect of internal audit on financial management at BoSS. They found the internal audit unit inefficient and financial management ineffective. A strong positive relationship exists between internal audit efficiency and financial management effectiveness, with a Pearson correlation of 0.8878. Key weaknesses included inadequate cooperation between internal audit and top management, insufficient management support, and a narrow audit scope. Understaffing, lack of professional training, low compensation, and political influence also hindered audit efficiency. These findings are directly relevant to public financial management. A central bank that cannot audit its own operations effectively will struggle to meet regional governance standards. Similar problems appear in the wider public finance system. Nhial et al. (2025) studied the Integrated Financial Management Information System (IFMIS) at the Ministry of Finance in Juba. They found significant correlations between internal control systems, organizational accountability, and financial reporting systems. But no significant link was found between cash management, budgeting systems, and internal audits. The study concluded that strengthening cash management, expanding financial reporting, and improving internal controls are essential. These are the same foundations a central bank needs for reliable statistics and transparent operations. For a public institution, these are not technical details. They are the substance of accountability.

Assessing BoSS's readiness for a common monetary policy framework is timely and crucial. The EAC plans to adopt a single currency. Institutional and technical readiness goes beyond meeting macroeconomic benchmarks. It requires strong central bank independence, robust governance and accountability structures, effective monetary policy transmission mechanisms, regulatory and supervisory alignment, sufficient foreign reserves, and harmonized statistical methodologies (World Bank, 2023; UNDP, 2024). South Sudan's fragile context heightens the importance of a comprehensive evaluation of these dimensions. New monetary technologies add another layer. Davlatov and Sági (2025) show that central bank digital currency can change the monetary transmission mechanism. It can disintermediate conventional banking and create inflationary pressure unless suitable regulatory frameworks are adopted. A well-structured digital currency can encourage financial inclusion and improve interest rate pass-through. But interest-bearing digital currency can affect bank reserves, deposit rates, and lending policies, and thus the credit channel. For a central bank still building basic ICT and data systems, these developments raise the bar for technical readiness. They also raise questions about IT governance and cybersecurity, which are core concerns for public financial managers.

This study evaluates BoSS's institutional and technical preparedness for EAMU accession. It draws on documentary analysis, recent policy assessments, and expert interviews (BoSS, 2024; IMF, 2023; World Bank, 2023). By integrating macroeconomic convergence analysis with a systematic assessment of institutional reforms, legal harmonization, and technical capacity, the research contributes to the literature on public financial management in fragile and post-conflict economies (Kasekende & Brownbridge, 2022; UNDP, 2024). The findings are intended to provide actionable insights for EAC policymakers, national authorities, and development partners. They point to the practical steps and sequencing needed to advance toward a single currency regime

sustainably. A clear research gap motivates the study. Most previous studies have focused on macroeconomic convergence and political feasibility. They often overlook detailed, micro-level diagnostics of central bank readiness in fragile, post-conflict environments (Masson, 2018; Kasekende & Brownbridge, 2022). Key gaps persist in understanding the bank's legal autonomy, governance, ICT systems, data reliability, and skilled workforce. These are essential for sustainable regional integration and stability. This study fills these gaps by systematically evaluating BoSS's institutional and technical preparedness for EAMU participation. It identifies both achievements and persistent challenges. It also provides evidence-based recommendations for policymakers and regional stakeholders. In doing so, it addresses a critical knowledge gap and offers practical guidance for capacity building, phased integration, and risk mitigation. This supports the credibility and sustainability of the EAC's monetary union project (World Bank, 2023; EAC, 2024; BoSS, 2024). Ultimately, South Sudan's experience highlights both the promise and the complexity of regional monetary integration in Africa. The EAC offers a model for deepening economic ties and promoting shared prosperity. But the path to monetary union demands patience, careful sequencing of reforms, and sustained regional and international support (EAC, 2024; World Bank, 2023). For South Sudan, success will depend on strengthening institutional resilience, investing in technical capacity, and fostering broad-based national ownership of the integration agenda. For public financial managers, the lesson is that institutional readiness is built from the inside out. Audit quality, data integrity, and staff competence come before headline convergence numbers. Without them, formal compliance is fragile.

Literature Review

This study draws on two key theoretical perspectives: regional economic integration theory and institutional economics. The regional economic integration framework, advanced by scholars such as Balassa (1961), Masson (2018), and Kasekende and Brownbridge (2022), holds that a monetary union's success depends not only on macroeconomic convergence but also on harmonizing institutions and technical capacity among member states. Monetary integration is a complex process. Countries must align their economic policies, legal frameworks, and institutional structures. Differences in institutional development can either enable or impede integration. This factor is especially relevant in the EAC, where member states vary widely in economic and institutional maturity.

The theory encourages attention to both opportunities and risks. Macroeconomic convergence can enhance trade and stability. But a lack of institutional harmonization may create vulnerabilities and hinder effective policy implementation. For public financial management, the theory implies that accounting systems, audit functions, and reporting standards are part of the integration infrastructure. They are not administrative afterthoughts. One strength of regional economic integration theory is its holistic approach. It recognizes that both economic and institutional readiness are prerequisites for a stable union. A key limitation is that applying uniform convergence criteria is difficult across countries with very different economic structures and levels of institutional development. This challenge can be mitigated by a phased approach to integration. Countries need time to address specific capacity gaps. Technical assistance and flexibility in policy implementation also help (Masson, 2018). For South Sudan, this suggests that meeting headline convergence numbers is necessary but not sufficient. The underlying institutional machinery must also be built. Institutional economics, pioneered by Douglass North and enriched by contemporary scholars, adds an analytical layer. It focuses on how governance, legal frameworks, and human capital shape the effectiveness and resilience of economic institutions. In monetary integration, this perspective underscores the importance of central bank independence, transparent governance structures, and robust regulatory systems (Kasekende & Brownbridge, 2022; World Bank, 2023).

Beyond technical reforms, institutional quality and adaptability are key to sustainable integration. This perspective is particularly relevant for assessing BoSS's readiness. It directs attention to legal harmonization, governance reforms, and technical upgrades. These are vital for

enabling central banks to adapt, innovate, and coordinate with regional institutions (UNDP, 2024). In fragile and post-conflict settings, institutions' agility in responding to change and managing risks is especially critical. The principal strength of institutional economics is its focus on the quality and adaptability of institutions. A weakness is that institutional reforms are often slow and can be hampered by political and social constraints. To address these challenges, the literature recommends prioritizing capacity building, sequencing reforms to match local realities, and leveraging external technical assistance (World Bank, 2023). Empirical work on EAC monetary integration has grown. Kasekende and Brownbridge (2022) conducted a comparative institutional assessment across EAC partner states. Using a mixed-methods approach, they combined quantitative analysis of macroeconomic indicators with qualitative interviews with central bank officials. They found substantial progress by Kenya, Tanzania, and Uganda in meeting EAMU convergence criteria. But newer and post-conflict members, such as South Sudan and Burundi, lagged behind in institutional harmonization, legal reforms, and payment system development.

Persistent institutional gaps, especially in legal autonomy and data management, act as significant barriers. The study recommends technical assistance and phased reforms. Yet it identifies a gap in longitudinal, micro-level studies of central bank capacity building, particularly in fragile states where context-specific challenges need closer scrutiny. Masson (2018) analyzed the experiences of the Eurozone and the West African Economic and Monetary Union (WAEMU) to extract lessons for sub-Saharan Africa. Using a historical-institutional methodology, the study examined macroeconomic convergence, legal harmonization, and institutional frameworks in both blocs. WAEMU achieved notable macroeconomic stability through a common currency and shared monetary policy. But both the Eurozone and WAEMU faced major crises when institutional and technical readiness lagged behind policy ambitions. The Eurozone's sovereign debt crisis exposed weaknesses in fiscal discipline and coordination. WAEMU faced recurring fiscal imbalances due to limited central bank autonomy and insufficient harmonization of fiscal policies. Masson emphasized that such institutional weaknesses undermined the effectiveness of monetary policy. The study recommends that countries contemplating monetary unions strengthen their legal and institutional infrastructure before launching a common currency. It also identified a gap regarding the optimal sequencing of reforms for fragile or post-conflict countries. The UNDP (2024) report took a multi-country, empirical approach. It assessed the contribution of financial infrastructure to macroeconomic convergence and monetary integration in the EAC. Using country case studies, cross-sectional data analysis, and policy reviews, the report assessed payment system development, digital banking, and cross-border settlement mechanisms. Kenya and Uganda have made considerable progress in developing interoperable, efficient payment systems. South Sudan and Burundi still face persistent deficiencies in payment infrastructure, limited access to digital banking, and significant barriers to cross-border settlements. Weak payment systems and insufficient ICT integration directly impede effective monetary policy transmission. The report urges targeted investment in financial and technological infrastructure. It also calls for research linking technological readiness with practical performance outcomes in monetary governance.

The IMF (2023) study provided a comprehensive macroeconomic review of EAC member states. It used panel data regression and policy scenario modeling. As of 2023, only Kenya and Tanzania consistently met the EAMU's convergence benchmarks, particularly on single-digit inflation and fiscal deficits below 3% of GDP. South Sudan continued to experience high inflation volatility, with rates between 15% and 19%. Fiscal deficits persistently exceeded the prescribed threshold. Foreign reserves covered just 2.1 months of imports, well below the EAMU's 4.5-month requirement. These challenges were compounded by oil dependence and vulnerability to external shocks. The IMF emphasized that convergence criteria are necessary but not sufficient. Robust institutional frameworks, such as strong central bank independence, transparent governance, and effective regulatory oversight, are equally critical. The study identified a gap in understanding how institutional reforms and technical capacity interact with macroeconomic

outcomes in post-conflict or resource-dependent economies. The World Bank (2023) conducted an institutional diagnostic across EAC central banks. It used surveys, regulatory analysis, and performance benchmarking. Kenya and Uganda have made significant strides in central bank independence, regulatory harmonization, and crisis-management preparedness. They adopted modern supervisory frameworks, improved internal audit systems, and invested in ICT infrastructure. In contrast, BoSS has limited operational autonomy, outdated ICT systems, and notable gaps in supervisory and risk management capacity. These deficiencies hinder the Bank's ability to support monetary integration and undermine national and regional financial stability. The report highlights the link between institutional capacity and crisis resilience. It calls for further research and targeted interventions to develop capacity-building strategies for central banks in fragile and newly integrating states.

Njoroge and Wanyama (2021) used a qualitative comparative lens. They employed legal analysis and in-depth stakeholder interviews to assess progress in Kenya, Uganda, and South Sudan. Kenya and Uganda have implemented most of the regulatory reforms required for EAMU accession. These include laws guaranteeing central bank independence, compliance with regional banking supervision standards, and robust enforcement mechanisms. South Sudan faces considerable delays in harmonizing its legal frameworks, strengthening central bank governance, and instituting effective accountability mechanisms. Its lack of clear legal mandates and weak enforcement structures impede readiness and jeopardize the credibility of integration efforts. The study identifies a gap: most recommendations for legal reform come from stable economies, with limited context-specific guidance for post-conflict EAC states. Research on monetary transmission in the region adds important context. Davoodi et al. (2013) found that the monetary transmission mechanism in the EAC is generally weak under standard statistical inference. It appears somewhat stronger under non-standard methods.

The precise channels and their importance differ across countries. Reserve money and the policy rate sometimes exert offsetting effects on inflation. This complicates the harmonization of monetary policies and the transition to a future monetary union. Bilgili et al. (2026) extended this work. Using panel structural vector autoregression for Kenya, Uganda, Tanzania, Rwanda, Burundi, and South Sudan from 1980 to 2018, they traced short- and long-run responses of interest rates, inflation, and exchange rates to various shocks. The results show how composite and idiosyncratic shocks propagate within the EAC. They also show how smaller countries respond to shocks originating from Kenya, the largest economy. These asymmetries matter for a common monetary policy. A single policy stance will transmit differently across members. Countries with weak transmission channels, like South Sudan, may feel the effects unevenly. Trade integration and business cycle synchronization are also relevant. Umulisa (2023) used a panel of 31 African countries over 17 years. Unlike most previous studies, the study applied a time-varying index to measure business cycle synchronization. Heterogeneous panel estimators revealed a positive relationship between trade integration and synchronization.

This finding should be considered by EAC authorities in the debate on monetary union readiness. Greater synchronization lowers the cost of sharing a currency. But it is not automatic. It depends on real integration, not just formal agreements. Evidence from other African monetary arrangements offers cautionary lessons. Dieng and Sene (2024) examined the credit channel in WAEMU. Using panel VAR modeling and the generalized method of moments on 95 commercial banks from 2000 to 2019, they found that a strong presence of government securities in bank balance sheets reinforces financial crowding-out. The effect differs by bank category. It is more pronounced among large, national, and pan-African banks. Monetary policy has an asymmetrical effect on lending behavior. The authors urge WAEMU authorities to step up supervision of banks holding large proportions of sovereign debt. High sovereign debt holdings create interdependence that can harm bank solvency and system stability. For the EAC, this is a warning. A monetary union without careful supervision of sovereign-bank linkages can import fragility. It is also a reminder that public debt management and bank supervision are connected. Financial

reporting and audit quality in both government and banks therefore matter for regional stability. Central bank independence is central to the institutional story. Strong (2024) studied political business cycles in 34 African countries from 1980 to 2018. The study found evidence of political cycles. But politicians' ability to manipulate fiscal and monetary policy depends on the degree of alliance between the fiscal authority and the monetary authority. The political business cycle worsens when the central banker is an ally. A non-ally central banker is associated with a decrease in the incumbent government's ability to induce opportunistic cycles. This holds regardless of whether a country is a democracy or a dictatorship. Despite the theoretical argument that political business cycles are unlikely in dictatorships, both political budget and monetary cycles are prevalent in African dictatorships.

The lesson for EAMU readiness is direct. Legal independence must be matched by real independence. Otherwise, convergence targets can be undermined by domestic political incentives. Internal governance at BoSS is another relevant strand. Mach et al. (2026) examined the effect of internal audit on financial management of public institutions using BoSS as a case study. Data came from 42 respondents across nine target units. Analysis used SPSS and Advanced Excel with regression and Pearson correlation. The internal audit unit was inefficient and financial management remained ineffective. A strong positive relationship exists between internal audit efficiency and financial management effectiveness, with a Pearson correlation of 0.8878 and a multiple correlation coefficient of 0.7947. The coefficient of determination (R^2 = 63.2%) indicates that the independent variables explain 63.2% of the variation in the dependent variable at a significance level of 0.01843. Key weaknesses included inadequate cooperation between internal audit and top management, insufficient management support, limited awareness of internal audit's benefits, and a narrow audit scope. Factors hindering efficiency included understaffing, lack of professional training, low compensation, political influence, and cultural factors. The study concludes that the internal audit unit requires professional capacity building beyond financial compliance to adopt risk-based auditing across all operational aspects. This evidence matters for EAMU readiness. A central bank that cannot audit itself cannot credibly report convergence statistics or assure regional partners of its controls. Public financial management more broadly shows similar patterns. Nhial et al. (2025) investigated how IFMIS implementation influences internal audit practices at the Ministry of Finance in Juba.

The study surveyed 86 respondents selected by multistage selection from a target population of 150. IFMIS significantly affects internal audit practices. Key correlations were found between internal control systems ($p = 0.003$), organizational accountability ($p = 0.011$), and financial reporting systems ($p = 0.024$). No significant link was found between cash management, budgeting systems, and internal audits ($p = 0.092$). The study suggests that improving government financial transaction recording and processing facilitates better access to reliable financial data. This enhances transparency and accountability. Strengthening cash management, expanding financial reporting, and improving internal control systems are essential for effective IFMIS integration. These are the same foundations a central bank needs for statistical reliability. New monetary technologies are also part of the readiness picture. Davlatov and Sági (2025) examined how central bank digital currency adoption can change the monetary transmission mechanism. CBDC can disintermediate conventional banking and produce inflationary pressure through the money supply unless central banks adopt suitable regulatory frameworks. A well-structured CBDC can encourage financial inclusion and improve interest rate pass-through. Interest-bearing CBDC can affect bank reserves, deposit rates, and lending policies, and thus the credit channel. For BoSS, which is still modernizing basic payment systems, the digital currency agenda is both an opportunity and a risk. It raises the technical bar for participation in a common monetary framework. It also raises IT governance and cybersecurity questions that public financial managers must address. Finally, the monetary transmission literature offers a methodological benchmark. Taylor (1995) provided an empirical framework describing how changes in monetary policy affect real GDP. Changes in financial market prices, including long-term interest rates and exchange rates, are the main vehicle for transmission. The framework

incorporates rational expectations and policy rules. It remains a useful reference for understanding how a common policy might transmit across EAC members with different financial structures. The implication is that a single currency will not produce uniform outcomes unless transmission channels converge.

Hypothesis Development

The first hypothesis concerns institutional capacity. Regional economic integration theory and institutional economics both suggest that formal structures and governance quality shape a central bank's ability to implement policy. Kasekende and Brownbridge (2022) found that structural clarity supports effective policy execution in EAC central banks. The World Bank (2023) diagnostic linked institutional capacity to crisis resilience. Njoroge and Wanyama (2021) showed that legal mandates and enforcement structures determine readiness. Strong (2024) demonstrated that real central bank independence affects whether politicians can manipulate policy. Together, these studies suggest that a central bank with clear organizational structure, efficient decision-making, and governance aligned with regional requirements is better positioned for monetary integration. The theoretical rationale is that institutions set the rules of the game. They determine how resources are used and how policy decisions are made and implemented. In a monetary union, these rules must be compatible with regional norms. If institutional capacity is weak, convergence targets may be met on paper but not in practice. For public financial managers, institutional capacity includes audit, control, and reporting systems. These are the mechanisms that make governance real. Therefore, the following hypothesis has been developed:

H1: *Institutional capacity has a significant positive effect on the Bank of South Sudan's readiness for EAMU integration.*

The second hypothesis concerns technical capacity. Empirical work consistently points to technical infrastructure as a binding constraint. Davoodi et al. (2013) found that weak monetary transmission complicates policy harmonization in the EAC. Bilgili et al. (2026) showed that shocks propagate unevenly across countries, which places a premium on reliable data and analytical capacity. The UNDP (2024) report found that weak payment systems and insufficient ICT integration directly impede policy transmission. The IMF (2023) emphasized that data quality and institutional frameworks are critical. Davlatov and Sági (2025) added that digital currency developments raise the technical bar for central banks. The theoretical rationale draws from institutional economics. Technical capacity is part of the human and physical capital that makes institutions effective. Reliable data systems, staff expertise, and continuous training allow a central bank to monitor convergence criteria, forecast inflation, and coordinate with regional partners. Without these, even well-designed institutions will underperform. For public financial management, technical capacity includes the systems that produce financial statements, audit trails, and statistical reports. These are not separate from monetary policy. They are the information base on which policy depends. Therefore, the following hypothesis has been developed:

H2: *Technical capacity has a significant positive effect on the Bank of South Sudan's readiness for EAMU integration.*

The third hypothesis concerns regional integration commitments. Masson (2018) stressed that legal and institutional infrastructure must be in place before a common currency is launched. Umulisa (2023) found that trade integration supports business cycle synchronization, which lowers the cost of a common currency. Kasekende and Brownbridge (2022) emphasized policy coordination and harmonization. Njoroge and Wanyama (2021) showed that alignment with regional protocols matters for credibility. The theoretical rationale is that commitments create external anchors. They signal to partners that a member will follow common rules. They also create domestic constituencies for reform. In a fragile state, regional commitments can help lock in reforms that might otherwise be reversed. Active involvement in regional initiatives, policy commitments, and cooperation with other EAC central banks should therefore improve

readiness. Commitments also create reporting obligations. These require accounting and statistical systems that can produce comparable data. Therefore, the following hypothesis has been developed:

H3: *Regional integration commitments have a significant positive effect on the Bank of South Sudan's readiness for EAMU integration.*

Methodology

The study used a mixed-methods research design. It integrated quantitative and qualitative approaches to assess BoSS's readiness to participate in a common monetary policy framework. This approach allowed the study to quantify institutional and technical capacity through structured surveys. It also gathered contextual qualitative insights through interviews and document reviews. The study adopted a case study methodology focused on BoSS. This enabled an in-depth exploration of complex institutional and technical factors that broader cross-country analyses might overlook (Yin, 2018). The target population included key BoSS stakeholders. These were senior management, middle-level staff involved in monetary policy, technical personnel from data management, ICT, and research departments, and selected policymakers from the Ministry of Finance and Economic Planning. Purposive sampling ensured that participants had direct knowledge relevant to the research objectives (Etikan et al., 2016). The study selected a sample of 60 participants. This was supplemented with secondary data from credible EAC, IMF, and World Bank reports, as well as BoSS's policy documents and strategic plans.

Data collection involved both primary and secondary sources. Primary data were obtained through structured questionnaires administered to technical and administrative staff. Semi-structured interviews were conducted with senior management and policymakers. These focused on institutional reforms, technical upgrades, and regional integration commitments. Secondary data included EAC convergence reports, international financial institution publications, and BoSS annual and strategic documents. The operationalization of variables covered institutional capacity and technical capacity as independent variables. Readiness for a common monetary policy was the dependent variable. Institutional and technical challenges were treated as mediating factors. Regional integration commitments were treated as a moderating factor. Institutional capacity was measured through items on organizational structure, decision-making efficiency and transparency, governance alignment with EAMU, and policies facilitating coordination with regional authorities. Technical capacity was measured through items on ICT infrastructure, data collection and management systems, staff technical expertise, and continuous training. Regional integration commitments were measured through items on involvement in regional initiatives, regional policy commitments, and cooperation with other EAC central banks. Challenges were measured through items on financial resources, human resource constraints, technological limitations, and regulatory and legal frameworks. Data analysis combined descriptive and inferential quantitative techniques. Regression and mediation and moderation analysis were conducted using SPSS. Qualitative thematic analysis used NVivo for coding and categorization. Expert review, instrument pre-testing, and triangulation ensured validity. Cronbach's alpha and peer validation of coding frameworks addressed reliability. Ethical procedures included obtaining informed consent, maintaining strict confidentiality, and securing institutional ethical clearance (Israel & Hay, 2006). This methodology supported evidence-based conclusions and actionable recommendations for BoSS and regional stakeholders.

Results and Discussion

The demographic profile of respondents reveals trends that have implications for BoSS's readiness to implement a common monetary policy framework. The gender composition is heavily skewed. Males comprise 68% of the sample and females only 32% (Figure 1). This disparity mirrors broader patterns in central banking and finance. The underrepresentation of women may limit the diversity of perspectives in policy development and operational decision-making. Masson (2018) noted that gender imbalances can affect institutional inclusiveness and

capacity for innovation. This imbalance suggests the need for targeted policies to promote gender equity and harness the full range of human capital within BoSS. This aligns with recommendations on financial sector reforms and talent management (World Bank, 2023).

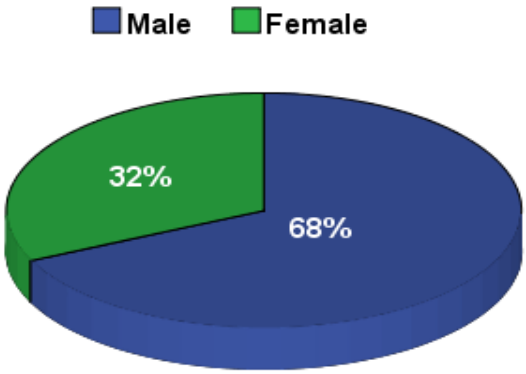


Figure 1: Gender of Respondents

In terms of age distribution, the workforce is concentrated in the 30–49 bracket, which accounts for 82% of the sample (Figure 2). The largest group, aged 30–39, forms 48%, followed by the 40–49 group at 34%. This profile indicates a predominance of early- to late-middle-aged staff. There is limited representation of both younger staff (16% aged 20–29) and older employees (2% aged 50+). This pattern aligns with trends in other EAC central banks, where generational shifts are underway but senior leadership remains dominated by experienced, middle-aged professionals (UNDP, 2024). The low proportion of older staff may present challenges in institutional memory and leadership continuity. The presence of younger professionals can facilitate innovation and the adoption of new technologies. This is an important factor in strengthening technical readiness (IMF, 2023).

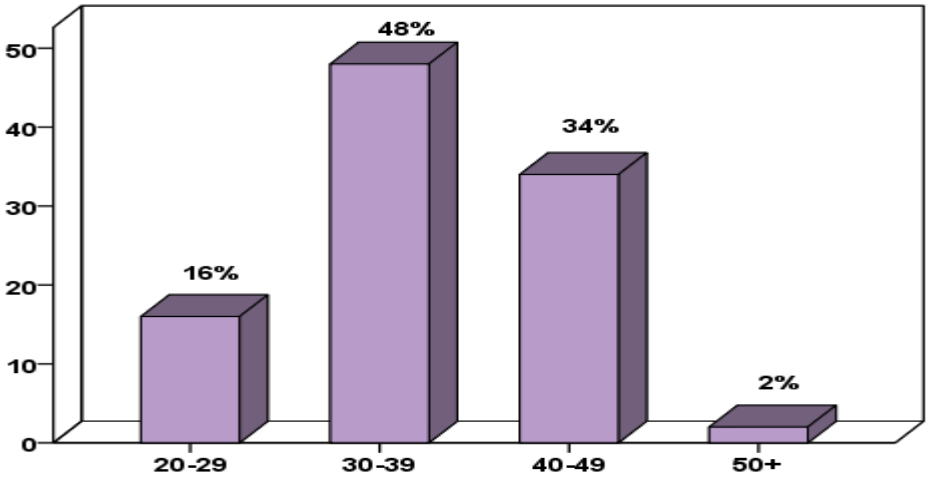


Figure 2: Age Distribution of Respondents

Educational attainment among respondents is notably high (Table 1). Ninety-eight percent possess at least a Bachelor's degree and 34% hold a Master's qualification. Only 2% had a Diploma. This underscores a highly educated workforce. The World Bank (2023) emphasized the critical role of advanced education and specialized skills in enabling central banks to navigate complex regulatory, technical, and policy challenges. However, formal qualifications alone are insufficient. Ongoing professional development and practical experience are necessary to translate educational capital into institutional effectiveness (Kasekende & Brownbridge, 2022).

Table 1: Educational Attainment of Respondents

Respondents	Frequency	Percentage
Diploma	1	2%
Bachelor's	32	64%
Master's	17	34%
Total	50	100%

The distribution of respondents by organizational position further contextualizes the findings. Operational staff make up 58% of the sample. Middle management represents 24%, senior management only 4%, and other roles 14%. This pyramidal structure is typical in financial institutions, as documented by Masson (2018). But the relatively low proportion of senior managers may indicate a gap in strategic leadership capacity. Years of experience data reinforce this. Nearly half of respondents (46%) have less than five years of service, while only 6% have more than 16 years. This suggests a workforce characterized by relative youth and limited institutional tenure. It echoes concerns about building institutional memory and sustaining policy continuity in post-conflict and rapidly evolving environments (World Bank, 2023; UNDP, 2024). In summary, the BoSS workforce is highly educated and composed primarily of middle-aged professionals. But it is marked by gender imbalance, a predominance of operational staff, and limited long-term institutional experience. These patterns have direct implications for institutional and technical readiness. Targeted interventions may be required in gender diversity, leadership development, and retention of experienced personnel. The descriptive statistics for institutional capacities show strong confidence that BoSS's organizational structure supports monetary policy implementation (Table 2). The mean score was 4.06 and 80% of respondents agreed. This suggests that foundational institutional arrangements are largely in place. This aligns with Kasekende and Brownbridge (2022), who emphasized the importance of structural clarity for effective policy execution in EAC central banks. Perceptions of decision-making efficiency and transparency are more mixed, with a mean of 3.26 and 28% disagreeing. This highlights a governance area requiring improvement. It echoes World Bank (2023) concerns about the need for greater transparency and participatory management in regional financial institutions. Respondents viewed alignment with EAMU governance requirements moderately positively (mean = 3.58). Policies that facilitate regional coordination were also viewed positively (mean = 3.92), though some reservations persist. This indicates a need for further harmonization and policy alignment.

Table 2: Institutional Capacities (N = 50)

Statement(s)	SA	A	N	D	SD	Mean	Std. D
Well-defined organizational structure	44%	36%	6%	10%	4%	4.06	1.132
Decision-making is efficient and transparent	14%	34%	24%	20%	8%	3.26	1.175
Governance aligns with EAMU	12%	52%	24%	6%	6%	3.58	0.992
Policies facilitate coordination with regional authorities	24%	54%	14%	6%	2%	3.92	0.900

Respondents generally reported strong technical capacities (Table 3). The highest confidence was in ICT infrastructure, with a mean of 3.96 and 82% agreement. This is a critical enabler for regional monetary policy implementation. It is consistent with UNDP (2024) findings that robust ICT is essential for integration. Staff technical expertise (mean = 3.68) and continuous training (mean = 3.80) were also rated positively. This supports the notion that ongoing professional development is being prioritized. Data collection and management systems, while viewed positively overall (mean = 3.50), showed a significant neutral response (34%). This suggests uncertainty about the reliability and timeliness of data. The IMF (2023) noted similar challenges in post-conflict economies. These findings reveal areas for strengthening, particularly in data quality and systemic reliability. For public financial management, data reliability is the foundation of financial reporting. If the underlying data are uncertain, the reports built on them are also uncertain.

Table 3: Technical Capacities (N = 50)

Statement	SA	A	N	D	SD	Mean	Std. D
Adequate ICT infrastructure	28%	54%	6%	10%	2%	3.96	0.968
Data collection and management systems are reliable and timely	16%	34%	34%	16%	-	3.50	0.953
Staff have sufficient technical expertise	22%	46%	16%	10%	6%	3.68	1.115
Continuous training provided to staff	24%	52%	10%	8%	6%	3.80	1.088

The most prominent challenge identified was limited financial resources (Table 4). The mean was 4.10 and 80% of respondents agreed. This was overwhelmingly cited as a barrier to meeting EAC convergence criteria. The finding aligns with Masson (2018) and the World Bank (2023), both of which highlight financial constraints as a major obstacle for fragile states seeking integration. Human resource constraints (mean = 3.14) and technological limitations (mean = 3.30) were also notable. Opinions were divided, reflecting variability across departments. Challenges related to regulatory and legal frameworks (mean = 3.28) point to ongoing gaps in aligning domestic statutes with regional standards. This is a recurrent theme in the literature (Njoroge & Wanyama, 2021). Overall, the results align with empirical studies. South Sudan is developing foundational capacities and technical infrastructure. But critical challenges remain in resource mobilization, governance transparency, data management, and legal harmonization (Kasekende & Brownbridge, 2022; IMF, 2023). Addressing these gaps through targeted financial support, human capital development, and regulatory reforms is essential for BoSS to attain readiness for a common EAC monetary policy framework.

Table 4: Institutional and Technical Challenges (N = 50)

Statement	SA	A	N	D	SD	Mean	Std. D
Limited financial resources affect meeting convergence criteria	42%	38%	12%	4%	4%	4.10	1.035
Human resource constraints hinder effective policy implementation	14%	34%	22%	12%	18%	3.14	1.325
Technological limitations pose challenges for policy coordination	20%	30%	22%	16%	12%	3.30	1.298
Regulatory/legal frameworks insufficient for regional integration	14%	36%	24%	16%	10%	3.28	1.196

Table 5: Regression Coefficients

Predictor Variable	B	Std. Error	Beta	t	Sig.
(Constant)	-0.380	0.901	-	-0.422	0.676
Data collection and management systems are reliable and timely	0.371	0.182	0.301	2.033	0.049
Bank staff have sufficient technical expertise	0.330	0.153	0.313	2.159	0.037
Bank provides continuous training to staff	0.409	0.148	0.378	2.755	0.009
Limited financial resources	-0.092	0.161	-0.081	-0.572	0.571
Human resources constraints	0.016	0.138	0.018	0.115	0.909
Technological limitations	-0.075	0.132	-0.083	-0.570	0.572
Regulatory/legal frameworks insufficient	0.002	0.124	0.002	0.013	0.990
Involvement in regional initiatives	0.108	0.227	0.084	0.474	0.638
Regional policy commitments	0.015	0.201	0.012	0.073	0.942
Cooperation with other EAC central banks enhances readiness	-0.042	0.208	-0.034	-0.200	0.843
Adequate ICT infrastructure	-0.042	0.171	-0.035	-0.248	0.805

The regression results are presented in Table 5. Three variables had statistically significant positive effects on the dependent variable: reliable data systems, staff technical expertise, and continuous training ($p < 0.05$). Respondents who perceived higher data reliability, staff expertise,

and training also rated readiness-related outcomes more positively. These findings align with the World Bank (2023) and Kasekende and Brownbridge (2022). Both argue that technical capacity and ongoing professional development are foundational to institutional effectiveness in monetary authorities. In contrast, financial constraints, technological limitations, and regulatory insufficiencies did not exert significant independent effects. This suggests that technical and human capital investments may have the strongest direct influence on governance quality in this context. For public financial managers, this is a practical message. Spending on systems and skills may do more for readiness than spending on general resources.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.724	0.525	0.387	0.920

The model summary is presented in Table 6. There is a strong positive correlation between the combined set of predictors and the dependent variable (R = 0.724). The R^2 value of 0.525 shows that the model explains 52.5% of the variance. This reflects moderate to strong explanatory power. The adjusted R^2 of 0.387 accounts for the number of predictors. It indicates that nearly 39% of the variance remains explained when controlling for model complexity. This supports Masson (2018) and the IMF (2023), which highlight that institutional and technical capacities are critical but not exclusive drivers of organizational performance in central banking. Some unexplained factors are likely related to organizational culture or the external environment.

The ANOVA results are presented in Table 7. The overall regression model is statistically significant (F = 3.816, p = 0.001). Taken together, the institutional, technical, financial, and regional integration factors included as predictors significantly explain variations in readiness at BoSS. This result aligns with Njoroge and Wanyama (2021) and UNDP (2024). Both emphasize the importance of a holistic approach to strengthening central bank governance. Improvements in technical capacity, human capital, and training are as critical as regulatory and resource factors.

Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	35.489	11	3.226	3.816	0.001
Residual	32.131	38	0.846		
Total	67.620	49			

These inferential results collectively suggest that resource and regulatory constraints exist. But the most impactful levers for improving readiness at BoSS are investments in staff technical capacity, continuous training, and reliable data systems. Strengthening these domains will align with best practices highlighted in the literature (World Bank, 2023; Masson, 2018). It will also enhance the institutional readiness necessary for effective participation in the EAMU. The moderate explanatory power of the models signals that ongoing research should explore additional organizational and external factors. These include organizational culture and political economy dynamics, which shape governance outcomes in central banks operating in post-conflict and low-resource settings. The findings on data reliability deserve emphasis. The IMF (2023) found that South Sudan's inflation and reserve figures fall short of EAMU standards. But the deeper problem is whether the data used to measure those figures are trustworthy. Nhial et al. (2025) showed that internal control and financial reporting systems at the Ministry of Finance affect audit practices. Mach et al. (2026) found that BoSS's internal audit unit is inefficient and that financial management remains ineffective. Weak internal audit and weak data systems are two sides of the same coin. A central bank that cannot verify its own numbers cannot credibly report convergence progress. This is why technical capacity emerged as the strongest predictor.

The finding on staff expertise and training also connects to the transmission literature. Davoodi et al. (2013) and Bilgili et al. (2026) show that monetary transmission in the EAC is weak and uneven. Weak transmission is partly a structural problem, rooted in shallow financial markets. But it is also a capacity problem. Central banks need skilled staff to model inflation, forecast

liquidity, and interpret shocks. Training and expertise are therefore not peripheral. They are part of the infrastructure of monetary policy.

The finding on regional commitments, while not statistically significant in the regression, remains important. Umulisa (2023) found that trade integration supports business cycle synchronization. Masson (2018) stressed that legal and institutional infrastructure must precede a common currency. Njoroge and Wanyama (2021) showed that alignment with regional protocols affects credibility. The regression may not capture these effects well because commitments are mediated by domestic implementation. A signed protocol does not reform a legal framework. Active cooperation and technical assistance do. The qualitative evidence supports this. Regional engagement creates opportunities for peer learning and technical support. But it does not substitute for domestic capacity. The challenge variables also tell a story. Financial resources were the most strongly perceived barrier. Yet they were not significant in the regression. This may seem contradictory. But it makes sense. Money alone does not build institutions. Resources matter when they are converted into training, systems, and legal reform. A central bank with money but no skilled staff will not improve. A central bank with skilled staff but limited money can still make progress. The policy implication is that resource mobilization should be tied to capacity-building priorities. For public financial managers, this means linking budget allocations to specific capability improvements, not just general operating costs. The institutional variables were also not individually significant. Organizational structure had a high mean, suggesting it is largely in place. Decision-making transparency had a lower mean, suggesting it needs work. But neither showed strong independent effects on readiness in the regression. This may reflect the fact that institutional form is easier to change than institutional practice. Strong (2024) showed that real central bank independence depends on the relationship between the fiscal authority and the monetary authority. A formal structure can coexist with informal political influence. This is why technical capacity, which is more measurable and more directly linked to policy implementation, emerged as the stronger predictor. Taken together, the results support H1 and H2. Institutional capacity and technical capacity both matter. But technical capacity has the stronger and more consistent effect. H3 on regional commitments is supported in the qualitative evidence but not in the regression. The hypothesis is retained as a plausible but context-dependent relationship. Future work with larger samples and better measures of commitment implementation could test it more precisely.

Practical Applications

The findings point to several practical priorities. First, BoSS should invest in continuous staff training and professional development. The regression results show that training and expertise are the strongest predictors of readiness (Table 5). This is consistent with Kasekende and Brownbridge (2022) and the World Bank (2023). Practical steps include structured training programs in monetary policy analysis, data management, and financial regulation. Partnerships with regional training institutes and development partners could deliver these programs at lower cost. Staff exchanges with more established EAC central banks would also help. The demographic profile shows that nearly half of respondents have less than five years of service (Figure 2). This makes training especially urgent. Institutional memory is thin. Skills must be built quickly and retained. Second, BoSS should prioritize reliable data systems. The regression shows that data reliability significantly affects readiness (Table 5). The descriptive statistics show uncertainty about data timeliness and reliability (Table 3). The IMF (2023) convergence assessment depends on accurate data. The Nhial et al. (2025) study shows that improving financial transaction recording and processing enhances transparency and accountability. BoSS should strengthen its statistical infrastructure. This includes modern data collection tools, quality control procedures, and clear protocols for reporting to regional bodies. It also includes internal audit reform. Mach et al. (2026) found that BoSS's internal audit unit is inefficient and needs professional capacity building beyond financial compliance. Risk-based auditing across all operational aspects would improve both control and credibility. A central bank that can audit itself can credibly report to others. This is a basic principle of public financial accountability. Third, legal and regulatory

harmonization should be accelerated. Njoroge and Wanyama (2021) found that South Sudan faces considerable delays in harmonizing its legal frameworks, strengthening governance, and instituting accountability mechanisms. The descriptive results show that regulatory and legal frameworks were perceived as insufficient for regional integration (Table 4). The practical step is a systematic legal review. Domestic statutes should be compared with EAMU protocols. Gaps in central bank independence, governance, and accountability should be closed. Strong (2024) shows that formal independence is not enough. The relationship between the fiscal authority and the monetary authority must be restructured so that the central bank can act as a non-ally. This is a delicate but necessary reform.

Fourth, resource mobilization should be tied to capacity priorities. Financial constraints were the most strongly perceived barrier (Table 4). But the regression shows they were not independently significant (Table 5). The implication is that money alone will not solve the problem. Resources should be directed to training, data systems, and legal reform. Development partners can help. The UNDP (2024) report calls for targeted investment in financial and technological infrastructure. The World Bank (2023) calls for capacity-building strategies for central banks in fragile states. BoSS should present a clear capacity-building roadmap to partners. This would make external support more effective. Fifth, gender and leadership diversity should be addressed. The gender composition is heavily skewed, with males at 68% and females at 32% (Figure 1). Senior management is only 4% of the sample. Nearly half of respondents have less than five years of service. These patterns limit the pool of experienced leaders. Targeted recruitment, retention, and career advancement programs would help.

The World Bank (2023) recommends talent management reforms. Masson (2018) notes that gender imbalances can affect institutional inclusiveness and capacity for innovation. A more diverse workforce would broaden perspectives and strengthen problem-solving. Sixth, regional cooperation should be deepened. The qualitative evidence supports H3. Active participation in EAC technical assistance programs, joint training workshops, and staff exchanges would facilitate knowledge transfer. Davoodi et al. (2013) and Bilgili et al. (2026) show that monetary transmission differs across EAC countries. Peer learning can help BoSS understand how other central banks manage these differences. Umulisa (2023) shows that trade integration supports business cycle synchronization. Regional cooperation on data standards and statistical methodologies would also help. Harmonized data is a prerequisite for credible convergence reporting. Seventh, BoSS should prepare for digital financial developments. Davlatov and Sági (2025) show that central bank digital currency can change the monetary transmission mechanism. It can disintermediate banks and create inflationary pressure unless suitable regulatory frameworks are adopted. A well-structured digital currency can encourage financial inclusion and improve interest rate pass-through. For BoSS, the priority is to build basic ICT and payment system infrastructure first. The UNDP (2024) report found that South Sudan still faces deficiencies in payment infrastructure and barriers to cross-border settlements. Modernizing these systems is a precondition for participating in any regional digital currency arrangement. IT governance and cybersecurity should be part of this planning.

Theoretical Applications

The study contributes to regional economic integration theory and institutional economics. Regional integration theory holds that monetary union success depends on both macroeconomic convergence and institutional harmonization (Balassa, 1961; Masson, 2018; Kasekende & Brownbridge, 2022). The findings support this view. Macroeconomic indicators alone do not capture readiness. Technical capacity, legal harmonization, and governance quality are equally important. The study extends the theory by showing that in fragile states, technical capacity may be the binding constraint. This is a refinement. It suggests that integration theory should treat institutional and technical readiness as separate dimensions. They interact but are not interchangeable. A country can have formal institutions without technical capacity. It can have technical skills without legal harmonization. The sequencing of reforms should reflect which

dimension is weaker. The study also contributes to institutional economics. North (1990) emphasized that institutions shape economic performance. The findings show that institutional form is not enough. Technical capacity, measured through staff expertise, training, and data systems, has a stronger direct effect on readiness than formal structures. This supports the view that institutions are only as effective as the people and systems that operate them. Strong (2024) adds a political dimension. Central bank independence depends on the relationship between fiscal and monetary authorities.

The study's findings on governance transparency and decision-making efficiency connect to this. Formal independence can coexist with informal influence. Real independence requires both legal protection and technical capacity. A central bank that cannot analyze policy independently will rely on others. A central bank that cannot audit itself will not be trusted. The study also contributes to the literature on public financial management in post-conflict economies. Most existing work focuses on stable economies. Kasekende and Brownbridge (2022) identified a gap in longitudinal, micro-level studies of central bank capacity building in fragile states. This study helps fill that gap. It provides micro-level evidence on BoSS's institutional and technical readiness. It shows that the challenges are not just resource constraints. They are also skills, systems, and governance. This has theoretical implications. Integration models developed for stable economies may not apply directly to fragile states. The sequencing of reforms may need to be different. Capacity building may need to come before legal harmonization, or at least alongside it. Legal reforms without implementation capacity can create the appearance of readiness without the substance.

The study also connects to the monetary transmission literature. Davoodi et al. (2013) and Bilgili et al. (2026) show that transmission is weak and uneven in the EAC. The findings suggest that part of the weakness is institutional and technical. Central banks need skilled staff and reliable data to model transmission and interpret shocks. Taylor (1995) provided a framework for understanding how policy changes affect real GDP through financial market prices. That framework assumes well-functioning financial markets and capable central banks. In South Sudan, neither assumption holds fully. The theoretical implication is that transmission models should incorporate institutional capacity as a variable. Weak capacity can dampen or distort transmission, even when financial markets are developing. The study also contributes to the literature on internal audit and governance in public institutions. Mach et al. (2026) and Nhial et al. (2025) show that internal audit and financial management systems at BoSS and the Ministry of Finance are weak. The findings connect these governance weaknesses to readiness. A central bank that cannot audit its own operations cannot assure regional partners that its convergence reports are accurate. This extends institutional economics to the internal operations of central banks. Governance is not just about independence from political pressure. It is also about internal controls, transparency, and accountability. These are preconditions for credible participation in a monetary union. They are also core concerns of public financial management theory and practice. Finally, the study contributes to the literature on gender and diversity in public financial institutions. The findings show a heavily skewed gender composition and limited senior leadership. Masson (2018) and the World Bank (2023) note that diversity affects institutional inclusiveness and innovation. The study provides micro-level evidence on this point. Theoretical work on institutional capacity should incorporate workforce composition as a dimension. Diversity is not just a social goal. It affects the range of perspectives available for policy analysis and risk management.

Policy Applications

The findings have several policy implications. First, EAC policymakers should recognize that convergence criteria are necessary but not sufficient. The IMF (2023) found that only Kenya and Tanzania consistently met the benchmarks. South Sudan's inflation and reserves fall short. But the deeper problem is institutional and technical capacity. Policy should therefore support capacity building alongside macroeconomic stabilization. The EAC could expand technical

assistance programs for newer members. Joint training, staff exchanges, and peer learning would help. The protocol should allow for phased integration. Countries with weaker capacity need time to build systems and skills. A rigid timeline could push them to adopt formal reforms without implementation capacity. Second, national policymakers in South Sudan should prioritize legal and regulatory harmonization. Njoroge and Wanyama (2021) found considerable delays in harmonizing legal frameworks. The descriptive results show that regulatory and legal frameworks were perceived as insufficient (Table 4). The policy step is a systematic legal review. Domestic statutes should be aligned with EAMU protocols. Central bank independence should be strengthened in law and in practice. Strong (2024) shows that formal independence is not enough. The relationship between the fiscal authority and the monetary authority must be restructured. This may require changes in appointment procedures, term limits, and decision-making authority. Third, BoSS should institutionalize continuous monitoring and evaluation. The regression results show that training and data systems matter most (Table 5). Monitoring should track progress on these dimensions. Independent audits and transparent reporting would help. Mach et al. (2026) found that BoSS's internal audit unit is inefficient. Reforming internal audit should be a priority. Risk-based auditing across all operational aspects would improve both control and credibility. The Ministry of Finance should also strengthen IFMIS implementation. Nhial et al. (2025) found that internal control systems, organizational accountability, and financial reporting systems significantly affect audit practices. Improving these systems would enhance transparency across the public sector. Fourth, development partners should align support with capacity priorities. The UNDP (2024) report calls for targeted investment in financial and technological infrastructure. The World Bank (2023) calls for capacity-building strategies. Partners should fund training, data systems, and legal reform. They should also support regional cooperation.

The EAC's technical assistance programs could be scaled up. Donor support should be predictable and long-term. Capacity building takes time. Short-term projects may not produce lasting results. Fifth, policymakers should address gender and leadership diversity. The gender composition is heavily skewed. Senior management is a small fraction of the workforce. Targeted recruitment, retention, and career advancement programs would help. The World Bank (2023) recommends talent management reforms. Diversity is not just a social goal. It affects institutional performance. A more diverse workforce brings different perspectives to policy analysis and risk management. Sixth, policymakers should prepare for digital financial developments. Davlatov and Sági (2025) show that central bank digital currency can change the transmission mechanism. It can disintermediate banks and create inflationary pressure unless suitable regulatory frameworks are adopted. For South Sudan, the priority is basic ICT and payment system infrastructure. The UNDP (2024) report found deficiencies in payment infrastructure and cross-border settlements. Modernizing these systems is a precondition for participating in any regional digital currency arrangement. The EAC should coordinate on digital currency standards to avoid fragmentation. Seventh, regional cooperation should be deepened. The qualitative evidence supports H3. Active participation in EAC technical assistance, joint training, and staff exchanges would facilitate knowledge transfer. Umulisa (2023) shows that trade integration supports business cycle synchronization. Regional cooperation on data standards would also help. Harmonized data is a prerequisite for credible convergence reporting. The EAC could establish a peer review mechanism for statistical methodologies. This would build trust and improve data quality across the region.

Conclusion

South Sudan's journey toward integration into the EAMU reveals both promise and pressing challenges. The study found that BoSS has advanced in regulatory reform, ICT infrastructure, and payment system modernization. But substantial gaps remain in legal harmonization, governance transparency, reliable data systems, and human resource capacity. The findings show that technical capacity, especially continuous staff training, expertise, and robust data management, is a critical driver of institutional readiness. It matters more than resource constraints or

regulatory gaps alone. The demographic profile suggests an urgent need for greater gender diversity, leadership development, and retention of experienced personnel. These would foster institutional resilience and innovation. The study provides a definitive assessment. BoSS is partially ready for EAMU integration. It has made progress in some areas. But it does not yet meet the institutional and technical standards required for full convergence. The gaps are significant and interrelated. Weak data systems, limited staff expertise, incomplete legal harmonization, and internal governance weaknesses reinforce each other. Addressing them will require a sequenced, evidence-based approach. Capacity building should come first. Legal and regulatory reforms should follow, supported by stronger regional cooperation. Ongoing monitoring and adaptive policy responses are needed. Policymakers should prioritize investment in technical expertise, continuous staff development, and data reliability. These support informed decision-making and transparent governance. International cooperation can help. But domestic ownership is essential. Ultimately, success will depend on addressing institutional and technical challenges holistically. This will ensure that the benefits of monetary integration are realized for both South Sudan and the broader East African region. For public financial managers, the study confirms that readiness is built on internal controls, audit quality, and data integrity. These are not peripheral. They are the foundation of credible participation in a monetary union.

Limitations and Future Research Directions

The first limitation is the cross-sectional design. Data were collected at a single point in time. This limits the ability to track changes in readiness over time. Future research should use longitudinal designs. Tracking the effects of capacity-building interventions, leadership development, and policy reforms over time would provide stronger evidence on what works. Such designs could also capture the sequencing of reforms. This would help policymakers understand which interventions should come first. The second limitation is the sample size and scope. The study focused on BoSS and used a sample of 60 participants. This limits generalizability. Future research should conduct comparative analysis across all EAC central banks. Including both founding and newer members would yield a broader understanding of convergence challenges and best practices. Comparative work could highlight unique barriers and accelerators relevant to fragile or post-conflict economies. It could also test whether the findings on technical capacity hold across different institutional contexts. The third limitation is the measurement of regional integration commitments.

The regression did not find a significant independent effect. But the qualitative evidence suggested that commitments matter. Future research should develop better measures of commitment implementation. Signed protocols are not the same as implemented reforms. Studies could track specific commitments, such as legal harmonization deadlines, data reporting standards, and participation in regional technical programs. This would clarify how commitments translate into readiness. The fourth limitation is the focus on institutional and technical factors. The study did not examine political economy dynamics in depth. Strong (2024) shows that political business cycles and central bank alliances affect policy. Future research should examine how political dynamics, governance quality, and conflict resolution processes affect the pace and sustainability of monetary integration. Case studies integrating political economy analysis would complement the institutional focus of this study. The fifth limitation is the treatment of digital financial developments. The study acknowledged the relevance of central bank digital currency and fintech. But it did not assess their impact empirically. Future research should investigate the feasibility and impact of real-time data analytics, artificial intelligence, and big data tools in enhancing monetary policy responsiveness. It should also assess how digital currency adoption might change the transmission mechanism in fragile states. Risk assessments and recommendations for technology investment would be valuable.

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